



# **BOLIVIA** **INFORMATION** **FORUM**

## **Bolivia Information Forum Bulletin** **No. 19, June 2011**

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# Social movements and their stance towards the MAS government

**Recent conflicts between unions and the government over wages have raised questions about the relationship between the Morales government and the social movements on which it is based. Social movements reflect strong communitarian traditions in Bolivia and underpin democracy at the local level. But their interests do not always coincide with those in government. Who are the social organisations, what is their relationship with those now in power, and what sort of tensions arise?**

## **A communitarian tradition**

In much of the Andes, and in Bolivia in particular, a strong sense of the collective prevails. People come together to get answers to their demands and mutual help systems (*ayni, mink'a*) ensure that individuals and families can achieve more together than on their own. This is at its clearest in rural communities, where villagers often still farm the fields together, or collaborate with one another in maintaining access roads to the community. Decisions taken in a communal meeting are binding on all those in the community, and ensure strong organisation from the bottom up. The same principle applies to politics, through channels of participation up to the national level.

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Trade union organisation has also played an important role since the first half of the 20<sup>th</sup> century. This is the case particularly of organisations where the labour relationship is foremost, (such as in the case of miners and workers in manufacturing), but is also the case with agrarian unions, formed after the 1952 Revolution, which adopted the trade union model. Not only have labour unions stood up for workers' rights, but they have played a key role in Bolivia's political development. They had a strong

influence in shaping events during the revolution in 1952. Through the Central Obrera Boliviana (COB), the country's national trade union congress, they provided the kernel of resistance to military dictatorships between 1964 and 1982.

The labour movement suffered a heavy blow in 1985, when the government of Víctor Paz Estenssoro brought in stringent adjustment measures; these included dismantling a large part of the public sector, with massive redundancies in the mining sector. It also resulted in the closure of small factories and a shrinking of the state apparatus. This seriously affected the miners' union in particular which was the backbone of the COB. With much of the population thereafter self-employed and working in the informal sector, labour organisations lost much of their political muscle.

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But new forms of organisation were quick to emerge. The Law of Popular Participation, approved in 1994, sought to encourage participation in deciding the use of municipal funds and in providing oversight of their use. The municipal arena became a new area for participation of local organisations, both rural and urban. It was also a learning ground for many, providing a framework for people from local organisations to participate in political decision making. These organisations were however local and territorially-defined - *campesinos*, neighbourhood committees - rather than labour-based.

It was in this context that social organisations began to resist the effects of the neoliberal development model: *campesinos* began to protest against low prices imposed by the free market; indigenous people rallied to demand their rights as full members of society; coca growers protested against the attempts by government

(with US support) to eradicate their crop; urban and rural organisations joined together, as in Cochabamba in 1999 and 2000, to oppose the privatisation of water resources and the price hikes this involved; and neighbourhood organisations in El Alto mobilised on such issues as the nationalisation of gas resources and the need for a new constitution. Except in a few cases, these were movements led by local organisations in response to sectoral demands; there was no party political leadership at the national level. But it was in this context that Evo Morales and the Movimiento al Socialismo (MAS) began to gain ground.

### Who's who in Bolivia's social organisations?

- **Campesinos.** For many years the *campesino* movement, composed of agrarian unions set up after the 1952 Revolution, was manipulated by different governments, especially by the military dictatorships. This began to change in 1979 when the COB called for the *campesino* organisations to come together within it. They formed the Confederación Sindical Unica de Trabajadores Campesinos de Bolivia (CSUTCB). This brought together ex-workers from *haciendas* (large private land holdings) and was organised from the community level. It gave a voice to those who had previously had little influence. In 1980, the CSUTCB promoted a meeting of women leaders, leading to the setting up of the Bartolina Sisa Federation (now called the Confederación Nacional de Mujeres Campesinas, Indígenas, Originarias de Bolivia, Bartolina Sisa). Those who had migrated from the highlands to the valleys and lowlands established the Confederación de Colonizadores, which has recently changed its name to the Confederación Nacional de Comunidades Interculturales de Bolivia (CNCIB). The federations of coca producers belong to the CSUTCB.
- **Rural organisations.** Salaried workers in the rural sphere (FTAC) have been working to achieve recognition of the rights of temporary migrant labour since the end of the 1970s, whilst the Movimiento Sin Tierra (MST) defends the interests of landless labourers. There are also organisations that represent agricultural producers and animal rearers' interests. They include the *campesino* economic organisations (CIOEC), ecological producers in rural areas (AOPEB), quinoa farmers (ANAPQUI) and llama herders (ANAPCA).
- **Indigenous people.** Though most of Bolivia's *campesinos* are of indigenous extraction, there are groups whose main identity is based around their ethnicity, rather than as producers. In the eastern lowlands in 1982 a series of different indigenous groups came together under the umbrella of the Confederación de Pueblos Indígenas de Bolivia (CIDOB), representing 34 different ethnic groupings. In the highlands, the period also saw the increased salience of the *ayllu*, a form of organisation dating back to pre-Columbian times. The *ayllu* is made up of a group of families and communities which come together to protect their territory, to administer community justice, and to carry out communal forms of agricultural production often spanning over a range of different ecological levels. They came together as a national organisation in 1997 as the Consejo Nacional de Ayllus y Markas del Qollasuyo (CONAMAQ).
- **Workers.** The miners' federation (Federación Sindical de Trabajadores Mineros de Bolivia, FSTMB), established in 1944, currently represents miners from the private sector as well as the state-owned mine of Huanuni. The cooperative miners' organisation, FENCOMIN, has more political weight because of the number of (mainly temporary) workers it represents. Manufacturing workers are organised in the Confederación General de Trabajadores Fabriles de Bolivia (CGTFB), set up in 1951. Of public sector workers, the teachers (Confederación de Maestros Urbanos, Confederación de Maestros Rurales) and health workers (Confederación Sindical de Trabajadores en Salud Pública en Bolivia) are particularly active, not least on salary issues.
- **Urban organisations.** The two main organisations are the federations of neighbourhood committees (FEJUVE; CONALJUVE at the national level) and organisations representing street sellers (Confederación Sindical de Trabajadores Gremiales, Artesanos, Comerciantes Minoristas y Vivanderos de Bolivia). Both the neighbourhood committees and street sellers' organisations have traditionally suffered from leaders who are not prepared to stand down and be replaced. Only over the last decade have new leaders begun to emerge in neighbourhood committees, for example, in El Alto and Santa Cruz (Foro Vecinal). As in rural areas, there is also a multiplicity of producers' organisations of different kinds, cultural organisations, pensioners, etc.
- **Women's organisations.** Apart from the *campesina* women's organisation, the 'Bartolinas', now over 30 years old, women have tended to participate in the 'mixed' organisation of their trade or area. As such, they have often experienced problems in making their specific needs heard. However,

recently, two organisations, the Campesinos Interculturales and the pro-indigenous CIDOB, have decided to set up sister women's organisations, the Confederación Sindical de Mujeres Interculturales de Bolivia (CSMIB, 2009) and the Confederación Nacional de Mujeres Indígenas de Bolivia (CNAMIB, 2007) respectively. Both organisations have yet to build up a grassroots membership.

### **The Movimiento al Socialismo, its members and its allies**

The Movimiento al Socialismo – Instrumento Político por la Soberanía de los Pueblos (MAS-IPSP), to give it its full name, with Evo Morales at the head, won the December 2005 general elections outright, with 54% of the vote. The MAS-IPSP was started by *campesino* organisations, principally the coca producers' federations and the CSUTCB, in 1997. They have been members from the start along with the Colonizadores-Interculturales and the women's organisation 'Bartolina Sisa'. These are among the government's stalwart supporters, and all are of *campesino* origin.

### **The Plurinational Legislative Assembly has many members drawn from social organisations, in particular *campesino* leaders, and several of their leaders are involved in government, whether at ministerial level or below.**

By 2005, the MAS had entered into agreement with other organisations, and some, such as the cooperative miners (*cooperativistas*) and the pensioners (*rentistas*), took part in the MAS slate with their members being elected to Congress. By the 2009 elections, the MAS list of candidates also included leaders from lowland indigenous groups, such as the Guaraníes and the Mojeños. The Plurinational Legislative Assembly has many members drawn from social organisations, in particular *campesino* leaders, and several of their leaders are involved in government, whether at ministerial level or below.

Relations between the COB and workers' organisations have blown hot and cold, depending on the circumstances. The new Pensions Law, approved in December 2010, was signed by President Morales in the offices of the COB. However, some sharp differences have

emerged this year, particularly over wage policy.

### **One foot in government ... yet social organisation remains alive and well**

Involvement of people from social movements in the legislature or in government inevitably raises questions about the 'independence' of the organisations to which they belong. Social organisations are not political parties, but rather unions or civil society organisations representing the interests of people of different (all) political persuasions. Participation therefore can create a tension as to where their loyalties finally lie; with their organisation or with the government. Involvement in government also can mean organisations losing their most experienced leaders to government, leaving them weaker as a result.

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Two examples may help elucidate such quandaries:

- In June 2010 the indigenous national organisation CIDOB started a march in Santa Cruz to raise attention (and bring pressure to bear) on points it felt should be included in the Law on Autonomies and Decentralisation. Several of the points they had previously raised had not been taken fully into account in the drawing up of the law (see BIF Bulletin 15). The government criticised the march. It saw the CIDOB as questioning the newly approved constitution and putting at risk the Pacto de Unidad, an agreement between *campesino* and indigenous organisations. Organisations such as the CSUTCB and the coca producers went as far as to say they would not allow the CIDOB march to reach La Paz. The issue was finally settled by three MAS senators acting as intermediaries who showed the CIDOB's demands to be reasonable. The executive did not handle the situation well, perhaps overreacting to pressures from one of its close allies.
- The 2011 salary increases brought the government into conflict with the COB and specific unions in April. The government

announced in March that salary increases for teachers, health workers, police and army personnel would be 10%, sufficient to cover inflation during 2010 (of more than 7%). Teachers in particular, but also health workers came out on strike, demanding a higher increase, given the effect of inflation on food prices in particular (see BIF News Briefing March-April 2011, BIF Bulletin 18). They finally achieved a 12% increase. Relations between the COB and the government had already begun to sour, over the attempted increase of petrol and diesel at last year's end, the so-called *gasolinazo*. Then, following days of demonstrations in the streets of La Paz, only some of the *campesino* organisations stood firm behind the government (the CSUTCB, Bartolinas). In this case, a clear conflict of interest arose between the government and an erstwhile ally (the COB) over wages, with the former trying to hold the line on wage discipline and the other standing up for its constituency.

Fears that social organisations are being effectively co-opted (and therefore controlled) by

government have been therefore mitigated (at least in part) by the response to the *gasolinazo* and the conflict over wages in April. In spite of the agreements they may have hatched with the government, social organisations react forcefully when they feel that their rights are being ignored. They take their disagreements on to the streets.

Still, leaders of social movements face a permanent problem in how to negotiate and transmit demands from below. Part of the quandary is should the organisations be carrying out a process of collective building of proposals together with government ('construcción colectiva'), or should they be taking a more distant stance, carrying out lobbying work and pressurising government (seen as 'us' against 'them')? Both a strength and a weakness, the fact that the social movements (rather than any party structure) are the mainstay of the government, what transpires is a permanent negotiation between the two, and permanent changes in the roles that organisations must play.

# Cerro Rico silver mountain is caving in

A UNESCO technical delegation visited the Cerro Rico in Potosí in late May to see how the problem of the mountain caving in can be best dealt with. In 1987 UNESCO named it a protected monument. For the last 15 years there have been growing concerns that the iconic silver mountain that overlooks the town of Potosí and gives it its identity is subsiding, affected both by weather erosion and instability caused by the maze of tunnels within it, excavated over the centuries. The mountain's conical shape is now visibly altered, hit most recently by unusually heavy rainfall in January. To people in Potosí as well as to the cooperative mineworkers who labour within the mountain, the Cerro's changing profile is an inauspicious augury for the future.

The Sumaq Orcko (Cerro Rico) – or splendidly rich mountain – stands over the city and has been the source of its wealth and that of many others for over five centuries. Parts such as the Pailaviri area have been mined since 1545, first for silver and then tin. Standing at over 4,700 metres above sea level, the mountain has over 600 mine entrances (at a conservative estimate). There are more than 30 mining cooperatives and some 40 mineral concentration plants working in the area, with between 13,000 and 15,000 *cooperativistas* working below and above ground. A big private company, Manquiri-San Bartolomé, has been working the tailings left by the *cooperativistas* and small private mines, using improved technologies to refine these to produce silver bars.

Very high mineral prices, both for silver and tin, have brought a welcome boost to the economy in this, Bolivia's most impoverished department, raising the royalties paid by mining to new record levels (see article BIF Bulletin 9, April 2008). Indeed, mining is currently outstripping oil and gas in the country's economic development - figures for the first two months of 2011 show a 6.29% growth rate over last year, of which mining accounts for 1.23%, and hydrocarbons 1.03%. Potosí hopes to continue to gain from this bonanza.

How best to deal with the problem of the Cerro Rico is causing headaches both for local authorities as well as mineworkers. The red coloured mountain is not only part of Potosí's identity, but it is very much a part of Bolivia's history – it even appears on the country's heraldic shield. Locals fear that tourism to the colonial town will suffer, while the *cooperativistas* fear that

they will lose their jobs if strict controls on mining activity are imposed.

In 2007 an Inter-institutional Committee was set up to try to come up with solutions. Those involved include the ministries of mining, and of cultures, the state mining company COMIBOL, the cooperative miners' organisation, FEDECOMIN, the departmental and municipal governments, the local university, the local civic committee (COMCIPO) and the local confederation of workers (the COD). A study, funded by most of these organisations, seeks to identify which areas in the mountain are most vulnerable, which can be worked still, and what solutions there might be to protect its conical shape. One of the points raised by the Potosí regional strike last July and August (see BIF Bulletin 16, September 2010) was precisely protection for the Cerro Rico.

Pending release of the study's conclusions (due shortly), agreements have been reached, such as a ban on mining in the uppermost 300 metres of the mountain, where the structure is at its most vulnerable and permanently exposed to rain, frost and winds. Manquiri and some *cooperativistas* working in this upper part, where important mineral deposits are to be found, have had to stop their operations.

The area affected by the latest collapse in January was originally worked by three small private mines close to the peak, San Luis, Raquel Aurora and La Nueva, up until 1985.

Different proposals voiced so far include re-opening the mines, bolstering the tunnels from within, or refilling the area that has sunk in. A recent suggestion is that the area should also be protected with plastic sheeting. The UNESCO technical team's comments question some of these ideas, arguing that any refill would be likely to fail given the weight involved, and that plastic sheeting would only be a temporary alternative. Its proposal is apparently to cover the affected part of the mountain with a 6 inch cement cover, on top of which the shape would be built up with lightweight stone, and the whole structure then waterproofed. Cooperative miners are pleased that UNESCO has understood how important it is to protect the Cerro, not just from the aesthetic viewpoint, but to ensure that they can continue to earn a living from it.

# Bolivia seeks foreign participation in gas exploration

The Bolivian government is to begin a concerted effort to increase investment in the hydrocarbons sector, particularly in prospection for new reserves of natural gas. This follows the official publication of the latest estimates of proven reserves and an important new discovery by Total, the French company, in Santa Cruz.

Carlos Villegas, the president of state-owned YPFB (Yacimientos Petroliferos Fiscales Bolivianos) will be in London in June in a quest to open up new sources of foreign investment in the gas sector. His visit forms part of a strategy to attract investors and follows the announcement of new contract arrangements for foreign companies working in Bolivia. Existing contracts, 44 in all, will not be affected.

## **Carlos Villegas, the president of state-owned YPFB will be in London in June in a quest to open up new sources of foreign investment in the gas sector.**

Villegas says he hopes thereby “to increase the proven reserves of gas”. These currently total 13 trillion cubic feet, following the new Total find at Aquio on the borders between Chuquisaca and Santa Cruz departments. In April, President Morales officially confirmed that, as of 2010, proven reserves stood at 9.94 trillion cubic feet, a figure established following a new quantification by the specialist US company Ryder Scott. Ryder Scott estimated ‘probable reserves’ at 13.65 trillion cubic feet and ‘possible reserves’ at 19.92 trillion cubic feet.

YPFB now argues that the figure for proven reserves of 26.74 trillion cubic feet estimated by another US firm, DeGolyer and MacNaughton, in 2004, was a deliberate over-estimate designed to benefit the companies with contracts in Bolivia. According to these figures, Bolivia had the second largest proven reserves in Latin America after Venezuela. According to the new figures, Bolivia has the sixth largest proven reserves after Peru (16 trillion cubic feet), Trinidad and Tobago (15.3 trillion cubic feet), Argentina (13.2 trillion cubic feet) and Brazil (13 trillion cubic feet).

Both YPFB and the government affirm that the new reserves figure is sufficient to guarantee

supplies for at least the next ten years. These include gas for domestic use in Bolivia, gas to comply with existing export contracts (to Brazil and Argentina), and gas planned to be used as a key input into planned petrochemicals plants. By far the most important use of gas is its supply to the Brazilian market. The contract with Brazil is for 30.5 million cubic metres a day. Bolivia is also under contract to supply Argentina with 7.5 million cubic metres a day, with the amount rising to 27.7 million over the next few years. Completion of a new pipeline link will enable the amount to rise to 11 million cubic metres a day.

Still, Bolivia urgently needs to find more gas to prevent reserves being progressively exhausted over the next few years. Emerging from years of a reduced role, YPFB lacks the experience and resources needed to carry this out on its own, even though it will take on a much more important role than in the past. It is currently active in exploration activities in 56 different areas of the country, and has recently set up its own drilling unit.

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In line with the 2009 constitution, YPFB will enter only into service contracts with new foreign investors. Under these, contractors will assume the risk involved if the wells drilled prove dry. If, however, they strike oil or gas, YPFB will reimburse 100% of the investment made over a period of 5-10 years depending on the exact specifications of each contract. According to Villegas, this is a much faster rate of return than for similar arrangements in other countries. The Legislative Assembly has so far approved contracts with Gas to Liquid International, majority owned by the Indian company Jindal (contracted to develop the giant Mutún iron ore deposits), for exploration work in four areas reserved for YPFB: Itacaray (in Chuquisaca), Rio Beni (in the area where La Paz, Beni and Pando departments meet), Cupecito and Almendro (both in Santa Cruz). Negotiations are under way with Gazprom (Russia) and Pluspetrol (Argentina).

# Huanuni tin mine

Approaching the end of the gallery where miners are drilling into the rock face, the noise, heat and dust build up to intolerable levels and the lack of air is suffocating. At a fraction below 4,000 metres above sea level, there is not much oxygen at ground level, let alone 240 metres below where the system of ventilation is rudimentary. Still, workers at Huanuni are down here on eight-hour shifts. They take it in turns to man the drills, periodically returning to the main tunnel to chat and chew coca leaves.

Production in Bolivia's largest surviving tin mine carries on unrelenting around the clock with three eight-hour shifts. Only from Saturday midday through to Sunday night does work stop to conduct essential maintenance and to ensure minimal safety conditions. With international tin prices at record levels, stimulated mainly by demand from China, there is every incentive to scoop as much from the mine as is humanly possible.

Because of the relatively high grade of its ores, Huanuni was the only major tin mine to escape closure in 1985, when the Paz Estenssoro government introduced adjustment measures and responded to a world slump in tin prices by axing production and throwing some 27,000 mineworkers out of work. Instead, Huanuni was given in joint venture at a bargain-basement price to a private sector purchaser. It was only in 2006 that it was returned to the public sector and COMIBOL, the state mining company first created in the wake of the 1952 revolution, was given a new lease of life as it became involved again in production. Before nationalisation, Huanuni – like the once mighty Siglo XX tin mine at nearby Llallagua – belonged to the Patiño empire.

Most of the technology employed at Huanuni dates from the 1960s and 1970s. Because of the relative richness of its seams, it is more mechanised than most mines elsewhere in Bolivia; and its safety record is better. Mineral from the deepest part of the mine is extracted in large trucks. Workers ride in on these down a straight tunnel leading into the mountain for over a kilometre, before this turns downwards into a sort of cork-screw spiral descending to the depths. Level 240 is not the deepest part of the mine, but is as far as is thought advisable for a visitor to descend. A sign reads (perhaps with a note of irony) 'Welcome to Level 240'.

Ores from the rock face are transported from the drilling face down narrow galleries in small rail wagons, propelled by power from electric cables suspended dangerously (especially for taller

visitors) from the tunnel roof. The wagons are then emptied in turn and the rock falls through a grille and down a shoot into the truck waiting below. Once at the surface, the rock is crushed and then passes through the first phase of refining to separate out the tin ores. By the time the ores leave the mining encampment, they are 40% pure. The government is now pushing ahead with plans to build a new refining plant at Dolores, close to Huanuni, which should improve efficiency and profitability.

The rise in international tin prices has greatly increased the attractions of working underground. Currently, there are some 4,500 workers at Huanuni, including 2,000 surface workers. In 2006, competition to work the most productive seams led to a full-scale battle between miners working in cooperatives and salaried workers employed by the state. In the end, the government decided to take on the *cooperativistas* as employees, greatly increasing the number of workers on the payroll.

Higher world prices mean that the *cooperativistas* are able to sell what they produce more profitably. At Siglo XX, for example, the only workers are *cooperativistas* since the mine (once Bolivia's most productive) was formally closed in 1985. They work in far worse conditions than the miners of Huanuni, where there is at least a mechanised system for extracting ores and some semblance of mine ventilation. The miners of Siglo XX have to walk 2 kms into the mine before even starting to work, and then have to transport the ores they extract on their backs to the surface. This is not Siglo XX (20<sup>th</sup> century) mining, still less 21<sup>st</sup> century, but mining using methods of the 16<sup>th</sup> century.

After 1985 low world mineral prices brought activity in the mining industry practically to a standstill. Apart from new mines, like the privately-owned silver and lead mine at San Cristóbal in Potosí, little or nothing has been invested in recent decades to improve working conditions. Despite the tough conditions to be found at Huanuni, it has to be remembered that this is one of Bolivia's most modern and safe mining operations.

*The BIF is working with the Durham Miners' Association and Union Solidarity International to bring a photo exhibition of Bolivian miners to the UK in the summer. The exhibition will tour mining centres across the UK and also be displayed in London. Contact the BIF for more information, email: [enquiries@boliviainfoforum.org.uk](mailto:enquiries@boliviainfoforum.org.uk) Phone 020 7281 6500*