



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

## **Bolivia Information Forum Bulletin** **No. 23, February 2013**

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# Gubernatorial elections in the Beni

On Sunday 20 January elections were held for Governor of the Beni, one of the largest departments in size, yet one of the smallest in population (425,780 according to last November's census). Carmelo Lens, for a right-wing coalition called Primero el Beni, won 52.27% of the vote, with Jessica Jordan of the MAS coming second with 44.35%. The election was held to find a replacement for Ernesto Suárez, who was obliged to resign last year because of accusations of misuse of public funds, particularly for holding an (unauthorized) departmental pro-autonomy referendum in 2008.

The Beni is part immense wet plains, which pre-Columbian peoples used to connect and farm using huge artificial embankments, and part Amazonian jungle, areas where originally rubber and later Brazil nuts have been harvested, with production and trade controlled by a small number of wealthy families. Over more recent decades, many of these producers, some of whom settled in the period of the dictatorships and not few of Eastern European origin, turned to cattle rearing on huge estates.

**...the Beni elite looked askance at the election in 2005 of Evo Morales with his indigenous and popular background; they hoped this would be only a temporary aberration ...**

As a result, political control in the Beni has been exercised by a small number of landowning farmers, some keeping their workers in conditions of semi-serfdom and debt bondage. They have run the department notwithstanding the return to democracy, building a supposed 'Beni identity' based on a strong dose of machismo and stridently anti-indigenous attitudes. As in neighbouring Santa Cruz, the Beni elite looked askance at the election in 2005 of Evo Morales with his indigenous and popular background; they hoped this would be only a temporary aberration and counted on keeping any change at bay.

As elsewhere in the eastern lowlands (the so-called *media luna*), there were serious disturbances in the Beni and its main cities (Trinidad, Riberalta and Guayaramerín) in September 2008, emulating those of Santa Cruz. Airports were taken over, state offices – such as the Land Reform offices – were ransacked, and border crossing points into Brazil were forcibly closed.

But the climate has changed since 2008, with less antagonism towards the Morales administration. In part this reflects self-criticism from within the ranks of the elite over the violent tactics used. In part, too, powerful economic groups have sought to make peace with the government to protect their interests and to make money. Autonomy and regionalism, the banners of the *media luna*, have been proved not to have been the main worry among elites, rather how to protect themselves from the challenge of land reform.

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## Election results in the Beni

A brief look at election results since 2002 gives an idea of some of the political changes taking place within the Beni.

The box (see overleaf) shows the importance of parties of the right such as ADN-Podemos and MNR in local politics, and how support for them has fallen from above 95% in 2002. On the other hand, it also shows how the government party MAS has slowly been building up support.

## Building an anti-Evo coalition

Samuel Doria Medina (Unidad Nacional leader and cement 'baron') and Rubén Costas, governor of Santa Cruz, along with the outgoing governor Ernesto Suárez can take credit for building a right wing alliance of some substance for the 2013 Beni elections. The rallying cry of the coalition was

Year/elections	Party/coalition	%
<b>2002:</b> year of presidential elections, when prefects were named by the President	MNR-MBL	42.6
	MIR-NM, FRI	16.9
	AND	13.7
	NFR	11.6
	UCS-FSB	10.8
	MAS	3.2
<b>December 2005:</b> national elections when people voted for for first time for prefects	Podemos coalition	44.64%
	MNR	29.82
	AVE	18.82
	MAS	6.72
<b>April 2010:</b> first elections for departmental governors	Primero el Beni	42.5%
	MAS	40.1
	MNR Pueblo	12.1
<b>January 2013:</b> elections of governor in Beni, given need to replace incumbent, Ernesto Suárez	Primero el Beni (coalition with Verdes Santa Cruz, Unidad Nacional): Carmelo Lens	52.27
	MAS: Jessica Jordan	44.35
	FPV (indigenous leader Pedro Nuni and Movimiento Sin Miedo)	2.65
	Nacer	0.73

above all anti-Evo. They regarded the elections as a first run at a coalition for the national elections at the end of 2014. A divided opposition will certainly not succeed in turning Morales out.

Juan del Granado, ex mayor of La Paz and leader of the Movimiento sin Miedo, gave his support to Pedro Nuni, a *mojeño* representative in the lower house, himself from San Ignacio de Moxos. In the event, the vote for the only indigenous candidate, in the wake of the TIPNIS affair, was very poor. Nuni was elected deputy for the MAS from 2010, but split away from the MAS as one of the main leaders of the TIPNIS march.

Jessica Jordan, a young woman, an ex-Miss Bolivia and candidate for the second time for the MAS to governor, did a creditable job, given the extremely conservative world she was moving in. The raising of the MAS vote from 40% to 44% would seem to confirm the slow break-down of more traditional voting patterns. The MAS is now strongly entrenched as second party locally.

At about 32%, abstention levels were higher than usual. This is apparently mainly due to the fact that, between December and April, the 17,000 or so *campesinos* and indigenous people involved in harvesting Brazil nuts are out of the cities and in the jungle. Lens and Primero el Beni won in the major towns (Trinidad, Riberalta and Guayaramerin), whilst Jordan and the MAS won in rural areas, including the province of Moxos, which was much involved in debate around the TIPNIS issue.

Change has been slower in coming to places like the Beni, where traditional families have successfully fought off the changes taking place elsewhere. However, the election results show clearly that these no longer exercise a monopoly on power, and that elite groups are in danger of seeing their chosen candidates lose. The 2014 election promises to be hard fought there.

# Coca chewing now made legal

It seemed a no-brainer, and indeed that was the international verdict. Despite opposition from the United States and a handful of other G-8 countries (including the UK), Bolivia managed to get an exemption from the 1961 Single Convention on Narcotics with respect to *acullico*, the age-old practice of coca chewing. Now Bolivians can do it legally – just as they have done it for countless centuries.

On January 11, following a year or so of international lobbying, the Bolivian government achieved its exemption. It had officially withdrawn from the Single Convention at the beginning of 2011 in protest at the criminalisation of coca chewing, known as *acullico* in Bolivia. Shortly afterwards Evo Morales wrote to the UN Secretary General expressing Bolivia's desire to re-join the Convention, but with a reservation so as to legalise the practice of *acullico* in Bolivia.

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His government is not the first to protest at the criminalisation of a practice that forms part of Andean culture since time immemorial. But it was the first to actively challenge the Single Convention, a compendium of rules about drug manufacture and trafficking advocated by the US administration of the time.

To block the Bolivian initiative, at least a third of the States party to the Convention had to express their opposition to the Bolivian reservation. That meant 62 votes out of the total 184 countries that have signed up to the Convention. In the event, only a paltry 15 did so. They were led by the US administration, which argued that the legalisation of coca chewing would lead to an increase in the supply of coca for the manufacture of cocaine. Other countries that accepted the US line included

the United Kingdom, France, Russia, Canada, Germany, Italy, Holland, Sweden, Finland, Portugal, Israel, Ireland, Mexico and Japan.

The attempt to get the exemption for *acullico* has been a priority in Bolivian foreign policy over the last year. Foreign Minister David Choquehuanca visited a number of countries which were known to harbour doubts, including the United Kingdom. The Bolivia Information Forum helped host his visit to London in October. It is perhaps significant that in Latin America only Mexico went along with the US line of argument. Though perhaps a symbolic victory, it was one that was widely welcomed within Bolivia itself, not least because Bolivia managed to assert its position within international law.

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Bolivia officially re-accedes to the Convention on February 10, with its exemption ratified.

**The latest report on coca growing in Bolivia was published in September by the Vienna-based UN Office on Drugs and Crime. It showed that in 2011 coca acreages in the country had declined from 31,000 hectares the preceding year to 27,200 - their lowest level since 2005. Although acreages may not be a very reliable way of gauging production of coca – they ignore significant variations in yields – these appear to be the most reliable figures available. However, such data seem not to cut much ice in Washington.**

# Census: first results

According to the results of the November 2012 census, announced in mid-January, there are 10,389,913 Bolivians. This is a 26% increase on the numbers registered in the previous census in 2001. Some had believed that the population increase would have been more than this, since projections from the last census (with figures up to 2010) pointed in this direction. However, it is reasonable to think that with rapid urbanisation, the rate of demographic growth in Bolivia is slowing.

The census shows that Santa Cruz has taken over from La Paz, albeit narrowly, as the most populous department in the country. The population of Santa Cruz department is 2,776,244 compared with 2,741,554 in La Paz. The rates of change since the 2001 census are suggestive of continued patterns of internal migration, particularly towards the lowland departments of the east.

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Of all the nine departments, the one with the fastest growing population (albeit from a low base) is Pando in the north where the population has more than doubled (108%) in eleven years. Pando has attracted migrants from both the Altiplano and other lowland departments like Beni. Towns like Cobija have seen exponential growth in recent years.

Other rapidly growing departments include Santa Cruz (37%), Cochabamba (33%) and Tarija (30%). Rapid economic growth and the draw of employment and higher living standards, particularly in Santa Cruz and Tarija, have pulled people – particularly young and relatively mobile people – from the Altiplano eastwards. The populations of La Paz, Potosí and Chuquisaca, for example, grew by only 17% and 13% for the latter two respectively over the eleven years.

The census, of course, does not count the millions of Bolivians living abroad, particularly in Argentina, Spain and the United States. Add the Bolivian populations here, and the number of Bolivian

citizens increases by some 3 million more. The population figures are only a small fraction of the data that is likely to emerge from the census, which covers a multitude of other topics, including housing, health and education levels.

Changes in the structure of population have some important economic and political implications:

- They will lead to shifts in the allocation of resources from the central to local governments. Civic leaders in Santa Cruz were swift to point to the need for a larger slice of the fiscal cake. However, government officials responded by saying that the distribution of resources depended on a variety of other socio-economic factors, not just population. Future patterns of spending would require cool analysis of all the data available. So far as public investment in recent years, the eastern departments have received the lion's share, especially in road building/improvement.

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- It may require a rejigging of the number of seats per department in the Plurinational Legislative Assembly. Again, *cruceño* leaders were quick off the mark here in demanding greater political representation. The electoral authority, the TSE, has pointed out in response that this will require legislation. The distribution of seats, particularly in the Chamber of Deputies, is a more complex matter than simply the distribution of population would suggest. The smaller departments are already over-represented, and the calculation is made more complicated by the distribution of plurinominal seats (those occupied by deputies elected on a department-wide slate) and uninominal ones where there is one representative per local constituency.

According to Viviana Caro, the planning and development minister, the rest of the data from the census should be ready by June or July.

# Strong economy

Preliminary figures released in January suggest that the Bolivian economy grew by as much as 5.2% in 2012. This compares with 5.1% in 2011 and 4.1% in 2010. The main motor of growth appears to be increased domestic demand rather than an increase in demand for Bolivia's exports.

In his speech to the Legislative Assembly on January 22, Evo Morales, mentioned how this further year's growth had impacted on GDP per capita (a measure of increased individual wealth) in the various different departments in the seven years in which he has been president. The figures he mentioned are striking, as are the differences between one department and another. The increases in per capita income in those departments which provide raw materials for export are particularly noteworthy, such as Oruro and Potosi (mining) and Tarija (natural gas).

Departments of Bolivia: GDP per capita (US\$)			
		2006	2012
Beni		780	1,184
Chuquisaca		752	1,254
Cochabamba		968	1,507
Potosi		525	1,523
La Paz		855	1,627
Santa Cruz		1,178	1,855
Pando		1,318	2,149
Oruro		1,077	2,250
Tarija		1,412	4,260

The distribution of wealth has also changed significantly over this period, with the growth of a much larger middle-class with those on 'middle incomes' rising from 19% of the population in 1997 to 24% in 2011. Level of poverty have also declined. Whereas those living in 'moderate poverty' declined from 63.5% of the population in 1999 to 45% in 2011, those living in 'extreme poverty' declined from 40.7% to 20.9% over the same period. Inequality in Bolivia, traditionally one of Latin America's most unequal countries, also seems to have diminished according to official figures.

In his speech, Morales attributed this improvement, in part, to the effects of the government's social spending programmes, particularly the benefits targeted at vulnerable populations. He mentioned that, as of 2012, the Bono Juancito Pinto was

being paid to 1.76 million children of school age, the Renta Dignidad to 816,000 people over the age of 60, and the Bono Juana Azurduy to 133,000 pregnant or nursing mothers. However, the reduction in poverty levels also has much to do with increased domestic demand, higher employment levels (albeit much of it in the informal sector) and the impact of public investment (particularly in infrastructure).

The external sector of the economy also continues to do well, with new records in 2012 for both exports and imports. Exports totalled US\$11.76 billion, up from US\$9.18 billion in 2011. Just over half Bolivia's exports went to Brazil (by far its most important trade partner) and Argentina, mainly natural gas. Imports totalled US\$8.17 billion, up from US\$7.66 billion in 2011. The trade surplus of US\$3.59 was also a record.

As of mid-January 2013, Bolivia's foreign reserves stood at US\$14.16 billion. In per capita terms Bolivia has one of Latin America's highest levels of foreign reserves. By contrast, the public foreign debt stands at US\$4.11 billion and the domestic debt at US\$4.29 billion. Its international credit worthiness has led to its debt being successively upgraded by international ratings agencies, and certainly helped in its first-ever bond offering in 2012 (at least since the 1920s) being highly over-subscribed.

A weaker aspect of economic performance, as indicated in Morales' speech, is the inability of sub-national government to absorb and use the increased amounts of money available to it from the central government.

Signs at the local level tend to reinforce the figures above: increased consumption can be seen in the proliferation of supermarkets over recent years, most recently in El Alto. The sale of cement increased during the first half of 2012 by 11%. In 2012 there were 8.9 million mobile phones (for a population of 10.39 million). The Megacenter, a hypermarket in Irapavi in the upmarket southern suburbs of La Paz, is selling around 800,000 cinema tickets a year. These are all signs of increased wealth amongst the population that contrast with the lean times of 10-15 years ago.

# ***Salida al mar*: muddying the waters**

Chilean President Sebastián Piñera's offer to Bolivia of a strip of land along Chile's northern frontier with Peru appears calculated to further estrange the two countries and to further muddy the waters by linking the issue to the outcome of Peru's case in the International Court of Justice (ICJ) against Chile over the two countries' maritime border.

Bolivia has consistently sought to regain its access to the Pacific, lost as a consequence of the War of the Pacific in the late 19<sup>th</sup> century.

In a press interview at the beginning of February, Piñera said that Chile had offered Bolivia a strip 7 kms wide running parallel with the Peruvian-Chilean frontier with an access to the Pacific, but without any rights of sovereignty.

This is an offer that Chile has made previously, but clashes with the claim written into the Bolivian constitution that any access to the Pacific should be 'sovereign'.

## **Piñera said that Chile had offered Bolivia a strip 7 kms wide running parallel with the Peruvian-Chilean frontier with an access to the Pacific, but without any rights of sovereignty**

Piñera's offer was made in full knowledge that under the 1929 treaty between his country and Peru any changes in territory that belonged to Peru prior to the War of the Pacific (1879-83) would require Peru's consent. It was also in the knowledge that Peru and Chile are currently engaged in ICJ arbitration over their disputed maritime border and that the result of this will affect the Bolivian claim.

Responding to a question as to what would happen if Peru wins its case in the ICJ, Piñera responded that the offer would be withdrawn. Any ceding of territory would create Bolivian claims over a 200 mile strip of sea not contemplated in the ICJ verdict whichever way it goes.

Chile and Peru completed the oral phase of the case in The Hague in December, and an ICJ decision on the issue is expected in June or July. Peru claims sovereignty over 38,000 square kilometres of ocean currently in Chile's jurisdiction. It also claims 28,000 square kilometres that Chile

argues are international waters. Currently the maritime border runs due west from the point where the land frontier meets the sea; if Peru's claim is upheld, the border will run in a south-westerly direction equidistant from the two countries' coastlines.

Peru reacted angrily to the Chilean offer. According to Victor Andrés García Belaunde, the president of the congressional foreign affairs committee, the offer was simply designed to sow discord between Bolivia and Peru.

Bolivia has long accused the Piñera administration of acting in bad faith. During his election campaign, Piñera vowed not cede 'a millimetre' of Chilean sovereign territory. Under his predecessor, Michelle Bachelet, Bolivia made progress in its attempts to negotiate a '*salida al mar*'. This was one among 13 points that were under negotiation when Piñera was elected in 2010.

## **In 2011, President Evo Morales said that he intended to take Bolivia's case against Chile to the ICJ and discussions have moved ahead with international law firms to bring this about.**

In 2011, President Evo Morales said that he intended to take Bolivia's case against Chile to the ICJ and discussions have moved ahead with international law firms to bring this about. Since then he has consistently sought international backing for the claim, most recently at the CELAC-EU summit in Santiago at the end of January. In spite of harsh words from Piñera, Morales spoke of Bolivia's right to a sovereign access to the sea. If Latin America was to achieve greater integration, then this issue needed solving, he said.

Bolivia has also been pressing the issue home in other ways, for example, beginning to use the waters of the Silala river, in Potosi, for its own needs, rather than allowing them to flow into Chile; recently promising to look into Chile's need for gas, once the question of access to the sea is solved.

The political significance of the issue in Chile is made more salient by the fact that there are presidential elections later this year, in October, which Piñera's right-wing coalition stands a strong chance of losing.