



BOLIVIA INFORMATION FORUM

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The publication of the first ‘Bolivia Bulletin’ coincides with the inauguration of the Morales government in La Paz. This is an extremely significant event, both in Bolivia and in Latin America more widely. For the first time, an indigenous leader has taken office as a president of a largely indigenous country. As in Brazil with the election of Lula, it is seen as possible for a leader of extremely humble origins to gain access to the highest position of state. It is also seen as possible for a party born and bred in opposition to neoliberalism and US domination to win an election amply and become the ruling party. This is tremendously important in reaffirming democracy. The message reverberates around Latin America.

The idea of the “Bolivia Bulletin” is to provide a monthly update on developments in Bolivia, so as to explain what is going on to the outside world. The emphasis will be on information, not propaganda. Aware of the international interest in, and concern for, what is happening in Bolivia, we hope that the “Bolivia Bulletin” will provide you with consistent, accessible and reliable information about what promises to be a fascinating process of change which has important implications for Latin America as a whole.

A decisive election victory

Presidency. The December 18 elections in Bolivia proved remarkable in many ways, but most remarkable was the size of Evo Morales’ victory. In an eight-horse race, he won by nearly 54% of the vote. Opinion polls throughout the campaign had suggested he might win, but by no means with this sort of majority. Even a week before the elections, his supporters thought he might win 40%. But no-one predicted such a landslide. Also remarkable was the turnout. Nearly 85% of people registered to vote did so. This is a much higher rate than in any previous election.

The results *(main candidates)*

Evo Morales/Alvaro Garcia Linera (MAS): 53.74%
Jorge Quiroga/ Maria Rene Dichen (Podemos): 28.59%
Samuel Doria Medina/Carlos Dabdoub (UN): 7.79%
Michiaki Nagatani/Guillermo Bedregal (MNR): 6.47%
Felipe Quispe/Camila Choqueticlla (MIP): 2.16%

Under Bolivia's electoral laws, where a presidential candidate receives less than 50% of the vote, it is Congress which selects the future president from among the two front-runners. This is the first time that there has been no run-off vote in Congress since Bolivia returned to democracy at the beginning of the 1980s.

Congress. In the elections to Congress, the MAS landslide gave it a substantial majority, but not the 2/3 needed to change the constitution unaided. The MAS holds 72 of the 130 seats in the Chamber of Deputies. The opposition parties (Podemos, UN and MNR) have only 58. In the Senate, the MAS lacks an overall majority. It has 12 seats, as opposed to 13 for Podemos. The UN and MNR have one seat apiece. Despite lacking a majority in the Senate, the MAS has managed to win the presidency of the upper house with the support of the UN and MNR senators.

Prefects. For the first time ever, elections were also held for prefects, the chief authorities in the departments. Until now, prefects have been a presidential appointment. This innovation has been important in the context of pressures for decentralisation to the departments and demands for greater autonomy. The MAS ended up winning in only three departments (Chuquisaca, Oruro and Potosí). This disappointing result was in large measure due to the failure to select candidates with strong local appeal. For instance, the Podemos candidate won in La Paz, a department which otherwise voted massively for Morales as president.

Regional patterns of voting. Geographically, the MAS came first with over 50% of the vote in the highland departments of La Paz, Cochabamba, Oruro, Potosi and Chuquisaca. Podemos came top in lowland Santa Cruz, Tarija, Beni and Pando. It is very significant that in Santa Cruz, where hostility to Morales was probably strongest, the MAS came in second with nearly 33% of the vote. This shows that support for the MAS exists in the eastern lowlands, where migrants from the highlands now form a substantial proportion of the population.

Background to the results

Against a corrupt political class. The scale of the vote for the MAS was not just a vote for Evo Morales but a vote against a political class that was widely seen as inept and corrupt. In particular, it was a vote against a system of political parties that no longer played a role in representing people's interests. Since the mid-1980s, Bolivia has been run by three main parties: the Movimiento Nacionalista Revolucionario (MNR); the Movimiento de la Izquierda Revolucionaria (MIR) and Acción Democrática Nacionalista (ADN). Although these parties provided a degree of political stability, they ended up carving up the state apparatus for personal or partisan gain. In Bolivia, this is called 'cuoteo'.

As a result of the elections, these three parties have been virtually removed from the political scene. The MNR, since the 1940s Bolivia's strongest party, now holds only a handful of seats, seven in the Chamber and one in the Senate. The ADN and MIR have lost all representation in Congress, as has the newer Nueva Fuerza Republicana (NFR), though several leaders have swapped horses, joining Podemos and UN in particular. The final rebuff for the MIR came when former president Jaime Paz Zamora failed even to become prefect in his home state of Tarija.

Social movements and privatisation. The elections also represented a victory for the social movements that have emerged with force in recent years, beginning with the Cochabamba ‘water war’ of 1999/2000. They are therefore a rejection of the dominant model of economic liberalism and privatisation that has been the cornerstone of government policy since 1985. In particular, the social movements have vented people’s anger at the way in which Bolivia’s natural resources have been harnessed to the benefit of small, wealthy groups, often linked to foreign business interests.

It was opposition to the government’s plans to export gas to the United States through Chile that prompted the 2003 ‘gas war’ which brought down the MNR-MIR coalition government of Gonzalo Sánchez de Lozada. Opposition to US-backed policies in Bolivia – coca eradication, trade liberalisation and privatisation – provided much of the ‘glue’ to turn the MAS into a party with national support.

The MAS has emerged not so much as a structured party but as a ‘movement of social movements’. This is at once its strength (its representativeness) as well as its weakness (lack of internal discipline and coherence).

Evo’s travels

Evo Morales used much of the period between the election and his inauguration on January 22 to travel abroad. His trip achieved remarkable results, including apparently \$US 700,000 in debt relief and new aid, showing that his election victory had not gone unnoticed outside Bolivia.

His travels started in **Cuba** and **Venezuela**, countries whose leaders had offered him strong support and endorsement in the past. He was given the honours of a head of state in both countries. Both have pledged aid. In **Spain**, he was received both by King Juan Carlos and Prime Minister José Luis Rodríguez Zapatero. In **France** he met President Jacques Chirac and in **Belgium** Javier Solana and other key figures at the EU. He then travelled to **China** where he was received by the head of state, and to **South Africa**. He returned by way of **Brazil** and **Argentina** where he was given a warm reception by Presidents Lula and Kirchner respectively.

Apart from putting Bolivia on the international map, Evo’s travels involved contacts with foreign investors in the gas industry and possible new investors. He struck a conciliatory note on the gas issue, promising to respect foreign investment if foreign investors respect Bolivia’s legitimate sovereign interests.

The inauguration

Indigenous fiesta at Tiwanaku

The day before the official inauguration, a massive festival of *indigenismo* was held at Tihuanaku, the sacred centre of Tawantinsuyo. People flocked to the Altiplano ruins, close to El Alto, not just from all over Bolivia but from Argentina, Chile, Peru and elsewhere. Security was in the hands of 3,000 indigenous community leaders.

Against the backdrop of the main temple and monolith, Morales was vested with the staff of authority, blessed and proclaimed president.

In his speech, Evo proclaimed that a new era was beginning for indigenous peoples and that the cycle of exclusion was over. He called on indigenous people and middle classes alike to fight colonialism and neoliberalism and to end “the pillage of our natural resources”. He was recognised as the *apumallku*, the leader of the condors.

Evo’s inaugural address

The address, delivered in the Senate chamber, began with a minute’s silence in honour of martyrs like Tupaq Katari, Tupaq Amaru, Che Guevara, Marcelo Santa Cruz and Luis Espinal, as well as coca leaders, miners and the people of the El Alto. The only sound was that of the haunting *pututu* horn. Evo paid honour to the country’s indigenous heritage and attacked the corrupt legacy of the colonial state. He criticised the impact of neoliberalism in Bolivia and the negative consequences of privatisation, contrasting the fortunes made by a few individuals and the fate of most Bolivians whose only option is to migrate and perform servile jobs abroad. He stressed how the running of basic services cannot be on the basis of private gain, and how the existence of private landed estates was unconstitutional.

MAS priorities

The speech outlined some of the priorities for the MAS government:

- Gas. Prices for gas sales to neighbouring countries would be renegotiated. Bolivia’s ownership of its gas reserves would be proclaimed. Foreign companies would be invited to work in Bolivia as partners. The industrialisation of gas would be promoted.
- Constituent Assembly. Elections would be called for July 2. Deliberations would begin on August 6. The assembly would deal with the issue of departmental autonomy. A referendum on autonomies will be held.
- Land. Redistribution will take place where land is not used for economic or social purposes.
- Coca. No policy of *coca cero*, but policy of *cocaine cero*.
- Social conditions. Widening of social protection to help the elderly. Literacy campaign with help from Venezuela and Cuba.
- Economy. Repeal of Article 55 of Decree Law 21060 (1985) that established the framework for neoliberalism in Bolivia with relation to the labour market. Strengthening of Comibol. Use of extra tax revenue from oil and gas to

stimulate productive initiatives at the municipal level. Government austerity and elimination of corruption.

- Foreign. To work with Chile to resolve “historical problems”. To integrate with neighbours as supplier of energy.

Who was there, who wasn't

Never before have so many foreign dignitaries attended a Bolivian presidential inauguration. Nine Latin American presidents were there (Argentina, Brazil, Chile, Colombia, Ecuador, Panama, Peru and Venezuela). The presence of Chile's Ricardo Lagos was particularly significant. Two other heads of state also came (Slovenia and Western Sahara), as well as Prince Felipe of Spain. Three vice-presidents were there (Cuba, Dominican Republic and Uruguay), as well as the heads of the Organization of American States (OAS), the Andean Development Corporation (CAF). The US was represented by Thomas Shannon, the State Department official responsible for hemispheric affairs, who met with Morales at his home prior to the inauguration.

The inauguration was attended by indigenous groups from all over Latin America and as far away as the United States and the Philippines. Political, artistic and intellectual guests included Eduardo Galeano, Piero, Inti Illimani, Shafik Handal (from El Salvador), Hugo Blanco (Peru), Tomás Borge (Nicaragua).

Cabinet appointments

On January 23, Morales announced his cabinet. It includes:

- Key figures from the MAS: Juan Ramón Quintana (Minister of the Presidency), David Choquehuanca (Foreign Relations), Hugo Salvatierra (Rural and Agricultural Development), Alicia Muñoz (Interior), Carlos Villegas (Planning and Development) and Nila Heredia (Health and Sports).
- Representatives of social movements: Walter Villaroel (Mining and Metallurgy), Santiago Galvez (Labour), Celinda Soza (Economic Development and Micro-enterprise), Casimira Rodríguez (Justice) and Abel Mamani (Water). Villaroel comes from the cooperative mining sector, Galvez from the factory workers. Soza from the peasant women's movement, Rodríguez from the domestic servants' federation, and Mamani from the Neighbourhood Federation (Fejuve) in el Alto.
- Professionals: Andrés Soliz Rada (Hydrocarbons), Walker San Miguel (Defence), Salvador Ric Riera (Services and Public Works), Felix Patzi (Education), Luis Alberto Arce (Finance).

Most of the cabinet members come from highland Bolivia. Several are from indigenous backgrounds (Choquehuanca, Patzi, Rodríguez, Soza and Mamani). There are only two *cruceños* (Ric Riera and Salvatierra) and one *tarijeño* (Sosa). The responsibilities of several ministries will change. There are some new ministries (Water). Some have disappeared entirely (Women). The Ministry of Sustainable Development and Planning is likely to be of key importance.

The Road Ahead

The government's first task is to start governing. In the last week of January, appointments to vice-ministries and other top officials were under consideration. These were likely to provide more technical back-up for the cabinet. Laws were being prepared to cover changes in the way government is organised. Preparations were also under way for Congress to start sitting, defining who will run the congressional commissions and committees, essential to discussion and preparation of legislative proposals. One of the first laws to be issued by the new government was one that honoured a promise to reduce the salaries paid to members of the executive. From now on the president will earn 15,000 *bolivianos* a month (approximately £1,150), as opposed to 34,900 *bolivianos* hitherto. Morales' reduced salary will automatically set a maximum for salaries payable elsewhere in the public sector. Ministers will receive 14,000 *bolivianos*, vice-ministers 13,800 and senior civil servants a maximum of 13,500. There are proposals too to reduce deputies' and senators' salaries by half, as well as their *suplentes* (stand-ins, replacements).

Among the key issues that will confront the government are:

The Constituent Assembly. Preparations for the election of the Constituent Assembly will begin immediately. The previous government had designated a commission to prepare the ground for the Assembly. The government hopes that the legislation that facilitates the holding of the Assembly will be approved in March. This will include the method of electing representatives to the Assembly. Currently, the most relevant proposal includes some local constituencies, some national candidates and 26 special indigenous constituencies. Elections are scheduled for July 2, with the Assembly finally beginning its deliberations on Independence Day, August 6. The agenda for the Assembly will have to be decided upon, but it will definitely include issues such as decentralisation, indigenous rights, and the use of natural resources.

Regional autonomies. The rights and responsibilities of departments will be a thorny issue, and one closely connected to that of the Constituent Assembly and the legislation surrounding gas exploitation. Santa Cruz will be looking for early reassurance that a promised referendum on regional autonomy will be held. Already Santa Cruz has been pushing its claims, notably at the ceremony at which the new prefect, Rubén Costas, a strong supporter of autonomy, was installed. The timing of a referendum may be of critical importance. Although the elite of Santa Cruz emerges politically weakened from the MAS landslide, it will be pressing on an issue which it considers crucial to ensuring it receives its 'fair share' of the rents from hydrocarbons.

Labour demands. The new government will come under pressure from unionised workers and others to ease wage restraints and pay higher salaries. The labour ministry will therefore have to deal with some tricky issues, particularly with respect to public sector wage settlements.

Coca. Evo Morales has promised to legalise production of coca. This will mean repealing (or refashioning) Law 1008, the legal instrument set up in 1988 to regulate coca production, under which 12,000 hectares of coca are officially deemed to be for 'traditional' use. Any changes to the legal regime governing coca will encounter

hostility from the US administration. An early pointer to the stance adopted by Washington to the Morales government will be the 'certification' round at the end of February. Under US law, the administration has to send to Congress a list of those countries it considers to be 'cooperating' (or not) in the War on Drugs. Decertification, if not mitigated by a 'national interest waiver', can lead to the suspension of US assistance programmes to a country and to Washington's use of its influence to block future lending by multilateral banks. When Morales visited the Chapare a week after his investiture, he called on the UMOPAR, (the special police force involved mainly in coca eradication) to enforce the agreement whereby coca producers in the area should not cultivate more than the *cato* of coca each.

Gas. Foreign investors continue to insist that they will take Bolivia to international arbitration over the Mesa government's hydrocarbons law. They argue that this represents a unilateral breach of contract by Bolivia. In practice, they are waiting for signs about what policies the new government will adopt towards the gas sector. The position of the MAS so far has been to assert Bolivian ownership of the country's reserves, but to invite foreign investment to develop its gas-producing potential on the basis of accords that are balanced and protect Bolivia's sovereign interests. The government will therefore have to balance its promise to extend state control against its concern to use the resources and technology made available by foreign investors. Some foreign investors, including Repsol-YPF, have said they will freeze any further investment until the government shows its hand. Meanwhile, Venezuela has offered to make its technical expertise available to Bolivia.

Land. The new government has promised to apply the law regarding the size of holdings, and the social and economic use that the land on larger *latifundios* is put to. Whilst some landowners have already moved to reduce the size of their plots to under the permitted amount (5,000 has.) by putting the land in different names, the land issue is likely to be one of the most difficult ones that the new government will face. Hugo Salvatierra, an ex-NGO campaigner on land issues, has been appointed minister for agricultural development and indigenous affairs.