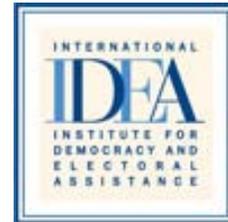


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Andean – U.S. Dialogue Forum

Country Visit

Bolivia

February 23-25, 2011

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## General Bolivia Information

### “Bolivia Country Profile”

*BBC News*

December 28, 2010

#### **A country of statistical extremes, landlocked Bolivia is the highest and most isolated country in South America.**

It has the largest proportion of indigenous people, who make up around two-thirds of the population. Overview

#### **Overview**

Though rich in mineral and energy resources, Bolivia is one of South America's poorest countries. Wealthy urban elites, who are mostly of Spanish ancestry, have traditionally dominated political and economic life, whereas most Bolivians are low-income subsistence farmers, miners, small traders or artisans.

The country has the second-largest reserves of natural gas in South America, but there have been long-running tensions over the exploitation and export of the resource. Indigenous groups say the country should not relinquish control of the reserves, which they see as Bolivia's sole remaining natural resource.

#### **At a Glance**

- **Politics:** Differences over the exploitation of energy resources underlie recurring political crises; Evo Morales is the first indigenous president
- **Economy:** Poverty is rife and there are regional disparities in wealth distribution; Mr Morales opposes free-trade policies and has tightened state control over the economy, nationalizing the energy sector and key utilities
- **International:** Mr. Morales is a strong critic of the US, which in turn is concerned about Bolivian coca cultivation; Bolivia has close ties with communist Cuba and Venezuela's Hugo Chavez

Before President Evo Morales came to power the political fallout from the issue had helped to topple two presidents and had led to calls for regional autonomy, including in prosperous, oil-producing Santa Cruz.

In May 2006 President Morales delighted his supporters but sent shockwaves through the energy world when he put the energy industry under state control.

Bolivia underwent further radical change in January 2009, when voters backed President Morales' project for a new constitution that aimed to give greater rights to the indigenous majority population.

In the 1980s Bolivia experienced a deep economic recession. The tin market collapsed, with the loss of about 21,000 jobs, inflation was rampant and the national currency was in severe crisis.

While strict austerity measures, the introduction of a new currency and tax reform succeeded in curbing inflation and restoring foreign confidence, these policies also widened the already huge wealth gap and generated great social unrest.

Bolivia is one of the world's largest producers of coca, the raw material for cocaine. A crop-eradication programme, though easing the flow of conditional US aid, has incensed many of Bolivia's poorest farmers for whom coca is often the only source of income. Facts

## Facts

- **Full name:** Plurinational State of Bolivia
- **Population:** 10.4 million (UN, 2010)
- **Capital:** Sucre (official), La Paz (administrative)
- **Largest city:** Santa Cruz
- **Area:** 1.1 million sq km (424,164 sq miles)
- **Major languages:** Spanish, Quechua, Aymara, Guarani
- **Major religion:** Christianity
- **Life expectancy:** 65 years (men), 69 years (women) (UN)
- **Monetary unit:** 1 boliviano = 100 centavos
- **Main exports:** Soyabeans, natural gas, zinc, gold, silver, lead, tin, antimony, wood, sugar
- **GNI per capita:** US\$1,620 (World Bank, 2009)
- **Internet domain:** .bo
- **International dialling code:** +591

## Leaders

**President:** Evo Morales

Socialist leader Evo Morales, a figurehead for Bolivia's coca farmers, was elected in 2005, in a major historical shift for his country. Describing himself as the candidate "of the most disdained and discriminated against", he was the first member of the indigenous majority to be elected president of Bolivia.

He was re-elected with a convincing majority over his conservative opponents in December 2009; his party also gained two-thirds majorities in both houses of parliament.

Mr. Morales has made poverty reduction, the redistribution of wealth, land reform favoring poorer peasants and public control over Bolivia's oil and gas resources his main priorities. He has nationalized much of the energy sector.

The president draws his support mainly from the poor indigenous majority, concentrated in the western highlands. Middle class voters and the eastern provinces, where most of the resource wealth lies, worry that his policies are too radical.

In 2009, voters overwhelmingly approved a new constitution drafted largely by Mr Morales' supporters, despite strong - and at times violent - opposition, mainly from in the eastern provinces.

Drafted by a constituent assembly elected in 2006, the new basic law accords more rights to the indigenous majority, gives greater autonomy to the states and enshrines state control over key resources. It also allowed the president stand for a second five-year term in a row.

Himself a former coca farmer, Mr Morales defends the traditional uses of coca leaf among the indigenous population, as distinct from its use as the raw material for cocaine. His promise to relax restrictions on growing coca irritated the US, which has bankrolled the fight against drugs in the country.

He has also alarmed the US by forging strong links with Venezuela's left-wing firebrand president, Hugo Chavez.

Born in 1959, Evo Morales is an Aymara Indian from an impoverished family. In his youth he was a llama herder and a trumpet player. The former coca grower lost the 2002 presidential election to the conservative, Gonzalo Sanchez de Lozada.

He succeeded caretaker leader Eduardo Rodriguez, who took office in June 2005 when President Carlos Mesa resigned amid mass protests demanding the nationalization of the energy sector.

Media

## **Media**

Private newspapers and broadcasters dominate Bolivia's media landscape; their ownership is highly concentrated.

Media rights body Reporters Without Borders noted in 2007 that Bolivia enjoyed greater press freedom than many of its neighbors. But it said journalists rarely covered sensitive topics, including drug trafficking and corruption.

The organization said media outlets had become targets in the settling of political scores, with political volatility threatening to "widen the gap" between state-run and private media.

Newspaper readership is limited by low literacy levels. With hundreds of stations across the country, radio is an important medium, especially in rural areas.

## **The press**

- [La Razon](#) - La Paz daily
- [Los Tiempos](#) - Cochabamba daily
- [El Diario](#) - La Paz daily
- [El Deber](#) - Santa Cruz daily
- [El Mundo](#) - Santa Cruz daily
- [Correo del Sur](#) - Sucre daily

## Television

- [Bolivision \(Canal 4\)](#) - private, Santa Cruz-based
- [Unitel \(Canal 9\)](#) - private, Santa Cruz-based
- [ATB Red Nacional \(Canal 9\)](#) - private, La Paz-based
- Red Uno (Canal 11) - private, La Paz-based
- [Television Boliviana \(Canal 7\)](#) - government-run, commercial
- [TV Universitaria \(Canal 13\)](#) - university station, La Paz-based
- [Red P.A.T.](#) - private, national

## Radio

- [Radio Fides](#) - Catholic, news and talk
- [Radio Panamericana](#) - national, news and talk network
- Radio Illimani - state-run
- [Radio Patria Nueva](#) - state-run, community network

## News agencies

- [Agencia Boliviana de Informacion \(ABI\)](#) - government-run
- [Agencia de Noticias Fides \(ANF\)](#) - owned by Catholic Church

## U.S.-Bolivia Relations

### **“Treating Bolivia as a Sovereign Partner”**

By Roger Burbach

*NACLA Report on the Americas* 42:1, Jan/Feb 2009, pages 33-35.

A PROGRESSIVE U.S. POLICY TOWARD BOLIVIA must confront three major thrusts of Washington's current Latin America policy: (1) the war on drugs, which is linked to the global war on terror, (2) the effort to expand U.S. economic and corporate influence through free trade agreements, and (3) a determination to counteract the growing influence of leftist leaders and the social movements that are militating against neoliberalism and the historic U.S. domination of the region.

All three came into play when Evo Morales was inaugurated as Bolivia's president in January 2006 and thereafter pursued anti-neoliberal economic policies, a strengthening of South-South foreign relations, and a more nuanced approach to controlling the illicit drug trade. As Gustavo Guzmán, former Bolivian ambassador to the United States, put it in October: "Morales's victory represented both a defeat of past U.S. policies and a challenge to see if the United States could bend itself to the new realities of Bolivia." Guzmán, who was expelled from Washington by the Bush administration (in retaliation for Morales's expulsion of U.S. Ambassador Philip Goldberg from Bolivia in September), added: "The U.S. embassy is historically used to calling the shots in Bolivia, violating our sovereignty, treating us like a banana republic."<sup>1</sup>

In 2002, when Morales narrowly lost his first bid for the presidency, then U.S. ambassador in La Paz Manuel Rocha openly warned Bolivians to vote against him, saying that "if you elect those who want Bolivia to become a major cocaine exporter again, this will endanger the future of U.S. assistance to Bolivia."<sup>2</sup>

After Morales's inauguration, the Bush administration pursued a two-track policy similar to the strategy the United States employed to overthrow the government of Salvador Allende in Chile in 1973: diplomatic negotiations and destabilization. Washington's negotiations came to center almost exclusively on differences over drug policies, with the United States continually threatening to cut or curtail economic assistance and trade preferential programs if Bolivia did not closely follow the U.S. line.<sup>3</sup>

The destabilization took the form of direct, covert assistance to the opposition movement centered in the Media Luna region, which comprises the country's four eastern departments (states) dominated by agro-industrial interests intent on capturing revenue from the hydrocarbon resources located in their departments. Through Washington's embassy and the Agency for International Development (USAID), the United States funded anti-Morales social movements, along with political forces that opposed Morales himself and his political party, the Movement Toward Socialism (MAS).

As in Chile under Allende, the business elites and allied truckers engaged in "strikes," withholding or refusing to ship produce to the urban markets in the western Andes, where the country's indigenous population is concentrated, while selling commodities on the black market at high prices. The Confederation of Private Businesses of Bolivia called for a national producers' shutdown if the government refused "to change its economic policies."<sup>4</sup>

In August, Morales put his presidency on the line with a recall referendum in which his mandate as well as the mandates of the departmental prefects (state governors) of the Media Luna could be revoked. On August 10, voters went to the polls and Morales won a resounding two thirds of the vote. However, the insurgent prefects also had their mandates renewed. They proceeded to call for autonomy, moving first to take control of Santa Cruz, the richest department.

The United States became directly involved in orchestrating this revolt of the wealthy. Ambassador Philip Goldberg flew to Santa Cruz on August 25 to meet with Rubén Costas, the prefect of Santa Cruz and the principal leader of the rebellion's prefects and Morales's main antagonist. After Goldberg left, Costas declared himself the "autonomous governor" of the department and ordered the formal takeover of national government offices, including those collecting tax revenues.

Morales cited Goldberg's visit to Costas as the reason for declaring the U.S. ambassador persona non grata on September 10. Seven weeks later the U.S. Drug Enforcement Agency was expelled from Bolivia as the government presented evidence of the agency's involvement in supporting the rebellious departmental activities of August and September.

The day after Goldberg was expelled, the prefects' rebellion began to unravel as they overplayed their hand with violent actions. On September 11, in the department of Pando, a paramilitary band with machine guns attacked Indians from the community of El Porvenir near the capital of El Cobija, killing at least 13 people.

The events in El Porvenir precipitated a national mobilization of the indigenous peoples and social movements as well as a sense of outrage in neighboring countries. Chilean president Michelle Bachelet called an emergency meeting in Santiago of the Union of South American Nations (UNASUR) to discuss the Bolivian crisis. The "Declaration of La Moneda," signed by all 12 UNASUR governments, expressed their "full and decided support for the constitutional government of President Evo Morales" and warned that their respective governments "will not recognize any situation that entails an attempt for a civil coup that ruptures the institutional order, or that compromises the territorial integrity of the Republic of Bolivia." UNASUR appointed a commission to go to Bolivia "to accompany the legitimate government of Bolivia" to establish and clarify the facts of the El Porvenir massacre, and to facilitate a dialogue with the opposition to preserve national unity.<sup>5</sup> Morales, who participated in the meeting, thanked UNASUR for its support, declaring: "For the first time in South America's history, the countries of our region are deciding how to resolve our problems without the presence of the United States."

The UNASUR declaration was instrumental in compelling the prefects of the Media Luna to call off their rebellion, accepting the Morales governments call to open a dialogue over the new constitution and the issue of autonomy. But the discussion went nowhere, even though the government agreed to incorporate some limited constitutional amendments around departmental autonomy. The prefects also demanded that all the agrarian-reform clauses in the new constitution be eliminated, but in this case Morales, backed by MAS and the social movements, refused to back down. On October 5, the negotiations collapsed. Morales announced that he would go to Congress to get the date set for the public referendum on the new constitution.

Given this history, a progressive attempt to repair the situation should focus on the following: First, to overcome this hostile Washington environment and the Washington-generated misconceptions of the recent Bolivian events, it would be important for the new U.S. Congress to hold hearings on the role of

the U.S. embassy and intelligence agencies in trying to destabilize the Bolivian government. Due to the entrenchment of the national security state under the Bush administration, of course, this will be a difficult task. Therefore, absent hearings by a congressional panel, it would behoove the progressive nonprofit organizations in Washington concerned with Latin American policy, along with interested academic groups, to come together and sponsor a set of public forums on what happened in Bolivia.

Second, a progressive U.S. policy would need to seriously consider adopting the model of controlling coca production that the Morales government is implementing in Bolivia. The failed U.S. war on drugs, steeped in violence, is destroying the social fabric of several countries - Colombia and Mexico in particular - and has not reduced the flow of cocaine into the United States. Just before Morales's inauguration in 2006, he declared "Yes to Coca, No to Cocaine," making a distinction behind the widespread use of coca leaf as an integral part of indigenous culture, and cocaine, the highly processed drug that is produced from the leaf for illegal export. During his administration, Morales has encouraged and supported local industries that make coca leaves into teas, foods, and health products, while carrying on a campaign to destroy cocaine-processing labs.<sup>5</sup> Agreements have been reached with small-scale growers in the coca regions of Chapare and Yungas that limit coca producers to about one third of an acre per family. These growers have collaborated with the government in eradicating plots that exceed this amount.

This contrasts sharply with the U.S. history of trying to uproot all coca production in Bolivia. From 1998 to 2003, coca growers had access to USAID funding for alternative crops, but only after the complete eradication of their coca crop. As a result families with no other income went hungry before the new crops were funded and harvested, compelling many to replant coca.<sup>6</sup>

USAID refused to work directly with the coca growers union in the Chapare region, then headed by Morales. They instead formed parallel associations and demanded that farmers leave the unions. Community promoters were goaded into becoming informers, generating deep divisions and conflict, as the U. S. -funded special military units to carry out raids to uproot coca plants.<sup>7</sup>

The new administration needs to reverse course on the drug policies of the Bush administration. It must see to it that the United States no longer condition assistance by USAID on the prior eradication of coca plants. Efforts to curtail coca growing need to be done in cooperation with the coca farmers to prevent violence and human rights violations. More importantly, the war on drugs should not be used to penalize the Bolivian government because of its political differences with Washington. The new U.S. administration needs to emphasize incentives and partnerships rather than sanctions. Above all, a progressive U.S. policy regime should simply recognize the outcomes of democratic elections.

The scene outside Santiago, Chile's La Moneda in September, as an emergency meeting of UNASUR took place to discuss the Bolivian crisis. The "Declaration of La Moneda," signed by all 12 UNASUR governments, expressed their "full and decided support for the constitutional government of President Evo Morales."

Colombia Support Network

## “Dubious Progress in Bolivia-U.S. Reconciliation”

Lisa Skeen

*North American Congress on Latin America* 19 July, 2010

At a June 5 (2010) meeting of coca farmers in Cochabamba, Bolivian president Evo Morales [threatened](#) to expel the U.S. government's primary foreign assistance organization, USAID, from Bolivia. Morales accused USAID of lending financial support to organizations that oppose his government and for inciting civil unrest. On July 8, in a show of independence from foreign influence, the mayors of the northern Pando department [expelled](#) the agency from their territory, but to date, Morales' threats have not been carried out on a national level.

The threat is perhaps less notable for its content than for its context. The announcement was made just days after Bolivian Foreign Minister David Choquehuanca met with U.S. Assistant Secretary of State for Western Hemisphere Affairs, Arturo Valenzuela, as part of ongoing talks aimed at reestablishing full diplomatic relations, after a damaging political dispute in 2008. Both men described the meeting as effective, and Choquehuanca proudly [announced](#) that “we have advanced more than 99% toward signing this new framework agreement of mutual respect.” However, Choquehuanca's glowing announcement was not accompanied by any formal agreement or concrete plans to reinstate ambassadors.

In September of 2008, Morales accused the U.S. ambassador, Phillip Goldberg, of fomenting unrest after anti-government protests turned deadly. He expelled Goldberg along with officials of USAID and the Drug Enforcement Agency (DEA), which had been operating in the country for 35 years and was a key component of the U.S. War on Drugs. The Bush administration responded by expelling Bolivia's ambassador, Gustavo Guzmán, and suspended its cooperation with Bolivia under the Andean Trade Promotion and Drug Eradication Act (ATPDEA), ending the country's duty-free access to U.S. markets.

Though the U.S. State Department denied Morales' accusations about Goldberg, many prominent academics and foreign policy experts, including members of NACLA's editorial staff, signed an [open letter](#) to then-Secretary of State Condoleezza Rice expressing their “deep concern” that the “United States government, by its own admission, is supporting opposition groups and individuals in Bolivia that have been involved in the recent whole-scale destruction, violence, and killings.”

Many international news outlets, however, have suggested that Morales's recent threats to expel USAID are in part a political ploy to restore domestic support for his administration. Many of Bolivia's ascendant indigenous organizations have grown increasingly [critical](#) of Morales's emphasis on revenue-generating extractive industries – natural gas in particular - which undermine his commitment to respect indigenous land rights and conservation. [The June threats](#), they suggest, may be little more than an attempted rallying cry against a common imperial enemy, not unlike characterizations of Hugo Chávez. Despite their domestic political usefulness, Morales's accusations about USAID are not hollow and have been consistent since as early as [2006](#).

USAID has never been politically neutral. Directed by the U.S. Secretary of State, the organization is designed to support U.S. foreign policy objectives. In his recent [confirmation hearings](#), Mark Feierstein, who was nominated to head the organization in Latin America by the Obama administration on May 12, said “USAID’s programs are not charity. They may reflect the generosity of the American people; but they are not only from the American people, as the agency’s motto says, they are for the American people.”

The organization is notoriously evasive in response to requests for disclosure of the recipients of its political funding. The main [website](#) of USAID in Bolivia omits any direct mention of political programs, instead it emphasizes its support for the Bolivian government and its plans to “improve citizen access to health services and education and increase employment opportunities.” However, the [budget request](#) for 2009 tells a different story. Of the roughly \$100 million requested, \$46 million was slated to go to “Peace and Security” programs (which includes the ominous sub-program “Stabilization Operations and Security Sector Reform”) and over \$28 million would go to “Governing Justly and Democratically” programs.

Historically, there is plenty of evidence that the United States has [“aggressively intervened”](#) in Bolivia, at least in part through its USAID programs. According to author Reed Lindsay: “the U.S. government has spent millions of dollars to rebuild discredited political parties, to undercut independent grassroots movements, to bolster malleable indigenous leaders with little popular support and to dissuade Bolivians from talking about whether they should have greater ownership rights over their natural resources. The funds have been distributed under the banner of ‘democracy promotion,’ a central plank of U.S. foreign policy since the early 1980s that has become increasingly prominent in recent years.”

In October 2008, Investigative journalist Jeremy Bigwood uncovered a [memo](#) from the U.S. Embassy in La Paz, detailing a USAID-funded “political party reform project [aimed] at implementing an existing Bolivian law that would . . . over the long run, help build moderate, pro-democracy political parties that can serve as a counterweight to the radical MAS [party of President Morales] or its successors.” The project is suspected to have funded groups that challenged Morales in his 2006 election and during the [2008 political crisis](#) .

The United States has shown no signs of reforming the organization, and has taken further steps that would seem to undermine reconciliation efforts with Bolivia. The nomination of [Feierstein](#) to head USAID’s Latin American programs is itself something of a snub to the Bolivian President. Feierstein is the vice president of the powerful political consultancy firm Greenberg, Quinlan and Rosner (GQR), which was hired by former Bolivian president Gonzalo Sánchez de Lozada to consult on [polling and strategy](#) for his victorious 2002 presidential campaign. Lozada later resigned and fled to the United States in 2003 to evade possible prosecution for the murders of at least 60 protesters by troops under his command. Calls for Lozada’s [extradition](#) are widespread in Bolivia, and Morales has [appealed](#) to the U.S. government for support on multiple occasions, to no avail.

The firm also [conducted polling](#) for right-wing presidential candidate Manfred Reyes Villa in his unsuccessful campaign against Morales in 2009. Feierstein’s [nomination](#) is highly controversial within Bolivia.

Morales’ threats to expel USAID and Obama’s nomination of Feierstein undermine both countries’ stated commitment to reconciliation, reflecting a tense past rather than a more cooperative future. That the United States and Bolivia seem determined to keep trying, at least to some degree, suggests that the strategic value of each country to the other, despite continuing disagreements, should not be underestimated. Bolivia is estimated to have lost around 63 million dollars in manufacturing exports after Bush [suspended](#) it from ATPDEA, a significant loss it likely hopes to avoid in the future. And Bolivia’s physical and political location amidst the constellation of coca producers and left-leaning governments in Latin America, makes it a critical – if often defiant – partner in the United States’ nebulous war on drugs, now well into its fourth decade. Given the United States’ past and ongoing manipulation of Bolivian

politics with the help of USAID, and Bolivia's attempt to free itself of that organization's influence, it is not surprising that complete reconciliation has thus far.

## **“A Conversation with the US Heads of Mission to the Andean Region”**

Rachel Sadon

*Inter American Dialogue* 1 February, 2011

Relationships between the United States and the Andean countries remain positive even as significant changes in regional dynamics, economic development and political transitions have significantly transformed the region, top U.S. envoys to Andean countries said Tuesday.

Speaking at an event hosted by the Inter-American Dialogue, the diplomats discussed a wide range of issues that shape regional policy, including the United States' relationship with current administrations and the emerging power of China and Brazil.

The U.S. ambassador to Colombia highlighted the unifying effects of Brazil's growing influence in the region. "Brazil's changing role is very positive engagement throughout Latin America. It's not just a question of expanding economic ties, it's working with other Latin American countries through regional groupings," said Michael McKinley. "I think the benefits have been there to see over the last two to three years in improving diplomatic relations."

### **At the Dialogue**

John Creamer, the chargé d'Affaires in Bolivia, echoed the sentiment that Brazil has positively affected its neighbors. "In Bolivia, they are a major player in the energy sector... and in general, Bolivia is benefitting from Brazil's interest in physical integration. BNDES is playing a major role in the lending for infrastructure and highway construction. I would expect that trend would continue and deepen in the future."

Despite some significant differences in policy and the increasing influence of China in the region (Heather Hodges, Washington's ambassador to Quito, pointed out that China has offered \$4.9 billion in assistance to Ecuador), both Hodges and the chargé d'affaires in Venezuela, John Caulfield, cited results from a recent Latinobarómetro report as evidence that the United States is still viewed favorably in the region.

With regard to the recent release of classified cables by WikiLeaks, the diplomats reiterated the State Department's position that the leaks will not hurt U.S. diplomacy. "The damage done by the leaks was significant," said McKinley. "What's important is that where we have robust relations, we are able to deal with the fallout quickly and move on and maintain relations on the basis of mutual interests."

Among the positive steps, several of the U.S. diplomats acknowledged challenges to the working relationships between the United States and Andean countries. Despite differences in policy, Creamer said that "the key thing is that the Bolivian government has remained at the table" and has been willing to work toward common ends where possible. McKinley refused to "speculate" about the passage of the free trade agreement with Colombia but said "the fact that it was mentioned in the state of the union was significant indeed."

On the other hand, Venezuela and the United States are at an impasse with regard to the absence of ambassadors following Chávez's decision to reject the U.S. nominee for the post, Larry Palmer, according to Caulfield. "We are at a stalemate," he said.

## “Bolivian President Evo Morales Tells Obama ‘Stop Deporting Immigrants’”

Annie Correal

*Feet in Two Worlds* 21 September, 2010

**NEW YORK** – As heads of state gathered here to attend the United Nations General Assembly, Bolivian President Evo Morales ended a speech at Hunter College on Monday by calling on President Barack Obama to stop “expelling” Latin American immigrants who are trying to eke out a living.

*“Here there’s a lot of talk about policies that aim to expel immigrants,” he said. “There are deep asymmetries between countries, between continents, so of course our brothers in Latin America come here to improve their economic situation. But our brothers who come to the U.S., to Europe, to survive, to reach a better station in life, they are thrown out. What kind of policy is that?”*

Morales’ message: “I call on President Obama to halt these policies that aim to deport the Latin American people here, because we all have the same rights.”

President Morales was at Hunter to promote [his biography](#), recently translated into English. But he closed his speech with a few select words for the American president. “I was convinced a black man and an indigenous man were going to work like a pair of oxen for the whole world,” said the indigenous Morales. “It doesn’t make sense that one discriminated party would discriminate against another.”

Morales’ biographer, Martin Sivak, spoke warmly of the Bolivian President, with whom he traveled for two years to write, *Evo Morales: The Extraordinary Rise of the First Indigenous President of Bolivia*.

Evo Morales was born to a poor indigenous family in the high plains of Bolivia, and grew up to be a union organizer who represented coca farmers. His rise to power was characterized by fierce opposition, including detention and torture in Bolivia, and more recently, ridicule abroad, where he has been called a puppet of Hugo Chavez. His policies have sought to nationalize natural resources and basic services, and The New York Times described his diplomatic relationship with Washington as “tense.” In a [2009 article](#), the NYT said it “might be the worst in the hemisphere, except for the one with Cuba.”

His biographer described Morales’ political career and recounted episodes which reveal the sense of humor of the man he chronicled. “I heard him say to a waitress, ‘I would even drink poison from your hands,’ after she asked him if he liked coffee or juice. I listened to him lecture on the difference between llamas and people.”

At first, Sivak, a young man from Argentina, was exhausted by trying to keep up with the Bolivian president’s rigorous schedule. “Morales predicted I wouldn’t be able to handle the pace of his life as president but that I should give it a try,” Sivak said:

*“After the first week I had altitude sickness and I was hooked up to an oxygen machine in a pharmacy in La Paz. The schedule, which started at 5 o’clock in the morning and ended at 12 o’clock at night, had included 22 airplanes and helicopters and more than 40 events in places that do not appear on school maps. President Morales enjoyed asking the pilots to do pirouettes because he knows how scared I am of small planes.”*

In a more serious tone, Sivak said Morales’ landslide victory (64% of the vote) in the last presidential election “deserved a more complex read” than the one it earned from critics of the Bolivian regime, who said it stemmed simply from Morales’ support base in the indigenous community, which makes up more than 60 percent of the population.

Sivak said, “I was deeply moved with what I saw in these years [...] The decline of power of the old elites that ruled the country for so many years and the resurgence of the poor majorities.” He urged people in the U.S. to view Morales as a leader in his own right—more than just an extension of Chavez who has “emotional ties” to the indigenous community.

## **“Bolivia leader rebukes U.S. in front of Robert Gates”**

David S. Cloud

*Los Angeles Times* 23 November, 2010

Bolivian President Evo Morales on Monday accused the United States of undermining democratic government in Latin America in a speech about purported plots and conspiracies originating in Washington, as U.S. Defense Secretary Robert M. Gates listened only a few feet away.

Gates showed no noticeable reaction as Morales opened a conference of defense ministers with a rambling, hourlong address that condemned the U.S. military, several former American ambassadors to Bolivia, the Drug Enforcement Administration, the International Monetary Fund and two members of the U.S. Congress.

All of them, Morales said, are or have been engaged in secret plans to overthrow the government in Bolivia or its Latin American neighbors. He provided few details and no evidence, though he said there were documents showing a former U.S. envoy to Bolivia had conspired with Morales' opponents to overthrow him.

"There have always been coups, but there are never any coups in the United States because there is no embassy of the United States in the United States," Morales said.

U.S. officials were expecting fiery rhetoric from Morales, who has built his popularity in part on defiance of Washington and has made similar charges in the past. But the setting -- a conference dedicated to promoting cooperation among militaries in the region -- made the scene especially strange.

Morales rose to prominence as a leader of a loose confederation of coca leaf growers and unions opposed to a U.S. effort to limit coca production. As president he has expelled the American ambassador and the DEA, which once oversaw a large counter-narcotics effort in Bolivia, moves that have made him wildly popular among rural workers.

Most of the senior military officers and defense officials in the audience listened quietly to Morales' remarks. But a small contingent of his supporters broke into applause twice, including when he asserted that Bolivia would not participate in training exercises with the U.S. military, which he described as a threat to democracy.

"Of course Bolivia doesn't participate anymore and it won't participate anymore and go against democracy," Morales said to cheers from the rear of the room.

Morales may have been trying to tamp down a controversy caused by his defense minister, Ruben Saavedra, who was quoted in the local news media in recent days as saying that Bolivia was seeking better cooperation with the Pentagon. Saavedra later said he meant only that Bolivia wanted assistance maintaining its fleet of U.S. military aircraft.

Throughout a four-day trip to Latin America, Gates has tried to avoid giving more ammunition to Morales and to Venezuelan President Hugo Chavez, another Latin American leader whose popularity stems in part from his opposition to Washington.

Gates' prepared remarks at the conference did not mention Morales, and he did not refer to the long history of U.S. intervention in Latin America, often on behalf of authoritarian regimes. He focused instead on the need for greater military cooperation to address drug trafficking, natural disasters and criminal networks.

When he was asked by a local reporter whether Washington had a problem with Bolivia receiving civilian nuclear power assistance from Iran, a country the U.S. has sought to isolate, Gates responded that Bolivia is a sovereign nation that can have relations with any country it chooses.

"I think that Bolivia needs to be mindful of the number of United Nations Security Council resolutions that have been passed with respect to Iran's behavior," Gates said, "but many countries have relationships with Iran and that's purely up to the Bolivian government."

But Morales also earned cheers from his backers when he implied that Washington was trying to dictate his country's foreign relations. "Bolivia under my government will have an alliance with anyone in the world," he said. "We have the right."

Morales described a number of alleged Washington-based conspiracies and plots. He accused Rep. Connie Mack, a Republican from Florida who is taking over as head of the House subcommittee on the Western Hemisphere next year, of being "a confessed assassin" and "conspiratorial agent against our brother Hugo Chavez." Mack once described Morales and Chavez as "thugo-crats."

Morales saw the makings of a conspiracy: "If something happens to Hugo Chavez, the one responsible will be this U.S. congressman."

## Democracy

### **“Bolivians Ratify New Constitution”**

Simon Romero

*The New York Times* 26 January, 2009

EL ALTO, [Bolivia](#) — President [Evo Morales](#) seemed assured of an easy victory in a referendum on Sunday over a sweeping new Constitution aimed at empowering Bolivia’s Indians. The vote capped three years of conflict-ridden efforts by Mr. Morales to overhaul a political system he had associated with centuries of indigenous subjugation.

Citing preliminary vote counts, reports on national television said about 60 percent of voters had approved the new Constitution. If that margin holds or goes higher, it would strengthen Mr. Morales’s mandate, political analysts here said.

Still, regional conflict over the results may loom in the months ahead. Citing the same counts, both state and private news media said at least four departments, or provinces, in Bolivia’s rebellious eastern lowlands had rejected the charter by wide margins.

Vaguely worded items among the new Constitution’s 411 articles would broaden definitions of property to include communal ownership; allow Indians to mete out corporal punishment under their own legal systems; extend limited autonomy to regional prefects; and reaffirm state control over Bolivia’s ample natural gas reserves.

It is up to Congress to draft regulations for many of these articles, but the legislature also is an institution in flux, with Indians guaranteed new representation in its chambers.

“With my humble vote, I am creating a little bit of hope for my children,” said Ismael Pocoaca, 42, a construction worker who voted Sunday morning at the Chuquiago Marka School here in this city of slums on the windswept plain overlooking the capital, La Paz.

After the vote, Mr. Pocoaca and other Aymara Indians gathered in front of the school, where vendors sold fried-pork sandwiches and posters of Mr. Morales, a former llama herder. “We are finally recapturing our dignity,” said Maria Laure, 38, a soap saleswoman who voted for the new Constitution.

But while Indians across the country celebrated the vote, the Constitution opens a new stage of uncertainty in fractious Bolivia.

Few people claim to know precisely how the laws will function under the new Constitution, in what way they will undergo substantial revision in Congress or how they will affect a nation facing a sharp economic slowdown this year.

Officials in the lowlands, where most of Bolivia’s food and petroleum are produced, ridiculed the new charter. “No constitution can be implemented if it has not been approved in all of the departments,” said Carlos Dabdoub, a political leader in Santa Cruz, an eastern department that rejected the Constitution.

Given the festering resistance in Santa Cruz and elsewhere, it was notable that the Constitution came to a vote. Violence over the proposed charter reached a head in September when more than a dozen peasants, mostly supporters of Mr. Morales, were killed in a clash in the Amazonian department of Pando.

Talks between Mr. Morales's supporters in Congress and the splintered opposition produced a compromise from earlier versions of the charter. One of the most polemical articles in the final draft reversed a plan to allow Mr. Morales to indefinitely run for re-election, limiting him to one five-year term if he wins a new election later this year.

But other articles reflect the influence wielded by Mr. Morales, 49, an Indian who lacks fluency in Aymara and Quechua, Bolivia's main indigenous languages. Communicating with audiences in the colonialist language, Spanish, he has nevertheless forged a political movement imbued with nationalism and has heightened ethnic awareness.

"After 500 years, we have retaken the Plaza Murillo!" Mr. Morales told followers last week in a speech at the end of the campaign in La Paz's central square, which until the 1950s Indians were prohibited from entering.

The new Constitution would allow Mr. Morales, whose government is supported financially by Venezuela, to assert even greater state control of the economy, with articles that could forbid foreign companies from repatriating profits or resorting to international arbitration to resolve nationalization disputes.

Indeed, Mr. Morales seems undaunted by a dearth of investment and a slowing economy as prices decline for Bolivia's natural gas and neighboring Brazil lowers imports of the fuel.

On the eve of the vote, he announced the nationalization of a Bolivian unit of the British oil giant BP, and created a new daily newspaper, *Cambio*, controlled by his government. And after his recent expulsion of the American ambassador and [Drug Enforcement Administration](#) agents, whom he accuses of espionage, he repeated his criticism of the United States.

"Bolivia, little by little, is shutting itself off from the world," said Gonzalo Chávez, a Harvard-educated economist at the Catholic University of La Paz, who sees economic growth falling to 2 percent this year from about 6 percent in 2008.

But others say the new Constitution addresses underrepresentation of Indians, pointing to articles that would reserve seats for them in Congress and in other areas of the fast-growing bureaucracy. Even Mr. Morales's cabinet has just two Indian ministers; his top aides, the vice president (a former guerrilla) and the chief of staff (a former military officer), are light-skinned intellectuals.

In symbolic importance, said Xavier Albó, a Jesuit scholar and linguist, the new Constitution may be the equivalent of Spain's Reconquest of the Iberian Peninsula from the Moors in 1492. But instead of the blood spilled in that process, Mr. Albó said, Bolivia is "advancing in a democratic process that does not exclude or subjugate anyone."

Some Bolivians who read the entire Constitution came away with other impressions. Edmundo Paz Soldán, a writer who teaches at [Cornell University](#), said it reminded him of an essay by [Jorge Luis Borges](#) that describes a Chinese encyclopedia's attempt to divide fauna into myriad

nonsensical categories. For instance, Mr. Paz Soldán said that the Constitution recognized 36 different indigenous groups in Bolivia, some with fewer than 100 people, but that it was unclear how precisely each group would be enfranchised in a country where three main indigenous groups — the Quechua, Aymara and Guaraní — wield much larger influence.

“The mind-boggling text may have the ratification of the majority,” Mr. Paz Soldán said, “but it might not be the recipe for a viable country.”

# Bolivia: Social Movements, Populism, and Democracy

Brooke Larson, Raúl Madrid, René Antonio Mayorga, and Jessica Varat

## INTRODUCTION

by Jessica Varat

Since Evo Morales' inauguration as president of Bolivia in January 2006, sharp debates have erupted within the country and abroad regarding the role in politics of the country's social movements; the revival of populist forms of governance and their compatibility with the institutions of liberal democracy; the resurgence of resource nationalism, this time in the natural gas sector; and Bolivia's foreign relations, particularly the country's relationship with Venezuela. This publication offers multiple perspectives on political conflict in the country and its implication for Bolivian democracy. The contributors, drawn from multiple disciplines, reflect the stark divisions that have emerged during Morales's first two years in office. Nonetheless, certain areas of convergence emerge: namely, that the current administration has had great difficulty effectively governing an increasingly fragmented and volatile political situation in the country.

The Morales administration has presided over a period of growing polarization in Bolivia against a backdrop of racial and economic inequality that has haunted the country for centuries. Morales' supporters have united around the convening of a Constituent Assembly to rewrite the country's constitution; indeed, the first measure of the *Movimiento al Socialismo* (MAS)-led government upon taking office was to fulfill a pre-election promise by convening the Assembly. Many participants were to represent sectors of the population that had previously been excluded from the process of post-author-

itarian institution-building in Bolivia, principally indigenous peasants and workers. MAS supporters viewed the assembly as a revolutionary foundational moment for Bolivia, which offered the chance to take up such long-standing issues as land reform, the nationalization of the hydrocarbons sector, and the implementation of a regional governance structure composed of indigenous autonomies. However, the MAS has not commanded the majority it needed to pass articles which would institutionalize these sweeping reforms; in the meantime, various social groups within the MAS have pressured the government to quickly carry out its original mandate.

Representatives of the MAS and of the opposition parties in the assembly negotiated how new articles, and the constitution itself, would be approved. Attempts were made outside of the Constituent Assembly to broker agreements on the most conflictive issues, including regional and departmental autonomies. Yet these efforts were overwhelmed by a fiery national debate over whether the political capital of the country, La Paz, should be transferred to the judicial capital, Sucre. Tensions came to a head in November of 2007, when members of the Constituent Assembly approved the MAS-backed constitution in the absence of almost all opposition delegates, many of whom had not been present in the Oruro meeting where debates were taking place.<sup>1</sup>

While the constitution holds no legal weight until it is submitted to national referendum, the actions of the MAS enraged opposition forces which

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include both members of the political party PODEMOS, and political and civic leaders from the country's *media luna* region.<sup>2</sup> The backlash came in the form of a statute of autonomy proposed by the department of Santa Cruz; voters there approved the referendum on May 4, 2008, followed a few weeks later by similar votes in the provinces of Beni and Pando. The MAS-led government declared the autonomy votes illegal but now finds itself in a tenuous position: on August 10th, Bolivians will return to the ballot box to vote on whether or not to recall President Morales, Vice-President Álvaro García-Linera, and the nine departmental prefects from office. In order to maintain their current posts, the officials must win with the same percentage of votes—with at least the same voter turnout as in the 2005 elections—that originally brought them to office.<sup>3</sup>

In the meantime, violent manifestations of ethnic, social, and political tensions have become even more frequent. Recent instances of race-based violence against indigenous members of the MAS and continued street clashes between supporters and opponents of the government have raised questions about the country's long-term stability, the viability of the Morales government, and the future of democratic governance.<sup>4</sup>

The authors of this publication reflect on the circumstances which have brought Bolivia to this point. *Raúl Madrid* of the University of Texas-Austin examines the 2005 election of Evo Morales through the lens of ethnic politics and discusses the ways these elections signified a rupture from past electoral processes. *René Antonio Mayorga*, Centro Boliviano de Estudios Multidisciplinarios (CEBEM), examines the populist dilemmas facing the MAS as it confronts its dual identity as both a social movement and political party at the

head of a government. Finally, *Brooke Larson* of the State University of New York, Stony Brook, charts the historical participation of indigenous groups in Bolivian politics and society and questions to what degree the current administration will be able to address the inequalities that plague the country.

## The Indigenous Movement and Democracy in Bolivia

*Raúl Madrid*  
University of Texas-Austin

The emergence of indigenous parties in the Andes, particularly the *Movimiento al Socialismo* (MAS) in Bolivia, has had a mixed impact on democracy. Latin America has not traditionally had major ethnic parties. This phenomenon changed with the rise of the MAS in Bolivia, and the emergence of *Pachakutic* in Ecuador. Existing literature suggests that the development of ethnic parties would have a negative impact on democracy, primarily because they would focus exclusively on mobilizing members of their own ethnic group. The assumption is that the party cannot win votes from members of other ethnic groups, therefore they mobilize their own ethnic group through exclusionary appeals and by demonizing other groups.

This is not going to take place in Latin America; the fluidity of ethnic boundaries in the region makes it much more feasible for these ethno-populist parties to win votes from members of diverse ethnic groups. In fact, most people in Bolivia will identify both as indigenous and *mestizo*, depending on the circumstances. While it has not led to exclusionary ethnic politics, the rise of MAS

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The Latin American Program's Project on Democratic Governance and the 'New Left' in Latin America explores political trends and policy outcomes in eight countries: Argentina, Bolivia, Brazil, Chile, Ecuador, Nicaragua, Uruguay, and Venezuela. The Project aims to understand how or why left governments have come to power at this moment in the region's history, and to assess the implications for democratic governance of specific public policies in such areas as social welfare, political inclusion, citizen participation, accountability, and human rights.

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*Support for the MAS may prove more stable than for other parties because of its foundation of identity-based ties, which do not change from election to election.*

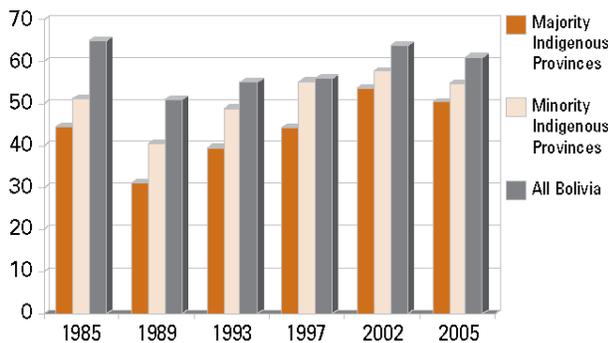
has impacted several facets of Bolivian democracy: political participation, party system fragmentation, electoral volatility, satisfaction with democracy, and democratic governance.

**Voter Turnout**

Voter turnout in Bolivia after the transition to democracy, as in most Latin American countries, started out quite high. People were excited about the return to democracy, but shortly thereafter, turnout began to fall. Throughout this process, turnout was consistently lower in areas with an indigenous majority than other areas. However, the emergence of the MAS—beginning in 2002—boosted voter turnout, measured as a percentage of the voting age population. Moreover, voter turnout in indigenous areas has risen faster than in other areas. Turnout in minority indigenous provinces continues to be higher than majority indigenous provinces, but the gap between the two has narrowed.

A variety of factors contributed to the increase in turnout. The MAS lobbied for more voting centers and pushed to make registration easier. More importantly, it campaigned heavily in indigenous areas. Unlike the traditionally dominant parties in Bolivia, which did not recruit many indigenous candidates or only recruited them for minor posts, the MAS recruited many indigenous candidates. The MAS embraced indigenous issues and groups that had close ties with indigenous organizations.

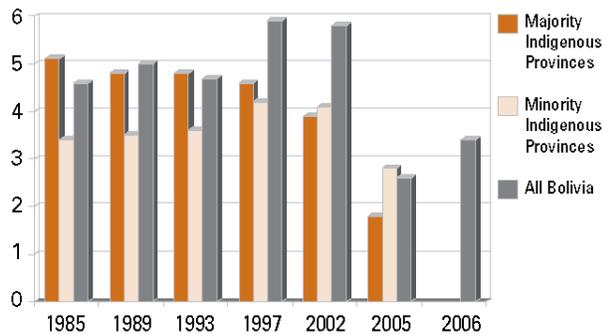
**Voter Turnout in Bolivia:**  
(as a % of voting age population)



**Party System Fragmentation**

The degree of party system fragmentation in Bolivia has traditionally been one of the highest in Latin America. This makes it difficult for the president to garner support from the range of different parties needed to pass legislation. As a result, the tradition of “pacted democracy” emerged in Bolivia, in which pacts were formed between different political parties to facilitate the political process.

**Effective Number of Parties in Bolivian Elections, 1985–2006**



Before the rise of the MAS, party system fragmentation was particularly prevalent in Bolivia’s indigenous areas, as these groups tended to split their vote much more widely than those from other ethnic groups. The rise of the MAS has helped reduce party system fragmentation in general and has had a significant impact in indigenous areas. This is, in large part, because indigenous voters flock to the MAS, concentrating their votes rather than disbursing them to other parties. At the same time, opponents of the MAS in non-indigenous areas coalesced around PODEMOS. In both non-indigenous and indigenous areas, there has been a decline in party system fragmentation in recent years. In the majority of indigenous provinces, party system fragmentation dropped under two effective parties.

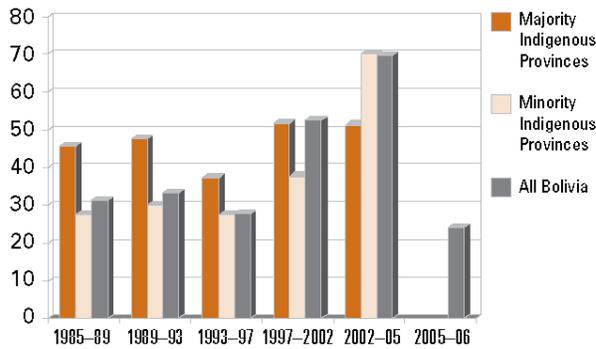
**Electoral Volatility**

Electoral volatility in Bolivia has also traditionally been high, especially in indigenous areas, posing a problem to effective governance. When parties are constantly changing, it becomes difficult to maintain and implement long-term plans and develop expertise. The rise of the MAS initially worsened volatility, particularly in indigenous areas, because many voters flocked to the MAS from a variety of other parties.

Recently, this volatility has begun to decline. Between the 2005 and 2006 elections it was low because voters—particularly indigenous and *mestizo* voters—stood with



### Electoral Volatility in Bolivia

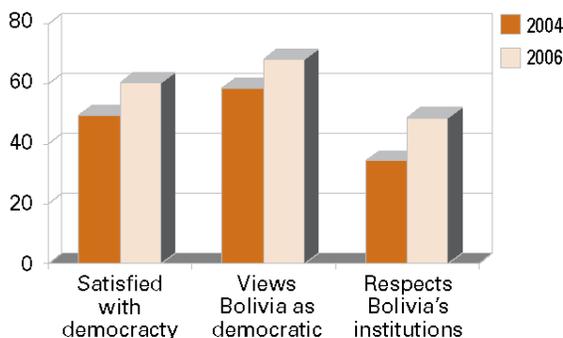


the MAS. Support for the MAS may prove more stable than for other parties because of its foundation of identity-based ties, which do not change from election to election. Voting patterns established on the basis of ethnic identity are likely to be more stable than those that rest on economic performance, which tends to fluctuate.

### Satisfaction with Democracy

Bolivia has also traditionally had very low levels of satisfaction with democracy. This problem is common throughout the Andes. Citizens are dissatisfied with how democracy functions in their countries. However, according to the Latin American Public Opinion Project of Vanderbilt University, in the wake of Morales's elections satisfaction with democracy in Bolivia increased, particularly among the indigenous population. The Latinobarometer also suggests that satisfaction with democracy has increased in Bolivia over the years. Support for Bolivian institutions, namely political institutions, also rose sharply between 2004 and 2006. In addition, a larger percentage of Bolivians now view the country as being democratic. This is in large part due to the rise of Evo Morales. A large sector of the population—which was previously disenchanted and believed traditional parties were corrupt, did not represent them, and did not cater to their interests and needs—is more satisfied with Evo Morales and

### Satisfaction with Democracy in Bolivia



the MAS. Now, it remains to be seen whether that will continue in the future; the Andean electorate is notoriously fickle in this sense.

### Democratic Governance

Democratic governance in Bolivia paints a mixed picture. On the positive side, the MAS has expanded the influence of marginalized groups, as the indigenous population in Bolivia traditionally did not have much political influence. They began to reverse this trend through their social movement, utilizing demonstrations, mobilizations, and road blockages to exercise power. However, the indigenous populations did not have power in the legislature or the executive branch of government prior to the rise of the MAS.

Currently, the MAS is the dominant party in Bolivia. The social movements that represent the indigenous population, to one degree or another, also have a great deal of power. It is a positive development that these long unrepresented groups now have influence.

The MAS has, by and large, respected civil liberties and human rights. They have not infringed on freedom of expression to a large degree; in fact, many newspapers are extremely critical of the MAS. Though Evo Morales criticizes the media, he has not imposed on their ability to express themselves. In 2006, the U.S. State Department country report on human rights was critical of Bolivia in some aspects, but confirmed that there were no political killings. While there are problems with the police in Bolivia, these problems do not appear to be of a political nature.<sup>5</sup>

Under MAS rule, the government held certified free and fair elections in 2006 for the Constituent Assembly. The MAS has shown a great deal of moderation in social and economic policy, though its rhetoric is at times quite polarizing. In fact, the nationalization of the gas industry was not really a nationalization, but a moderate reform to try to increase tax revenue by raising the prices that foreign countries were paying for Bolivian gas. So far, the land reform initiatives put forth by the MAS have not amounted to much.

On the negative side, however, the MAS has at times employed very aggressive rhetoric. For example, Vice-President García Linera traveled to the Aymara highlands and told the local population to “keep their rifles ready to defend the revolution.” Additionally, Morales has been quite aggressive in denouncing the media. Even more troubling, Morales has sought to consolidate powers in ways that have authoritarian overtones. There has been a campaign to rid the government of some of the opposition prefects that have been very critical of Morales.<sup>6</sup> Morales also dramatically decreased the salaries of government officials by cutting his own salary and maintaining that no one could earn more than the president. Many speculated this measure was aimed at

**Raúl Madrid** is Associate Professor of Government at the University of Texas at Austin. He is the author of *Retiring the State: The Politics of Pension Privatization in Latin America and Beyond* (2003) and numerous articles on economic and social reform and indigenous political behavior in Latin America. His current research focuses on the emergence of ethno-populist parties in the Andean nations. Dr. Madrid also served as Associate Editor for *Latin American Research Review*, the journal of the Latin American Studies Association. He received his Ph.D from Stanford University in 1999.

motivating resignations, which would allow Morales to appoint new officials.

There have been a variety of efforts to take the opposition out of the running. The country's former president, Gonzalo Sánchez de Lozada, has been charged with various crimes. Morales has also encouraged street protests to put pressure on the opposition, members of the legislature, and the Constituent Assembly. This has been viewed by many as a negative development. In general, there has been an increase in regional polarization in Bolivia, and ethnic polarization has been less of an issue. Instead, polarization has taken on a regional character, occurring between the lowland provinces in the east and the highland provinces in the west.

In conclusion, the MAS has had a mixed impact on Bolivian democracy thus far. It has boosted participation and satisfaction with democracy and helped consolidate and stabilize the party system. However, it has also demonstrated some troubling authoritarian tendencies and contributed to the increasing polarization of Bolivian society.

### **Populism in Bolivia: Can a Social Movement Govern without a Party?**

*René Antonio Mayorga*  
*Centro Boliviano de Estudios Multidisciplinarios*

Bolivia is one of the most remarkable cases of populist resurgence in the Andean region. What is most striking is that this revival did not take place under the umbrella of outsiders, as in Ecuador, but rather was led by an indigenous peasant movement. The dual nature of the *Movimiento al Socialismo* (MAS) and its confrontational approach, rooted in social movements, has aggravated the primary roots of the political crisis in Bolivia: polarization and the regional stalemate. These factors were not only

the sources of President Evo Morales' rise to power, but also continue to define the current political situation.

As a political movement, the MAS has been able to gain power through a dual strategy of mobilization and participation in democratic elections. In the context of the prevailing populist tendencies in the region, the present Bolivian government constitutes a kind of laboratory, posing diverse puzzles about the nature of the relationship between social movements and political parties, and particularly, about the conflicts that arise when a successful social movement turns into a governing political movement.

The first objective of this paper is to examine the idea that the MAS is marked by a duality, as a political party and a social movement, and that this duality stands out vis-à-vis previous populist experiences. The second objective is to explore some of the consequences of this duality for MAS government formation and some of the policies it carried out in its first year in office. In this regard, there is no comparative historical experience, either in Bolivia or elsewhere. The core question is whether government by a social movement is feasible at all.

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*The MAS's mutation into a governing party has, in fact, triggered an unintentional process of differentiation between the social movement, its social base, and the party organization.*

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The MAS is, on the one hand, a loose and heterogeneous coalition of mainly indigenous organizations. Given its anti-apartheid rhetoric and the assumption that the MAS is an entity of self-representation for each of these social organizations, the MAS leadership is reluctant to build a political party. On the other hand, the MAS has unwittingly turned into an organization responsible for building a government, and therefore, for ruling the country.

Does this process entail, necessarily, the political movement's transformation into political party? Will the MAS develop a well differentiated political organization which is autonomous from its social base like the *Partido dos Trabalhadores* (PT) in Brazil? Are the union leaders, above all Evo Morales himself, reshaping their roles into those of party leaders? The MAS's mutation into a governing party has, in fact, triggered an unintentional process of differentiation between the social movement, its social base, and the party organization. Moreover, this process is reversing the organization's bottom-up grass roots mobilization, resulting in a top-down relationship between the MAS and the social organizations with which it aligns.



Thus, it is appropriate to examine the internal duality of the MAS. The MAS itself rejects this duality and understands itself basically as a social movement. This is the reason for the triple role of Evo Morales as president, party chief, and secretary general of the Chapare coca peasant unions, and why his style of governance as president has strongly resembled that of a union leader. Given the assumed symbioses of social movement and party, there is supposedly no pattern of subordination of the MAS as a party to its social base, nor is there any pattern of autonomy of the MAS vis-à-vis a social base.

The MAS claims that its government is a government by social movements, a new type of government in which a predominately indigenous social movement is represented politically through the MAS, and thereby directly gains control of the state apparatus. Its main spokesperson, Vice-President Álvaro García Linera, enthusiastically argues that the MAS government reflects not only a historically new pattern of relationships between state and society, but also an enhanced form of direct participatory democracy.

In fact, this supposedly new pattern constitutes a stark utopian claim which incorporates social movements into the state apparatus and erases the boundaries between state and civil society. In an article in which he upholds the total, unified identity of party, state, and indigenous social movement, García Linera extols the political figure of Evo Morales by defining the MAS as all-encompassing. He boasts that the MAS has not only overcome a century long Marxist debate on the role of partisan unions, but also is a unique historical project with continental and even worldwide scope and implications.

This notion is too romantic to be true; currently, the ideological self-image of the MAS and political reality are clashing in Bolivia. The MAS governing party is undergoing a differentiation between social movement and party, and even between party and government. At the root of this process is the pressure to perform inherent in the exercise of government power, which prompts an inchoate and unintentional party-building process, straining the MAS self-identity as a confederation of social movements. Party logic and social movement logic tend to diverge, and clear trends towards unintentional party formation are becoming apparent.

First, power has become extremely concentrated in the leadership of Evo Morales and a small group of his close associates. This centralization entails a reversal of the original linkages between Morales and the social organizations and the emergence of a new, top-down arrangement. Second, an authoritarian and hierarchical relationship has emerged between the leadership and MAS representatives in Congress, as well as the rank and file. This reflects its roots in the non-democratic practices of the unions. Given its confused collectivist and leftist ideology, the MAS is increasingly evolving as a non-

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democratic party, grounded in the central figure of Evo Morales, hailed by his followers as the light of the continent and the harbinger of a new era.

Third, government formation is moving into a clear-cut detachment process. Most ministers and vice ministers holding key positions in Morales's two cabinets are far from indigenous peasant union leaders. They have urban, middle-class origins, and most have non-governmental organization backgrounds and joined the MAS at the beginning of the campaign or during the government building. Given the lack of competence and experience present in the ranks of the MAS, collaboration between the MAS and NGOs seems justified.

Conversely, there is only moderate, low-key participation of union leaders and party members, and only at lower levels of government. This represents a shift from direct participation of popular organization leaders to the delegation of government responsibilities to professional party officials and cadres, under the unquestionable leadership of Morales. This shift is fraught with strains and contradictions that could undermine the MAS and its government. In summary, the MAS is undergoing an uneven process in which former union leaders and individuals alien to the MAS are turned into party leaders and government officials, distinguishing themselves from the MAS representatives in Congress who are union leaders and members of the rank and file of the social organizations which support the MAS.

In a way, having become a state actor, the MAS has turned out to be a party in denial, which governs on behalf of the indigenous movement. It is also an ethno-leftist populist movement, whose main ideological and political characteristic is the belief in communitarian democracy, taking the traditional *ayllu* model as a model for the reform of the state. However, indigenous culture does not in fact reject institutions of representative democracy and does not promote the centralization of power in the head executive while local power is atomized at the grass roots.

It must be taken into account that political radicalism does not necessarily translate into economic populism, at least in the traditional way. Interestingly, the Morales government, until now, has been characterized by political radicalism, but moderation in economic policies. Morales has been very careful to preserve the fiscal balance of the state. He has not engaged in populist overspending or expenses. For example, he has committed to preserving the windfall revenues from gas exports for future domestic programs. It is important to note, however, that these windfalls came at a cost. Morales' nationalization of gas resources dramatically changed the role of the state in the economy and significantly increased state revenues, up 57 percent in 2006 from the year before. The way he handled the process caused tensions with Brazil, the main investor for the Bolivian gas industry. The Brazilian state firm Petrobras has repeatedly declared that it will not continue to invest in Bolivia because of the rules Morales is trying to impose.

On the other hand, the MAS is politically populist because it is trying to establish a political regime based on a personalistic leader (Morales). The tendency towards personalization of power erodes the democratic regime and the state, deepening the vicious cycle and engendering populism. These features are characteristic of conservative populism, and therefore do not allow the MAS to be convincingly presented as a modern leftist populist movement or modern leftist movement, let alone as a social democratic political movement.

The notion of left politics, in fact the very idea of a democratic left, involves a forward looking perspective towards the continued struggle to expand citizenship, strengthen democratic rule, promote the separation of state powers, engage in institution building, and support modernity. But the thrust of indigenous inclusion and its democratizing effects, the advancement and struggle for recognition and equal dignity, and the goal of a tolerant, multicultural society is about to fade under this brand of ethnic fundamentalism. The acrimonious rhetoric in the name of restoring ancient indigenous cultural identities underlines MAS' efforts to turn the tables and change government policies along those same lines.

The government's political decisions and policies so far demonstrate that the MAS has not changed its pre-

dominantly confrontational approach, which is grounded in its roots as a social movement. As a governing party, the MAS behaves like a social movement and employs anti-institutional confrontational strategies. The MAS has, for example, transformed its social organizations into instruments of violent mobilizations, and even into *de facto* troops for political coercion, intimidation, and to deter the opposition. They were used for these purposes in Santa Cruz in December of 2005 and particularly during the violent mobilization against Cochabamba's governor in January of 2007. This strategy to overthrow a democratically elected governor was well received by the MAS-led Constituent Assembly in 2007, although the party had to distance itself from it two weeks later when the violent offensive failed.

The predominantly confrontational logic of the MAS has permanently mobilized the peasants against the opposition. Additionally, the presence of corporatist interests in government has resulted in severe tensions and contradictory policies. This is exemplified by a violent miners clash in November of 2006, in which a conflict between independent cooperative miners and state-employed miners resulted in the death of 26 people. The government promised concessions to various groups before its formation, including the miners. In the case of an increase in mining taxes, Morales was forced to acquiesce to the cooperatives, who opposed the increase.

The MAS has also brought ethnically based, divisive, and inflammatory discourse to bear on relations with the eastern part of the country, as well as the opposition in Congress and the Constituent Assembly. The MAS tried to impose a majority vote in the Constituent Assembly without success, proclaiming the originary and pleni-potentiary corrective of Constituent Assembly, thereby breaching the constitution and the law with which Morales, himself, convened the Constituent Assembly. The MAS disregarded the autonomy referendum results and other decisions made in the assemblies of the so-called "half moon," the half of the country which opposes Morales.

One issue that has emerged in the Constituent Assembly as particularly divisive for Bolivia is land reform. The soil in the western highlands is exhausted, making land reform a necessary project. The only way for the labor force which resides in the western highlands to find new lands is to look east. The problem is that Evo Morales wants to align a land reform in the east by establishing collective properties along the structures of ancient indigenous communities. The MAS's plan is very clear: to foster an economy based on solidarity, reciprocity, and the institutions of the ancient community.

Morales' proposition to reconstruct the economy along the lines of ancient organizations is problematic, and ultimately unfeasible. It calls for an anti-capitalistic road whereas the lowlands are dominated by capitalistic



modes of production. If Morales wants to push this strategy, it will lead to violence. That is the key issue behind the demands for autonomy coming from the eastern lowlands, and behind the MAS plan in the Constituent Assembly to revitalize indigenous communities.

Finally, the government has no policy to strengthen state bureaucracy and efficiency, due to of the presence of corporatist interests in the government and the predominance of patronage in the MAS government. Evo Morales has not been able to carry out a policy of strengthening state management and state efficiency, which runs counter to his goal of enhancing the state's role through the nationalization of natural resources. There has been a great instability in state management, above all in the state oil company, which deposed its president four times in one year. There is no stability, nor any competent personnel, in the most important state company in the country.

When a competitive political party system exists, it can curb authoritarian tendencies in a governing party, and to a certain extent, Bolivia's political system is competitive. Morales's triumph by an absolute majority did not ensure control over all mechanisms of power. He does not control the constitutional tribunal or the congress, where the opposition leads the Senate. He does not have an overwhelming majority and does not control six out of the nine governorships. A journalist recently described him as a mini-Chávez. In a way, this is true; although he would like to control the state, he may be prevented from doing so because of the opposition he faces in certain state institutions.

Evo Morales's political plan to implement state reform through a Constituent Assembly in order to institutionalize indigenous hegemony and make it possible for him to stay in power permanently has failed in the face of the challenge presented by the eastern lowlands, and by the six opposition governors. As the conflict continues the future of his democratic and cultural revolution, which until now has been neither democratic nor cultural, looks bleaker than ever.

## **Bolivia: Social Movements, Populism, and Democracy**

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The purpose of this paper is to bring an historical perspective to contemporary indigenous movements on the national political stage in Bolivia. Scholarly literature on contemporary indigenous movements is a new growth industry. There is an abundance of sociological and political science studies on social movements and the challenges they pose to citizenship regimes and democracy in the region. Scholars like Donna Van Cott, Deborah Yashar, Xavier Albó, and others have focused on Indian

Rights Movements in Colombia, Ecuador, and especially Bolivia.<sup>7</sup> Meanwhile, historians have been engaged in uncovering the long underground processes through which modernizing nation states have tried (and mostly failed) to integrate marginal native peoples into oligarchic and populist states over much of the 20th century.

Yet there is a curious disconnect between these scholarly bodies of literature. Political scientists and sociologists interested in contemporary social movements sometimes seem to think that Indian Rights Movements sprang out of the air, as indigenous peoples suddenly transformed themselves into political actors and subjects under a new host of circumstances in the 1980s and 1990s. Historians, on the other hand, know that indigenous peasants have been actively engaging their wider political worlds for most of the colonial and postcolonial periods. But historians generally fail to link up their long-term historical studies to contemporary indigenous movements on the scene today.

This paper attempts to bridge that gap by offering historical ways to think about contemporary indigenous movements (the resurgence of ethnic politics) in the Bolivian Andes, especially in light of the 2005 election of Evo Morales. The events that have taken place since 2000 mark a critical juncture—that is, a rupture and turning point in Bolivia's sociopolitical history of nation making.

A brief review of the insurgent cycle of events begins with the Water Wars in 1999 and 2000; which escalated into a series of popular mobilizations in 2003. As a result, road blocks and military retaliations shut down the cities—and virtually the whole country—during “Red October,” 2003, and then led to the fall of President Gonzalo Sánchez de Lozada. The insurgent cycle finally culminated—not in street mobilizations or revolution—but rather in the constitutional resolution of conflict and change, with the landslide election of Evo Morales, the country's first indigenous president. As the leader of the MAS, he soared to political prominence on the wing of a popular coalition of forces and growing political aspirations for a broader, deeper kind of democracy that would finally bring the nation's indigenous majority into the center of political life. And he was elected in December, 2005, with an unprecedented 54% of the vote.

From an historical perspective, it is much too soon to offer a calibrated assessment of the political achievements and/or short-comings of the Morales regime. Of course, there have been some glaring errors of judgments, failures of policy, and excesses that can be chalked up to inexperience or power grabs. The new government's problems were compounded by the powerful coalition of opposition forces, based in Santa Cruz. And there is, of course, the perennial worry about whether the MAS is consolidating itself as a hegemonic party (taking over the MNR's historic one-party dominance after 1952).

On the other hand, the year 2006 closed with “strongly positive economic indicators” at the same time Morales was redefining Bolivia’s position vis-à-vis the global economy.<sup>8</sup> Clearly, Evo Morales has positioned himself at the forefront of anti-globalization forces—reversing twenty-years of market-crazed economic policies pressed on the country from abroad. Growing coca leaves is not the central issue, here, except on a symbolic level. But recovering national control over gas and oil, privatized away at bargain prices in the 1990s is the main issue. Yet there is a deep sense of pragmatism that runs through Morales’s rejection of market fundamentalism. As one political commentator observed, Evo may talk like a revolutionary populist, but the much vaunted “nationalization” of Bolivia’s natural gas reserves really amounted to a massive hike in royalties and taxes paid into Bolivia’s government coffers by Petrobras and other foreign energy companies.

On the international front, Evo’s relationship with Chávez and Castro has brought Bolivia much needed economic and technical assistance (cheap diesel fuel, energy industry technicians, etc. from Venezuela, and a cadre of literacy workers and doctors from Cuba), but Evo Morales has resisted the tutelage of Chávez or Castro. (In fact, the “lesson” he took away from his visit to Fidel Castro in early 2006 was to avoid any head-long rush into revolutionary rhetoric and actions, and instead to concentrate on the slow institutional work of reforming health care and education in Bolivia).<sup>9</sup> In the meantime, Bolivia has widened its circle of economic and political alliances, cultivating relations with Brazil and Argentina, and it is looking to negotiate future commercial agreements with India, China, and South Africa.

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Ultimately, however, the legitimacy of this government rests with the MAS’ broadest and most volatile constituency—the nation’s indigenous underclass, which makes up almost two-thirds of nation’s population (and which correlates, almost exactly, with that two-thirds of the nation’s total population that lives below the poverty level. And indeed, according to a 2002 UN report, 66.9% of the nation’s rural indigenous population falls into its category of “extreme poverty”).<sup>10</sup> The fate of Evo’s legitimacy (and, indeed, Bolivia’s citizenship democracy) rests on the fragile hope that Bolivia’s windfall tax revenues will go a long way towards solving Bolivia’s intractable social

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problems—poverty, unemployment, illiteracy, ill health and high infant mortality rates, social marginalization, racial discrimination, political disenfranchisement, etc.

To put it more broadly, the social basis of Bolivian democracy lies at the grassroots—in the ability of the MAS to refashion Bolivian democracy around the ideals of social and economic justice. This is hardly an innovative platform, since Bolivia’s post 1952 revolutionary-nationalist regime was at the forefront of Latin American populist regimes that began to broaden the notion of citizenship rights to include social rights to basic economic livelihood and security. Clearly, the Morales regime is not planning to turn back the nation’s clock to the MNR era. But the political legacy of that era was to mobilize and instruct indigenous and laboring groups as to their “social rights” to livelihood, universal literacy and education, healthcare, and participatory unionization and democracy. Generations of Bolivian peasants, miners, urban laborers, union members, rural teachers, popular housewives committees, etc. were nurtured in a local political culture that defined citizenship rights, not only in classical liberal political terms, but as constitutive ‘social rights’ (along the lines defined by T. H. Marshall)<sup>11</sup> to basic life needs—land or livelihood, literacy and schooling, healthcare, and the forms of collective self-representation.

The movement towards broader and deeper citizenship rights as ‘social rights,’ which had substantially raised popular political expectations, came to an abrupt halt in 1964. The military overthrew the MNR government that year and ruled for the next 18 years. It was only in the early 1980s, that Bolivia restored civilian rule



under electoral democracy. The restoration of civilian rule in 1982 (part of Latin America's "third wave democracy") restored basic civil and political rights, but I would argue that Bolivia's neo-liberal policies over the past two decades have eroded even the most limited social rights, as successive Bolivian governments have cut back on government subsidies to food, agriculture, and social programs, dismantled state-owned mines and privatized other enterprises, and introduced the painful 'structural adjustments' aimed at limiting inflation and opening up the Bolivian economy to foreign investment and trade. Neo-liberal policies did make a positive impact in some areas: they tamed inflation and attracted foreign investment capital. But they also ended the government's role as economic actor and provider of basic public services.<sup>12</sup>

Most scholars agree that neo-liberalism "has generated pervasive market failures, new forms of social polarization, and a dramatic intensification of uneven development at all spatial scales."<sup>13</sup> To take but one human example of the price neo-liberalism exacted on Bolivia's laboring class: the government's decision to sack 12,000 mine workers in the process of divesting the state-owned tin mines in the mid-1980s. (Morales's family was caught in that vice-grip, and followed the tracks of thousands of displaced workers of newly de-nationalized mines, who fled east into the valleys and lowlands in search of an alternative farming livelihood. Chapare's coca fields became one destination of choice.) Meanwhile, as government revenues dropped, state subsidies of agriculture, education, and health suffered drastic cuts. For all intents and purposes, neo-liberalism's "trickle down" agenda went into reverse, by redistributing income upwards, towards the top of Bolivia's rigid and steep class hierarchy. (Proverbial "rich got richer"....etc.) Bolivia thus entered the 1990s burdened by a grotesque pseudo-democracy that had all but forsaken the nation's revolutionary-populist heritage of 'social rights.' Inevitably, perhaps, it is Evo Morales and his movement, the MAS, that now carry the mantle of recovering and revitalizing the idea of 'social citizenship' rights that was, and continues to be what shapes popular political expectations and social mobilizations.

Of course, there is no going back to the revolutionary-populist pact of 1952. Those days are long gone. Not only has the nation, and the global economy, changed in fundamental ways over the past half-century, but Bolivia's popular political landscape has also shifted rather dramatically—just in the past 25 years or so, with the onset of powerful indigenous social movements in both the highlands and, more recently, in parts of the vast eastern lowlands. The late 1970s and 1980s saw the emergence of a new set of social actors in Bolivia: a variety of indigenous activists and their constituencies who have broadened and deepened the older (T.H. Marshall) idea of "social rights" to encompass communal or patrimonial rights to indigenous traditions, identities, and territoriality. This is not to argue

that Bolivian indigenous politics suddenly sprang out of the mountains and jungles, beginning around 1980. On the contrary, indigenous activism and resistance have been woven into the fabric of social life since colonial times. In fact, recurring historical cycles of indigenous mobilization and ethnic militancy can be traced throughout the 19th and 20th centuries. But it is equally true that ethnic politics were temporarily buried and forgotten during and after the 1952 nationalist-populist revolution, only to spring back into political action in the 1980s and 1990s.

What were the historical conditions that gave rise to Bolivia's contemporary indigenous movement—which is, arguably, now one of the most powerful Indian Rights Movement in the Americas? Without delving into details, I would point to the paradoxes of neo-liberalism and re-democratization in Bolivia during the 1980s and 1990s. Bolivia presents a classic case of neo-liberalism's very mixed blessings. On the one hand, free-trade capitalism and neo-liberal reforms inflicted economic hardship, as we have seen. On the other hand, re-democratization was a hard-fought political process that opened political and discursive spaces for new groups to bubble up from below, and stake their claims in the nation's political system. In the 1980s, the *Katarista* indigenous movement (and its union, CSUTCB) emerged as important venues in which Aymara and Quechua laborers and peasants began to press their demands for certain social and cultural rights. A vibrant urban group of Aymara intellectuals began to assert their rights and identities as the descendants of Bolivia's "originary communities." They had a crucial impact on reshaping historical narratives and social memories, and on popularizing indigenous oral history through Aymara-language radio programs, bilingual books, and street-theater. In the 1990s, those grassroots pressures for inclusion began to trickle up and seep into the normative institutions of Bolivian society. It was during Gonzalo Sánchez de Lozada's first administration, in the mid-1990s, that the Bolivian state began to institutionalize the idea that Bolivia was, historically and still today, a "pluri-ethnic and multicultural" nation. Some of this official 'pluri-multi' posturing was simply political theater, or worse, window-dressing for what was, otherwise, a cruel neo-liberal regime bearing down on the most vulnerable sectors of Bolivian society. But there were also important substantive political reforms coming out of the *Ley de Participación Popular* (LPP), for example, which ended up catapulting some indigenous leaders into municipal and later congressional positions of power. Thus, did Bolivia's indigenous movement become broader, more diversified, and more deeply rooted in the political system during the 1990s.<sup>14</sup>

Another development that boosted and broadened Bolivia's indigenous movement in the 1980s and 1990s was the emergence of multiple, lowland tribal groups

onto the national political stage. The shocking clash between global capitalism and tribal peoples is a familiar story that has rippled across the vast Amazonian basin, and it galvanized some progressive groups in the Global North into taking action on behalf of ecological preservation, biodiversity and cultural survival. Indeed, it was the convergence of ecological and indigenous rights on the international stage in the 1990s that created a crucial set of transnational (non-state) activists and infrastructures, which have helped put local indigenous (especially tribal) movements on the world map. Thanks to the convergence of movements for ecological protection and indigenous protection, Indian activists have ways to incorporate their own local struggles into transnational networks and resources, based in London, Washington, New York, Geneva, etc. This is now the case, in fact, with most indigenous activist groups.

The entry of lowland tribal groups onto the national stage in Bolivia happened dramatically, in 1990, with the 700 mile March for Territory and Dignity. It was there that indigenous lowlanders, who had trekked across hundreds of miles of lowland forest and up over

the mountains, encountered their highland counterparts, the leaders of Aymara and Quechua communities, in a moving ritualized encounter of unity and solidarity in struggle. Perhaps this was a political spectacle, but the encounter opened the compass of political possibility and hope under an inter-ethnic indigenous coalition of unprecedented scope and ambition. As the new decade began, the indigenous groups were to press their agenda of political inclusion and cultural pluralism onto the ruling elite. They insisted on a broader and deeper meaning of citizenship, which included specified 'cultural rights' for the nation's indigenous populations.

In many ways, Evo Morales embodies, or hopes to embody, the synthesis of an older brand of 'social rights' (defining Bolivia's revolutionary-populist order of the 1950s) and the recent indigenous mobilization for ethnic rights. Clearly, one of Evo Morales' great challenges is to nurture the nation's fragile participatory-multicultural democracy, while also attacking the intractable problems of poverty and social marginalization. That Evo has done so well, thus far, is perhaps little less than a miracle in Bolivia's volatile political climate.

## Endnotes

1. Juan Karita, "Bolivian Assembly Endorses New Charter," Associated Press, December 10, 2007.

2. The *media luna* (half moon) region of Bolivia is a crescent shape land area in the eastern part of the country, and includes four of the nine departments of Bolivia: Santa Cruz, Beni, Pando, and Tarija. These four provinces generate a large part of the nation's wealth and are home to large natural gas fields as well as a booming agro-business sector (Ed).

3. "Morales sets Bolivia recall date." May 12, 2008. *BBC News*. The rules proposed by Morales may be adjusted before the August 10th referendum. <http://news.bbc.co.uk/2/hi/americas/7396809.stm>

4. See, for example, Juan Karita, "Two Dead in Bolivia as Protestors Attack Police Offices, Burn Jail in Conflict Over Constitution," Associated Press, "November 25, 2007; "Bolivia." Amnesty International Report 2008 State of the World's Human Rights, <http://thereport.amnesty.org/eng/regions/americas/bolivia>.; "Grupos violentos evitan el viaje del Presidente al Sucre," *La Razón*, May 25, 2008.

5. The 2007 State Department country report on human rights reaffirms this trend, noting "the government or its agents did not commit any politically motivated killings during the year, but security forces apparently killed five persons in separate incidents" [Ed.]

6. In December of 2007, President Morales proposed a recall referendum which would allow citizens to revoke the mandates of the president, vice-president, and the nine regional prefects. This proposal was passed by the opposition-controlled Senate in May of 2008, and the referendum will take place on August 10, 2008 [Ed].

7. D. L. Van Cott, *The Friendly Liquidation of the Past: the Politics of Diversity in Latin America* (Pittsburgh: University of Pittsburgh Press, 2000); Deborah Yashar, *Contesting Citizenship*

*in Latin America. The Rise of Indigenous Movements and the Postliberal Challenge.*

Cambridge: Cambridge University Press, 2005; Xavier Albó, *Pueblos indios en la política*. La Paz: CIPCA, 2002.

8. Mark Weisbrot, "Bolivia's Economy: The First Year," Center for Economic and Policy Research, cited by the Washington Office on Latin America web newsletter, January 19, 2007. That report cites, in turn, International Monetary Fund Country Report, No. 06/270, July 2006 on government revenue increases from the hydrocarbon industry.

9. Carlos Valdéz, "Castro Once Advised Morales to Shun Arms," Associated Press, December 29, 2006; EFE News Service, "Bolivia's Morales rejects labels, stresses problem-solving," February 19, 2007, <http://global.factiva.com/ha/default.aspx>.

10. United Nations Development Group, *Pueblos Indígenas Originarios y Objetivos de Desarrollo del Milenio, 2007, Anexo 1*.

11. See T. H. Marshall, *Class, Citizenship, and Social Development* [1949], New York: Doubleday, 1964.

12. See Benjamin Kohl and Linda Farthing, *Impasse in Bolivia*. London: Zed Press, 2006, 89-90.

13. N. Brenner and N. Theodore, "Cities and Geographies of 'Actually Existing Neo-liberalism,'" *Antipode*, 34: 2002, quoted in Kohl and Farthing, 122; Harry Sanabria, "Consolidating States, Restructuring Economies, and Confronting Workers and Peasants: The Antinomies of Bolivian Neoliberalism," *Comparative Studies of Society and History* 43:3 (1999): 535-562.

14. John-Andrew McNeish, "Stones on the Road: The Politics of Participation and the Generation of Crisis in Bolivia," *Bulletin of Latin American Research*, 25:2 (2006): 220-240; Andrew Canessa, "Todos somos indígenas: Towards a New Language of National Political Identity," *Bulletin of Latin American Research*, 25:2 (2006): 241-263.





## **“Bolivia: Transition to Plurinational State Begins.”**

Andrés Gaudín

*Latin American Database (Notisur)* 16 July, 2010

Bolivian President Evo Morales' administration is gradually organizing the new plurinational state, as mandated by the Constitution approved in a plebiscite last year (see NotiSur, 2009-02-13). The process is gradual because the right, weak and with scant legislative representation, is nevertheless pulling out all the stops to delay congressional passage of the five laws that must be approved by July 22. Although one step at a time, the process will go forward.

Meanwhile, the administration continues deepening the changes. Between May 1 and June 15, it nationalized four large multinational electric companies (bringing the total state-controlled electricity generation to almost 60%); reduced the retirement age from 65 to 58 (the opposite of advice from the International Monetary Fund [IMF] to European countries in crisis); and renationalized the pension and retirement system (managed until now by the Swiss group Zurich and Spain's Banco Bilbao Vizcaya).

Vice President Álvaro García Linera, referring to the right, said, "While they play at delaying the revolutionary process, we continue acting, and the new Constitution will be fully in force within the established time frame. We know how to learn from history." And Bolivia has a rich constitutional history.

The 1886 Constitution was written and presented personally by South American liberator Simón Bolívar in Chuquisaca--present-day Sucre, the administrative capital of the country. It had some unique features such as dividing the government into four branches: a tricameral legislative branch, comprising three chambers--Senate, Tribunes, and Censors; the executive, headed by a president-for-life and four ministers; the judicial; and the electoral, made up of the citizens and charged with electing authorities.

### **New Constitution, new world view**

After 183 years and 15 short-lived constitutional reforms, on Feb. 7, 2009, President Morales obtained approval for the Constitución del Estado Plurinacional de Bolivia. To not break the tradition of uniqueness, the text, from its almost poetic preamble, presents a new world concept for a country that suffered for five centuries a silent but systematic marginalization and was invisible to the large centers of world power.

The text begins, "In time immemorial mountains arose, rivers ran, lakes were formed. Our Amazonia, our Chaco, our altiplano, and our plains and valleys were covered with lush greenery and flowers. We populated this sacred Mother Earth with different faces, and we have understood since then the plurality existing in all things and our diversity as beings and cultures. That is how we formed our communities. We never knew racism until we suffered from it beginning with the disastrous colonial times."

The end of the preamble is written in a unique literary style for this type of document, generally formal and cold. "Fulfilling the mandate of our people, with the strength of our Pachamama and thanks to God, we refound Bolivia," it says.

Beyond the lyricism, this Magna Carta, which is being provided with the necessary complementary legislation, proposes a complex framework that integrates the 36 recognized nationalities, including the Aymara, Quechua, Guaraní, and Afrobolivian, among others, in a

"Single Social State of Plurinational Communitarian Law, free, independent, sovereign, democratic, intercultural, decentralized, and with autonomies." And it is organized through the separation and independence of the executive, legislative, judicial, and electoral branches, as was the 1886 Bolivarian Constitution.

The legal framework will establish five parallel levels of government--plurinational, departmental autonomy, regional autonomy, indigenous autonomy, and municipal autonomy--which require an arduous administrative mechanism for a country trying to eradicate centuries-old injustices without resorting to racial extermination, a mechanism so well-known in other corners of the world that are used as an example.

The approval of the Constitution effectively implies a revolution, and thus all laws in effect now will have to be reformulated to conform to this new concept of state and the shared life among its peoples. The basic laws for the functioning of the new Bolivian state will be approved by July 22. Recently, during the festival of Inti Raymi--the sun god--President Morales signed the Law of Judicial Authority, a system also unprecedented and probably exemplary in that it meshes four levels of judicial administration: ordinary, agroenvironmental, special, and indigenous-campesino jurisdictions.

The first, ordinary jurisdiction, covers civil, commercial, family, childhood and adolescent, tax, administrative, labor and social security, anti-corruption, and penal law. Agroenvironmental jurisdiction's function is to intervene in agrarian, livestock, forestry, environmental, water, and biodiversity issues. The indigenous peoples and nations will now have their own judicial functions and competency, which will be exercised through their authorities, applying their principles, cultural values, norms, and ancestral procedures.

"Today Bolivia begins to build what we have called a plurinational state, a communitarian social economy, and a process of decentralizing power under the distinct forms of autonomy. It is undoubtedly a complex state," García Linera told an auditorium of experts from the UN Economic Commission for Latin America and the Caribbean (ECLAC). "We are proud to reclaim this egalitarian dimension of our country. We reclaim the importance of the state, but not a suffocating state, rather one with a pluralistic economic system that continues working with private business and with foreign markets and also protects domestic demand and the rights of its citizens."

### **People to elect Tribunal Supremo justices**

Another unique and significant feature of the new Constitution is that judges, including those in the Tribunal Supremo de Justicia (TSJ), which has nine justices plus their respective alternates, will henceforth be elected by direct popular vote, with the first judicial elections scheduled for Dec. 5, 2010.

"We hail this new law for revolutionizing the judicial branch," said Morales at the signing. "The time has come to decolonize the Bolivian judiciary, to nationalize and to democratize the law." What is being attempted is to "leave aside the discriminatory treatment by public officials who often treat someone wearing a tie better than someone wearing a poncho," said the president.

The law explicitly stipulates that "all payments for official stamps, forms, and fees for filing for any judicial appeal in any type or class of process, payments for Judiciary Treasury certificates, and any other type of payment that encumbers litigants is hereby suppressed and eliminated."

The pursuit of justice will be free and universal, something that, like electing TSJ justices, is unique and unprecedented in the world. "In addition, justice will now be truly humane, without discrimination, without exclusions," said Morales.

It is not surprising, then, that opposition to this law has come from the most conservative sectors of Bolivian society--sectors that for centuries had privileges based on exploiting the indigenous majorities--from the right that attempts the secession of the rich eastern and southern departments where few descendants of the original peoples live. Nor is it surprising that the traditional judiciary is hurling all kinds of insults because these changes leave it without its professional prerogatives.

Thus in recent weeks, the media have been up in arms, reporting on some actions in which, in the name of communitarian justice, all kinds of outrages were committed, such as the assassination of four police in a town in the southern department of Potosí.

"It would even seem that these acts, precisely at this moment in the political life of the country, were instigated and financed by the same right that wants to divide the country's people and society," said a commentator on a community radio station in the department of Cochabamba.

Sen. René Martínez, interim president of the upper house, told the Argentine daily *Tiempo* that, in this as in other cases brandished by the right and the rightist media, there is a deceptive vision of reality that tries to prove the supposed inability of the communities to administer justice. "Indigenous laws are the oldest and do not allow the death penalty. There can be excesses, which must be investigated, but that is not the law of indigenous peoples," he said.

"In these days and as a result of a crisis that threatens continental integration, Europe is experiencing the most brutal budgetary cuts, which represent, perhaps, a death blow to the welfare state. They are part of the same IMF recipes imposed on Latin American countries in the 1990s. And let's not forget that they failed and brought these countries their worst crises," said Argentine analyst Alberto López. "Bolivia is an example. Europe would do well to look to this poor altiplano country that has been giving lessons since the first uprising against the monarchy, in Chuquisaca, on May 25, 1809, 201 years ago."

## **“After Move to Cut Subsidies, Bolivian Ire Chastens Leader”**

Noah Friedman-Rudovsky  
*The New York Times* 31 January, 2011

EL ALTO, Bolivia — It was the day after Christmas. President [Evo Morales](#) was on a trip to Venezuela, [Bolivia](#)'s top ally, so the unenviable task fell to his vice president: announcing an abrupt 73 percent increase in the price of gasoline. The reaction was swift.

Protesters ransacked government offices and burned photographs of Mr. Morales, who caused the increase by cutting government subsidies. Others tried to topple a statue here of [Che Guevara](#). Coca growers, long an important base of support for the president, blocked a main highway in protest. Striking bus drivers publicly whipped those who dared pick up passengers.

By the time the measure was withdrawn five days later, it was clear that Mr. Morales, arguably the strongest leader in Bolivia since the 1950s, had suffered the biggest setback during his presidency. New graffiti decorating walls here and in La Paz, the capital in El Alto's shadow, summed up the sentiment in two words: “Evo = Implosion.”

“We gave Evo a taste of his own medicine,” said Juan Alanoca, 34, a tailor who sells his wares on El Alto's streets, referring to the role Mr. Morales, a leader of coca growers unions, played in organizing protests to destabilize previous governments. “We sent him a message, ‘Remember those who put you in power in the first place.’ ”

The double shock of Mr. Morales, a leftist leader who often lambastes market-oriented policies, proposing the measure and then seeing his own supporters rise up against it reflects a Gordian knot faced by governments in energy-rich countries: the drain fuel subsidies put on public finances, and the political risks involved in curtailing them.

Iran had long sought to cut back its costly and inefficient subsidies on fuel and other goods, which strained the state and held back the economy for years. But only recently has the government [felt emboldened, or squeezed, enough to take action](#).

In Venezuela, gasoline sells for less than 10 cents a gallon, in what may be the most generous fuel subsidy anywhere, according to a study by the German aid agency GTZ. Venezuela's president, [Hugo Chávez](#), has criticized the subsidy but has not raised fuel prices during his nearly 12 years in office, possibly mindful of the riots that shook its capital, Caracas, in 1989. Hundreds were killed there after the authorities allowed gasoline prices to climb as part of an [I.M.F.](#) austerity program.

In Bolivia, the ferocity of the protests and Mr. Morales's rapid capitulation opened an uncertain chapter for the president, who is at the start of his sixth year in office. In one major poll published this month by the newspaper *La Prensa*, 67 percent of respondents in Bolivia's four largest cities said they disapproved of his performance.

“I don't believe in polls and never have,” Mr. Morales, 51, said in a meeting here with foreign journalists. Sipping [Coca Brynco](#), a green soft drink made here from coca leaf, he vigorously defended his plan to lower fuel subsidies, calling them “a cancer.”

Despite the problems faced by Mr. Morales, who is also accused of unfairly hounding political opponents, even his prominent critics here say it would be premature to foresee the twilight of his government, despite the public wrath over his attempt to cut fuel subsidies.

For one thing, Mr. Morales, an Aymara Indian who is Bolivia's first indigenous president, remains by far the dominant political figure in a country where more than 60 percent of the population identify themselves as indigenous. "Evo still belongs to us," said Marina Huanca, 35, an Aymara woman who sells coca leaf here.

Mr. Morales's presidency has also been bolstered by a stretch of economic growth unrivaled in Bolivia's turbulent recent history, largely a result of high prices for mineral exports and prudent economic policies. Even after spending heavily on cash payments to poor families, his government has still maintained a budget surplus.

Bolivia, with a population of about 9.9 million, remains one of Latin America's poorest nations. But the economic vibrancy and relatively equitable growth are on display here in El Alto's streets, clogged with vendors selling everything from imported appliances to used cars and monkeys for pets.

Down the winding road in La Paz, the boom becomes even more apparent. Moviegoers from a kaleidoscope of social backgrounds flock to a new 12-screen multiplex cinema in the Sopocachi district. Gas-guzzling Hummers vie for space on streets crowded with minivans.

The S.U.V.'s here offer a window into one of the dilemmas underlying the protests last month. Like [oil](#)-rich Venezuela, Bolivia heavily subsidizes gasoline, which sells here for about \$1.89 a gallon, less than half the price in neighboring Brazil or Chile.

But unlike Venezuela, Bolivia relies on a different commodity, [natural gas](#), for much of its export income. Bolivia imports refined gasoline and diesel, spending \$666 million on subsidizing these fuels last year. As global oil prices climb, the subsidies could rise to \$1 billion in 2011, Vice President Álvaro García Linera said.

Energy analysts say the low domestic fuel prices in Bolivia have dissuaded foreign energy companies from drilling new oil wells and increasing production inside the country. Mr. Morales's nationalist policies have also [limited foreign investment](#) in Bolivia's natural gas industry, prompting neighboring countries like Argentina, Brazil and Chile to seek new sources of the fuel.

This has deprived Bolivia of revenue and left Mr. Morales with little choice but to try to raise gasoline prices, a market-oriented move that his supporters immediately rejected. "The solution to the subsidies was classic shock therapy from the playbook of the International Monetary Fund," said Carlos Alberto López, a prominent energy analyst here.

Mr. Morales has been accused of juggling other conflicting policies. He expelled the American envoy here in 2008, and contends that Washington foments opposition to his rule. But his government still accepts American antidrug and development aid, which is expected to exceed \$30 million this year.

One of the reminders of the turmoil around the fuel protests was how much of a role popular unrest still plays in Bolivia's fragile democracy. Despite wielding greater influence than his

predecessors, Mr. Morales discovered that he, too, could have his ambitions put into check by street protests.

“The ultimate Bolivian referendum,” said Jim Shultz, a political analyst in Cochabamba, “is a road blockade.”

## **“Bolivian Government’s Popularity Falling 5 Years On”**

*Merco Press* 30 January, 2011

*Bolivia's President Evo Morales and his Vice President Alvaro Garcia Linera, recently celebrated their government's fifth anniversary and the first of his second term in La Paz, Bolivia.*

The fiery coca growers' union leader who rode discontent over his predecessor's pro-business policies to Bolivia's presidency is suddenly grappling with a sharp drop in popularity.

Ironically, Evo Morales' troubles are related to his handling of the economy.

The very “originarios,” or native peoples, who ensured the re-election of Bolivia's first indigenous leader a year ago with 64 percent of the vote are now echoing the complaints of his longtime critics: Morales has bungled the economy, alienated foreign investors and favoured political cronies over technocrats, they say.

”The president thought that by putting ponchos and polleras (the petticoat-layered skirts indigenous women favour) in his Cabinet the country would run better, but that's not the case, “Jimena Mendoza, 40, said as she queued up recently for sugar at a state-run store.

In an Ipsos poll released earlier this month, Morales' approval rating plummeted to 36 percent - a low point after five years in power. The plunge followed Morales' attempt to lift subsidies on gasoline, sugar and flour just after Christmas. In response, protesters had flooded into the streets, hurling stones at the headquarters of unions closely allied with the president and stoking street bonfires with portraits of him.

Morales backed down - the 78 percent gas price increase was simply untenable. But the damage was done, as reflected in the poll of 1,080 people in four cities Jan. 6-11 that had a 3 percentage point error margin.

The protest's epicentre was El Alto, the teeming La Paz satellite that is a magnet for indigenous poor migrants from the countryside.

In 2003, El Alto was the locus of a popular uprising that toppled then-President Gonzalo Sanchez de Lozada after troops killed at least 63 people. That unrest ignited over what many considered the government's planned fire sale of Bolivian natural gas to the United States and Chile.

The irony of December's protests was not lost on anyone: Morales was now asking people in a country with a per capita annual income of \$1,700 to absorb - overnight - hefty price increases for gasoline, sugar and flour.

Morales apologized, but few heads rolled.

He replaced three of his 20 ministers last weekend. What remains is largely what he began with: loyalists representing constituencies including organized labor and indigenous confederations.

"I've only been honest with the people and I don't care about my popularity but instead about taking care of the interests of the country," he told reporters.

He also announced a new strategy: He would remove subsidies, but gradually.

On January 15, Morales raised sugar prices by 23 percent, fanning inflationary fears in a country that was ravaged by hyperinflation in the 1980s.

Bolivians want to know how it is that this country of 10 million can't feed itself despite being rich in arable land.

"We feel defrauded. How can it be possible that in this city with four sugar mills there's no sugar?" retiree Hugo Salvatierra remarked to Erbol radio in the eastern lowland city of Santa Cruz. He said he'd stood in line for three hours to buy 8.8 pounds (4 kilos) of sugar.

A drought hurt sugar production last year. The government then prohibited exports, encouraging a now burgeoning black market. Now it says it needs to begin importing corn for chicken feed, which economists say will make chicken more expensive.

Confidence in Morales has so eroded that a protest Monday over rising prices in Llallagua, a mining town dominated by indigenous Quechua speakers in the southern highlands, devolved into looting where not just food but also televisions and computers were stolen.

Columnist Maria Teresa Zegada wrote in the La Paz newspaper *Razon* that Morales' was a government of patronage incapable of medium- or long-term planning.

And Andres Soliz, Morales' first hydrocarbons minister, accused his former boss of exhausting his inventory of bold, radical reforms, which began in 2006 with Morales rewriting the rules so Bolivia kept a larger share of mineral and gas royalties.

Critics say he's driven away foreign investors.

At the same time, Morales has increased government subsidies.

Smuggling of contraband gasoline and diesel fuel to neighboring Peru - where it costs twice as much - then spun out of control. Government subsidies for the fuels jumped from \$108 million in 2005 to \$660 million last year - equal to nearly a third of annual natural gas export earnings.

Historian Carlos Mesa, one of the four presidents that Bolivia cycled through in the instability of 2001-2005, says Morales has become hostage to the very social movements whose street violence he rode to power.

”The 'gasolinazo' (late December gas-price riots) shows that governability was never established,” Mesa said in a column.

The cushion that Bolivia enjoyed from a big jump in raw-material prices in Morales' first three years as president - 2008 saw an unprecedented 6 percent rise in gross domestic product - is now beginning to evaporate.

Bolivia's mining boom and natural gas ”nationalization“ helped reduce extreme poverty in those years as annual exports grew from \$1 billion to \$6 billion. And Bolivia built up more than \$10 billion in foreign reserves.

Then, last year, mining output dropped and foreign investment eased.

Direct foreign investment fell to \$156 million in the first quarter of 2010, from \$245 million in the year-before quarter, according to the National Statistics Institute.

”Most serious analysts of the hydrocarbons sector say that at this rate Bolivia in 10 years will not be able to meet domestic (oil and natural gas) demand,” said political scientist Eduardo Gamarra of Florida International University.

On the bright side, he says, Morales is becoming more pragmatic and less dogmatic.

It's high time, says Gamarra, that Morales turns away from an economic model that ignores market mechanisms.

”This is a model that wasn't going to last.”

## **“Country Report: Bolivia”**

*Economist Intelligence Unit* January 2011: pages 10-12

### **The political scene: MAS government continues to target opponents**

The government of the president, Evo Morales, has renewed attempts to consolidate its political power and weaken the opposition but public frustration with some government policies is threatening stability. The pattern of arresting and prosecuting opposition and business leaders was highlighted in December 2010 by the flight into exile in Paraguay of Mario Cossio, the governor of the Tarija department. Paraguay agreed to give Mr Cossio temporary political asylum. The government’s vigorous pursuit of judicial processes against its opponents is forcing a growing band of opposition leaders to abandon their elected office (by law an elected official must step down from office if public charges are brought against him). Unwilling to face lengthy custody while trial processes take place—such as the 28-month long custody of Leopoldo Fernández, the former governor of the Pando department—many are opting to flee to exile instead. This has provided the government with a swift propaganda victory as it argues that self-imposed exile implies guilt. Once a governor or mayor is forced to step down, the departmental assemblies or municipal councils, respectively, must choose a nominee to fill the vacancy. Thus far, the ruling Movimiento al Socialismo (MAS) has frequently been able to encourage a sufficient amount of support from minority parties to swing the voting, therefore allowing an ousted mayor or governor to be replaced by a MAS nominee, as has now happened in the Tarija department and the cities of Sucre and Potosí. The government insists that it is simply fulfilling its pledge to campaign against corruption. However, the potential for political abuse was vociferously denounced by the opposition in advance of constitutional changes in 2009 and the government’s new autonomies law, passed in 2010, which made new mechanisms available to remove elected officials.

The lack of hard evidence presented by the government before judicial processes are commenced, and a lack of opportunity for the accused to mount a rebuttal before being forced out of office, provides the executive with enhanced powers to deter political opponents. The anti-corruption campaign now appears to be fundamentally political, aimed at disabling opposition to the government. Opposition leaders point out that almost no prosecutions have been sought against MAS officials, despite ample talk of misuse of public funds in MAS-controlled constituencies, something Mr Morales has often referred to in speeches made to supporters. Now that Mr Cossio has fled, the next opposition figures likely to attract government attention are Ruben Costas, the governor of the Santa Cruz department and an outspoken government critic, and Ernesto Suarez, the opposition governor of Beni. Mr Costas was elected by the widest margin of any governor at elections in April 2009 and his ousting would almost certainly generate a massive anti-government backlash in the city of Santa Cruz, Bolivia’s largest and wealthiest city. However, Mr Suarez looks more vulnerable and is likely to be the next to fall.

### **The political scene: Fuel price fiasco damages government credibility**

The announcement by the vice-president, Álvaro García, of a massive 73% rise in the price of petrol and 83% for diesel on December 26th 2010 shocked the nation (see Economic policy). During the following days it became clear that the government would be unable to contain a massive protest backlash and risked losing much of its popularity, forcing the president to rescind the measure in an embarrassing climb-down on December 31st. The reversal also prompted the resignation of the presidential spokesperson, Ivan Canelas. Although the measure had been presaged in the immediate days before the announcement, the scale of the increase caused widespread panic, exacerbated by the absence of Mr Morales on a holiday visit to Venezuela. In the days after the initial announcement, prices for transport services were doubled in many cases and goods prices rose sharply as panic buying led to shortages. A run on bank deposits estimated at US\$200m also ensued the day after the announcement, as the uncertainty led to rumours that the government intended to impose a surprise freeze on bank deposits held in US dollars. The fuel price increase had sparked fears that the public finances were in poor shape and that the government intended to grab foreign-currency deposits cheaply through a sharp appreciation of the currency (the boliviano). The government strenuously denied any such intentions, stating that the fuel price measure was necessary to reduce the discrepancy between heavily subsidised domestic fuel prices and those of neighbouring countries, which has led to a growing contraband trade and unsustainable losses for the state-oil company, Yacimientos Petrolíferos Fiscales Bolivianos (YPFB).

On his return to Bolivia, Mr Morales sought to soften the blow by promising 20% pay rises for four main groups of public sector workers, including the military, police, teachers and health workers, and an extra month's salary for other public-sector employees. Measures to assist farmers and aid agricultural output were also announced. However, given that over 70% of Bolivians are self-employed or work informally and would be unlikely to benefit from any of the government's palliatives, the offer failed to dent the antagonistic public mood. Mass demonstrations by all sectors (even those set to receive salary hikes) were planned for January 3rd, ultimately convincing the government to abandon its plans

### **The political scene: Price increases will now be negotiated**

Following the reversal of the unpopular decree, the government now says it will negotiate with social movements and trade unions in a bid to reach an agreement on a timetable for increasing fuel prices, alongside salary increases and other accompanying measures to protect the poorest. In the meantime, all previously announced palliative measures have been withdrawn. Until a deal can be struck, the government is faced with a huge erosion of public confidence, especially among the poor. Fuel price increases are seen as an attack on the poorest, given that they have a disproportionate knock-on effect on the cost of transport and food. The belief among protestors is that they were being made to pay for the government's policy mistakes; in particular, the government's failure to procure more investment to increase domestic oil output—which is officially estimated to have fallen by 50% since 2005—and to control rife contraband smuggling. The government has now lost considerable credibility and will be hard

pressed to overturn such ideas or reach an agreement on price increases sufficient to address the fiscal gap in the short term. The debacle is also likely to lead to at least one or two cabinet changes (a review of ministerial performance will take place on January 7th and that could be the moment this happens), as scapegoats are sought for the economic policy failings that led to the fuel price hike fiasco.

### **The political scene: Democracy index: Bolivia**

The Economist Intelligence Unit's 2010 democracy index ranks Bolivia 81st out of 167 countries. Bolivia is one of three Latin American countries to fall from "flawed democracies" to "hybrid regimes" in 2010, putting it in the same group as Honduras, Nicaragua, Venezuela and Ecuador. Bolivia belongs to the Alianza Bolivariana para los Pueblos de Nuestra América, (ALBA, the Bolivarian Alliance for the Peoples of our America), a cohort sponsored by the Venezuelan president, Hugo Chávez, which is essentially a club for the region's leftist leaders (Bolivia, Cuba, Ecuador and Nicaragua are all members, but Honduras left the club after the pro-Chávez president, Manuel Zelaya, was ousted in a coup in 2009). ALBA countries fare poorly in the 2010 Democracy index, mainly as a result of some reduction of civil liberties and electoral processes. Bolivia is ranked 18th out of the 24 Latin American countries measured in the index.

#### **Democracy index**

	<b>Regime type</b>	<b>Overall score</b>	<b>Overall rank</b>
2010	Hybrid regime	5.92 out of 10	81 out of 167
2008	Flawed democracy	6.15 out of 10	75 out of 167

 [Download the numbers in Excel](#)

#### **Decline reflects tightening of electoral process and civil liberties**

Bolivia's deterioration into a "hybrid regime" reflects a decline in scores for electoral process and civil liberties. The rules for party financing are not well established or accepted and evidence suggests that it is common for the government under the current president, Evo Morales, to use state funds to promote the ruling party, Movimiento al Socialismo (MAS), and its candidates. This appears to have had an impact on elections during 2010. The Bolivian judiciary is weak. Recently, the government has been using judicial bodies to carry out investigations against opposition candidates and opposition lawmakers who were elected in April 2010. Once a mayor or governor is placed under investigation, they are required to step down from office and in many cases are replaced by government supporters. There are also concerns that a new anti-racism law will be used to stifle the press. Stiff penalties, including the closure of businesses and prison terms for journalists, have led to an outcry against the measure. Media groups fear that the

catch-all clauses will be used to enable the government to intimidate and even shut them down, in the event that news coverage of events or opinions expressed by interviewees are subsequently construed as having a racist bias.

### **Morales government includes women and minorities but democratic institutions are weak**

Bolivia's overall score, which is also characterised by below-average scores for functioning of government and political culture, reflects the political instability of the last decade, which saw two presidents resign from office. It is also indicative of a historical distrust of politicians owing to corruption and ineffectiveness. Bolivia's only sub-category score that is above the regional average is political participation. This is a result of increased voter turnout in recent elections and an improvement in the representation of minorities and women in the current government. Despite this, Bolivia's democratic credentials have weakened under the current government, with fragile political parties and democratic institutions unlikely to lead to a marked improvement in the short term.

### **Democracy index, 2010, by category**

**(on a scale of 0 to 10)**

<b>Electoral process</b>	<b>Functioning of government</b>	<b>Political participation</b>	<b>Political culture</b>	<b>Civil liberties</b>
7.92	5.00	5.56	3.75	7.35

 [Download the numbers in Excel](#)

Democracy index 2010: Democracy in retreat, a free white paper containing the full index and detailed methodology, can be downloaded from [www.eiu.com/DemocracyIndex2010](http://www.eiu.com/DemocracyIndex2010).

## Indigenous Groups

### **“Bolivian Indigenous Movement Demands Autonomy, Ignoring Existing Boundaries”**

*BBC Monitoring/ La Prensa* (in Spanish) 16 June, 2010

#### **Indigenous people ask for autonomies that surpass departmental limits**

The indigenous people affiliated to the Eastern Bolivia Indigenous Peoples and Communities Confederation (CIDOB) paid heed to the Movement Towards Socialism (MAS) and are now demanding indigenous autonomy be applied without paying attention to the municipal and departmental boundaries. However, the government refuses to grant them that condition because it endangers the territorial unity of the plurinational state.

In order to push their demands, they will start a march in Trinidad tomorrow, which intends to reach La Paz amid protests. The measure also intends to call the attention of the Legislative Assembly, where the Autonomy Framework Law, one of the five essential laws that should be approved by 22 July, will be debated.

Article 289 of the Political Constitution defines indigenous autonomy as "the self-government of the native peasant indigenous nations and peoples, whose population shares territory, culture, history, tongues, and organization, or their own juridical, political, social, and economic institutions."

Under this Constitutional principle, CIDOB President Adolfo Chavez proposes native peoples who want to be autonomous must have a territory and economic resources just like the other three levels of autonomy: regional, municipal, and departmental.

"What is the use of incomplete autonomy? There are indigenous peoples who exceed departmental limits but the Constitution is clear: it says peoples who share territory, culture, tongue (and) history can have an indigenous autonomy status."

The indigenous demands also include a right to be consulted about the exploitation of natural resources in indigenous territories and a right to more seats in the Plurinational Legislative Assembly, which, according to the Electoral Regime Law bill, will only be seven.

They also demand the autonomic statutes be approved by their own procedures and not through the "republican method" of referendum.

The demands of the indigenous leader, once an ally of the government, are backed by Leonardo Tamburini, the director of the Centre for Juridical Studies and Social Research (CEJIS), of which Minister Carlos Romero and former Rural Development Minister Susana Rivero were once members.

"The argument with the government revolves around the territorial base in which the autonomy established in the Constitution will be fully exercised (...) Therefore, the State cannot do any other thing than granting that autonomous status. However, it turns out the Autonomies Ministry says these territories are in the middle of departments, as it sometimes happens in the lowlands (...) This is a prohibition for indigenous territories to become autonomous in the middle of two departments."

For example, the Tacanas and the Mosevenes, who reside in Beni and La Paz, would have to form a single autonomous territory. The Cavimenes who live in Beni and Pando would also have to constitute a single autonomous region breaking all departmental limits.

President Evo Morales, who visited Santa Cruz yesterday, cancelled all possibilities of accepting the demand. "It is impossible to eliminate departmental limits; that is not in the Constitution. The implementation of autonomies must be based on the Constitution."

Nevertheless, the MAS took on the cause of implementing indigenous autonomies as a way to counteract the departmental autonomy pushed by the so-called "Half-Moon" region during the constituent process and the confrontation with pro-autonomy movements in 2007 and 2008.

On 2 August 2009, which is considered the day the indigenous autonomy was born, Minister Romero said: "The democratic and cultural revolution led by President Evo fulfils the fundamental historical duty of incorporating native indigenous peoples to the Bolivian State as peoples and nations." Meanwhile, the president said "the indigenous movement struggled since the 1492 Spanish invasion. It is a permanent struggle to which those who pushed for the respect of the people joined little by little (...) We still need to free ourselves economically; then the people will have the power." The Constitution proposal put forward by MAS incorporated the idea that there are 36 native peasant indigenous nations and that they could be autonomous.

Political analyst Ricardo Paz believes the indigenous pressure now directed against the government over autonomies "is the result of electoral promises made to win votes." Meanwhile, sociologist Jose Mirtenbaum believes the indigenous people are demanding a legitimate right that was granted to them by the government. "The indigenous people took those ideas to heart, that is what worries the government."

### **The government divides organizations**

The administration of President Evo Morales divided the announced CIDOB march yesterday, after having made an agreement with only one of the groups affiliated to that organization, the Guarani People's Assembly (APG).

This decision by the APG was already expected this morning. The assembly's spokesperson, Constanza Moreno Camacho, went as far as calling the march organized by CIDOB for Thursday 17 June "a political affair" and stated her organization will not participate in it.

Autonomies Minister Romero travelled to Camiri to sign the agreement with the APG. According to Radio Parapeti, he then made a commitment to fulfil the petitions of the Guarani people. One of these petitions is that the statutes of the peoples affiliated to the APG will come into effect "according to their own norms and procedures," that is, the referendums demanded from the CIDOB will no longer be necessary. The CIDOB is preparing its march in the city of La Paz and, up to yesterday, has managed to achieve the cohesion of at least 1,000 protestors, among them indigenous people from Pando and northern La Paz. Indigenous assembly members will also take part in the protest.

It must be noted:

The Political Constitution establishes three ways to access indigenous autonomy:

By Native Community Land (TCO), municipality, or region.

The TCO established by the National Institute for Agrarian Reform (INRA) includes ancient territories of the indigenous peoples.

## **“Amazon Indigenous Communities Plan 1,000-km March”**

Franz Chávez

*Inter Press Service, 17 May 2010.*

LA PAZ, May 17 (IPS) - The indigenous peoples of the Amazon region of Bolivia have declared themselves in a "state of emergency" and announced that on May 20 they will begin a 1,000-kilometre march to La Paz to demand that the government defend their territory from being plundered by oil, logging and mining companies.

"The country's constitution is being violated, as is the International Labour Organisation (ILO) Convention 169, which recognises the territories and rights of indigenous peoples," said María Saravia, the communications secretary of the Confederation of Indigenous Peoples of Eastern Bolivia (CIDOB), which represents one million members.

"We cannot continue turning a blind eye to the situation. If we don't reach an agreement with the government, the march will begin on May 20," Saravia told IPS.

This will be the seventh march undertaken by indigenous communities in the Bolivian Amazon to defend their rights.

The announcement of another march highlights the balancing act faced by the left-wing government of Evo Morales, the country's first indigenous president, who has internationally championed the rights of native peoples and the environment, at the same time that the state is heavily dependent on natural gas exports, the country's main source of foreign exchange, and on exports of minerals like tin, zinc, gold and silver.

In a statement released on May 14 announcing the upcoming march, the Central Organisation of Indigenous Peoples of La Paz (CPILAP) addressed Morales, saying, "We hope you will understand that this is not a personal attack," but adding that action must be taken in the face of "major socio- environmental impacts that directly affect us."

"Mr. President, the rights of indigenous people are being violated here. Mr. President, the rights of we, the people, are being violated here, and we hope that you can put yourself in our place and defend us from these abuses," the statement adds.

José Ortiz, the president of CPILAP, told IPS that the plan is for roughly 800 people to begin the 1,105-kilometre march in Riberalta, in the northeastern province of Beni. Along the way, they will be joined by indigenous people from CIDOB's 11 member organisations throughout the Amazon basin.

The indigenous peoples of the Amazon region make up 10 percent of the 10 million inhabitants of Bolivia, where over 60 percent of the population are native people, mainly belonging to the Quechua and Aymara ethnic groups concentrated in the western highlands.

In 1990, a delegation of indigenous people trekked from Trinidad, the capital of Beni, to the seat of government in La Paz, where they succeeded in getting their demands for land rights and the convening of a constituent assembly to rewrite the constitution on the political agenda.

That first march is now considered a landmark event in Bolivian history and sparked a process of political and social changes that culminated in the new constitution adopted in February 2009 after a nationwide referendum.

But the new constitution has not served as a shield against the companies and individuals who are plundering the natural wealth of the country's northeast Amazon region and destroying the way of life of its indigenous communities, according to activists.

"President Morales should listen and be sensitive to what is happening and rethink the course of change together with social movements," Amazon indigenous leader Cristian Domínguez told IPS.

Domínguez is the secretary of defence of natural resources and the environment at the Bolivian Confederation of Campesino Workers, the country's largest organisation of peasant farmers.

He is also one of the guiding forces behind defence of the environment within the ruling Movement Towards Socialism party, and shares with Morales the belief that the capitalist economic model is to blame for the planet's destruction.

But Domínguez disagrees with some of the new advisors working with Morales, who came to power in January 2006 and began a second presidential term in January after his landslide re-election in December.

Domínguez accuses these unnamed individuals of "becoming drunk with power and following the footsteps of the right," while ignoring the needs and demands of indigenous peoples.

For her part, Saravia maintained that the rights of indigenous peoples are held up like a banner on the international stage, but their demands are ignored within the country itself.

That is why the upcoming march will specifically highlight the demand for three rights: "territory, dignity and autonomy," she said.

Among the reasons behind the protest, CIDOB complained about the government's slow progress in providing title deeds for their ancestral lands to indigenous communities, plans to establish settlements in forest reserves, and attempts by new settlers to undermine the land rights of the Tacana people, who live on the banks of the Beni River along the border between the province of the same name and La Paz.

CIDOB also accuses the government of using "dishonest and corrupt consultation methods" to

obtain approval from indigenous communities for the construction of a stretch of the Trans-Oceanic Highway -- an infrastructure megaproject jointly undertaken by Bolivia, Brazil and Peru -- between the towns of Villa Tunari, in the central province of Cochabamba, and San Ignacio de Moxos, in Beni.

Other major threats to the environment highlighted by the organisation are the plans for the Cachuela Esperanza hydroelectric dam on the Beni River, which will involve a two billion dollar investment and generate 1,000 megawatts of power; and the construction of another dam in El Bala, which is located within the borders of Madidi National Park, a protected area in the province of La Paz.

On top of these megaprojects, CIDOB also denounced the dangers posed by the ongoing seismic testing, drilling and mining operations that stretch throughout the Amazon basin to the semi-arid Chaco region of southeastern Bolivia.

## **“Morales Caught Between Gas Revenues and Indigenous Demands”**

Franz Chávez

*Inter Press Service* 24 May 2010\

Thanks to a last-minute agreement with the Evo Morales administration, a 1,000-km march from the city of Riberalta in the extreme north to La Paz in the western highlands by indigenous groups from the Amazon jungle region was called off.

And negotiations with government officials put an end to a four-day roadblock by Guaraní Indians on a key highway that connects Bolivia with Argentina to the south.

On Sunday, an agreement was signed after two days of talks between representatives of the Guaraní community and the ministers of hydrocarbons, autonomy and rural development and land.

Native groups who live in areas rich in timber, water, minerals and oil are demanding government protection of their ancestral lands, in line with the defence of Pachamama or Mother Earth voiced by Morales at the World People's Conference on Climate Change held a month ago in the central city of Cochabamba.

Morales, the first-ever indigenous president in this country where native people comprise a majority of the population, is caught between demands for the conservation of forests, water sources, and traditional lands, and the government's heavy dependency on natural gas, its main source of revenue, which brought in 1.46 billion dollars in 2008.

Bolivia has South America's second largest natural gas reserves, after Venezuela', with an estimated volume of 49 trillion cubic feet.

'It is hard to exploit natural resources without hurting the environment,' Armengol Caballero, the head of the Centre for Research and Advancement of Small Farmers (CIPCA), told IPS. 'The exploitation of oil and gas implies deforestation as roads and pipelines are put in to bring out the fuel.'

Caballero accuses Morales of a 'double discourse'.

But he also argued the need to exploit the country's natural resources, in order to generate revenues for the benefit of indigenous peoples themselves, instead of leaving the oil, gas and minerals underground.

'The government is promoting economic policies based on extractive industries with high costs to the environment and to its own image, which is based on promises of change,' Edwin

Alvarado, national communications secretary of the Environmental Defence League (LIDEMA), Bolivia's leading environmental coalition, commented to IPS.

A ministerial commission and leaders of the Confederation of Indigenous Peoples of Eastern Bolivia (CIDOB), which represents one million members, held talks last week, in which the government promised to speed up the process of demarcating the lands of native communities in the Amazon jungle region and granting them collective land titles.

In response, CIDOB called off its plans for a 1,000-km march to La Paz.

The government also announced that it will push for a new forestry law, and that the concessions of mining and lumber companies that do not respect Bolivia's regulations and standards will be cancelled.

The Morales administration's commitment includes the drafting of specific regulations for carrying out prior consultations among indigenous communities before authorising the construction of roads, hydroelectric dams, and the exploration and production of minerals, oil and natural gas.

The government also reiterated that it would fully comply with International Labour Organisation (ILO) Convention 169 Concerning Indigenous and Tribal Peoples and the United Nations Declaration on the Rights of Indigenous Peoples.

But the government's commitment to 'free, prior and informed consent' from native communities, as established by Convention 169, would seem to run counter to its authorisation of projects like a stretch of the Trans-Oceanic Highway -- an infrastructure megaproject jointly undertaken by Bolivia, Brazil and Peru -- between the towns of Villa Tunari in the central province of Cochabamba and San Ignacio de Moxos in the northern province of Beni, Alvarado said.

More than 60 native communities in the Isiboro Sécure National Park will be affected by the project, because they depend on sustainable hunting, food gathering, and the use of natural sources of water, he said.

The LIDEMA spokesman said the park was one of the few areas in the Andean foothills of South America where the local indigenous inhabitants live according to their traditional way of life in an area that they consider sacred.

'The environmental policies of the current government are supposedly based on respect for Mother Earth,' the head of the environmental group Kandire, Daniela Leytón, told IPS.

'However, there is a counter-discourse in favour of the accelerated incursion of megaprojects in the name of development that undermine indigenous rights, under policies that are unethical in terms of the application of consultation methods and justifications,' she maintained.

Leytón noted that Bolivia is a country with a low industrial capacity and high dependence on natural resources, 'which fuels major extractive industry activity and exports concentrated in natural gas and minerals.'

The activist said that while GDP has increased 20 percent thanks to a rise in natural gas revenues since Morales first took office in 2006, the poverty rate has not dropped below 60 percent.

She also pointed to the government's difficulties in meeting the payments to pregnant and nursing mothers, which forced it to obtain a 20 million dollar 40-year loan from the Inter-American Development Bank (IDB).

## Drugs and Security

### **“International Narcotics Control and Strategy Report -Bolivia 2010”**

*United States Department of State Bureau of International Narcotics and Law Enforcements Affairs 1 March, 2010*

#### *I. Summary*

Bolivia is one of 20 major narcotics producing or transit countries. On September 15, 2009, the President of the United States determined for the second consecutive year that the Government of Bolivia (GOB) “failed demonstrably” to adhere to its obligations under international counternarcotics (CN) conventions.

In this determination, the President raised concern with rising Bolivian coca cultivation and cocaine production and explained that the GOB’s expulsion of the Drug Enforcement Administration (DEA) severely undermined Bolivian law enforcement efforts to identify and dismantle drug trafficking organizations. The President noted that despite Bolivia’s success in meeting minimum eradication goals, the total effort by the GOB fell short of its obligations as outlined in the United Nations (UN) Conventions and bilateral agreements.

In 2009, the GOB reported eradication of over 6,341 hectares of coca nationwide, 84 percent of which took place in the Cochabamba tropics (Chapare). Although the GOB met its minimum bilateral requirement to eradicate 5,000 hectares of coca, these efforts have not kept pace with rising coca cultivation and cocaine production. Bolivia is a party to the 1988 UN Drug Convention.

#### *II. Status of Country*

Bolivia is the world’s third largest producer of cocaine, and it is a significant transit zone for Peruvianorigin cocaine. The United States Government (USG) estimates that Bolivia’s coca cultivation increased by ten percent in 2009, and potential cocaine production increased by 50 percent from 130 metric tons in 2007 to 195 metric tons in 2008 and remained at that level in 2009. Increased potential cocaine production over the past two years can be attributed to the adoption of more efficient, Colombian-style cocaine processing methods and the increased presence of Colombian and Mexican drug traffickers in Bolivia. The majority of cocaine trafficked from or through Bolivia is destined for Brazil, Chile, Argentina, and Paraguay, with a significant amount transshipped to Africa and Europe.

GOB coca eradication forces face resistance from local coca growers on average one to three times per month when they attempt to carry out eradication missions. These missions are negotiated with and agreed upon by the General Directorate of Integral Development for Regional Coca Production (DIGPROCoca) and relevant coca federations. Resistance includes throwing stones at eradicators and gathering groups of hundreds of coca growers to physically resist the eradicators. Most incidents occur in so-called “zero coca zones,” such as protected Bolivian national parks. When facing resistance, eradication forces usually retreated in order to avoid injuries or conflict escalation. Coca cultivation expansion led to recent violent incursions by coca growers into the Indigenous Territory National Park Isiboro Secure (TIPNIS), leaving one person dead in September 2009. Police acted to remove the coca growers.

President Morales remains the leader of a coca growers’ federation, and the GOB continues its efforts at the international level to obtain the legalization of trade in coca leaf.

The expulsion of the DEA from Bolivia in January 2009 negatively impacted CN programs, especially in the area of interdiction operations and drug-related investigations. The expulsion reduced Bolivia's ability to identify, investigate, and dismantle drug trafficking organizations (DTOs) and severely limited the amount of actionable law enforcement leads developed in Bolivia.

In June, 2009, the President of the United States did not determine that Bolivia satisfied the eligibility requirements under the Andean Trade Promotion Act, including criteria on counternarcotics, and Bolivia's trade preferences under the Act were not reinstated.

On September 15, 2009, the President of the United States determined for the second consecutive year that the Government of Bolivia (GOB) "failed demonstrably" to adhere to its obligations under international counternarcotics (CN) conventions. In this determination, the President raised concern with rising Bolivian coca cultivation, cocaine production, and lack of control over "licit" coca markets resulting in diversion of excess coca leaf to cocaine production. The President also explained that the GOB's expulsion of DEA severely undermined Bolivian law enforcement efforts to identify and dismantle drug trafficking organizations. The President noted that despite Bolivia's limited success in meeting eradication goals, the total effort by the GOB fell well short of its obligations as outlined in the United Nations (UN) Conventions and bilateral agreements.

The USG continues to provide administrative and logistical support to Bolivian CN programs, and to work productively with the GOB at the technical level, but program accomplishments have diminished as a result of GOB policies and actions. The U.S. remains committed to working with the GOB to improve counternarcotics results.

### *III. Country Actions Against Drugs in 2009*

**Policy Initiatives.** The GOB promotes a policy of "zero cocaine but not zero coca" and has continued its policy to allow an increase in coca cultivation from 12,000 to 20,000 hectares, which violates Bolivian Law 1008 and international agreements. Bolivia produces coca leaf for traditional purposes, such as chewing, making tea and religious rites, but this coca leaf is also diverted to cocaine production. Current Bolivian law permits up to 12,000 hectares of legal coca cultivation in the "traditional coca growing area," most of which is in the Yungas, to supply the licit market. In September 2008, the GOB signed an agreement with 25,000 coca growers from the Yungas federation to eradicate 6,900 hectares by 2010.

This agreement simultaneously permitted an additional 6,500 hectares of coca to be grown in new areas in and around the Yungas. In 2009 the GOB also continued the policy that allows one cato (between one-sixth and one-quarter of a hectare) of coca to be cultivated annually per coca growing family in the Chapare region. This policy has resulted in at least 7,000 additional hectares of coca growth. It is widely recognized that coca grown in the Chapare is not suitable for chewing, and there is no evidence to suggest that Chapare coca is currently used for any other licit purposes, such as the manufacture of tea and other commercial products.

In October 2008, the GOB, with substantial support from the U.S. and neighboring countries, completed a one-year project designed to significantly improve the GOB's money laundering, antiterrorism financing, and asset forfeiture legislation. The draft legislation, currently pending Bolivian Congressional approval, would provide the requisite legal resources to law enforcement entities to improve their ability to conduct and prosecute narcotics trafficking, money laundering, terrorist financing, and corruption cases in Bolivia.

The legislation also contains provisions that would allow judicial intercepts of wire communications, plea bargaining, and other reforms to the Code of Criminal Procedure.

Accomplishments. The GOB eradicated 6,341 hectares of coca nationwide in 2009—84 percent (5,359 hectares) in the Chapare, 8 percent (521 hectares) in Yapacani, and 7 percent (459 hectares) in the Yungas.

In 2009, the Special Bolivian Counter Narcotics Police (FELCN) seized approximately 1,574 metric tons of coca leaf, 22 metric tons of cocaine base, and 5 metric tons of cocaine hydrochloride (HCl), totaling approximately 27 metric tons of illicit cocaine product. These illicit cocaine product seizures are fewer than the same period in 2008 and are insufficient to stem rising potential cocaine production. The GOB counternarcotics forces located and destroyed 24 cocaine HCl processing and chemical recycling labs; 4,864 cocaine base labs; and 6,666 maceration pits. In comparison to 2008, forces interdicted fewer base labs and maceration pits, but seized more cocaine HCl processing and chemical recycling labs. These results track the rising prevalence of Colombian-style manufacturing methods, rather than traditional maceration pits, and the increasing presence of Colombian and Mexican drug traffickers in Bolivia.

Additionally, operations intended to disrupt drug labs frequently fail to seize drugs processed at the labs and only result in the arrest of low-level workers. FELCN seized approximately 1,937 metric tons of marijuana; 872 metric tons of solid precursor chemicals; and 1,578,681 liters of liquid precursors in 2009, an increase over prior year results. The lack of DEA or other international law enforcement working with FELCN in the field on a daily basis makes it difficult to independently verify the accuracy of these figures reported by the GOB.

The GOB arrested 3,397 persons on narcotics-related offenses in 2009. The GOB opened 2,903 narcotics cases during 2009 with 1,236 defendants. Of the total, formal charges of narcotics violations have taken place in 1,160 cases. 104 of the cases have judicial resolution, while 1,056 remain pending in court.

Internal reviews of the statistical conviction rates by the Public Ministry and a survey conducted by the National Fiscal Training Facility in Sucre indicate that there continue to be significant problems within the CN prosecutor's offices relating to the ability of the prosecutors and their understanding of the accusatory judicial system that began in 2001.

Law Enforcement Efforts. FELCN is mandated to combat all aspects of drug trafficking, including interdiction of drugs, illicit coca, and precursor chemicals, intelligence gathering, money laundering investigations, and rural operations. The Department of State's Bureau for International Narcotics and Law Enforcement Affairs' (INL) Narcotics Affairs Section (NAS) continues to provide logistics and administrative support to the FELCN and the Bolivian National Police (BNP) training academy.

However, without DEA presence, the USG does not have the capability to support operational engagement or sharing of actionable law enforcement information with Bolivian counterparts. FELCN reported that throughout 2009 it focused on higher level violators, resulting in more priority target organizations being investigated with the assistance and support of regional partner nations. The U.S. has no information on priority target drug trafficking organizations dismantled or high level violators arrested by the GOB in 2009. The increase of cocaine supply, expansion of drug trafficking activities, the presence of sophisticated organizations operating in Bolivia, and proliferation of large foreign-managed cocaine laboratories pose a growing challenge, given FELCN's limited capacity. Bolivia is seeking support from other countries and has improved law enforcement cooperation with Brazil, Argentina and Chile. However, this improvement has not sufficiently addressed the gap in operational support and enhanced investigative capabilities to target and dismantle drug trafficking organizations created by DEA's expulsion.

### *Corruption.*

There are no proven cases of senior GOB officials encouraging or facilitating the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

The USG continues to provide significant administrative support to the BNP Office of Professional Responsibility (OPR) and the Disciplinary Tribunal. The OPR is the “Internal Affairs Investigators” of the BNP. The Tribunal is responsible for the review of cases and determination of punishment, if appropriate, for police officers involved in misconduct and other integrity-related violations. The BNP/OPR reports that they have investigated a total of 2,444 allegations of various forms of misconduct involving police officers during 2009. Of these cases, 176 involved officers assigned to the FELCN. To date, the Tribunal has reviewed and undertaken prosecutorial, disciplinary or other administrative action in 1,378 of these OPR cases. The remainder of the cases are pending investigations, or awaiting tribunal action.

### *Agreements and Treaties.*

Bolivia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Bolivia is a party to the UN Convention against Transnational Organized Crime and its Protocols on Trafficking in Persons and Migrant Smuggling, the UN Convention against Corruption, and the Inter- American Convention against Corruption. Nevertheless, Bolivia is lacking many of the legal and enforcement mechanisms needed to fully implement these agreements. Bolivia has signed, but has not yet ratified, the Inter-American Convention on Extradition.

### *Extradition*

The GOB and the United States signed a bilateral extradition treaty in 1995, which entered into force in 1996. The treaty permits the extradition of nationals for most serious offenses, including drug trafficking. The United States has one pending extradition request to Bolivia as of December 2009.

### *Cultivation/Production*

Overall coca cultivation increased ten percent in 2009 to 35,000 hectares according to official USG estimates, up from 32,000 hectares in 2008. (The United Nations Office on Drugs and Crime (UNODC) estimated that in 2008 Bolivians cultivated 30,500 hectares, a 6 percent increase from 2007. UNODC figures for 2009 were not available.) Regional changes from 2008 to 2009 are as follows:

Chapare cultivation increased 6 percent (8,300 to 8,800 hectares); Yungas cultivation increased 10 percent (21,000 to 23,000 hectares); Caranavi cultivation increased 37 percent (1,600 to 2,200 hectares); Vandiola cultivation decreased 19 percent (315 to 255 hectares); and Apolo cultivation decreased 60 percent (660 to 260 hectares). Bolivia also produces marijuana, primarily for domestic consumption. GOB estimates show that marijuana production increased significantly from 195 metric tons in 2008 to more than 1,831 metric tons in 2009.

USG estimates indicate that potential pure cocaine production increased approximately 50 percent, from 130 metric tons in 2007 to 195 metric tons in 2008 and remained at 195 metric tons in 2009.

Estimated potential export quality cocaine (derived after pure cocaine has been cut, mixed, and diluted) in 2009 was 240 metric tons, largely due to less efficient leaf yield from new plants. (UNODC estimated that 2008 potential pure cocaine production in Bolivia was 113 metric tons, a 9 percent increase from 2007.)

Over the last couple of years, Bolivian CN units, as well as DEA (prior to its departure), have observed a steady increase in the use of the more efficient “Colombian” methods for cocaine production during lab seizures, including use of mechanized coca maceration and solvents, instead of acids for alkaloid extraction. Drug Flow/Transit. Although cocaine production in Bolivia is increasing, there continues to be limited information on how much Bolivian cocaine is seized outside of Bolivia. Existing reports indicate that most Bolivian-origin cocaine exports flow to other Latin American states for either domestic consumption or onward transit towards Europe, with little exported to the U.S. Still, there appears to be a growing number of Mexican and Colombian traffickers in Bolivia. A GOB official stated that Mexican drug cartels are working with Colombian drug cartels to invest capital in Bolivia and Peru to help ensure a sufficient supply is available to satisfy market demand. The official noted that Mexican cartels provide money to the Colombians, who then administer the funds to secure sufficient supply. DEA is monitoring its Cocaine Signature Program for any indication of an increase in Bolivian cocaine appearing in the U.S. market.

The increase in coca cultivation and cocaine production, particularly since 2007, as well as the lack of effective government response in Bolivia, directly affects neighboring countries. DTOs in the Southern Cone—Argentina, Brazil, Chile, Paraguay, and Uruguay—have taken advantage of the current situation in Bolivia to increase their drug trafficking activities in the region. All countries bordering Bolivia have experienced an increase in drug trafficking from Bolivia during the reporting period, especially Brazil and Chile. All report increased seizures of Bolivian drugs and arrests of drug traffickers linked to Bolivia, as well as the increased use of small aircraft and containerized shipments to move large quantities of cocaine from land-locked Bolivia to international destinations. Argentine authorities report the presence of cocaine HCl labs in their countries, supplied by Bolivian cocaine base. Brazilian authorities have stated that most of the cocaine seized in São Paulo comes from Bolivia.

#### *Alternative Development*

The USG’s Integrated Alternative Development (AD) program provides support to help diversify the economies of Bolivia’s coca growing regions, reduce communities’ dependency on coca, and complement the Government of Bolivia’s voluntary eradication program. AD assistance helps strengthen the competitiveness of Bolivia’s agricultural products (e.g., coffee, bananas, pineapples, cocoa, and palm hearts) in national and world markets, improve basic social conditions (e.g., access to clean water), and improve rural road infrastructure and access to markets. Beginning in Fiscal Year (FY) 2007, AD support shifted focus from the Tropics of Cochabamba to the Yungas region in accordance with the GOB’s rationalization plans. In 2009, USAID terminated most of its work in the Tropics of Cochabamba at the request of the GOB.

Cooperation between USAID and the Vice Ministry of Coca and Integrated Development (VCDI) continued over the past year. Activities and investments under the programs to promote productive and social development were all jointly approved by USAID and VCDI counterparts. These include a relatively large number of new productive initiatives in La Asunta, an under-developed, highly coca dependent region of the Yungas, where the GOB started to eradicate in agreement with the coca growers’ federations. Project personnel worked closely with principal GOB counterparts, the La Asunta federation, and communities to prioritize investments and identify the most promising products to be developed. There has been significantly more demand for alternative production among communities than originally envisioned. Data on results achieved over the last year indicate that USAID’s Integrated Alternative Development program activities continued to produce results. U.S. assistance helped introduce, establish or rehabilitate 4,047 hectares of crops, such as bananas, cocoa, palm hearts and coffee, and helped place an additional 614 hectares under forest management plans. Income from some of the first yielding crops, such as the

natural sweetener product stevia, began in November 2009.

In FY 2009, the annual value of USAID-promoted exports reached nearly \$39.5 million, an 11percent increase over FY 2008. The assistance provided to farm communities and businesses helped generate 5,866 new jobs and \$29 million in sales of AD products. Approximately 12,660 families benefited directly from U.S. assistance. More than 530 kilometers of roads were maintained or improved and 19 bridges were constructed. In addition, four potable water systems were constructed, benefiting 1,269 families in the Yungas region.

#### *Domestic Programs/Demand Reduction*

A 2008 UNODC report stated that Bolivian domestic drug consumption continued to increase. The most recent credible study on drug use in Bolivia, conducted in 2005 by the Latin American Center for Scientific Research (CELIN), showed that 4.9 percent of the population uses illegal drugs (cocaine, marijuana, hallucinogens and others). Despite this, GOB support for drug abuse prevention programs is inadequate. The USG provided support to CELIN to update the 2005 study on illegal drug use in Bolivia and several demand reduction programs. Due to the lack of GOB support on a national level, the USG focused drug prevention outreach activities at the municipal and prefectural levels throughout 2008 and 2009. Since February 2008, the USG has worked with UNODC to conduct a drug abuse prevention and citizen safety project in El Alto that has reached over 80,000 teachers, students, and community members. The USG also works with the non-governmental organization Communication, Research and Action of Social Policies (CIAPS) on a community-based drug abuse prevention program for high-school students in the cities of La Paz and Sucre. The CIAPS program is expected to reach 20,000 people.

Since 2000, the USG-supported Drug Abuse Resistance Education (DARE) program educated 142,290 school children on drug prevention. The program reached 18,000 students in 2009. In the Department of Cochabamba, the USG helped implement the region's "Healthy Schools Drug Prevention Program" by training health professionals, teachers, and parents on drug abuse prevention techniques. During the reporting period, the USG conducted training in demand reduction issues and techniques for several technical teams of trainers from the municipalities of Cochabamba, Tarija, Sucre, and Guayaramerin. The USG also conducted a counternarcotics-themed sports outreach effort by sponsoring the "Tahuichi" Soccer Academy in Santa Cruz. The Academy launched a tournament in the coca growing area of Los Yungas that involved three teams and 70 youth participants. The USG also provided three year-long soccer scholarships to at-risk children from rural areas of the country. The scholarships allow the children to live, study, and train at the academy for one year.

#### *IV. U.S. Policy Initiatives and Programs*

##### *Policy Initiatives.*

USG programs aim to enhance the capabilities of the GOB to reduce coca cultivation; arrest and bring drug traffickers to justice; promote alternative economic development; disrupt the production of cocaine within Bolivia; interdict and destroy illicit drugs and precursor chemicals moving within and through the country; reduce domestic abuse of cocaine and other illicit drugs; institutionalize a professional law enforcement system; and improve the awareness of the Bolivian population regarding the dangers of illicit drugs. The USG also provides logistics support that enables training for BNP officers in modern money laundering and terrorism financing investigative techniques, and on trafficking in persons (TIP) and human rights.

##### *Bilateral Cooperation.*

Bilateral cooperation continued to be challenging in 2009. However, Bolivian and U.S. officials meet regularly to implement programs and to advance common issues of concern. In February 2009, the GOB advised the USG that U.S.-sponsored training for military and police personnel outside of the country would no longer be supported by the GOB and that any future training nominations would be directed to the respective unit commanders for initial approval. These nominations would then be forwarded to the Minister of Government and President for their respective approvals. This new policy has serious detrimental effects on the continued development and professionalism of the national police and military forces, due to their inability to attend U.S. sponsored training courses, especially management courses.

Despite this setback, the USG supported a number of GOB institutional developmental projects, including a basic and advanced law enforcement training program. In 2009, the Law Enforcement Development Program supported sixty-two (62) training courses, seminars and/or conferences that have reached 5,600 police officers, prosecutors, and GOB and non-government organization counterparts. The USG provided administrative support to four special BNP TIP investigative units consisting of 28 police officers and 12 full time prosecutors in La Paz, Santa Cruz, and Cochabamba.

#### *The Road Ahead.*

With sharply rising potential drug production levels, the presence of Colombian and Mexican drug traffickers operating in Bolivia, as well as increasing potential for conflict between coca growers and the GOB in the national parks, the USG is concerned about the effectiveness of the GOB's counternarcotics policies and actions. The GOB's policies supporting the expansion of coca cultivation contribute to rising excess coca cultivation and increases in cocaine production. The GOB is encouraged to revise its policies on coca cultivation and implement a national eradication strategy that improves efficiency and effectiveness of eradication, leading to net reductions in coca cultivation that keep pace with replanting. We also encourage the GOB to take measures to prevent diversion of coca to cocaine production by establishing strict controls over the licit coca market and closing illegal markets. Bolivia has stated its intention to nationalize eradication efforts, but this goal will require increased financial support from the GOB. The legal and regulatory framework in Bolivia hinders law enforcement and prosecutorial efforts to effectively and efficiently combat drug production and trafficking, money laundering, corruption, and other transnational crime and requires GOB action. There is also a growing gap in international law enforcement/counternarcotics information sharing caused by DEA's expulsion. To that end, we encourage Bolivia to enhance its collaborative efforts with Brazil, Argentina, Chile, and other neighboring and international partners on counternarcotics.

## **“Bolivia Fights Objections to Coca Leaf Chewing”**

Malin Rising

*Associated Press* 28 January, 2011

UNITED NATIONS (AP) -- Bolivia will ask the United Nations to organize a conference on coca leaf-chewing if the U.S., Britain and Sweden don't withdraw their objections to the country's efforts to drop the ban on the age-old practice in an international treaty, Bolivia's U.N. ambassador said Friday.

Underscoring his point by wearing a silver lapel pin shaped like a coca leaf, Ambassador Pablo Solon told reporters that six countries had filed formal objections to Bolivia's move to lift the ban on leaf-chewing but three - Colombia, Macedonia and Egypt - withdrew them.

Monday is the deadline for countries to raise objections to Bolivia's proposed amendment to the United Nations' 1961 Single Convention on Narcotic Drugs. The proposal would remove language that obligates those countries that have signed it to ban the chewing of coca leaves. "This does not end Monday," Solon said.

Without objections, Bolivia's amendment would automatically take effect. Only one objection is needed to block it.

Solon said if the objections are not withdrawn, his country will appeal to the U.N. Economic and Social Council when it meets in mid-February and ask for an international conference on coca leaf-chewing. The council is the central U.N. forum for global economic and social issues, and has the power to organize international conferences in those areas.

Some regional interest groups, including the Washington Office on Latin America and the Andean Information Network, wrote U.S. Secretary of State Hillary Rodham Clinton this week asking the Obama administration to drop its objection to lifting the ban before it's too late.

Thousands of Bolivians took to the streets on Wednesday in favor of ending the prohibition, chewing coca leaves outside the U.S. Embassy. Coca is a mild stimulant with high religious and social value in the Andean region. While it fights hunger and alleviates altitude sickness, it is also the raw material of cocaine.

U.S. officials say they are concerned that Bolivia's proposal would weaken the integrity of the U.N. convention.

Activist groups said Washington had lobbied hard for a European Union objection without success, and EU countries tried but failed to reach a common stance on the proposal.

The Minister for Children and the Elderly in Sweden, Maria Larsson, told Bolivia's ambassador to her country last week that the proposal "poses a serious risk of becoming a political precedent that contravenes the international regulations for the fight against drugs."

Solon said that Bolivia does not seek to remove coca from a list of controlled substances. "This does not mean there would be free cultivation of coca leaves," said Solon, adding that Bolivia would continue to crack down on cultivation of the plant for use in manufacturing cocaine.

The convention's stipulation that coca-chewing be phased out within 25 years after it took effect in 1964 is based on a "colonial mindset" that the practice was a bad habit, Solon said.

Bolivian President Evo Morales, a former coca growers union leader, launched a global campaign after his 2005 election seeking to declare coca-chewing legal, chewing it at international forums and presenting coca leaf-embossed art works to foreign officials.

Morales expelled the U.S. ambassador and agents of the Drug Enforcement Administration in late 2008, accusing them of inciting the political opposition in the country.

Solon said that no matter what happens, Bolivia will continue to protect coca leaf-chewing in its constitution. "It will never be banned in Bolivia," he said.

## **“Foreign Minister Raises Possibility of DEA Return”**

Miguel Vargas

*La Razon* (in Spanish) 26 January, 2011

Foreign Minister David Choquehuanca yesterday raised the possibility of Bolivia allowing the DEA (US Drug Enforcement Administration) to return and operate in the country, though on condition of this taking place within the framework of a bilateral agreement of "mutual respect."

The foreign relations minister made these remarks during an interview with international television network CNN in which he talked about Bolivia's proposed amendment to the United Nations Convention of 1961 that bans and penalizes the traditional use of coca leaves.

President Evo Morales expelled the DEA on 1 November 2008 when he accused the US Drug Enforcement Administration of helping the so-called "civic-prefectural coup," the term he used to describe antigovernment mobilizations that took place in regions governed by the opposition.

Since then and until yesterday the government stood firmly by its decision not to allow the DEA to return, although it did begin working on a framework agreement to mend bilateral relations with Washington.

"We are willing, but we are willing to work within a framework of mutual respect," Choquehuanca replied when the CNN reporter asked him whether Bolivia would allow the DEA to return if the United States establishes that as a condition for lifting its announced objection to the Bolivian Government's proposed amendment to the UN Convention of 1961.

Choquehuanca had earlier stressed the need for all countries to be involved in the war on drugs. "We would like all countries to be able to participate because drugs are a global problem and all countries that want to participate can participate in those efforts here," he said.

He also underscored the fact that antidrug efforts yielded better results after the DEA left Bolivia. "The results we achieved after the DEA left are positive; we obtained better results," the foreign minister said.

### **Deadline**

The deadline for one or more countries to submit their objections to the amendment proposed by Bolivia expires in four days; the proposed amendment calls for lifting the ban on coca leaf consumption established by the UN Convention of 1961. According to UN officials, an objection by just one country would be enough for the Bolivian proposal to be rejected. The United States announced that it intends to object, as did Belgium.

Choquehuanca said yesterday that Colombia has decided to withdraw its objection to the Bolivian proposal; Colombia had initially opposed the amendment. Nonetheless, Washington is expected to maintain its objection in order to uphold the ban on coca use as part of its policy to fight drug trafficking.

Before expelling the DEA from Bolivia, Morales expelled US Ambassador to Bolivia Philip Goldberg after declaring him "persona non grata" and holding him responsible for the violent clashes that took place in September 2008.

Subsequently, Washington also expelled the Bolivian ambassador. A framework agreement between Bolivia and the United States is currently being studied in order to mend relations and restore the ambassadors to their posts. Washington presented a proposal that the Bolivian Government is still studying.

### **Tense Bilateral Relations**

Bolivia and the United States are now holding talks at the charge d'affaires level. The two countries had several tense episodes in 2008, at a time when Bolivia was facing a political crisis that began during the process of adopting a new CPE [Constitution].

## Human Rights

### “Freedom of the Press 2010 – Bolivia”

Freedom House 1 October, 2010

#### Freedom of the Press 2010 - Bolivia

**Status:** Partly Free

**Legal Environment:** 11

**Political Environment:** 20

**Economic Environment:** 12

**Total Score:** 43

Survey Edition	2005	2006	2007	2008	2009
<b>Total Score, Status</b>	35,PF	33,PF	37,PF	39,PF	42,PF

Press freedom deteriorated in 2009 due to increased political polarization of the news media, as intimidation and attacks affected journalists across the political spectrum. Bolivia's new constitution, adopted in February, protects freedom of expression with some potential for limitations. While Article 21 lays out an expansive right to communicate freely, Article 107 imposes a duty to communicate with "truth and responsibility." Article 107 also creates the opportunity for content-based restrictions by stipulating that the media must contribute to the promotion of the ethical, moral, and civic values of the nation's multiple cultures. Concern was raised regarding the National Press Association's Ethics Court, established in October, because two of the five members are former chief justices, not journalists. Observers also expressed doubts about the fairness of frequency allocations for broadcast media and the right to access public information. A freedom of information bill was pending in the legislature at year's end.

The political environment is characterized by intolerance between government supporters and opponents. In the midst of increased violence and polarization, politicians and news media owners are often called on to act responsibly, with limited success. There is an ongoing "media war" between state-owned and privately owned outlets, and journalists on both sides have fallen victim to violence.

An international tally counted 111 physical and verbal assaults on journalists in Bolivia in the second half of 2009, and the majority of the attacks targeted reporters affiliated with nongovernmental media. A total of 32 outlets were attacked in the same period. In one case, the daily *La Razon* decided not to publish an article because of physical and legal threats, and in a different episode one of the paper's journalists was threatened with rape by a person described as the head of La Paz's Popular Civic Committee. The perpetrator, Adolfo Cerrudo, was sentenced to house arrest in November, making the case one of the few to be resolved. In March, President Evo Morales sued a leading newspaper, *La Prensa*, for publishing a story linking him to a smuggling operation. On April 12, an anonymous caller threatened to kill *La Prensa* editor Raphael Ramirez if he refused to stop publishing "lies." Twenty-four hours later, Carlos Morales, the paper's director, also received a death threat via telephone; he was warned against publishing any further reports on a corruption scandal involving high-ranking officials. Also that day, news director Andres Rojas of El Alto's Canal de Television Virgen de Copacabana decided to quit his job after receiving threats against himself and his family. In July, cameraman Marcelo Lobo of La Paz-based television network Gigavision was seriously injured in a beating outside the station that was caught on security cameras. Lobo covered crime and had recently worked on stories of state corruption and antigovernment protests in the city of Santa Cruz. Another cameraman and a journalist working for the

UNITEL television network were arrested and beaten by police officers while reporting on an arrest in Santa Cruz in September, according to Human Rights Watch. In November, two reporters for the PAT television network were also assaulted by police, and their driver was shot in the leg, while they were reporting on the abduction of a minor in Santa Cruz.

Impunity has grown as threats and attacks occur with increasing regularity. Inquiries into past cases of murder – such as those of freelancer Juan Carlos Encinas in 2001 and Radio Municipal journalist Carlos Quispe Quispe in 2008 – have not progressed despite pressure from the Inter-American Commission on Human Rights.

Journalists have also been accused of fomenting hatred. In October, authorities arrested Jorge Melgar Quete of the Canal 18 television station after he apparently disparaged the indigenous origins of many Bolivians and of the country's president. Similar concerns revolved around Luis Arturo Mendivil's program *Nuestra Palabra* on Radio Oriental in Santa Cruz. Mendivil repeatedly glorified the Union Juvenil Cruceñista, an extreme-right youth organization in Santa Cruz that is associated with physical attacks on Morales supporters and state-owned media outlets, primarily Canal 7 television and the Red Patria Nueva radio network. Prefects in departments seeking autonomy (Santa Cruz, Chuquisaca, Tarija, and Beni) have been criticized for failing to reject the use of the media to incite hate or violence on their behalf, and for not condemning physical attacks on journalists they dislike. Meanwhile, the president and his allies continued their diatribes against the opposition press, questioning its dignity and professionalism whenever it criticizes state performance.

In addition to the state-owned television station, the government operates a news agency, a weekly newspaper, and a network of community radio stations. Civil society groups have expressed concern over the significant expansion of state-run channels and the conversion of all public media into a "proselytizing force" for the president. The television sector and Bolivia's eight national and numerous local newspapers are for the most part privately owned. However, newspaper readership is limited due to low literacy rates, and radio is often the principal news medium, with community radio stations playing a major role. The government news agency, Agencia Boliviana de Informacion, currently provides free news service via the internet to both public and private channels nationwide. About 11 percent of the population has access to the internet. Broadband internet connections are even more exclusive, reaching only 34,000 subscribers as of January 2009.

## **“Conference on Freedom of Expression Organized in Bolivia”**

*UNESCO* 31 December, 2010

The Bolivian Press Association (Asociación Nacional de la Prensa, ANP), in collaboration with UNESCO's Office in Quito, organized a conference under the theme “International Legal Standards on Press Freedom and Freedom of Expression” in La Paz on 17 December 2010. Attended by 75 participants, the Conference presented the results of a study of the current Bolivian legal framework.

The analysis, conducted by the Uruguayan expert, Edison Lanza, particularly focused on the recently-approved Bolivian Law against Racism and Discrimination. According to the study's conclusions, this Law is a result of the legislators' clear goodwill to avoid racism and discrimination in a country, where indigenous cultures were marginalized in the past. It also aims at promoting conditions of equality among all people living in Bolivia.

However, the current formulation of the Law articles may affect other fundamental rights, such as freedom of expression and information, reveals the study, which submits the Bolivian Law to the "tripartite test" of the Inter-American Court of Human Rights (IACHR). This test is based on three requirements - legality, legitimacy and necessity - and aims to verify if limitations to freedom of expression are admissible and non-abusive, according to the IACHR and international standards.

The conference in La Paz was widely covered by Bolivian media and its conclusions should contribute in a significant and constructive way to the current debate in the country on how to fight against racism while protecting freedom of expression. The event was organized within the framework of the International Programme for the Development of Communication (IPDC) project, Bolivia: Access to Information.

## “Freedom House: Country Report 2010: Bolivia “Political Rights and Civil Liberties Excerpt”

*Freedom House* 2010

### **Political Rights and Civil Liberties**

Bolivia is an electoral democracy. Elections and referendums since 2005 have been deemed free and fair by international observers. Bolivians residing abroad were granted voting rights for the first time in the December 2009 elections. Under the new constitution, presidential and congressional terms are both five years, with up to two consecutive terms permitted. The Plurinational Legislative Assembly consists of a 130-member Chamber of Deputies and a 36-member Senate in which all senators and 53 deputies are elected by proportional representation and 70 deputies are elected in individual districts. Seven Chamber of Deputies seats are reserved for indigenous representatives. The new constitution includes a presidential runoff provision to replace the previous system in which Congress had decided elections when no candidate won an outright majority.

Bolivians have the right to organize political parties. The current dominant electoral vehicle is President Evo Morales’s MAS, an alliance of social movements whose disputes Morales must mediate. The opposition had been led by the center-right Social Democratic Power (PODEMOS) party, but in 2008 it split over the negotiations on the draft constitution, and most prominent opposition members ran under the PPB banner in 2009.

Graft and nepotism remain common, and the administration has yet to build successful institutional anticorruption mechanisms. A major scandal broke in February 2009, when the murder of a businessman carrying \$450,000 led to the arrest on corruption charges of Santos Ramirez, the head of the national oil and gas company and one of Morales’s closest allies. Bolivia was ranked 120 out of 180 countries surveyed in Transparency International’s 2009 Corruption Perceptions Index.

Although the constitution guarantees freedom of expression, the media are subject to some limitations in practice. Most outlets are privately owned, and radio is the leading source of information. Many newspapers and television stations tend to feature opposition rather than pro-government opinion pieces; the opposite holds true in state media. A general climate of hostility toward journalists has increased along with political tensions. A local watchdog group registered 64 incidents of physical aggression between January and October 2009. As in previous years, Morales sparred bitterly with the press, and in March he brought a *desacato* (disrespect) lawsuit against the La Paz newspaper *La Prensa*. The government does not restrict access to the internet.

Freedom of religion is guaranteed by the constitution. Tensions between the Roman Catholic Church and the government have risen considerably in recent years. The new constitution ended the Church’s official status and created a secular state. The government does not restrict academic freedom, and the law grants public universities an autonomous status, which students defend vigorously.

Bolivian law provides for the rights of peaceful assembly and freedom of association, although social protests sometimes turn violent. While politicians on all sides continued to use protests to obtain political leverage in 2009, the demonstrations’ size and ferocity declined. Nongovernmental organizations, including independent human rights groups, operate freely. The right to form labor unions is guaranteed by the constitution, and unions are an active force in society.

The judiciary remains corrupt, inefficient, and inaccessible to many Bolivians, especially non-Spanish speakers. Although the government has pushed reforms designed to make the courts more responsive to the needs of poor and rural citizens, a lack of resources and political difficulties have limited progress. The system for selecting Supreme Court and Constitutional Tribunal (TC) justices broke down starting in 2007, leading to a crisis that included a wave of resignations and legal charges against several justices for dereliction of duty. In May 2009 the last TC justice resigned, and by year's end a backlog of over 5,000 cases had accumulated at the tribunal. Following the suspension of chief justice Eddy Fernandez in May 2009, the Supreme Court was also largely paralyzed.

Prison conditions are harsh, and over 70 percent of detainees are in pretrial detention. Although the criminal procedure code recognizes indigenous conflict-resolution traditions, judicial reform efforts to date have not effectively codified and incorporated indigenous customary law. This lack of clarity has led perpetrators of vigilante crimes including lynching to portray, with no basis, their acts as a form of indigenous justice. The local office of the UN High Commissioner for Human Rights noted at least 15 lynching deaths in 2009. Communal justice also served as the justification for the eviction of former vice president Victor Hugo Cardenas from his home in March; the government condemned the act.

Detentions related to the September 2008 Pando massacre appeared to violate legal norms on warrant approval, habeas corpus, and other elements of due process. The government argued that given the volatile climate, speedy detentions were necessary, but continuing arrests, a change of jurisdiction from Pando to La Paz, and the slow pace of investigations caused concern among the opposition and some human rights observers. More than 25 people were charged with serious crimes in the case in October 2009, but trials had not begun at year's end.

Both the human rights ombudsman and independent human rights organizations are able to report on brutality by the security forces, although impunity remains the norm. Attempts to seek justice for human rights abuses under past dictatorships gained momentum in 2009 despite investigators' meager resources and an ongoing lack of cooperation from the military. In some cases, such as the Pando killings, security forces were accused of passivity in the face of violence.

Coca cultivation, much of which is authorized, has increased in recent years, as have drug seizures and arrests. Morales's policy of distinguishing between authorized and unauthorized production zones, and his government's greater cooperation with coca growers, have resulted in a significant decline in rights violations. However, cocaine production appears to be on the rise, as does the transit of Peruvian narcotics through Bolivia to Brazil and Argentina. Crime rates in La Paz and other major cities are increasing, though crime in Bolivia remains at a lower level than in many other South American countries.

The new constitution recognizes 36 indigenous nationalities, declares Bolivia a "plurinational" state, and formalizes local political and judicial control within indigenous territories. However, some groups were dissatisfied with receiving just seven reserved legislative seats. In general, racism is rife in the country, especially by mestizos and whites against indigenous groups from the highlands. Several people were charged in 2009 for a May 2008 incident in which a small group of indigenous government supporters were subjected to violence and humiliation by a crowd of antigovernment activists in Sucre. Some rural employers keep indigenous workers in debt peonage, particularly in the Chaco region.

While the law protects and the government generally respects freedom of movement, protesters often block highways and city streets, causing serious economic losses. There have been clashes between

landowners in the lowlands and migrants from the highlands, and sporadic land invasions by landless peasants continue to occur. A 2006 law allowed for the redistribution of land deemed idle or with unclear ownership, and the government has since reallocated millions of hectares. Meanwhile, foreign investors have been discouraged by the government's aggressive renegotiation of contract terms in the energy, mining, and telecommunications industries.

Women's political representation has increased notably in recent years, and ballot-alternation requirements resulted in women winning 44 percent of the seats in the new Senate, though only 28 percent of the seats in the Chamber of Deputies. Violence against women is pervasive, and the justice system is ineffective at safeguarding women's broader legal rights. Child prostitution and child labor are problems, particularly in urban areas and in the Chaco and Chapare regions.

Political Rights Score: 3

Civil Liberties Score: 3

Status: Partly Free

*\*The **political rights** and **civil liberties** categories contain numerical ratings between 1 and 7 for each country or territory, with 1 representing the most free and 7 the least free. The **status** designation of Free, Partly Free, or Not Free, which is determined by the combination of the political rights and civil liberties ratings, indicates the general state of freedom in a country or territory.*

## Economy

### **“Background Note: Bolivia (‘Economy’ excerpt)”**

*U.S. Department of State* 13 May, 2010

#### **ECONOMY**

Bolivia’s estimated 2009 gross domestic product (GDP) totaled \$17.5 billion. Economic growth was estimated at about 3.7%, and inflation was estimated at about 0.3%.

In 1985, the Government of Bolivia implemented a far-reaching program of macroeconomic stabilization and structural reform aimed at maintaining price stability, creating conditions for sustained growth, and alleviating poverty. The most important change involved the “capitalization” (privatization) of numerous public sector enterprises. Parallel legislative reforms locked in place market-oriented policies that encouraged private investment. Foreign investors were accorded national treatment, and foreign ownership of companies was virtually unrestricted. Many of these reforms are currently under review. President Morales nationalized the hydrocarbon sector and expropriated some large international companies, including Entel (telecommunications) and Vinto (tin smelting). Increased state control of the economy continues to be a primary goal of the Morales administration. Foreign direct investment (FDI) inflows have dwindled, as has long-term investment across most industrial sectors.

The hydrocarbon sector provides the most prominent example of the current investment climate. Bolivia has the second-largest natural gas reserves in South America. The Bolivian state oil corporation, Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), has contracts to supply Brazil with natural gas through existing pipelines until 2019. Moreover, in 2006, YPFB signed a “ramp-up” contract with Argentina that steadily increases export levels until 2010, when gas deliveries to Argentina should be more than four times current levels. However, lack of substantial investment between 2005 and 2009 meant that gas production stagnated; increasing by less than 10% over four years (the 2009 production level was estimated at 36 million cubic meters/day). Companies appeared to be investing only what was necessary to maintain current operations.

Bolivian exports were approximately \$5.3 billion for 2009, up from \$652 million in 1991. Imports were \$4.4 billion in 2009. Bolivia enjoyed an estimated \$900 million trade surplus in 2009. Hydrocarbons made up 38.6% of the exports, minerals 28.26%, manufacturing 27.82%, and agriculture 5.32%. Bolivian tariffs are low; however, manufacturers complain that the tax-rebate program which allows some companies to claim refunds of import taxes on capital equipment is inefficient, with many companies now owed millions of dollars by the Bolivian Government, which can take years to recover.

Bolivia’s trade with neighboring countries is growing, in part because of several regional preferential trade agreements. Bolivia is a member of the Andean Community (CAN) and enjoys nominally free trade with other member countries (Peru, Ecuador, and Colombia). Bolivia is also an associate member of Mercosur (Southern Cone Common Market). Bolivia currently is focused on developing markets through its membership in Bolivarian Alliance for the Americas (ALBA) whose members include Venezuela, Cuba, and Nicaragua.

Until recently, the Andean Trade Promotion and Drug Eradication Act (ATPDEA) allowed numerous Bolivian products to enter the United States duty-free, including alpaca and llama products and, subject to

a quota, cotton textiles. Effective December 15, 2008, President George W. Bush suspended Bolivia's participation in the program based on its failure to meet international counternarcotics obligations; meeting those obligations is a criterion in the U.S. statute which created the preference program. On June 30, 2009, President Barack Obama determined that Bolivia was not meeting the program's eligibility criteria. This determination does not affect Bolivia's eligibility for benefits under the Generalized System of Preferences (GSP), which covers most of Bolivia's exports to the United States.

In 2009 the United States exported \$585 million of merchandise to Bolivia and imported \$408 million. Bolivia's major exports to the United States are tin, silver and silver concentrates, petroleum products, Brazil nuts, quinoa, and jewelry. Its major imports from the United States are airplane parts, electronic equipment, chemicals, vehicles, wheat, and machinery. A bilateral investment treaty (BIT) between the United States and Bolivia came into effect in 2001. While the Morales government has stated that it will respect all current BITs, officials have also publicly expressed Bolivia's intent to "re-open" these treaties to align them with the new constitution.

Agriculture accounts for roughly 10.44% of Bolivia's GDP. The amount of land cultivated by modern farming techniques is increasing rapidly in the Santa Cruz area, where climate permits two crops a year. Soybeans are the major cash crop, sold in the CAN market. The extraction of minerals and hydrocarbons accounts for another 14.24% of GDP and manufacturing around 11%.

The Government of Bolivia remains heavily dependent on foreign assistance to finance development projects. Estimates indicate that as of 2008, the government owed \$4.6 billion to foreign creditors. Between 1986 and 1998, Bolivia attended seven rounds of negotiations with Paris Club creditors and received U.S. \$1.35 billion of bilateral debt forgiveness. The United States forgave almost all of Bolivia's bilateral debt between 1999 and 2002 and strongly supported efforts to have multilateral institutions do the same. Bolivia received U.S. \$1.95 billion in debt relief from HIPC (Heavily Indebted Poor Countries) in 1998 and HIPC II in 2001, including almost complete bilateral debt forgiveness.

In June 2005, the G-8 countries decided to provide renewed World Bank and International Monetary Fund (IMF) debt relief for the 18 participant nations of HIPC I and II through the Multilateral Debt Relief Initiative (MDRI). Bolivia received U.S. \$232.5 million in debt relief from the IMF in January 2006 and approximately U.S. \$1.5 billion in debt relief from the World Bank in June 2006. The Inter-American Development Bank (IDB) forgave \$1 billion in debt in March 2007. Bolivia was one of three countries in the Western Hemisphere selected for eligibility for the Millennium Challenge Account in 2004. Bolivia qualified again in 2005 and 2006, and presented a proposal to the Millennium Challenge Corporation (MCC) in December 2005, which was superseded by a new proposal submitted September 2007. An MCC assessment scheduled for December 2007 was postponed due to unrest surrounding the constituent assembly process. MCC's technical engagement with Bolivia remained paused for a year due to internal political instability. In December 2008, the MCC Board of Directors decided to not select Bolivia as eligible for compact assistance.

## **“Bolivia politics: Hit by protests”**

*Economist Intelligence Unit, 14 February 2011*

Although led by the most popular president in the nation’s modern history, Bolivia’s government now appears vulnerable to the type of social unrest that until now had not hit it directly. Demonstrations against food shortages and high prices, as well as official plans to end fuel subsidies, have put President Evo Morales on the defensive. While the administration does not appear to be in any immediate jeopardy, policymaking will become more complicated, and protest actions could escalate.

Mass mobilisations are all too common in Bolivia, often occurring at the local level or focusing on specific issues (such as opposition to natural-gas exports or to privatisation of water services). Some would say that Mr Morales has gotten a taste of his own medicine. On February 10th he abandoned a parade in the department of Oruro to celebrate the country’s Independence Day. Thousands of Bolivians protesting the rise in prices of basic goods presented a perceived security threat, forcing the president to leave. The irony cannot be lost on Mr Morales and his advisors: the president has a history as a radical labour leader who organised protests that helped to oust a least one Bolivian president in the early 2000s.

### **No longer immune**

For the first time in its contemporary history Bolivia has a president with a poor, indigenous background, and a strong base among lower-income groups, particularly in the highland departments. Mr Morales has enjoyed high popularity, despite ongoing resistance to his government and its policies from more prosperous sectors concentrated in the eastern lowland departments, especially Santa Cruz, Bolivia's economic centre.

The first sign that the population would target the Morales government directly emerged late in December, shortly after the vice-president, Alvaro García, announced a massive 73% rise in the price of petrol and 83% hike for diesel. A big protest backlash forced the president to rescind the measure in an embarrassing climb down on December 31st.

In the wake of the misstep, the government has lost credibility and the president’s popularity has taken a hit. The proposed fuel price increases were seen as an attack on the lowest-income Bolivians, as they would have had a disproportionate knock-on effect on the cost of transport and food. Protestors believed the poor were being made to pay for the government’s policy mistakes. These include the failure to secure more investment to increase domestic oil output—which is officially estimated to have fallen by 50% since 2005.

The government is no longer pushing for even negotiated fuel price hikes, previously seen as needed to fill a large fiscal gap. Instead, it is looking to further clamp down on contraband in fuel via the investigation of petrol stations in frontier regions suspected to be in cahoots with smugglers and other policing measures. It also wants to accelerate the conversion of vehicles to use natural gas through government-funded schemes in order to reduce petrol consumption.

But such measures won't address the fiscal gap in the short term. The budget for 2011 projected a fiscal deficit of 4.2% of GDP, on the assumption that fuel price increases would be achieved. Without the increase, the shortfall will be greater and harder to fill.

### **Fissures exposed**

The fuel price hike and subsequent protests have also led to fissures within the governing Movimiento al Socialismo (MAS). The split is between radical socialist factions seeking further state intervention in the economy and a more moderate wing of the party, which is opposed to risking popularity for the sake of political doctrine.

Despite the new pressures, Mr Morales has refused to bow to demands to sack some of the least popular ministers in his government. He announced only a minor cabinet shake-up on January 23rd. He appears keen to show that he will not be bullied by pressure groups seeking to appoint their own hand-picked representatives.

Nonetheless, the February 10th unrest demonstrates that the risk of unrest is persistent. Sectors of the population have been further emboldened and are now demonstrating against not only fuel prices but also price rises for food and other basic consumption goods. Though not large enough to threaten the government, the unrest has forced it to act to end shortages of staple goods in the marketplace.

### **Food distribution scheme is flawed**

The latest protests also expose the antagonism that exists towards the government's efforts to become a major actor in the supply and distribution of foodstuffs, which threatens the livelihoods of a host of small merchants. These "comerciantes" would not have gotten much sympathy from the average Bolivian if the government supply company, EMAPA, had managed its affairs well. But shortages leading to huge queues and government workers' preferential access to supplies (plus some cases of corruption among officials) have undermined support for the scheme and built sympathy for displaced retailers. Bolivians are not used to food supply problems and the fact that they have emerged only after the government got involved in foodstuffs distribution represents to most people proof positive that the government is meddling where it doesn't belong.

Mr Morales can be expected to continue to pursue his leftist-populist agenda, which involves a deeper involvement of the state in the economy. However, rising public discontent will prove an obstacle to these efforts and will further weaken public efficiency, while heightening the risk of social conflict. The most damaging opposition will come from groups formally supportive of the government—including the social movements that backed Mr Morales's rise to the presidency in 2006. Other flashpoints for unrest will be the implementation and interpretation of new autonomy laws, as well as efforts to control the rapid rise in coca cultivation and the contraband trade.

However, despite a drop in his popularity to below 40%, the Economist Intelligence Unit expects that the charismatic Mr Morales will be able to prevent the indigenous movements and union groups from pursuing widespread violence. Ongoing protests will weaken his government, however.

Meanwhile, the traditional right-wing political opposition is not likely to pose a serious threat to the Morales administration. It will be further debilitated as the government places some leaders under investigation or they choose to leave the country. An increase in MAS intervention in Santa Cruz, including an attempt to remove the current popular governor, Rubén Costas, could lead to violence. However, this is not expected to spread beyond the Santa Cruz department.

## Environment and Energy Issues

### **“Civilian Militia Starts Training in Bolivia; Morales: Country Needs to Protect Natural Resources”**

*Orlando Sentinel* 8 August, 2010

LA PAZ, Bolivia -- Bolivian army officials say they have started training civilians to use firearms to defend the country, mirroring a similar program by Venezuelan President Hugo Chavez, who has built a militia network in recent years.

Bolivian President Evo Morales, who shares Chavez's socialist ideology and suspicion of the United States, says he fears Washington may be planning to invade the impoverished country to seize control of its energy and mining resources.

Morales has entrusted soldiers with administrative duties such as handing out welfare benefits to the poor.

Now high-ranking military officials say civilians should have a role in national security.

"The state has to be prepared for anything. Let's not forget we have significant natural resources in Bolivia, and we have to defend them; it's not only up to soldiers," Col. Boris Checa told Bolivia television network ATB.

Bolivia has the second-largest reserves of natural gas in South America and big deposits of lithium, silver and tin.

Vice President Alvaro Garcia Linera told a news conference Thursday the army training for civilians includes firearms handling and that both men and women are taking part.

"Our armed forces need to open up ... we're obliged to give (training) to Bolivian citizens," he said.

ATB television showed images of indigenous Bolivians firing arms flanked by people wearing camouflage fatigues and apparently giving instructions.

About 50 people, many wearing traditional indigenous clothes, could be seen doing sit-ups and jumping jacks during the report.

"These are activities of indoctrination that we have with the citizenship ... so that at any given moment they can proceed to defend our nation," Col. Ramiro Siles was quoted as telling one local radio network.

Morales has sought to modernize the armed forces, building barracks and buying vehicles and small fighter planes from China in a bid to boost army morale.

Venezuela's Chavez, a former paratrooper, has also trained a militia aimed at defending the oil-rich country from a coup attempt or an attack from abroad.

Opposition politicians last week said they feared the army was only training people linked to the ruling Movement Toward Socialism party, not the general population.

Morales' popularity is high among the indigenous majority that populates mainly the Andean west, but many among the mixed-raced minority in eastern regions fear he may want to install a Cuba-style socialist regime in the country.

## “In Bolivia, Water and Ice Tell of Climate Change”

Elisabeth Rosenthal

*The New York Times* 14 December, 2010

EL ALTO, Bolivia — When the tap across from her mud-walled home dried up in September, Celia Cruz stopped making soups and scaled back washing for her family of five. She began daily pilgrimages to better-off neighborhoods, hoping to find water there.

Though she has lived here for a decade and her husband, a construction worker, makes a decent wage, money cannot buy water.

“I’m thinking of moving back to the countryside; what else can I do?” said Ms. Cruz, 33, wearing traditional braids and a long tiered skirt as she surveyed a courtyard dotted with piglets, bags of potatoes and an ancient red Datsun. “Two years ago this was never a problem. But if there’s not water, you can’t live.”

The glaciers that have long provided water and electricity to this part of [Bolivia](#) are melting and disappearing, victims of [global warming](#), most scientists say.

If the water problems are not solved, El Alto, a poor sister city of La Paz, could perhaps be the first large urban casualty of climate change. A [World Bank report](#) concluded last year that climate change would eliminate many glaciers in the Andes within 20 years, threatening the existence of nearly 100 million people.

For the nearly 200 nations trying to hammer out an international climate accord in Copenhagen, the question of how to address the needs of dozens of countries like Bolivia is a central focus of the negotiations and a major obstacle to a treaty.

World leaders have long agreed that rich nations must provide money and technology to help developing nations adapt to problems that, to a large extent, have been created by smokestacks and tailpipes far away. But the specifics of that transfer — which countries will pay, how much and for what kinds of projects — remain contentious.

Last week, a group of the poorest small countries debated whether they would [stage a walk-out](#) in Copenhagen if rich nations failed to provide enough money. Todd Stern, the lead negotiator for the United States, while [reiterating that the United States would help pay](#), bridled at the idea that the money was a “climate debt.” And on Friday, the [European Union made an initial pledge](#) to pay \$3.5 billion annually for three years to help poor countries cope — though economists project the total cost to be \$100 billion or more.

### An Angry Voice

With its recent climate-induced catastrophes, Bolivia has become an angry voice for poor nations, demanding that any financing be paid out in full and rapidly.

“We have a big problem and even money won’t completely solve it,” said Pablo Solón, Bolivia’s ambassador to the [United Nations](#). “What do you do when your glacier disappears or your island is under water?”

Scientists say that money and engineering could solve La Paz-El Alto's water problems, with projects including a well-designed reservoir. The glaciers that ring the cities have essentially provided natural low-maintenance storage, collecting water in the short rainy season and releasing it for water and electricity in the long dry one. With warmer temperatures and changing rainfall, they no longer do so.

"The effects are appearing much more rapidly than we can respond to them, and a reservoir takes five to seven years to build. I'm not sure we have that long," said Edson Ramírez, a Bolivian glaciologist who has documented and projected the glaciers' retreat for two decades.

The retreat has outpaced his wildest predictions. He had predicted that one glacier, Chacaltaya, would last until 2020. [It disappeared this year](#). In 2006, he said El Alto water demand would outstrip supply by 2009. It happened.

But global warming alone cannot be blamed for the longstanding woes of this exotic but desperately poor landlocked country, where per capita income is around \$1,000. Urban water supplies are also taxed by population growth as well as checkered management, in part because there is little money to manage anything, but also because the government nationalized the water company a few years ago, having declared water a human right. El Alto still does not employ a full-time water technician.

#### Populations at the Brink

"These are populations at the brink of surviving anyway, and then you have the extra stress of climate change and you have huge social problems," said Dirk Hoffmann, head of the climate change program at the Universidad Mayor de San Andrés in La Paz. "What's at stake is conflict — you wouldn't talk about civil war exactly. But it will be unrest."

In fact, when taps dried up in Celia Cruz's neighborhood, the Solidarity District of El Alto, rich La Paz residents still had water. In a nation that has rallied behind socialist rhetoric and indigenous rights, there were complaints. "The sense of injustice is palpable," said Edwin Chuquimia Vélez, an official in El Alto formerly in charge of water.

Victor Hugo Rico, director of the state water company, Epsas, while acknowledging worries about supply, denied that there had been intentional rationing and said that three wells were being drilled to increase water to El Alto and that more were planned.

Glaciers are part of the majestic landscape here, visible from almost everywhere in the neighboring cities of La Paz and El Alto, each with one million people. Their disappearance from certain vistas is as startling to Bolivians as the absence of the twin towers is to New Yorkers.

"To see this change fills me with sadness. It fills me with pain," said Gonzalo Jaimes, a climbing guide from La Paz.

Chacaltaya, at 17,500 feet, was the world's highest ski area from 1939 until 2005, when the glacier retreated beyond the slopes. The lodge, still stocked with rental gear and decorated with ski murals, sits mostly abandoned.

Though all glaciers expand and retreat over time, recent research has found that small, relatively low-altitude glaciers, like those in Bolivia, are particularly vulnerable to warming temperatures, a phenomenon that glaciologists compare to the fate of small ice cubes in water.

For residents, water has been the biggest issue. Though the region's electricity comes from [hydroelectric](#) plants, these depend heavily on rainfall and water from the Amazon, so power loss has so far not been a problem.

In Khapi, a village two hours' drive from La Paz, people regard the Illimani glacier as "our God, our great protector," said Mario Ariquipa Laso, 55, a wizened farmer who grows potatoes and corn on sheer slopes in the shadow of the glacier. Ten years ago, it provided a steady, gentle stream during dry months to keep crops watered. Today, with Illimani in retreat, water "just pours" off the glacier, a yellowish mix.

"It's completely useless," snorted Héctor Hugo Chura Chuque, vice mayor of the village, which has no plumbing and only intermittent electricity.

"A lot of us think about not having kids anymore," said Margarita Limachi Álvarez, 46, a blue Andean cap with ear flaps pulled over her head. "Without water or food, how would we survive? Why bring them here to suffer?"

### Taps Run Dry

A hundred miles away, in a middle-class neighborhood of El Alto, water has also become a gnawing concern. From September through November, the taps gave forth at best eight hours a day, often with little pressure.

"Sometimes you didn't have it in the morning. Sometimes you didn't have it in the evening — you never knew," said Julia Torrez, 31 and eight months pregnant, in a neat sitting room furnished with plaid couches and hung with oil paintings. When the tap started spurting, she recalled, she ran to fill an array of buckets and jugs, an incongruous routine for this family of jeans-wearing, college-educated professionals.

In October, La Paz officials began closing the car washes on Avenida Kollasuyo, relenting only when some rain came in late November. "This was the first time we've been told there was not enough water for us to operate," said Omar Mamaru, 25, owner of Auto-Stop, in thick orange gloves and a windbreaker, as he scrubbed a blue S.U.V.

In the last few years, Bolivian lives have also been buffeted by an almost biblical array of extreme weather events, many of which scientists believe are probably linked to climate change. — though this is currently difficult to prove because poor countries like Bolivia have little long-term scientific data. This year brought scorching temperatures and intense sun. A drought killed 7,000 farm animals and sickened nearly 100,000. Severe storms normally associated with El Niño periods, every seventh year, now occur regularly. Warmer temperatures mean new crop pests — crickets and worms — as well as diseases like malaria and dengue fever.

On a recent morning in Huaricana, a village an hour from La Paz, people used rocks and timber to repair a road bisected by a 40-foot-wide river of mud delivered by a potent storm. A vendor sold ice cream to children watching the now familiar scene. "This has only been happening the last three years," said Oswaldo Vargas, 55, as he towed a public bus across the mud with his Fiat tractor.

Developed countries agree that they have an obligation to help relieve such stresses, but many remain hesitant to release funds, in part because poor countries have few concrete plans to address climate problems. The effects of climate changes have not yet been analyzed or quantified by Epsas, the water

company, for example. But with little cash or expertise, it is hard to plan a giant new reservoir or a system to transfer water from one part of the country to another. Bolivia's poor, said Edwin Torrez Soria, an engineer with Aqua Sustentable, who works with villages near the Illimani glacier, "aren't responsible for what's happening to the glacier but they suffer the most, and unfortunately the government doesn't have much of a plan."

This year, the last days of November provided a bit of wet relief — the rainy season had started, about a month later than usual. The pipe outside Ms. Cruz's house started running. But the rain that had added ice to the glaciers now often just increases their runoff, because it is too warm to freeze anymore.

"Right now we're living on additional glacier melt that won't be here in a few years," said Mr. Hoffmann, of the climate change program. "Isn't that ironic?"

## **“Climate Change Summit: Bolivia's Defiant Leader Sets Radical Tone at Climate Talk”**

John Vidal Cancun

*The Observer* 12 December, 2010

Of all the ministers and politicians parading the world stage in Cancun last week, President Evo Morales of Bolivia knows best the impact of a theatrical entrance. His entourage includes 15 colourfully dressed, bowler-hatted indigenous Aymara, an admiral in gold braid, teams of advisers and white-coated bodyguards, Mayan priests and ambassadors.

When the mop-haired, chubby-faced poster boy of Latin American socialist politics speaks, they stand around him, filling the stage with the physical embodiment of what is now called the "plurinational" state of Bolivia.

But then Morales is a true individual, the only head of state in Cancun who dared to insist that the world should hold global temperature rises to just 1C. As he argues, nature has rights.

Yesterday Bolivia was diplomatically isolated at the end of the UN talks but remained unrepentant, accusing other governments of a disastrous lack of ambition. Some groups have pressed him to tone down his demands to ensure that a political deal could be done at Cancun.

"Some powers are happy to put forward measures that would lead to an increase of 2C, and some think even of increases to four degrees. Imagine what our planet would look like with an increase in temperature of two degrees or four degrees, given that at 0.8 degrees we already have serious problems in the world. . .

"It's easy for people in an air-conditioned room to continue with the policies of destruction of Mother Earth. We need instead to put ourselves in the shoes of families in Bolivia and worldwide that lack water and food and suffer misery and hunger. People here in Cancun have no idea what it is like to be a victim of climate change."

Despite the claims of deniers who say global warming is a myth, the climate is changing dramatically in Bolivia and other Andean countries, Morales insists. "The lakes are drying. There is drought. Millions of fish are dying in the Amazon basin of frost."

Morales was one of a group of radical leaders accused by Gordon Brown of "holding the world to ransom" at last year's political debacle at Copenhagen. His heady mix of traditional socialism and an indigenous vision of nature rejects the western approach of offsetting emissions and carbon markets to reduce temperatures. "We came to Cancun to save nature, forests, planet Earth. We are not here to convert nature into a commodity. We have not come here to revitalise capitalism with carbon markets," he says.

This year Bolivia hosted a "people's summit" for climate change that attracted 45,000 people and proposed radical measures to cut emissions. Last week he repeated calls for a global referendum on what should be done. "If governments don't act, people will force them to. Sooner or later, we will have to recognise that the Earth has rights, too, to live without pollution. What mankind must know is that human beings cannot live without Mother Earth, but the planet can live without humans."

## **“Bolivia’s Dilemma: Development Confronts the Legacy of Extraction”**

Linda Farthing

*NACLA Report on the Americas* 42:5, Sep/Oct 2009: pages 25-29

AS WITH SO MUCH ELSE IN SOUTH AMERICA'S landlocked and impoverished heartland, Bolivia's natural environment excels in superlatives: It is home to the world's largest salt flat (Salar de Uyuni in the southwest); the world's highest navigable lake (Titicaca, straddling the border with Peru); and the second-largest high mountain plateau (the altiplano), after that of Tibet. The result is an often breathtaking landscape of magnificent snow-covered mountains surrounding windswept plateaus and lakes of an almost unimaginable deep blue, high valleys unfolding eastward into dense, vast jungles to the north, and open savannas to the south.

Less fortunately for both Bolivia's environment and its people, the exploitation of the country's considerable natural resources has also been nearly unparalleled: The country was once home to the Spanish colony's richest silver and gold mine (Potosí); boasted one of the world's richest tin mines (Siglo XX); and today has two of the world's largest silver mines (San Cristóbal and San Bartolomé), an estimated half of world's lithium reserves (Salar de Uyuni), the future largest iron ore mine (Mutun), and the secondlargest proven gas reserves in South America (after Venezuela's). It comes as no surprise that Bolivia's history and environment have been dominated by relentless extraction.

Even since the 2006 election of indigenous president Evo Morales and his progressive government, the social pressure to satisfy the country's immediate economic needs through extractive industries that destroy the natural environment - primarily natural gas, mining, and forestry - remains as strong as ever. Moreover, the government confronts a terrible legacy of ecological degradation. For despite a relatively low population density, about a quarter of the national territory, or 60 million acres, is environmentally degraded, with almost 17 million acres under threat, according to the Environmental Defense League (Lidema), Bolivia's principal environmental coalition.<sup>1</sup>

It's not that the current government doesn't express a commitment to the environment. In April, Morales declared before the United Nations General Assembly: "Not only do human beings have rights, but mother earth should have them too. The capitalist system has made the earth belong to human beings. Now it is time to recognize that we belong to the earth."<sup>2</sup>

But despite such inspired words, continued extraction is accelerated by the political demands from government supporters in powerful social movements that have long insisted that Bolivia's vast natural resources benefit the country rather than foreigners. Their demands usually trump the small but persistent voices of Bolivia's environmental movement, which comprises largely middle-class NGOs as well as local indigenous groups.

This pressure is compounded by Bolivia's status as one of Latin America's poorest countries. Basic survival needs frequently prevail over longer-term considerations, government bodies often lack the necessary resources to protect the environment, and it costs violators very little to pay off impoverished communities. "How are you going to tell someone struggling to feed their family that they can't cut down a tree, dump garbage, or irrigate their crops with dirty water?" asks Mirso Alacalá, an official with the Ministry of Environment and Water.

You don't have to look far to see the destruction. Even the most casual visitor to La Paz is likely to cross the turbid, foaming waters of the Choqueyapu River, which cuts across the city, some of it underground. From its headwaters 21 miles to the north in the altiplano, the crystalline glacial flow tumbles into the magnificent basin that cradles La Paz and is transformed into an open sewer. Heavy metals from the Milluni mine some 20 miles northeast of La Paz, industrial waste from neighboring El Alto's textile and food industries, and household garbage mix into a poisonous stew that races downhill to the community of Río Abajo. There, its waters irrigate campesinos' fruit and vegetable crops, later sold in markets throughout the city. The river then continues east, eventually dissipating its waste into a tributary of the Amazon.

Every week, the La Paz mayor's office tests the river's water quality and finds, in addition to organic waste, chemicals including chromium, lead, and arsenic at levels seven times international standards. In an "out of sight out, of mind approach," the mayor, Juan del Granado, announced in December that even more of the river would be run underground, hiding it from public view.<sup>3</sup> "Neither the mayor, nor the city council president, nor much less the parliamentary representatives from La Paz could care less," Gonzalo Sanjinés Portugal, a neighborhood leader in the city's wealthier southern zone, where the river is at its most contaminated, told the La Paz newspaper *El Diario*.<sup>4</sup>

But the urban Choqueyapu is far from the only polluted body of water in Bolivia. One of Lidema's eight most critical polluted sites (out of more than 100) is the Cohana Bay, located in the shallower part of Lake Titicaca, where waste from the constantly expanding altiplano city of El Alto is dumped, threatening local health, livestock, and crops. Partly in response to the outcry from the local population and Lidema, the government's Ministry of Environment and Water announced in June that it would invest \$7.5 million to expand the area's water-treatment plant. But this will only partly solve the problem, since much of the contamination is due to the limited sewage system in El Alto, Bolivia's poorest city.<sup>5</sup>

To the west of Cohana Bay, an oil pipeline burst in January 2000, spilling 29,000 gallons of oil into the country's most important highland river, the Desaguadero, contaminating almost 2,400 square miles of crop and grazing lands belonging to indigenous peoples. The ruptured pipeline, operated by Transredes, a subsidiary of Shell and the now defunct Enron, caused one of the country's worst environmental disasters; yet the cleanup and compensation effort was marked more by an expensive public relations campaign and government neglect than by a serious effort at environmental remediation (i.e., the removal of contaminants from soil and water). In a pattern repeated throughout Bolivia, poverty meant the company was able to defuse community protest by providing minimal compensation.<sup>6</sup>

Bolivia's past inability to force polluters to pay for the costs of cleaning up their mess has left the country with what are euphemistically called "environmental debts," and what Lidema's research and monitoring coordinator, Marco Octavio Ribera, more accurately calls "transgenerational debts," insisting that this legacy of pollution has never been addressed. "At some point, there has to be a day of reckoning," he warns, "and every year it comes closer."

According to Giovani Altuzarra, a planning analyst in the Ministry of Environment and Water, "To remedy these environmental problems, many of which are inheritances from mining operations dating as far back as colonial times, would take a massive investment and many years of work." The remediation efforts throughout the country that have been under way since at least the 1990s are continuing at roughly the same pace under the Morales government.

In 1996, just outside the southern highland city of Potosí a tailings dam broke at Porco, a mine in operation since the Inca empire. Denounced by Britain's New Scientist magazine as one of the worst environmental disasters in Latin America, and further exacerbated by the waste from Potosí ore concentration plants, the spill has destroyed the Pilcomayo River.<sup>7</sup> At the time of the accident, Porco was owned by COMSUR, which itself was owned by then Bolivian president Gonzalo Sánchez de Lozada. The government did not insist on remediation.<sup>8</sup>

Leonora Castro, of the Sucre Association of Ecology (ASE), one of Lidema's 28 regional member organizations, which works downriver from Porco and Potosí in the department of Chuquisaca, has dedicated the last decade to coping with the Pilcomayo disaster. g "Beginning in 2000, we started pressuring authorities to act. But actually the situation is only getting worse," Castro says. "In 2002, there were 14 legal ore-concentrating plants in Potosí. With the mid2000s boom in mineral prices, the number rose to 33."

The contamination forced people to migrate. One of the most affected communities, Sotomayor, has seen its population drop from 1,200 families to 800 since 1996. The 192 acres of cabbage and carrots the community produces for markets in the city of Sucre contain a range of contaminants.<sup>10</sup>

When the ASE pushed hard for solutions, the Chuquisaca Department government appointed Castro director of the local environment ministry in 2004. Under Castro's leadership, the ministry began educating local authorities and communities about the problem. "But we faced an enormous complication," she says. "If we publicized the level of contamination, the urban population won't buy products from anywhere near the river. You can imagine the conflict this created between us environmentalists and the local community."

Castro recalls the response to her calls for closing Potosí's ore-concentrating plants in 2005. "Within days, cooperative miners kidnapped me and other authorities, forcing us to back down. So we had to change tack. We instituted watercollection projects and installed a pilot water-treatment plant in Sotomayor, but unfortunately it is not yet operational because of ongoing disagreements with the community."

**BOLIVIA HAS BEEN ACCURATELY DESCRIBED AS HAVING** abstract laws and concrete violations in every area.<sup>11</sup> "We have plenty of good rules," says Alturruza of the environment ministry. "We just can't get people to follow them. For too long the wealthy just used the laws to their own advantage, so as far as the poor are concerned, why should they obey them? As well, we just have never had real enforcement capacity, so impunity for crimes large and small is widespread."

Long histories of contraband flooding across the country's five borders, combined with the mushrooming of the informal economy to encompass almost 70% of the urban population during 20 years of neoliberalism, together with the illegal production of coca leaf, coca paste, and cocaine, have only reinforced tendencies to ignore the law.<sup>12</sup> "In particular, instituting environmental controls in small-scale mining carried out by cooperatives is almost impossible," explains Alacalá. "We just don't have enough resources, and often when we try, we find a confrontation with angry miners on our hands."

One of Bolivia's biggest problems with illegal extraction is found in the rich northeastern forests, laden with precious species from mahogany to tropical cedar. "Uncontrolled forestry is almost impossible to prevent," Alacalá laments. "Much of this occurs in one of the country's 22 protected areas that have limited road access. Loggers illegally chop down trees within the reserves and then float them down river to process them. They don't even use the entire tree."

A different type of environmental problem is found in several of the eastern protected areas in recent years: the proliferation of mobile coca-paste factories. "In the Chapare, east of Cochabamba, alone we are finding eight to 10 factories a day, six days a week," explains Major Julio Velasquez, the anti-drug police's local operation commander. "These factories need large amounts of water and dump the chemicals they use directly into streams, destroying aquatic life and poisoning crops, animals, and people who use the water downstream."

One potential avenue for extending respect for environmental laws is in community-based enforcement, known in Bolivia as "social control," a notion that stems from social and economic arrangements deeply embedded in rural Andean communities. Similar to the Morales government's efforts to reduce the quantity of coca diverted to paste and cocaine production by involving local unions in control efforts, the hope is that strengthening environmental stewardship at the local level will yield positive results.

In the department of Chuquisaca, local efforts build on local control to combat rampant soil erosion due to intensive land use. ASE's Apolonia Rodriguez, a 20-year veteran of Bolivia's environmental movement, emphasizes the situation's gravity. "We have an accelerated process of desertification under way," she says, "with as much as 50% of the land severely deforested and eroded." But she expresses optimism about possible alternatives, noting that in the central area of Chuquisaca, some municipalities have successfully instituted social control that requires replanting and community approval to fell trees, and has mandated fines for those who fail to comply. Government spokespeople Alturruza and Alcalá, meanwhile, are cautiously optimistic about community control, identifying the process as only just beginning and still relatively weak.

Social control has functioned best in rural communities with homogenous indigenous populations. Several of these communities, sometimes with the support of urban NGOs, have protested local environmental degradation. Many environmentalists consider the Regional Coordinator for the Desaguadero River and Uru Uru and Poopó Lakes Watershed, formed by 80 communities in 2006 with the support of Lidema member organization CEPA, based in Oruro, the strongest such effort. Lake Poopó, south of Oruro, is one of the country's most polluted lakes after centuries of mining. The Regional Coordinator has demanded that the government halt ongoing contamination of the lake and implement some 50 remediation projects.<sup>13</sup>

On the other side of the country, tensions have arisen between Bolivia's third-largest ethnic group, the Guaraní, and the MAS government over the monitoring of natural gas operations. Teofilio Murillo, a representative from the Association of Guaraní Peoples Itika Guasu (APG) to the government's recently established Social Environmental Monitoring Committee, expresses frustration.

"For the last 10 years the hydrocarbons companies have come onto our lands without respecting or consulting us," Murillo says. "When we have done monitoring on our own in the past, our reports and our complaints were just ignored."<sup>14</sup>

Itika guasu, from the name of Murillo's organization, means "big river" in Guaraní and refers to the mining-polluted Rio Pilcomayo, damaging the considerable number of Guaraní settlements located along its banks. The APG was originally formed in the 1990s to protest the contamination of the Pilcomayo.

Guaraní disgruntlement has not yet led to any kind of rupture with the government, however: In June, CIDOB, which represents almost all the eastern indigenous groups, including the Guaraní, announced its support for Morales's reelection in the upcoming December presidential contest.<sup>15</sup>

Marco Octavio Ribera of Lidema has dedicated 30 years to environmental issues both within and without the government. Sitting in his tiny La Paz office, crammed with books, maps, and charts, he says the struggles led by communities around Poopó and by the Guaraní convince him that grassroots environmental actions are taking root in Bolivia's regions.

"It's not a movement as such," he explains, "but it has a vision that is much broader and more concrete than what you see among people in the city."

In rural northern Chuquisaca, doctoral researcher Karen Marie Lennon found that rural indigenous people are greatly concerned about local environmental problems. "While they have many good ideas for addressing them," Lennon says, "they don't seem to know how to go about it largely due to a lack of resources and/or political support."

Perhaps the greatest future environmental challenge that Ribera and other environmentalists see ahead stems from the massive Initiative for the Integration of Regional Infrastructure in South America (URSA), signed in 2000 by 12 mostly conservative leaders, including Bolivia's then vice president, Jorge Quiroga. The initiative, promoted by the Inter-American Development Bank, the Andean Development Corporation (CAF), and the Plata River Basin Financial Development Fund (FONPLATA), involves more than 500 projects in transportation, communications, and energy at a cost of \$69 billion.<sup>16</sup>

Rather astoundingly, the Morales government has not revisited the question of URSA, which will reshape the interior of South America, bringing roads, dams, and development that will inevitably threaten the environment and indigenous peoples. In November, Bolivia's principal indigenous organizations joined their counterparts in Peru, Colombia, Chile, Argentina, and Ecuador to demand great transparency and the adoption of stronger social and environmental controls.<sup>17</sup>

Just as surprising, the Morales government has also announced plans to reactivate the Balas dam project, promoted by the World Bank. Widely condemned by environmentalists for its technical, economic, and environmental unviability, the dam would flood part of Parque Madidi, a protected area and biodiversity hot spot encompassing the country's richest forests.<sup>18</sup> As well, the giant Mutun iron ore mine east of Santa Cruz, close to the border with Brazil, was approved by the Morales government in 2007, with construction slated to begin in the second half of 2009. It is "the big problem to come," according to ASE's Rodriguez.

Finally, extractive agriculture, which permanently impoverishes the natural-resource base, has come to Bolivia in the form of agro-industrial soy production, as it has in Paraguay, Argentina, and Brazil. Since 1985, the area of land devoted to soy production near the city of Santa Cruz has increased from 168,000 acres to almost 2 million acres, while pesticide use has mushroomed from 188 tons in 1985 to 12,000 tons in 2008.<sup>19</sup> Soy monoproduction provokes deforestation, destroys fragile tropical soil structures, and leads to eventual desertification.<sup>20</sup> Nonetheless, the industry shows no signs of slowing.

Discussion about what the current MAS government can and will accomplish in terms of these projects tends to be highly polarized. But almost every observer, both within and outside the government, agrees about what went on before the MAS assumed power in 2006. Rodriguez is forthright.

"For government after government, sustainable development and environmental protection have been nothing more than a slogan," she insists. "We are the 10th most bio-diverse country in the world, but we are being devastated by uncontrolled forestry, mining, and hydrocarbon extraction, and ever expanding soy cultivation." Like most of her colleagues in the environmental movement, she decries the perspective both within and outside the current government "that prioritizes economic growth over everything else."

In contrast, Environment and Water Ministry spokespeople Altuzarra and Alcalá, both of whom served in previous environment ministries, insist that it is a great time to be working on these issues.

"For the first time we have an environmentally committed government," Alcalá asserts.

Lidema's Ribera isn't convinced, but tries hard to put a positive spin on the Morales government's efforts.

"Have we seen the changes needed? Not yet - but my emphasis is on 'yet' because we still hope that the government will make its rhetoric a reality," he says. He adds that the environmental licensing processes required for initiating extractive industries remain a problem, since "no matter how many errors and omissions there are in the environmental impact reports, the government will always grant the license."

But he admits that the process is still better during previous governments, when "the whole thing was a joke." Alcalá insists that the 299 environmental licenses boasted of on a government website "are subject to active monitoring for the first time because we have far more technical staff to conduct follow-up than ever before."<sup>21</sup> He acknowledges, however, that the challenge remains "to make sure that all, absolutely all, concessions are carried out within the law."

For Alberto Borda, planning director in the Ministry of Planning and Development, the constraints are largely organizational.

"Our challenge is to create a really functional Ministry of the Environment," Borda says. "Until the beginning of this year, we had environmental issues scattered across three ministries which made for an incoherent system. Unfortunately, when we tried to fix this, turf wars erupted between the ministries."

As a result, the problem was only partially resolved. But to Teresa Flores of the environmental organization Prodena and a columnist for the La Paz daily La Prensa, the problem runs far deeper.

"Current government policy is full of contradictions," she says. "Just look at the National Development Plan, and even the new Constitution passed at the beginning of this year. In some parts of both, a strong 'development at whatever cost' orientation predominates, and in others there is more emphasis on protecting the environment. We are deeply conflicted about these issues as a country."

According to Flores, much of the Latin American left, including the Morales government, justifies "indiscriminate exploitation" by arguing that "northern countries only want us to conserve our natural resources in order to hinder our development so we won't compete with them, and our resources will be available for their future use."

Within the government, Lidema's Ribera maintains, there are programs and an active discourse on the environment. "But they are like lambs in a wolf's lair," he says. "They just don't have much influence."

Where the power lies is with the ministries focused on extraction. And within these ministries, the environment usually isn't even considered."

This predominance of economic over environmental concerns makes both healing Bolivia's environmental wounds and preventing future destruction an exceptionally difficult proposition. No past government has ever resolved this dilemma, nor even seriously considered it. Given this history, and despite the pressures from its support base, if the Morales government can move beyond rhetoric to significant action in favor of the environment, it will be an impressive accomplishment indeed.

President Evo Morales plants the national flag on Bolivia's richest iron-ore deposit, Mutun, In 2007. He was celebrating the signing of a contract with the Indian company Jindal Steel to begin mining operations there.

Bolivia's past inability to force polluters to pay for the costs of cleaning up their mess has left the country with what are euphemistically called "environmental debts."

The predominance of economic over environmental concerns makes both healing Bolivia's environmental wounds and preventing future destruction an exceptionally difficult proposition.

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