The Tennessee Valley Authority [TVA]: A model to Medellín's utilities enterprises [EPM], 1933-1955

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[TVA represented] “The New Deal's most dramatic project; a river utopia” Amity Shlaes

“Our mission is to sell rainfalls” [Diego Calle R., EPM's CEO 1976-1985].

Paper Snapshot

This essay deals with a comparison between two public companies about to how to manage natural resources, specially water and hydropower. The first entity from the US in the 1930's and the second one, South-American, emerged during the 1950's following the benchmark of the former. Several dimensions are worth mentioning: Public or Private debate. Democracy and its means for administration, particularly the notion of ‘grass-roots’ or democratic and ‘bottom-up’ planning. Production rationality or environmental feeling, particularly when designing a watershed. The legal arrays in terms of autonomy. Their relations between regional and national interest. If doing emphasis on electricity or water

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1 An infinite thanks to the fellow, my friend Jairo Campuzano-Hoyos, PhD student of History at the University of Notre Dame, who opened the doors of the Hesburgh Library to me. More than all, I appreciate his friendship and hospitality.
care, including forestry and watersheds. In summary, organizations, state or federal owned, preserving the common good but playing an entrepreneurial role.

**Foreword**

During the US presidential campaign of 1952, the forthcoming winner and for two terms of the 1950's President, Dwight D. Eisenhower, acknowledged before his audience in Memphis how important the governmental agency Tennessee Valley Authority (TVA) had been. The TVA, he stated, “had done much for that part [the South] of the country”.\(^2\) However, later at office President Eisenhower, who was popularly known as “Ike,” labeled the TVA as a ‘creeping socialism’ when he faced various attacks over the governmental corporation.\(^3\) Why?

The TVA, since its origin, was pretended to be a ‘yardstick’, a model to reply. This paper compares two entities belonging to public utilities in two different countries within the American continent, the Tennessee Valley Authority (TVA) in the south of USA, and Empresas Públicas de Medellín (EPM) in Northern Andean Colombia. Throughout the eighty and sixty years of life (since 1933 and 1955, respectively), with high standards of longevity and outcomes as lasting organizations, EPM and TVA have showed similar traits that justified a

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comparison between them. The role of government into the economy, the dialogue between the public and private interest, and their technocratic practices, expertise, and style of management, their particular way of organizing from the legal point of view, and their connection with one idea of social and economic development, a regional development, and natural resources like watersheds. The basis for the comparison between TVA and EPM lies on the pillars of autonomy and technocracy as two qualities of public enterprises operating on natural resources to gain legitimacy, independence of action and transparency with the government.

TVA and EPM are both state-owned or public utilities companies; both have asserted the public or general interest as a core philosophy behind their policies and actions. They have been closely linked with the idea of local or regional development. This paper aims to pinpoint the precise influence the TVA model had over the birth of EPM and its technical and institutional configuration. By proving the pertinence of this comparison, this writing offers lessons useful to public managers. The dialogue between both entities and their statutory layout and the technocratic style of administration aiming to a certain idea of progress and development.

In this work, the comparative analysis focuses on two characteristics, Autonomy and Technocracy. In the institutional context of public management, autonomy means the action field of the organization to accomplish its goals and
means to it. Part of these means rest on the technocratic style of management reflected in the entity’s staff, the primacy of rational judgment over decisions, instead of politics.

By means of a comparison between two renamed public utilities in two regional territories of the continent, the role of the State in the handle of basins and natural resources, focusing the direction in regional development, some lessons to the present can be gained about the pertinence or relevance of public management in certain type of institutions like utilities exploiting corps of water and a river system that labeled a region. Due to the nature of job engineering, TVA was “destined to become something new under the sun.” Such description sounds alike to EPM.

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Scholars have conspicuously asked for the type of phenomenon, model, venture, or institution representing the TVA: A regional development agency? A river system management? A yardstick or ‘birch rod’ to an economic sector, that of utilities? A power company? A set of multipurpose ventures? A bet on a new sort of capitalism? The New Deal's model to reply? All of the above?

Through a local newspaper since 1920 and secondary sources as to EPM, and in the case of TVA with the opportunity of analyzing twelve Ph.D. dissertations and the Administrative

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Files in US’s National Archives in Atlanta. Besides, books and journal articles at Theodore Hesburgh Library, University of Notre Dame in South Bend, Indiana, and a week visit to Tennessee State University (TSU) in Nashville.

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TVA was a new experiment with no sort of background or basis for comparison. There was no tradition over this sort of institutions. “We didn’t have a pattern”, expresses professor Erwin Hargrove of Vanderbilt University: “Nobody has set the idea of integration of natural resources, water, land, air, and everything else, including human ability …”. In brief, the idea and model of multi-purpose projects, a sort of multi-user, would be in central agenda, especially when involved human resources and river systems.

As the epigraph shows, TVA appears like a controversial subject. However, if figures of long-lasting companies matter, even in the new millennium TVA stands out from governmental ventures in the western business world, and in connection to the issue of public management. The TVA experience has linked economic, social and regional visions, becoming a symbol of a ‘yardstick’ inside the United States and abroad. This comparative work analyses a Latin America’s top utilities company in light of the TVA experience as an enterprise that has been “more admired and emulated by other countries than

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its own." Or, as John Gunther, one of the first in riding the whole U.S. territory, affirmed in his book *Inside America*, the TVA has been “more bewondered by foreigners than by Americans”.  

Along with Eisenhower and Galbraith, scholars, politicians, ideologists, officials, businessmen, and journalists have considered the experience of TVA as one of the most controversial in the American history. For tough relations among the National Government, Entrepreneurial spirit and local and regional communities, and the supposed guideline of a more active role in the economy by part of government.

By the 1920's, domestic economy had crossed a line between scarcity “and the age of surplus”, with the economy producing so much without sales. In W. H. Brands' words, professor U. Texas, “for the first time in human history on such a broad scale people had to be persuaded to consume all they collectively could produce”. This is a new approach to the capitalist economy, analyzed by Keynes: the idea of the Government stimulating the demand when drops off. This ‘new Economy worked as a consequence of New York Stock Exchange crash of 1929 and the Great Depression of the 1930's, which

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produced a new approach based on demand and a new role of Federal Government.

This framework of crisis of demand led to a new Government presided by Franklin D. Roosevelt to set a group of reformations as part of the New Deal. The first impulse was in the first months of his presidency, the famous ‘one hundred days’ that began with the “banking holiday,” setting up a new group of institutions, emerging among them the TVA, May 18, 1933 beginning its legal existence through the document ‘TVA Act’.

An interesting decade, not only for the U.S.A.

The 1920’s constituted one of the most interesting decades in the western world of 20th century; the fall of European liberalism according to thinkers like Keynes and Hobsbawm, the ascent of Fascism in the early twenties, the constitution of the Soviet Union signaling the first success of ‘actual communism’, all of these events in the midst of two world wars, signaled and end of an era, at least that of the nineteen century ruled by European ideas, ‘the longest 19th century’ since the French Revolution (1789-1914). In parallel, the emergence of a new star in the horizon, The United States of America, at the beginning of the century a new industrial and technological power, and two decades later a major world player in geopolitical terms, with the Soviet Union as only opponent.
While Europe fell apart during the 1920s, the US stood out on jazz, the roaring and electrifying twenties, time of movies and radio. From the manufacturing standpoint, Detroit in the Great Lakes became the American capital of motor, including Henry Ford’s model T and his line of production. From another pole of the country, the North Atlantic, New York Wall Street was passing a time of speculation in the stock market, another outlook over capitalism, the financial one, at times speculative: Get rich and get it soon, became a common statement. All of these into the framework of American values of individualism, innovation, initiative and the American idea of the ‘self-made man’.

The basics of hydro-electricity

Internal combustion motor and electricity constitute the chief miracles of modernity in the nineteenth century, the so-called ‘second industrial revolution’. Genius of electricity principles laid the groundwork for the ‘era of electricity.’ James Clerk Maxwell, Hans Christian Oerstedt, Michael Faraday as well as other genius who were more pragmatic and business-oriented like Thomas A. Edison, Nikola Tesla and George Westinghouse took the lead in the world’s technological change. To mention a few of the breakthroughs, while Edison invented the incandescent light bulb, Tesla and Westinghouse revolutionized the transmission of long-distance electricity with the Niagara power project. Waterfalls came to signify the notion of kinetic energy transformed into electro-magnetism.
The rainfall of the mountains and the laws of gravity transform water, when falling, into an electro-magnetic field, previous step to electricity, which is conducted through stations and cables to final consumers.\(^9\)

With the possibility of transmitting electricity taking advantage of a river system, vast territories became landmarks for projects, economic models and management opportunities. In the briefest way, this is the frame of reference in which projects like TVA, its river, and watersheds in Antioquia and Colombia and many countries showed up and became landmarks. It was, like the automobile, a new era for business, investors, and workers. All of these take us to the problem of locating appropriate sites to build up dams, centrals and lines of transmission across the territory.

The economic field of electricity is about to be born worldwide, and along with other sectors like oil, steel and the consolidation of the industrial model, the configuration of entrepreneurial groups, including utilities', would appear on the stage of an emergent business. A new one, seductive and promising,

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A decade before it is born, TVA was part of US twenties history by way of a descent of the Tennessee River in Muscle Shoals, Alabama. Considering Muscle Shoals more like a project than an organization itself. The so-called Authority to come, a special frame of autonomy to move free into a range of activities, became the scenario of ideological and partisan battles facing the private idea of doing business and the role of the State and the public into the economy and social life. Even before its existence, the agency was a scenario for different kind of combats; ideological ones in the twenties, managerial in the thirties, and between the business emphasis on power-programs and non-power programs. Ideology and political thought involved had to do with the idea of private and public interest. All of these in the middle of two emerging streams of thought.

By the 1880’s, a movement oriented to the preservation of natural resources took place, the Conservationist Movement. One of his leaders and spokesman was Gifford Pinchot, who would become the head of the Forestry Bureau in 1898. In the meanwhile, Pinchot became friend and tutor of the president to come Theodore Roosevelt, the political leader of the Movement: “Pinchot was one of the first public officials in America to relate forestry to rivers, and to stress the unity of river basin and the need for their unified or multipurpose development”. This pioneer of Conservationism “wanted both to
preserve waterpower sites and to keep electrical production under public ownership”.  

Almost in parallel, from other side of the spectrum, another ideological-related vision is starting to spark on stage: The Progressive movement, a new and off-spring idea of liberalism unlike that of 19th, in times of the presidents that ruled the scene in the first decades: “Progressivism also means more than Wilson and his administration” says Talbert; “it means Roosevelt [Theodore], and Wilson and his time … it means the climate of opinion”\textsuperscript{11} The so-called Progressive-era whose pioneers such are Richard Ely, John R. Commons, Wesley Mitchell, and Thorstein Veblen. They meant a line against the idea of ‘the robber barons', monopolies and capitalism excesses.

It was the Progressive Era “when an alarmed middle class sought to stem the sufferings the new capitalist order imposed on its workers”, according to Galbraith, “and simultaneously to secure a new scientific kind of state and social order that place public rationality, nonviolent but far-reaching reform, and extensive new democratic structures at the heart of public life”\textsuperscript{12} In Sarah Winger’s words Progressives criticized “the interpretation of liberty, individualism, free enterprise”, feeling that have been “employed in order to inordinate greed


\textsuperscript{12} John Kenneth Galbraith (2005), op. cit., pp. 18, 36, 37.
of certain groups that had come into power after the Civil war".\textsuperscript{13} Those two courses of thought struggled in the twenties against the American ethos, at that time Adam Smith’s common well of every one wrestling by his own vs. the growing role of State in the business world.

One of those ‘certain groups’, as that of the Utilities, whose tycoon or baron was Samuel Insull, head of a sector that came to apply a non-limits capitalism, conducting to public reactions and words like that of a FDR’s speech in Portland, Sept. 21, 1931, laying down principles respect to the public services and public opinion: “where a community –a city, a county, or a district- is not satisfied with the service rendered or the rates charged by a private utility, it has the undeniable basic right as one of its functions of home run to set up after a fair referendum to its voter has been had its own governmentally owned and operated service” calling this the later President “the right to own and operate their own utility” by the communities.\textsuperscript{14}

\textit{Private interest and US’s ethos since origins}

Almost since the Fathers founders and especially from the civil war on, USA has characterized for its sheer approach to business, initiative of individuals, innovation and risk

\textsuperscript{14} William Frank Butler. “Some Aspects of the Tennessee Valley Authority’s Program”. Ph. D. diss. University of Virginia, 1942, pp. 139-140.
taking, all of them the most depurated traits of capitalism since the Industrial Revolution. Overpassing 19th century, industrial groups had consolidated as the economic locomotive of the country defending capital and markets with no government interference, deregulation and low supervision. All of this in response of the ‘spirit of times’, best way summarized in Colignon's words when the laissez faire was the prevalent idea in the first decades of twentieth-century and “Giant corporations were regarded as individuals with individual rights”, continues Colignon, and “The economic system was the end product of rugged individualism and free enterprise”. Following Collignon, the public was protected by competition and “natural laws penalized the pure and industrious, producing an inferior society, and making everyone worse off”.15

Looking to the future TVA, and going deeper into the debate, a Henry Ford’s bid in 1922 took place to produce electricity and make factories in Muscle Shoals, Alabama. It is, at that point, when the Tennessee river became The Tennessee River. Because of implying natural resources, hydro-power, the offer went to the Senate Agriculture and Forestry Committee headed by George Norris, from Nebraska. The Senator answered back with another proposal, which was considered “a shot in the dark” and an “attempt to attract attention”16. Between 1922-1932, with the outbreak flag of the Depression,

16 Ibid, p. 48.
various Norris’ bill drafts would have to become, with slight adjustments, the famous TVA Act of FDR’s first hundred days, signed for the president in May 18, 1933. Two previous congressional approvals inspired by Norris were vetoed by Republicans presidents, Calvin Coolidge in 1928 and Herbert Hoover in 1931.

Making clear the visions of planning the public or private interest as to the approach to face the making up facilities considering the advantage of a river basin, and the idea that dam-building means the notion of multi-purpose, definite for the battle between the public and the private, we have that:

<table>
<thead>
<tr>
<th>PUBLIC-INTEREST’S PLAN</th>
<th>PRIVATE-INTEREST’S PLAN</th>
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<tbody>
<tr>
<td>A Multi-purpose river basin development project: a great deal of capital &amp; jobs (Colignon). Inspired by the Progressives: “public utilities should serve the best interest of the people” (Sarah p8-10), p. 66</td>
<td>Focused on single purpose development of water resources … if the economy is in an upturn (Colignon).</td>
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**EPM, Medellin, Colombian Andeans, S.A.**

Medellin’s Public Enterprises –EPM, is a public-municipal owned institution that totally belongs to Medellin municipality, second greatest city in the nation. As ‘Autonomous Establishment’ was created in 1955. Its owner is
the city of Medellin but it has some independence from his owner to take the proper performance. Former to the autonomy status, public services in the city worked as a branch of the municipality, without the appropriate accomplishment margin to develop its mission.

EPM became an urban utilities entity with regional impact at the beginning. From year 2000 on, it initiated and aggressive campaign of internationalization with investments in other utilities, especially in Central America and other regions of Colombia. For over ten years EPM has appeared on the rankings as one of the country's ten most important companies and first in the public utility and electricity sectors.

TVA was a Colombian yardstick in the fifties. In 1954 the southern experiment was taken into consideration in the upper Cauca River; Colombia's Southwestern in a catchment area covering 4 provinces. Cauca River is the principal tributary of Magdalena River which crosses Colombia southern-north (1.500km), a sort of Colombian Mississippi. TVA experience first became a model for the birth of Autonomous Corporation of Upper Cauca River –CVC, thanks to a World Bank Mission headed by David Lilienthal, former TVA’ Chairman and member of the first Board of Directors.

The CVC became in 1994, with a new Law, an environmental entity and left the field of energy and utilities. That is one if the reasons by which EPM, born a year later (1955), became
one of the most TVA's remarkable students when another World Bank Mission, in charge of Albert Waterstone, landed in Medellin. The Bank Mission claimed for independence of Electricity Company, but after negotiations with local officials, lawyers and union leaders, they came to an agreement to give Autonomy to an integrated organization comprehending electricity, aqueduct, sewage system and telecommunications service (fixed telephone by the time). As any organization with decades of lasting life, EPM has suffered from various crisis that it had to overcome and after half a century it has become a kind of 'Crown's Jewel (El Colombiano, mayo 1955, p. 1a: “Autonomía para la Empresa piden los Comisionados” -World Bank's commissioners, asking for autonomy).

Unlike TVA, EPM is not the fruit of developing the notion of a unity of a watershed and a river system and its community. Instead, it is the idea of several basins in Northwestern Colombia, including the majors, Cauca and Magdalena Rivers, but, beyond that, it is mainly the purpose of autonomous management based on technical criteria leading to a technocratic model of administration. Those are the central traits on which to establish a significant comparison for TVA and EPM, especially autonomy and technocracy.

The intended comparative study here appears in the next table
### TABLE #2

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<th>TVA</th>
<th>EPM</th>
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<tr>
<td><strong>Autonomy</strong></td>
<td>Administrative decentralization</td>
<td>Autonomous entity or Establishment based on technical criteria</td>
</tr>
<tr>
<td><strong>Technocracy</strong></td>
<td>Experts on power, agriculture, forestry, navigation, recreation</td>
<td>The pioneers: Engineers from the National School of Mines with public management training</td>
</tr>
<tr>
<td><strong>Regional Development</strong></td>
<td>Regional studies: &quot;wholesome development of economic and social life&quot;A. E. Morgan</td>
<td>Regional development with an urban focus (industrialization)</td>
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*Autonomy and Grass Roots*

TVA’s idea of autonomy leans on a very powerful notion: ‘The grass-roots’, or participative democracy of an organization, developed in the thirties for its first managers, especially under the leadership of David Lilienthal. The grass roots gave even origin to a studies and books as in Selznick’s (1949), one of the seminal approaches to the phenomenon of TVA that would have to become a standpoint in other countries.17

In 1955, after a financial commission visiting Medellin, EPM is born from that on known like ‘The Autonomous Establishment’ (el Establecimiento Autónomo), considered one of the most important goals achieved to protect the entity

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from a political influence, without losing the statute of public ownership within a technocratic approach.

Maybe the grass roots is the most successful trait yielded by TVA, which also means a decentralized organization and a bottom-up planning, an idea of people participation from the region, in words of a Lilienthal “a genuine popular mobilization of opinion”, a way to have that opinion in favor. Grass roots furnished, according to Philip Selznick, a new sort of organization model, ‘grass roots bureaucracy’, one that is not only based in policies and procedures but also in people’s support as a result of connecting to communities, cooperatives and local and state governments.

On the other side of the comparison, it might be said, that the word ‘Autonomy' for EPM means nothing less than its own birth certificate (Agreement from Council). Such was the label on which a group of municipal enterprises focused on rendering an varied list of public services were integrated to bring them to the light as a new corporation that had its own limits and competence to develop a mission and define a proper manner to communicate with the local government, becoming the first local entity and public-owned in Colombia (CVC was national) wrapped with the sticker of Autonomy, constituting “an old and dream pursued by an public services agency” (El Correo, Letras Jurídicas Review, EPM, aniversario 50 años, 2010).
What is the relationship, from the TVA perspective, between Autonomy and the foundation of ‘Grass Roots’? Above all, there should be a strong legitimacy based on agency’s constituency and population, which produces the independence to perform things without depending of national government and the politicians. For the case of the American agency, “all over the region businessmen and farmers, workers and manufacturers, educators, doctors, and social workers, have come to see TVA as a resource for information, technical advice and material aid in their self-help efforts” said Avery Leiserson. In a specific mode, this author emphasizes who the chief TVA’s supporters have been: people pro-public power, defenders of rural electrification, unions, and “liberal thinkers favorable to planned river and regional development”.18 The opponents, on the other side of the ring: The ideological attackers of public ownership, the private utilities and Federal departments like Agriculture and Interior.19

18 Avery Leiserson, op. Cit., p. 137.
19 Ibid.
How Decentralization supported the pillar of grass roots? For a multi-purpose company, it is strategic to work in different layers of decentralization, which in TVA has been characterized by sub-regionalization: power in Chattanooga, Tennessee, natural resources and conservation programs in Knoxville and Oak Ridge, Tennessee, agricultural programs in Muscle Shoals, Alabama performing, said Leiserson, “Substantial, functional and geographic autonomy”.

Such an idea from EPM’s point of view, grass roots or the power of legitimacy resting on the population, was declared for an EPM’s CEO of the nineties, C.E. Moreno as a ‘virtuous circle’ built up through history: “People believe in EPM because it is good an EPM is good because it believes in people”. There is no scientific formula, but it is not that easy to conceive a long-life permanence of an organization without the stockholders backup, specially its clients.

Other way to look at autonomy would be from the present across the concept of the corporate government, the set of public rules by means of which one organization relate itself with third people, the so-called stockholders. The game by means of which one organization has specific rules to develop its mission and insert in society.

As to public corporations, getting that situation and outcome could be a very complex alchemy. Not to be a political-dependent office nor a private enterprise, searching for the
best of two worlds as expressed by FDR in his message to US congress, regarding TVA: “A corporation clothed with the power of government but possessed with the flexibility and initiative of a private enterprise”\textsuperscript{20}, an expression that has come to get a seal that is going to identify TVA as a paradigm for future public utilities. This statement was not a miracle for free. It became part of the real world through the first TVA’s board, even with different styles of management and the famous and broadcasted conflicts involving some of the first failed ‘Trinity of directors’, according to Thomas McCraw in \textit{The Feud within the TVA}.

Regarding some of the most common questions over TVA, Leiserson himself highlights its “coordinated development” as regards to autonomy, decentralization, and technical handling “from the national capital to its area of operations, appointment by merit rather than partisan pressures and affiliations” although he questions why such an experience has not been “transferable to other regions of the country”\textsuperscript{21} unlike it is explored in this paper through one Latin American experience. Furthermore, TVA was to develop moderate relationships to the national capital in the midst of tensions, a pretended offset for autonomy and accountability. Developing political skills, the Agency has had to adapt to governmental contingencies fighting to conserve the autonomy, which was

\textsuperscript{20} Hargrove, op.cit., pp. 5-6.
\textsuperscript{21} Leiserson, op. cit., p. 138.
enforced through educating its own ranks in a spontaneous way.22

Autonomy also means political struggles from the public administration, highs and downs. With respect to the national power branches, the direction of public corporations and agencies usually faces polemics and arguments, even attacks from political forces, other governmental agencies and from the Judiciary power through different stages, facts that have transformed TVA’s autonomy in something “contingent” and “fluctuating”, making out the political arena, especially the Congressional one, a scenario of uncertainty, according to Leiserson. The public life of the agency “can be mapped by periods of political struggle over the limits of its corporate powers” some of whom have affected TVA’s formal authority which is implied by its many goals and action fields.23

An expert in public management maintained that “The TVA has sought by many different means to emphasize its autonomy, and to stress what it conceives to be the advantages of this status. To insure that its center of balance will be located in the Tennessee Valley, it maintains only a small office force of about ten employees in Washington. To make clear its divorce from purely partisan politics, its directors systematically refrained from any participation in the presidential campaign[s]”.24

22 Colignon, op. Cit., p. 8.
23 Leiserson, op cit, pp. 125-126.
Autonomy in Colombia has been associated to the idea of Decentralization. A common-sense idea by social scientists is that Colombia is a ‘country of regions’ since Republican epoch. In the 19th century, when it was tried to follow the Federal US model of state organization with the name ‘United States of Colombia’, between 1863 and 1886, the country has pursued a long and wasting debate between centralization-decentralization, with several constitutional reformations. It is pertinent to remark that, unlike TVA, in this case the search means a decentralization by services, not a territory-decentralization.

Only in 1954, in the midst of a Dictatorship (1953/57) the model of ‘public services decentralization’ firstly showed up on stage and was revalidated in 1959 when the democratic system went back. In the middle of this reformations, the nation experienced the visit of the third TVA’s Chairman, David Lilienthal, heading a Mission of the post-war World Bank resulting in the creation of CVC upper Cauca River by decree 3110 of 1954. It was the birth of the called ‘autonomous corporations' in Colombia. As a mirror-effect of TVA and its idea of multipurpose, the chief purposes of this new corporation as follows: production, transmission and distribution of electric energy, agriculture development, flood control, land irrigation and education of the community.
All of the previous claiming one statute of autonomy from de nation.

In Medellin, it was taking part a similar debate about the status of public services organizations, with a long tradition of municipal ownership since 1920, to some extent a similitude with TVA background of Muscle Shoals

A year after ‘the Mission Lilienthal’, another World Bank Mission landed in Medellin in charge of Mr. Albert Waterstone. The financial organism, whose politics regularly conduct to decisions impacting the management of the advised institutions, was wishing to gain a level of autonomy for the City's Enterprise of Energy, through long negotiations with political front ranks, coming to a position of Autonomy for an integrated venture of public services including.

Through decades since then, the city and the elite's polemicized about the layer of autonomy given to municipal public enterprises, always emerging the company of energy as the star for the technocratic element implied in its projects. Without exception, the pursuit dream faced the legal limits of ‘autonomy until it is permitted by the Law’, for it did not exist the appropriate statutory resulting this in a highly dependent-management from the Mayor and city's Council, most of the times trying to influence in the performance of municipal enterprises biased to political interests.
The maximum level of autonomy reached was that of the 'autonomous boards', sometimes specialized for each public service and at least one time (decade) a 'General Board of Public Services' constituted by businessmen, lawyers, councilmen and entrepreneurial union leaders. There was even a time when the city counted over ten autonomous boards.

In the fifties, a conjunction of several acknowledgments appeared: the missions of World Bank, a national government in the third world wishing to experience a project of regional development as TVA, the technical and administrative tradition of a College of Engineers along with special lawyers and the pressure of business unions to furnish the scenario for something new under the sun, the autonomous corporations, public but technocratic in their conception, id est beyond political influence. All of the previous in function of worth natural resources, for environment and for development.

<table>
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<th>TABLE # 3: AUTONOMY COMPARISON</th>
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<tbody>
<tr>
<td><strong>TVA</strong></td>
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<tr>
<td>&quot;TVA boards have for the most part succeeded in establishing their political accountability to the president personally and Congress (M. Owen)&quot;</td>
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<tr>
<td>&quot;The heads of the various TVA departments and principal offices [...] have the authority to make independently many important decisions in their assigned fields&quot; (Clapp)</td>
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“A public authority that splits politics from government giving a great level of autonomy” (Hargrove)

“Autonomy constitutes and old and pursued dream of an institution for public services such as …” (EPM Magazine)

**Technocracy, utilities and public service**

The *Webster’s College Dictionary* defines Technocracy, in one of its entries, like a “government by technicians” [and] “the theory or doctrine of a proposed system of government in which all economic resources, and hence the entire social system, would be controlled by scientists and engineers”.25 This notion remits, to a great extent, to the French philosopher and social theorist Saint-Simon, “the wildly brilliant, almost monomaniacal technocrat”26 who foresaw an epoch of what he called *industrialism*, based on technocracy, and the power of the science, a road to the salvation of humankind. He “advocated an arrangement whereby businessmen and other industrial leaders would control society. The spiritual direction of society would be in the hands of scientists and engineers”27, the most capable men, individuals selected to direct an industrial state driving the world on the way to progress. The most remarkable trait of technocracy, in words of the sociologist Daniel Bell, is “the administration of

things” or “the substitution of rational judgment for politics”. This landmark finds a central paper in the administration of public services where it matters not only the profit and efficiency but the general interest, the so-called here a difficult alchemy.

Autonomy is a central lane to technocracy. The potential of Autonomy would not be worth it without other elements or traits that must be in its companion. Maybe the most important is the reason and technical criteria on which the projects, strategies, strategic and operational decisions should be based on the notion of technocracy is Saint-Simonism in the sense that the great paths of the society should be settled down by scientists, technocrats and businessmen, said this French philosopher who justified the ‘assault’ to the society by industrials on behalf of public interest, resulting in an industrials’ government. To obtain public tranquility, “industrials on the top should be in charge of public goods”.28

By the decade of 1920’s and the New Deal, the word Technocracy is flourishing in USA, a word with roots in Daniel Bell. TVA, as experimentation laboratory is a quintessence for technocracy, especially electricity as one of the branches. Through that one engineers have the hunch of “a new and better social system” by praising “the cult of ‘technocracy’”.29

Taking into consideration Avery Leiserson’s standpoint, Together in success and difficulties the company as been “involved in promoting pooled, interdisciplinary cooperation between such specialists in developing and administering programs”, outlining Leiserson such people “whose vocational rather than pecuniary interest are involved”, the sense of public service.\textsuperscript{30}

Being surrounded by technicians, professionals and experts in the appropriate field constitutes the best way of safeguarding the autonomy of a corporation in the sense that decisions based on technical criteria will find the legitimacy and support by part of constituents, mass media and public opinion.

\begin{table}[h]
\centering
\caption{Technocracy Comparison}
\begin{tabular}{|l|l|}
\hline
TV\textsuperscript{a} & EPM \\
\hline
"A generation of TVA professionals" [Gordon Clapp] & The NSM's orientation toward Engineering Management \\
\hline
"Nonpartisan in staff appointments; no political controls" [Hargrove, p.7] & Engineers with a Public-Management orientation not distinguishing between private and public interests \\
\hline
Control of the utilities developed “into a purely neutral technocracy” [Colignon] & A Saint-Simonian approach: scientists, engineers, businessmen aiming the society to the idea of Progress based on science \\
\hline
\end{tabular}
\end{table}

\textsuperscript{30} Leiserson, op cit., p. 136.
Conclusion

Autonomy and technocracy may not be the perfect married. For instance, the case of the project Douglas Dam implies in Hargrove’s argument, “assaults on TVA autonomy” related to the nuclear ideology of grass roots.

Here are some of the topics and questions that have been tried to argue here, with the perspective of a company with a footprint of social innovation, and another one characterized by being a model in its country, even in Latin America. The question remains: is it pertinent that the state enters the business-game in some sectors implying resources with great level of sensibility? Following this, is it necessary create and preserve models and standards of public management, community leadership to achieve the appropriate, at least satisfactory goals in that respect? The debate is open.
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