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The Elections of 2002 and their Aftermath

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Acronyms

ADN	Acción Democrática Nacionalista
AP	Acuerdo Patriótico
APDHB	Asamblea Permanente de Derechos Humanos de Bolivia
ASP	Asamblea por la Soberanía de los Pueblos
CAO	Cámara Agropecuaria del Oriente
CIDOB	Confederación Indígena del Oriente, Chaco y Amazonía de Bolivia
COMUNAL	Coordinadora de Movilizaciones Única Nacional
COB	Central Obrera Boliviana
CONDEPA	Conciencia de Patria
CSUTCB	Confederación Sindical Única de Trabajadores Campesinos de Bolivia
GANPI	Gran Asamblea Nacional de los Pueblos Indígenas
IU	Izquierda Unida
LyJ	Libertad y Justicia
MAS	Movimiento al Socialismo
MBL	Movimiento Bolivia Libre
MIP	Movimiento Indigenista Pachacuti
MIR	Movimiento de Izquierda Revolucionaria
MNR	Movimiento Nacionalista Revolucionario
MRTKL	Movimiento Revolucionario Tupaj Katari de Liberación
MST	Movimiento Sin Tierra
NFR	Nueva Fuerza Republicana
PS-1	Partido Socialista-Uno
UCS	Unidad Cívica Solidaridad
UDP	Unión Democrática y Popular

PREFACE

Bolivia's president Gonzalo Sánchez de Lozada stepped down on 17 October 2003. He did so after several weeks of mass protests. State repression, by that date, had already led to 70 deaths. The vice-president, Carlos Mesa, assumed power and now grapples with the challenge to reactivate the economy, to bring down fiscal deficits, to restore trust in the nation-state's institutions and to de-escalate social conflict.

In the near-final version of the present text, we had managed to include another, earlier protest eruption, taking place in February of that year. At the time, we saw these events as a final, conclusive warning with regard to Bolivia's governability, after it had received an earlier warning with the outcome of the 2002 elections — the main theme of this analysis. It proved a fairly adequate assessment: when the authorities demonstrated that they still had not understood the message and were unwilling to change the 'set of rules and procedures established in accordance with prevailing relations of (political, military and economic) power',* and thus persisted in obstructing a democracy that the Bolivians would recognise themselves, a new confrontation was unavoidable. It erupted when the sale of Bolivian natural gas to Mexico and the USA via Chile was proposed, which Bolivians viewed as the selling-out of their natural resources, a déja-vu ploy for massive corruption and an affront to their anti-Chilean nationalist feelings. These protests, as noted, culminated in the president's resignation and in an unprecedented blow to overall confidence in the institutions embodying Bolivia's democracy — the central point of our paper. Most of this paper was written before these events, in an attempt to contextualise and analyse the surprising outcomes of the 2002 elections in Bolivia, and examine the nature of a faulty democracy. The analysis gained unforeseen bearing because of the recent events. Although we, towards the end of the text in its draft version, predicted hard times for Goni, we did of course not foresee the October outcomes. Directly after the dramatic events of October, we adapted the last section. The text now includes a reflection on these recent events, connecting them to the preceding analysis.

* Vilas (1997), p. 9.

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Introduction

On 30 June 2002 Bolivia celebrated national elections and, for the fifth time since the return to democracy in 1982, the population expressed its political preferences in an atmosphere of perfect tranquillity and order, by Bolivian standards. The outcomes, surprising as they were, were acknowledged without major protest by all contenders. No military meddling, no major street rallies to contest the outcome, no politician threatening to reject the results,[1] interfered with the process. Minor protests, accusations of petty fraud at specific polling stations and bold declarations by Evo Morales, who finished second in the polls and is considered a radical pain in the neck by most established parties and the USA, did not have enough weight to damage the image of orderly and 'normal' democracy.

Table 1: National Elections, 1985–2002

Party/Front	1985	1989	1993	1997	2002
MNR	*26.4*	23.0	*33.8*	18.2	*22.5*
AP (ADN/MIR)			20.3		
ADN	28.6	22.7		*22.3*	3.4
MIR	8.9	*19.6*		16.8	16.3
CONDEPA		11.0	13.6	17.2	
UCS			13.1	16.1	5.51
MBL			5.1	3.1	
IU	0.7	7.2	0.9	3.7	
PS-1	2.2	2.8			0.7
NFR					20.9
MAS					20.9
MIP					6.1
MRTKL			2.2		
LyJ					2.7
Valid votes	1,728,363	1,573,790	1,731,309	2,177,171	2,778.808

Sources: Dunkerley (2000), p. 44; Gamarra and Malloy (1995), p. 432; Yaksic and Tapia (1997); Corte Nacional Electoral, www.cne.org.bo.
The party that eventually won the presidency in italics. For acronyms, see glossary.

1 To be precise, there was one: Manfred Reyes of NFR. His protest however was, according to most comments, inspired only by deception and envy, and by anger about how he blew his own campaign because of overt lying and contradicting himself, and because of his connections with the Moon Sect, which made many Catholics opt for another choice. As a result of all this, he came in third instead of second, as polls had suggested. His Philippic, most comments concurred, reflected pettiness and not a serious accusation of fraud.

Since none of the candidates won a straight majority, according to Bolivian rules a new president was to be elected by Congress from the two frontrunners, MNR candidate and former president Gonzalo Sánchez de Lozada and MAS candidate and coca growers' leader Evo Morales. On 4 August Sánchez de Lozada was elected and a few days later he assumed office.[2]

At first glance it looks as if democracy in Bolivia has strengthened and consolidated itself. On closer inspection, however, the situation is far more complex than these images of normality suggest. Eight years ago, after 13 years of civilian rule in Bolivia,[3] Mainwaring and Scully classified the Bolivian party system as inchoate and weakly institutionalised, but noted that it was 'showing some signs of acquiring greater solidity'.[4] Developments since then, and particularly the 2002 elections, have belied their prediction. The outcome of the elections clearly indicates that something beyond a 'normal' shift in preferences occurred and played havoc with the party system. One of the three large, traditional and established parties, ADN, did not even get four per cent of the vote. Another, MIR, moved to fourth place though its vote remained stable. Of two parties that had emerged in the early 1990s and seemed on the way to consolidation, the UCS lost out heavily while CONDEPA was virtually wiped away. Their place was partly filled by a new populist party, NFR, led by Cochabamba's former mayor, Manfred Reyes Villa. This party ended up third in the party ranking, defeated by a margin of just hundreds of votes by the new number two.

To the surprise of many, Evo Morales' leftist MAS became the new number two. Morales' stance is considered, by most of the establishment, to be beyond the pale and his party is not considered a potential coalition partner. And the party that came fifth, MIP, is another with a leader — peasant leader Felipe Quispe, *El Mallku*[5] — seen as operating at the fringes of political legitimacy. Hence, two parties which obtained a remarkably strong vote are led by politicians who, during recent years, have backed extra-parliamentary protests against the Banzer government (1997–2002), rejected neoliberal policies, as well as alleged corruption and incompetence

2 The elections also yielded a new Senate (27 seats) and Chamber of Deputies (130 seats). When the president was elected by Congress he received 84 votes against 43 votes for Evo Morales. Supporters of NFR candidate Manfred Reyes Villa annulled their vote, there were two blank votes and two absentions.

3 Quite an achievement in a notoriously unstable country that entered the *Guinness Book of Records* with 188 coups d'état in the 157 years between Independence in 1825 and the return to civilian rule in 1982 (Lindert and Verkoren, 1994, p. 17). During the nineteenth century the average duration of presidential mandates was two and a half years, during the 1900–1982 period it was one year and 11 months. Out of the 73 presidents the country had between 1825 and 1982, 33 held office for less than a year (Lavaud, 1991, p. 19).

4 Mainwaring and Scully (eds.)(1995), p. 19.

5 An Andean honorific title.

of all 'traditional elitist' politicians; two parties which most voices in the party-establishment accuse of being extremist and despicable. Moreover, they are parties voicing Indian discontent in Bolivia. The fact that these new parties not only meet 'normal' hostility from the incumbent ones, but are denied the very status of legitimate representatives of societal grievances, suggests that Bolivia's democracy may be deeply defective.

Rather than moving in the direction of greater solidity, the Bolivian party system is going through a process of profound upheaval that, as we shall see, reflects the tensions that have been building up in Bolivian society over the past decades. The country still seems to be some way from the green pastures of democratic governability. Over the past 20 years its movement toward the consolidation and institutionalisation of democracy may, in O'Donnell's terms, well have been illusory in the sense that, although the minimal requirements of polyarchy may hold, a further transition toward a consolidated representative democratic *regime* is not yet achieved. Instead, the process seems to have stalled in what he calls a 'feeble and uncertain situation'.[6] In a somewhat similar vein, Lazarte (2001) has argued that, although Bolivians seem to adhere to the idea that democracy is the best form of government, they are far from contented with really existing Bolivian democracy.[7] And he goes on to argue that although there will always be a distance between ideal and real democracy, the question is whether the points of connection between the two will not be strained to the point of rupture and collapse. This study examines the tensions reflected in the upheaval in the Bolivian party system and shows that over the past few years the point of rupture may not have been far off, although so far 'institutionality' has been preserved.

A second issue requiring explanation concerns the inroads made by 'ethnic parties'.[8] The new prominence of indigenous peoples in the Bolivian polity has been explained by pointing to changes in the political opportunity structure. Thus, the changes in the electoral system, in particular the introduction in 1996 of 68 uninominal districts for the election of the 130-seat Chamber of Deputies and the 1994 Law on Popular Participation, which opened up new opportunities for indigenous people through decentralisation and the creation of over 300 municipal political arenas, have been highlighted to explain their new prominence. Although such explanations are valid to some degree, they are also limited. Political opportunity structure theory sometimes tends to assume that in any society there is somehow a constant level of discontent and grievance, which expresses itself when the opportunity arises.[9] Although some of such the-

6 O'Donnell (1999a; 1999b).
7 Lazarte (2001), p. 360. See also *The Economist*, 17 August 2002, pp. 41–2.
8 Van Cott (2003).
9 Tarrow (1994), pp. 81–99.

orising is more sophisticated in its analysis of grievances, opportunities and mobilisation,[10] Grindle (2000) and Van Cott (2003) focus on institutional engineering which opens up the polity for underrepresented groups, though Van Cott adds the caveat that it is a necessary but not sufficient condition.[11] Other authors, like Albó (1999), Ayo (1999) and Calla (2000) have provided more shaded analyses of the popular participation policy than Grindle's rather optimistic account, and suggest that it may well have contributed to a strengthening of local elites, and that over the course of time indigenous representatives have again been marginalised from local political arenas. In a recent study of the benefits of the popular participation policy and the new electoral rules for indigenous peoples and peasants Albó (2002) concludes that 'a gulf exists between grandiose rhetorical dreams and the little that can be concretely achieved, even in relatively favourable contexts'.[12] This suggests that mere analysis of institutional engineering will not do and that detailed exploration of political processes is in order.

Such an analysis will show that there is more here than a 'flowing' of hitherto marginalised sectors of the population into newly opened channels for participation and representation. We shall show that it was exactly the incapacity of the existing party system to reform itself and to remedy the 'representation deficit' of the Bolivian polity[13] that contributed to the rise of what are called the 'anti-systemics'. Whether the institutional system will be capable of reforming itself and thus contribute to the consolidation of something like O'Donnell's (1999a) democratic regime or whether further polarisation will burst 'institutionality' asunder remains to be seen. The challenge is great.

The redemocratisation of Latin America in the 1970s and 1980s met with broad acclaim, but also produced disappointment and disillusion, since only fragments of the hopes connected to the democratisation processes materialised. It triggered renewed efforts to conceptualise the aim of 'authentic' democratic consolidation.[14] These efforts reveal different emphases, ranging from neo-Weberian focuses on religious–cultural features as the *sine qua non* for capitalism and democracy, to the primacy of rule of law[15] and the listing of necessary preconditions in the realms of literacy, the mitigation of extreme socioeconomic clefts and industrialisation as prerequisites for the production of the wealth required to sustain democratic stability, culminating in arguments that the generation and consolidation of cul-

10 McAdam, McCarthy and Zald (1996).
11 See also Van Cott (2002)
12 Albó (2002), p. 63.
13 Tapia and Toranzo (2000).
14 O'Donnell (1999a), Diamond and Plattner (eds) (1996), Haynes (2001), Harto de Vera (ed) (2000) and Schor (2001).
15 Schor (2001).

tural values that uphold the democratic system represent the only legitimate way of resolving societal conflicts.[16] Empirically testable, but rather crude, is Huntington's (1991) suggestion that consolidation be defined by the 'two-turnover-test': if a party, in consecutive elections, passes from government to opposition and to government again, a polity passed the test.

Most theorists, however, point to the necessary correlation between societal and institutional evolution to obtain consolidation. Ninou Guinot (2000) approaches the question of consolidation from a process perspective, emphasising the simultaneous gradual 'hardening' of institutions and procedures and the gradual growth of the regimes' societal legitimacy. She thus alludes to a double process: institutional strengthening and consolidation going hand in hand with growing trust in these institutions' prerogatives and capacity to resolve matters peacefully and even-handedly. In other words, mutually reinforcing processes that take place within the polity and in society. In her view, there are specific preconditions for such a development, not all of which have been met in Latin America. First of all, on the societal level, a genuine commitment to the outcomes of electoral and policy processes, even in the face of electoral adversity or the passing of unpalatable measures, as well as a genuine acknowledgment of the oppositions' rights and legitimacy, has to evolve. Such commitments are not yet a 'solid fact' in various Latin American countries. A second and closely connected condition is the unqualified acceptance of legality, both by governing and opposition forces. In present day Latin America, Ninou Guinot observes, there is still a considerable amount of 'semi-loyalty' to legality.[17] A third condition is the neutrality or neutralisation of the military because without their unreserved subjugation to democratic politics an element of fear — even if latent — haunts political participation. In this respect too, the process in Latin America has not finalised. Fourth, socioeconomic factors come into play. Disheartening economic performance and severe poverty and inequality in the long run affect the support for the incumbent system — which is exactly what is happening in various countries in the region. Fifth, the party system needs to be solid — that is, all parties need to adhere to democratic procedures, irrespective of their possible electoral frustration or perception of threats to their constituency's interests. On this point, too, it would be hard to take for granted the attitudes of all parties in all countries. Last, there is a need for a sufficient involvement of the state in the country's economy to warrant the states' capacity for controlling and redistributing resources, and thus foster trust in the state's capability to 'make a difference' and consequently trust in the democratic system. Revising all these preconditions, Ninou Guinot concludes that various ele-

16 Ninou Guinot (2000), p. 126.
17 *Ibid.*, p. 145.

ments are not going as badly as they could have: social conflict is less violent than it has been, rejections of the democratic system by parties or other political actors have been scarce and economic performance has been weak but monetary instability has largely been brought under control. Still, democratic consolidation is a huge challenge. The best way to portray the current situation, in her view, is to talk of 'partial consolidation'.[18]

In a similar vein, Diamond (1996) perceives the necessity of a two-tier process, involving the state and civil society, to sustain democratic consolidation. In the realm of civil society crucial preconditions for consolidation need to be achieved: its independence (but not alienation) from the state, its controlling function in relation to the state and a 'rich associational life'[19] that fosters the skills of democratic citizens, as well as tolerance, moderation, willingness to compromise and respect for opposing viewpoints. Additionally, civil society can go beyond political party channels in the articulation, aggregation and representation of interests, resulting in participation, not least at local level.[20] A mitigation of the principal polarities of political conflict would be an important result of civil society's 'tasks', along with its active involvement in the observation and monitoring of electoral and judicial procedures. Its function in the dissemination of information is another crucial aspect of its contribution to democratic consolidation. Resuming the main points of his analysis, Diamond asserts that '[B]y enhancing the accountability, responsiveness, inclusiveness, effectiveness and hence legitimacy of the political system, a vigorous civil society gives citizens respect for the state and positive engagement with it. In the end, this improves the ability of the state to govern ....'[21]

Remarkably, however, Diamond adds that 'the single most important and urgent factor in the consolidation of democracy is not civil society but political institutionalization'.[22] This sounds contradictory but, in Diamond's view, makes sense, because the citizens' adherence to democracy and the rule of law is dependent on the performance of state institutions. Consolidation, taken as 'the process by which democracy becomes so broadly and profoundly legitimate ... that it is very unlikely to break down',[23] rests on the institutional ability to 'ensure that government will be able to make and implement policies of some kind, rather than simply flailing about, impotent or deadlocked'.[24] Not a unilinear, but an interlocking, two-tier process surfaces from these considerations: a process through

18 *Ibid.*, p. 148.
19 Diamond (1996), p. 230.
20 *Ibid.*, p. 231.
21 *Ibid.*, p. 234.
22 *Ibid.*, p. 238.
23 *Ibid.*
24 *Ibid.*, p. 239.

which effective societal control and capable participation, 'vigilance and loyalty',[25] interact with the state's capacity to implement robust institutions.

Linz and Stepan (1996) distinguish between behavioural, attitudinal and constitutional criteria that need to be met to consider a democracy 'consolidated'. The first point refers to the absence of principal actors aiming to topple democracy, the second to the 'rooted' belief that democracy is 'the best way' and the third to the subjection of governmental and non-governmental entities to the law and the concomitant procedures.

In the literature on consolidation reviewed here, little is specified with regard to the degree to which popular sovereignty and access are circumscribed, nor is there any clear statement of the *process* whereby the criteria may eventually be met. This tends to be the problem in many of the propositions: the *process* through which 'ad hoc patterns of democratically oriented behaviour (...) eventually develop into the accepted way'[26] is assumed rather than analysed or disaggregated into its constituting components. Haynes distinguishes between rules, institutions and rights as prerequisites for democratic consolidation, and attempts to formulate the set of factors on which the chances for democratic consolidation hinge.[27] These factors are divided into political, economic and international categories. His elaboration, however, once again tends to fall into a teleological and tautological argument, as becomes clear from formulations on these factors hinting at 'beneficial legacies', a 'pro-democracy political culture', 'forms of political and civil societies conducive to democracy', 'sustained economic growth, relatively equitably spread' and the like.[28]

Nonetheless, the question of popular access and sovereignty points to an issue that we will see emerging from our discussion of Bolivian democracy as it has functioned over the past two decades and which takes us to O'Donnell's remarks on the 'halfway' situation in which the consolidation of a representative democratic regime has not been achieved.[29] Bolivian democratic institutionality until now has strongly relied on 'pacts' among party leaderships and a spoils system which made it possible to carry through increasingly unpopular and often anti-popular economic policies at the cost of excluding most of the population from having any real influence on political decision-making. The breach between symbolic inclusion into the polity and the absence of effective influence generated mounting tensions as a result of which the upholding of the institutional order and the economic model increasingly came to rely on repression, turning Bolivia into a 'democradura'.

25 *Ibid.*
26 Haynes (2001), p. 37.
27 *Ibid.*, p. 38.
28 *Ibid.*, pp. 44–9.
29 O'Donnell (1999a; 199b).

This is not the place to discuss all the intricacies of democratic consolidation. What we can learn from the above is that: a) no one-dimensional causal sequence can be held responsible for achieving 'consolidation'; b) a list of 'necessary preconditions' for consolidation has analytical value but does not help much in the light of the fact that these preconditions cannot simply be created; c) the interrelatedness of societal and political/ institutional processes is crucial for understanding partial successes and failures; d) due to the very nature of the phenomenon in question, we are talking about a long-term and slow progress toward what might be called a 'consolidated democracy'; e) a 'real' and relevant intervention-potential on the part of the state is necessary, and that its effectiveness is a crucial component in the growth of societal trust in the system; and f) 'consolidation' can only be validated as a process and *in terms of* ongoing discord on the contents of a democratic order.

This paper seeks to put the Bolivian presidential elections into perspective in order to understand their 'surprising' outcome. We shall argue that this outcome does not simply reflect the discontent with the preceding government of Hugo Banzer, the 'elected dictator',[30] whose mandate was finished by Vice-President Jorge 'Tuto' Quiroga after Banzer was diagnosed with cancer and he resigned in August 2001. To be sure, the implosion of the ADN surely reflects specific discontent with a specific administration and the party did not even benefit from a 'condolence vote' after the death of its leader in May 2002. The decline of the UCS also can partly be explained by its participation in the 'megacoalition' that brought Banzer to power in 1997. On the other hand, the MIR, which also participated in the 'mega', came out relatively unscathed. The second *banzerato* and its *malgobierno* are only part of the story.

We suggest that to understand the outcomes of the 2002 elections an analysis of the return to democracy in 1982 and the shift to neoliberalism in 1985 is in order. The popular protests that unfolded after 1999 help to explain much of the electoral outcome and a closer look reveals that they were not only directed against a particular government,[31] but also against a 'mode of development' imposed in 1985. At the same time they reveal the characteristics and problems of Bolivia's formally democratic political regime and suggest that the polity has, in a systematic and probably deliberate way, sought to exclude large sectors of the population from genuine control and participation. This points to a deficit in 'consolidation', especially with regard to the 'accountability, responsiveness, inclusiveness, effectiveness and hence legitimacy of the political system'.[32]

30 Sivak (2001).

31 Although protest was certainly also fuelled by the fact that Banzer's government was characterised by the ongoing habit of politicking, sophisticated fraud, bargaining within political cliques and the like.

32 Diamond (1996), p. 234.

In the following section we will first present a very brief overview of Bolivia's political history since 1982, the year democracy was restored. We highlight Bolivia's 'double transition'. While the country became formally democratic, from 1985 onward it also adopted a neoliberal economic policy framework and after 1993 a series of 'second generation' reforms were introduced to complement the adjustment measures taken in 1985. In the second part of that section we take a closer look at the economic and societal characteristics of Bolivia in the 1990s and show that although the adjustment policies brought macroeconomic stability, they brought little benefit for the majority of the population and turned into a source of increasing discontent.

In the third section we shall focus on the second Banzer government and show its incapacity to deal with gradually worsening economic conditions. This ineptitude, in combination with the arrogance and shameless corruption that characterised the second *banzerato*, provide the background for growing social discontent on which we will focus in the fourth section of this paper. In that section we will review the most important episodes of conflict that marked the Banzer government, beginning with the conflict over the privatisation of water supply in the city of Cochabamba in early 2000. For its outcomes — the rescission of the contract with a transnational company that was to take charge of the water supply in the city, and the repeal of new legislation on water management in the country — that conflict often is considered a turning point. After 15 years of neoliberal policies and ineffective protests, the conflict in Cochabamba ended in what was considered a victory of the popular movement. The conflict was the first in a series of 'social convulsions' that marked the final years of the Banzer government. The way in which the government responded to these movements is revealing about the 'representation deficit' that characterises Bolivia's formally democratic polity. Pent-up discontent in the face of an unresponsive, inept and, moreover, thoroughly corrupt political class accounts for a growing support for 'anti-systemic' politicians. In our fifth section we outline the development of the Bolivian party system, discuss the coalition that supported the second Banzer government and the rise of 'anti-systemic' forces. We thus portray the political climate in which some of the protagonists of the social protests, such as MAS leader Evo Morales and MIP leader Felipe Quispe, became attractive alternatives for the electorate. This is followed by a concluding section in which we seek to connect our overview of the development of the Bolivian politics and the party system with some of the theoretical notions on democratic consolidation introduced above.

Most of this text was written in the months immediately following the 2002 elections. In February 2003 Bolivia again became the scene of dramatic clashes between protest movements and the 'forces of order' and in

September and October of that year a protest movement unfolded that resulted in the disgraceful renunciation of President Gonzalo Sánchez de Lozada. In view of these events we have added a last section describing and analysing the events that led to his downfall.

II

Bolivia in transit; an overview

When the first *banzerato* (1971–78) had come to a close with Hugo Banzer's resignation, Bolivia entered a roller-coaster process of democratic transition punctuated by the dictatorships of Alberto Natush Bush and Luís García Meza.[33] Finally, in 1982, a government supported by a centre-left Unión Democrática Popular coalition had been installed. It was headed by Hernán Siles Zuazo, one of the veterans of the 1952 Revolution. He faced the task of managing a virtually bankrupt economy and meeting pent-up popular demands. The UDP government attempted to revamp the national-revolutionary economic model installed in 1952, but this attempt ended in dismal failure. Inflation turned into hyperinflation and social unrest was seething. Finally, in a dramatic gesture, Siles stepped down and convoked elections a year before ending his constitutional mandate. He was succeeded by another veteran of the Revolution, Víctor Paz Estenssoro (1985–89) of the MNR, who was elected president in Congress with the support of the ADN, the party that Hugo Banzer founded after stepping down from his dictatorial seat. The MNR and ADN signed a Pact for Democracy. At the end of August 1985 the Paz Estenssoro government introduced a New Economic Policy (NEP) through Decree 21060.

The NEP consisted of a harsh shock treatment designed by Planning Minister Gonzalo Sánchez de Lozada with the help of Jeffrey Sachs. With the introduction of neoliberal policies it brought an end to the 'national-revolutionary cycle' initiated in 1952.[34] Jeffrey Sachs famously stated that the new policies would turn Bolivia's poor and miserable economy with hyperinflation into a poor and miserable economy with stable prices. The NEP consisted of the usual recipe to reduce the fiscal deficit, reform the monetary system, rationalise bureaucracy through mass dismissal, liberalise markets, promote exports and reform the tax system. It also involved an overhaul of the state-owned mining company, which was accelerated when the tin market crashed in 1985. The government opted for the dismissal — euphemistically called 'relocation'— of 23,000 miners. Such massive lay-offs, carried through despite protests, marked the defeat of the once so

33 Whitehead (1994).

34 According to Gamboa (2001, p. 96), Paz Estenssoro in this period undid almost everything he had helped to build in the years after the 1952 revolution.

proud Central Obrera Boliviana (COB) in which miners' unions had played a key role. A further effect of trade liberalisation was that Bolivian markets were swamped with cheap imported goods, leading to the closure of many large and medium-sized factories. Urban unemployment jumped from less than six per cent in 1985 to 12 per cent in 1988.[35] To mitigate the effects of the harsh stabilisation package a *Fondo Social de Emergencia* (FSE) was created in 1986,[36] but the social cost of structural adjustment was extreme and Decree 21060 remains an emblematic target of social protest. At the same time it should be noted that the relative macroeconomic success of the NEP was also related to the fact that the package facilitated the laundering of narco-dollars. Cocaine became the country's most important export product and the relative importance of the coca economy has been estimated to range between something like 20 and 50 per cent of GDP.[37]

By the end of the Paz Estenssoro administration the MNR unilaterally broke off the Pact for Democracy and put forward Sánchez de Lozada as presidential candidate. Although he won most of the votes in the 1989 elections the bad feelings created by the unilateral rescission of the Pact drove the one-time archenemies Banzer and Jaime Paz Zamora (MIR) — until then separated by a 'sea of blood'— into a coalition against the MNR. They brokered a gentleman's agreement, the Acuerdo Patriótico (AP), that allowed Paz Zamora to become president (1989–93). His government essentially continued the adjustment policies but the new coalition showed little coherence in its economic policies. The absence of economic growth eroded popular support, while the dubious ratification of investment, mining and hydrocarbon codes led to a clash with the MNR opposition and a grave constitutional crisis when the AP government decided to impeach eight Supreme Court members after a ruling in favour of the MNR opposition. During his presidency Paz Zamora dedicated himself to international tours on which he sought to explain that coca is not cocaine, while Banzer eventually came to dominate internal politics, which mostly revolved around the division of spoils. Internationally, the government became suspected of involvement with the drug trade.[38]

The 1993 elections yielded an MNR government headed by Gonzalo 'Goni' Sánchez de Lozada (1993–97), with Aymara leader Víctor Hugo Cárdenas as his vice-president in a surprising alliance between the MNR and one of the small *Katarista* parties, the MRTK–L.[39] Cárdenas had trans-

35 Baldivia (2000), p. 76.

36 In 1991, this fund was succeeded by the Fondo de Inversión Social (FIS).

37 Laserna (1997), p.177.

38 In 1997, MIR party stalwart Oscar Eid Franco was jailed for four years for complicity with drug traders. The USA withdrew Paz Zamora's entry visa, which, however, was renewed in May 2001.

39 Albó (1994). For an overview of indigenous peoples' movements in Bolivia also see Assies (2000) and Van Cott (2000).

formed into a more intellectualist, and therefore to the mestizo electorate more digestible, indigenous leader who championed the cause of pluriculturalism and multiethnicism. Not only because of the rightist/leftist marriage was this alliance remarkable; it was also conspicuous because traditionally the MNR had either denied or simply neglected the ethnic element in Bolivian politics. The decree to replace the word 'Indio' by that of 'campesino' after the 1952 Revolution was her doing and more in general the party represented a nationalist rather than a multicultural doctrine. But the MNR had changed. It had opened up to ideas around decentralisation, participation and multiculturalness,[40] and was ready for implementing a 'second generation' of neoliberal reforms that, among others things, was aimed at a modernisation of the state apparatus.

After the elections the MNR government signed a 'governability pact' with the UCS, while on the other hand it came to an agreement with the small MBL, thus assuring itself of sufficient parliamentary support. The make-up of this coalition between a core of MNR neoliberal technocrats and MBL and MRTK–L reformers resulted in a policy mix of 'neoliberal social reformism'. One outcome was the creation of three 'superministries'. New Ministries of Economic Development and Sustainable Development would be in charge of the main macroeconomic policy decisions. A Ministry of Human Development would be in charge of the social sector. This provided the institutional framework for a flurry of reforms meant to complement the structural adjustment operated since 1985.

Among the outstanding interventions was the 'capitalisation policy', the Bolivian variant of privatisation whereby public enterprises were turned into mixed enterprises and 50 per cent of their assets were sold on the stock market, a reform that was linked to a reform of the pension system. Another important reform was the introduction of the Law on Popular Participation in 1994. This law implied an extensive overhaul and decentralisation of the country's political-administrative structure through the upgrading of the, until then insignificant, municipal level of government.[41] The share in total government investment by local governments rose from about nine per cent in 1994 to about 25 per cent by the end of the 1990s, while the share of central government declined from 65 per cent to 29 per cent. At the same time, this law was meant to incorporate Bolivia's indigenous population through the recognition of traditional authorities and by

40 The commitment to multiculturalness, however, may not have been that profound. In part it seems to have been a ploy to attract electors who would vote for the MIR or CONDEPA. The designing of Víctor Hugo Cárdenas was in good part an outcome of a political marketing study. The dedication of neoliberals to multiculturalism is embedded in their views on decentralisation and a particular brand of participation, views that often are at odds with the aspirations of indigenous peoples' movements (Calla, 2000).

41 In 1995 a Law on Administrative Decentralisation was introduced that basically concerned the Departmental level.

granting legal status to peasant and indigenous communities and indigenous peoples, as well as neighbourhood associations. A reform of the education system aimed at intercultural, bilingual and participative education. In 1996 new agrarian and forestry legislation was introduced. Reform of the Constitution in 1994[42] not only recognised the multiethnic makeup of Bolivian society but also paved the way for reform of the Judiciary and of the electoral system. A reform in 1996 created 68 single-member districts for the election of part of the Chamber of Deputies. Although the reform was meant to fortify the existing party system and strengthen its grip on local politics, it had the unintended effect of providing an opening for new parties. This effect became clearly visible in the 2002 elections.

The net result of the Gonzalo Sánchez de Lozada administration was an impressive series of privatisations and a further liberalisation of the economy coupled to significant reforms in many areas. On the whole, many external observers concurred in their opinion that a modernisation of the Bolivian state and politics had made substantial progress. On the other hand the shock treatment and the reforms have only yielded rather modest economic results with GDP growth just above four per cent per year from 1990 onward; relatively good by Latin American standards, but too low to bring much solace to the bulk of the population, particularly when one takes into account that the population grew by 2.4 per cent per year. The first and second-generation reforms introduced since 1985 set the stage for the Banzer administration that took charge in 1997. But before we address this second *banzerato*, we will first sketch the social and economic situation in the country in the 1990s.

One of the notable features of Bolivian 'development' since 1985 is that in sector terms the composition of GDP has hardly changed. The main sectors remain agriculture, natural resources (mining, oil and gas), industry (agro-industry, textiles and oil refinery) and commerce, which together represent over 50 per cent of the GDP.[43] The sectoral composition of the economically active population did change, however. We have not been able to locate disaggregated data on the composition of the economically active population (EAP) in 1985, but the following data from the 2001 CEPAL Statistical Yearbook are suggestive: in 1970 agriculture absorbed 59 per cent of the EAP, in 1980 52 per cent and in 1990 42.8 per cent. The percentage of the EAP in industry[44] was 19.5 per cent, 20.6 per

42 Ratified in early 1995.

43 Major growth sectors are gas and oil and telecommunications, which do not generate much employment. Natural gas has become Bolivia's main export product since exports to Brazil started in 1999. Also note that the growth in telecommunications is suggestive of an emerging 'digital divide'.

44 Mining and quarrying, manufacturing, construction, electricity, gas, water and sanitary services.

cent and 23 per cent, respectively, while the percentages for the service sector[45] were 21.5 per cent, 27.4 per cent and 34.2 per cent. In short, employment in agriculture dropped, it remained more or less the same in industry, while the service sector grew. This sectoral relocation of the EAP was accompanied by a brutal deterioration in employment conditions.

Table 2: Composition of the Gross Domestic Product and the Economically Active Population

	1985	1999	
Activity	**per cent GDP**	**per cent GDP**	**per cent EAP**
Agriculture	16.2	15.3	40.0
Oil and natural gas	5.7	4.8	
Mining	5.0	5.2	1.5
Industry	16.2	18.1	11.4
Electricity, gas and water	1.4	2.0	0.2
Construction and public works	3.2	4.1	5.8
Commerce	8.6	9.1	16.2
Transport and communications	8.4	11.6	5.0
Finance and related services	9.6	15.8	2.5
Social and personal services	4.6	5.4	6.6
Restaurants and hotels	3.8	3.4	3.9
Public administration	11.8	9.9	6.9 *

Source: Antelo (2000), p.70; INE (2001).
*Includes education.

Data provided by the Economic Commission for Latin America are suggestive of what happened under structural adjustment policies.[46] While employment in the public sector declined this was not made up for by the private sector, implying an increasing informalisation of the economy. While open unemployment declined from its 1988 level of 12 per cent to

45 Commerce, transport, storage and communications, and services.
46 CEPAL (2001).

levels under five per cent until it started to rise again after 1999 to reach about eight per cent[47] in 2001, over half of the occupied population is underemployed.[48]

Table 3: Bolivia: Distribution of the Economically Active Occupied Population according to Type of Employment, Urban Areas (1989–99)

	Employers	Salaried			Self employed and non-remunerated family workers
		Total	Public sector	Private sector	
1989	2.2	53.8	17.9	35.9	43.8
1994	7.6	54.1	12.8	41.3	38.4
1997	7.0	46.1	10.5	35.6	46.8
1999	4.2	48.1	10.3	37.8	48.2

Source: CEPAL (2001), p.187.

These data do not reflect what happened in rural areas and only partly reveal the deterioration of labour conditions in what are officially dubbed the 'formal' and 'informal' sectors.[49] The implementation of structural adjustment policies contributed to an informalisation and precarisation of labour conditions,[50] and also was a deliberate, and rather successful, policy to undermine and disarticulate the existing trade-union structure that had been the main vehicle for popular protest up to 1985.[51]

To depict the productive structure of the country economist Horst Grebe has proposed the '10–100–500,000' formula. Some ten 'capitalised' enterprises virtually control the strategic sectors of the economy where the production of goods and services is concerned. Theoretically their doing should be regulated by the system of control through superintendencies that started to be put into place in the context of the 'second generation'

47 Open unemployment in the capital cities.

48 Baldivia (2000).

49 The informal sector represented 45 per cent of employment in 1997 and grew to represent 53 per cent in 2000 (Quintero, 2002).

50 Although D.S. 21060 introduced important changes in labour relations and eliminated various guarantees reform of the 1942 Labour Law is considered a pending task. There was some pressure to undertake a reform and introduce more flexible rules, but the government postponed reforms. Meanwhile, flexibilisation of labour relations is taking place.

51 Kruse (2002).

reforms. They are followed by some 100 national and transnational enterprises with presence in the industrial, mining, banking and commercial agriculture sectors. Finally, there is a substratum of some 500,000 micro-enterprises in agriculture, trade and handicraft production with extremely low levels of productivity and little capacity for economic transformation.[52] This sketch highlights the magnitude of the informal sector and can be coupled with data on poverty levels that range from 47 per cent in 1997 according to the poverty lines method to the 70 per cent estimate for 1992 according to the basic needs approach. Despite the fact that some improvement has been registered in the course of the 1990s, poverty remains abysmal, particularly in the rural areas. While the relative incidence of poverty declined somewhat, the absolute number of poor increased.[53] Such conditions have made the country eligible for the Highly Indebted Poor Countries Initiative (HIPC), which conditions debt relief on the execution of poverty alleviation programmes, in 1997 and again in 2001.[54]

By the mid-1980s Bolivia had become a predominantly urban country and nowadays more than 60 per cent of its 8.2 million inhabitants lives in urban areas.[55] This shift, moreover, took place in the context of a change in the distribution of the population with a relative decline of the Andean zone and a clear concentration of the population in the eastern lowlands, particularly in and around Santa Cruz, which has become a mayor agrarian growth pole. One might say that Bolivia is increasingly becoming an 'Amazonian country'.[56] Whereas in the Andes region the cultivated area contracted during the 1990s, due to exhaustion, erosion and adverse weather conditions, in the Santa Cruz region it doubled, mainly due to the expansion of soybean production and cattle-raising.[57] And, while the Andes region is characterised by an extreme fragmentation of landholding and low productivity, the lowland region is characterised by an extreme concentration of landholding with huge farms being surrounded by precarious smallholding colonists.[58] The agrarian legislation introduced in

52 *Ibid.*

53 Moreover, the polarisation of income distribution has increased in recent years (CEPAL, 2001, p. 237; Milenio, 2000, p. 57).

54 By the late 1990s Bolivian external debt amounted to nearly US$4.4 billion, corresponding to over half of its GDP. Debt relief under the 1997 HIPC initiative amounted to US$448 million, with Japan granting additional debt relief of US$371 million in NPV terms.

55 In the Andean region temporary migration to the urban areas can be likened to the inclusion of another 'ecological niche' in peasant survival strategies.

56 In 1997 Bolivia, which also belongs to the Andean Community, became an associate member of MERCOSUR.

57 Demeure (1999).

58 Urioste and Pacheco (2000).

1996 has not significantly remedied the situation in the agrarian sector and, as we shall see, has often become a source of tension in its own right.

Finally, while Bolivia has made some attempts to diversify its exports it still relies on a few products, which are exported with little value added in an often adverse world market. Since the mid 1990s the export of natural gas has become a main source of income for the country.[59] Although politicians promised that this would benefit the population at large, many suspected that the eventual gains would only line the pockets of a happy few, a suspicion that underpinned the mobilisations against the mega-project to export gas to the United States and Mexico, which led to Sánchez de Lozada's fall in October 2003. Meanwhile, people became one of the important 'non-traditional exports' of the country. By the early 1990s some 140,000 migrants were registered in Argentina,[60] and when in February 1998 an agreement on migration was signed between the two countries the number of illegal Bolivian residents was estimated at 700,000.

Adjustment measures thus have contributed little to turning Bolivia's economy into a flourishing one that benefits the population and reduces poverty levels. The situation worsened by the end of the 1990s, under the Banzer government. In 1999 the growth rate of the Bolivian economy slumped from 4.7 per cent in the previous year to less than one per cent. This was partly due to the aftershocks of the 1997 Asian crisis and the effect of the 1999 financial crisis in Brazil, but also to the fact that such effects were not mitigated by any measures on the part of the Bolivian government, which talked of a temporary 'de-acceleration' and belatedly, in March 2000, came up with a rather ineffective Economic Reactivation Programme. The Argentine crisis of 2002 further aggravated the situation as Bolivia lost an export market and was swamped with cheapened Argentine exports, whether legal or not. Moreover, the crisis has triggered a return migration of Bolivians who somehow have to make a living in the fledgling economy of their home country.

As most consolidation theorists will agree, the economic conditions briefly outlined here hardly provide an environment propitious to democratic consolidation. Opposition to neoliberal policies has been steadily growing among the Bolivian population and it would be an important motive in the social protests that marked the second Banzer government. We shall first provide a brief overview of this period and then focus on this series of protests that eventually translated into the surprising outcome of the 2002 elections.

59 In 1994 ENRON was contracted to construct a 'gasoduct' to Brazil under conditions highly beneficial to the enterprise (Yaksic and Tapia, 1997, pp. 149–54). Exports to Brazil started in 1999.

60 Grimson and Paz (2000).

III

The second *banzerato*

Hugo Banzer Suárez competed in the 1997 elections with a discourse emphasising the need for a more 'social' turn with respect to the implementation of the neoliberal reforms, exploiting, on the one hand, Goni's critic's phrase of calling him a *vendepatria*, a 'fatherland-seller', but on the other hand reluctant to affirm a reversal of these policies. In the elections he obtained only a meagre first majority, and needed to negotiate with various other parties to get a parliamentary majority together. In the days after the elections a coalition was brokered that basically united against the MNR and assured that Banzer would be elected in Congress. The new 'megacoalition' consisted of the ADN, MIR, CONDEPA and UCS. Before the elections the ADN already had established a pact with the NFR and some minor parties. One of the first acts of the new government would be to abandon the 'superministries' created by the previous administration and increase the total number of ministries from ten to 14. This was not so much to streamline the executive machinery but rather to accommodate the many coalition partners. It was one of the first signs of the patrimonialism and prebendalism — never entirely absent in Bolivia — that became the hallmarks of the Banzer government. ADN got seven ministries, MIR three, CONDEPA two, the UCS and NFR one each. This assured the new government of about two-thirds of the votes in Congress.

The new megacoalition government lacked any defined programme. At the first cabinet meeting of his five-year mandate,[61] on 16 August, the president arrived with what he called the Ten Commandments of his administration: strict adherence to the law, respect for the citizen, the prohibition to misuse state property, austerity, discipline, sobriety, a sense of self-critique, modesty, democratic conviviality, honesty.[62] As it turned out, most of these commandments were to be honoured in the breach. In the absence of a programme the new government came up with an innovation, which turned out an excellent international marketing gimmick. It called for a national dialogue that was to unite various social actors, civil society as well as the opposition to define the pathways to be followed to project the country into the next century. By November the dialogue was declared to have yielded a government programme that revolved around four vaguely defined 'pillars': Opportunity, which was to be achieved through economic growth, aiming for a growth rate of seven per cent by the end of the administration; Equity, which was to cover human devel-

61 The 1994 constitutional reform, ratified in February 1995, had extended the presidential mandate from four to five years.

62 Sivak (2001), pp. 74–5.

opment, health, education and struggle against poverty; Institutionality, which included the strengthening and modernisation of democratic institutions and the Judiciary, administrative decentralisation and a struggle against corruption; and Dignity, the struggle against the drug trade and the aim of eradicating all 'excess' coca.

As to the last point, the new administration had felt the pressure of the US government that soon after Banzer assumed power warned that he should comply with the coca eradication targets to guarantee 'certification'. The Banzer government made some diplomatic efforts to turn the unilateral 'certification' practices of the USA into multilateral schemes under the aegis of the OAE. It would, however, obstinately comply with USA fundamentalism in the 'war on drugs' and eradication was to become about the only 'achievement' the government could boast of, incurring, as we shall see, heavy social and political costs. Apart from the initiative on 'certification' in the first months Banzer stoked up nationalist sentiments by raising the issue of anti-personnel land mines installed by the Pinochet regime along the southern border and clamouring for access to the sea, lost in 1879 in the Pacific War.[63] Meanwhile, Vice-President Jorge Quiroga took charge of economic policies and attended meetings with the multilateral financial agencies. At home the partners in the megacoalition squabbled over power shares, heralding another enduring feature of the government period.

While during the first year of the Banzer administration it was commented that it was making a slow start, it would become increasingly clear that it hardly came to governing at all, as was reflected in Banzer's repeated assertions, in the wake of cabinet reshuffles, that he now would really be ready for the task. It was not only the instability and heterogeneity of the 'mega' that plagued the administration. According to a cynical newspaper comment his government was characterised by the fact that it neither had the time nor the capacity to execute any programme at all because it had a full-time job dealing with a never-ending series of incidents and scandals it produced itself. That may be somewhat exaggerated, but there can be little doubt that the most remembered accomplishments of the second *banzerato* and its entourage are marked by reactive measures, disgraceful walk-outs of cabinet members, panicky play and reversals of legislation when it met with severe protest.

63 Even Bolivians joked about Banzer's vehement rhetoric and said that he only needed the sea to bathe his whale, referring to Banzer's rather voluminous wife Yolanda Prada. The fact that Bolivia has no access to the sea has, ever since the Pacific War, been a national trauma, used and abused by politicians either fuelling nationalistic fervour to distract from other issues or countering a fall in popularity. Often, hightened feelings of indignation in the country, and worsened bilateral relations with Chile were then de-escalated with some symbolic measure such as the renaming of the Avenida Chile into the Avenida del Pacífico. Symbolic, since Bolivia is absolutely no match for Chile.

Alongside irresolution with regard to longer-term political strategy, the first year of the Banzer government was characterised by an austere economic policy and the stated intention to complete the privatisation process through the further privatisation of the oil and gas sector, the electricity sector, the Vinto foundry, the rest of the mining and iron and steel sector and the enterprises run by Bolivia's nine Prefectures. On the other hand, airports and water provision were to be given in concession. Meanwhile, economic policy was aimed at tightly managing the macroeconomic indicators. According to the Banzer government the outgoing administration of 'Goni' Sánchez de Lozada had left the economy in precarious conditions, had expanded the bureaucracy and let foreign debt increase. Bolivians had to pay the bill of the *fiesta gonista* said Labour Minister Leopoldo López in March 1998 when the COB protested what were seen as meagre wage increases for public sector employees.[64]

As one of its measures to combat poverty the government announced an expansion of micro-credit programmes in order to generate employment and in April 1998 it launched its Plan Oportunidad that should contribute to a reactivation of the economy that suffered the consequences of the international financial crisis and the El Niño phenomenon. The Plan included the substitution of the BONOSOL pension scheme introduced by the previous government by a new scheme of individualised share holding, the BOLIVIDA. The idea was that this would promote internal savings and make funding available for investment.[65]

As in the course of 1999, the effects of the Asian crisis did not simply blow over but rather were exacerbated by the Brazilian financial crisis, one of the measures taken to promote investment was the approval of the Ley Corazón (March 1999), which allows foreign capital to invest in areas within 50 kilometres of the border in infrastructure for energy export, gas and oil

64 With inflation estimated at around three per cent, but in fact turning out to be 4.4 per cent, the increases ranged between 3.5 per cent and 6.5 per cent. Three months later a new salary scale for the president and the rest of his government was decreed which augmented their salaries between 650 per cent and 1,000 per cent. In October the Chamber of Deputies blocked a Senate resolution by which the presidents of the two Chambers were granted a pension for life equivalent to the monthly allowance for a senator.

65 The 1996 BONOSOL scheme was linked to the capitalisation policy. The sale of 50 per cent of the shares of state enterprises provided the funds that would be administered by Administradores de Fondos de Pensiones (AFPs), while further funds would come from individual contributions. This should assure that all Bolivians that in December 1995 were over 20 years old would receive a pension at the age of 65. A BONOSOL of US$248 was paid for the first time in May 1997, some months before the elections. It was meant to benefit 360,000 persons but it suffered quite some operational problems and the AFPs complained about liquidity problems. The next year they suspended payments. The new government argued that the scheme was unsustainable and with the introduction of a Popular Credit and Property Law in June 1998 created the BOLIVIDA to be paid from 2000 onward. This despite the well publicised attempts of Sánchez de Lozada to save the earlier scheme through recourse to the Supreme Court.

exploitation and telecommunications. At the same time virtually the whole agricultural sector was declared to be in a state of emergency. This partly was a response to the increasing pressure from the Santa Cruz based Cámara Agropecuaria del Oriente (CAO). Soy-producers faced decreasing profitability as they had strongly expanded production into increasingly marginal areas and had depleted natural resources, to which they responded by reducing production by about a quarter and calling for support schemes. They also took the opportunity to press for important modifications in agrarian legislation under the argument that this was needed for economic reactivation. In April the government acceded to the demands made by the CAO and signed an agreement that included a reprogramming of credits, rescheduling of debts and other support measures, as well as the creation of a joint commission to study modifications to agrarian legislation and land taxation. Peasants and small farmers complained that the government only supported large-scale capitalist agriculture while, as we shall see, the CAO proposal to amend agrarian legislation added fuel to already brewing land conflicts in the region.

Dutifully complying with IMF instructions to contain the fiscal deficit, in September 1999 the government instructed the institutions depending on the National Treasury to reduce their budgets for the coming year by 30 per cent and announced further austerity. Within the new economic policies there is no room for anti-cyclical measures. However, in March 2000, while a conflict over the privatisation of the water supply was rapidly escalating in Cochabamba, the government finally came up with a more comprehensive Economic Reactivation Plan, which consisted of four pillars. The first was financial reactivation through the emission of 'reactivation bonds' to the value of US$250 million by the Nacional Financiera Boliviana (NAFIBO) in order to strengthen the financial capacity of the banking system and its capacity to reschedule outstanding debts. The second pillar consisted of a tax relief scheme, lowering taxes on the import of capital goods and exports, on forestry activities and on stock market transactions. Third came a plan to improve the road network, and finally emergency programmes to create employment were announced. The Plan, adorned with a photograph of a fatherly smiling Banzer, was divulged as a supplement to various national newspapers and met with scepticism as well as the critique that it was basically geared to bankers and large entrepreneurs.

The Plan failed to turn the tide, partly because the government was rapidly losing credibility and slow in executing the Plan. Escalating social conflict, the 'Water War' in Cochabamba and the roadblocks by coca-growers and peasants in most of the country in April and 'Black September' made things worse. By the end of October the government issued complementary legislation that modified some aspects of the Plan, but this 'reactivation of the reactivation' turned out timid and hardly to the point. Other measures were an Intensive Employment Programme,

the decisions to pay the BOLIVIDA of a mere US$60[66] and to extinguish the official housing scheme (FONVIS) and return contributions to the contributors, and to reschedule municipal debts. By then the government coalition, as well as its leading party, had entered into a phase of acute decomposition and reactivation did not materialise.

While popular protests had marked 2000, by the end of that year entrepreneurs, especially those from the Oriente, became increasingly restless and even started questioning the economic model and to threaten 'civil resistance'. Faced with this new challenge the government started a dialogue with the sector and, in March 2001, reached an agreement in which complementary measures were promised, mostly in the area of debt rescheduling and tax reduction. Commentators observed that the measures might be quite beneficial for a small group, but that they failed to address fundamental issues such as employment or the plight of the small producers. Moreover, the agreement included stipulations about enabling peasants to use their land as a collateral, a proposal insistently forwarded by agro-entrepreneurs and fiercely rejected by peasant organisations.

Meanwhile, a Second National Dialogue had started — or rather been declared — in May 2000, and ideas about an Estrategia Boliviana de Reducción de Pobreza (EBRP), on which the enhanced HIPC was conditioned, were circulating. HIPC II would amount to US$854 million in NPV terms with the Paris Club granting an additional US$262 million. A Ley del Diálogo, supposed to be the outcome of the Second National Dialogue, was adopted in May 2001, but met with strong opposition as it proposed to make the municipalities responsible for contracting teachers and medical personnel.[67] It also included proposals aiming at the privatisation of natural and biodiversity resources. Moreover, only officially recognised civil society actors had been allowed to participate in the Dialogue coordinated by Vice-President Jorge Quiroga, so it could hardly be said that it yielded anything like a national consensus. Millions of Bolivians suffering harsh consequences of the crisis and the failing measures to counter it never met with an opportunity to participate in the dialogue on causes and remedies for the situation Bolivia faced. The real impact of the HIPC II initiative on poverty is also questioned. According to the La Paz-based Centro de Estudios para el Desarrollo Laboral y Agrario (CEDLA), the slump in Bolivian tax income in

66 The postponement and the meagreness of the BOLIVIDA prompted protests resulting in chilling and surreal images of barefoot pensioners crossing the highland landscape (CEDIB, March 2001).

67 Teachers and medical personnel reject 'municipalisation' as they fear it will worsen their labour conditions and municipalities are unwilling to assume such responsibilities arguing that they lack sufficient funding. The HIPC II resources are to be distributed according to a formula that favours the poorer municipalities, which met with strong opposition of the larger municipalities.

the wake of the 1999 crisis means that the HIPC II funds for poverty reduction will hardly contribute to this aim and will only serve as a palliative to sustain municipal budgets that will receive less transfer funding (*coparticipación tributaria*) from national tax revenue distribution.[68]

As the crisis deepened and real incomes of most the population dipped, demands were made that President Banzer step down, among others by MNR-leader Sánchez de Lozada. Banzer strongly rejected the idea and resolved to end his five-year term. It was not to be. In June 2001 he was diagnosed with cancer and, despite initial attempts to cling to power, he decided to step down in August 2001.[69] Jorge 'Tuto' Quiroga, who by then was barely on speaking terms with Banzer, assumed and announced his Twelve Month Plan to reactivate the economy, which was basically a summary and condensation of the policies in place (debt rescheduling and strengthening of financial institutions, distribution of benefits of the capitalisation policy, payment of the BOLIVIDA and return of contributions to the housing scheme, reprogramming of municipal finances) topped up with accelerated spending of revenues from gas exports to Brazil and the involvement of micro-enterprises in road-network maintenance.

That verged on cynicism since at that time a protest movement of micro-credit takers had emerged, staging hunger strikes and crucifixions and invading the banking superintendency that had failed to monitor the micro-credit system. At the superintendency they took a hundred hostages in early July to protest the exaggerated interest rates and harsh conditions on which micro-credits were accorded by NGOs and banks, often funded through official social investment funds ('civil' society involvement in the execution of social policies according to World Bank parlance).[70] Even poverty can be turned into good business.

68 *Control Ciudadano*, año 1, núm. 1, Noviembre 2001, pp. 8–10.

69 Of course, his death relaunched the debates on his significance for recent Bolivian history, having been president twice, first as a dictator and many years afterwards being elected. Most assessments were not wholly positive. To illustrate the polarisation, it suffices to mention that the Argentinian judge (Rodolfo Canicoba) who had asked for his extradition for his role in the 'Condor Operation' in the 1970s, bleakly commented that here the trial had ended, whereas others heralded his heroic intervention to prevent Bolivia from falling into communist hands in the 1970s and his fulhearted compliance with democratic rule after 1978. On the whole, the legacy Banzer left behind triggered mostly sour comments, and one of most conspicuous was that in election polls the 'condolence vote' expressed itself in the historical low of 3.4 per cent. To many, he ended as a president who will be remembered for excusing the inexcusable in terms of corruption and prebendalism, and who left no political legacy whatsoever worth conmemorating during his democratic 'repêchage'.

70 If the government took initiatives to 'regulate' the NGO sector, they were mainly directed against indigenous peoples' advocacy NGOs such as the Santa Cruz-based Centro de Estudios Jurídicos e Investigación Social (CEJIS), whose representatives had been kidnapped and badly beaten up by local cattle raisers (CEJIS, 2001, pp. 150–6); a clear case of blaming the victims.

An 'authentic panic' rippled through government circles when Ombudsman Ana María Campero suggested that many of the credit-takers should be considered as 'dislocated by the customs law' of August 1999. They had used their credit to buy cheap merchandise from big smugglers and thus could make a living, which now had become impossible. The government did not want to see the Ombudsman[71] involved in this conflict between 'private parties'.[72] But that was only one of the conflicts that made up the 'social convulsions' of the second *banzerato.*

IV

Societal spasms and dialoguing with bullets

Protests had not been absent during the first years of the Banzer administration. An initial 'historic' agreement with the *cocaleros* soon turned awry as the Chapare region was increasingly militarised and the *cocaleros* undertook a March For Life, Sovereignty, Land and Coca in August 1998. The COB had also staged a series of 'national strikes' to protest economic policies and pressure for wage increases but, as mentioned, the organisation was no more than a phantom of what it used to be.

The year 2000, however, was a turning point. We will here first review the most salient conflict that erupted in that year, as it is suggestive of the deficits of the established Bolivian party system and the failure of political mediation — a 'representation deficit' — and will help to explain the outcomes of the 2002 elections. After examining this 'exemplary' conflict over water in Cochabamba,[73] we will turn to the actors who, connected to that conflict or apart from it, emerged as significant challenging actors during the 1990s. Here, we will first address the roadblocks organised mainly by the highland indigenous peasantry, then turn to the conflicts over coca eradication and finally deal with the conflicts over land and indigenous territories in the eastern lowlands. These are, to a large extent, parallel histories: they are ignited by other protests, develop synchronically, or partly overlap. At the same time, they compete over primacy, over governments' attention, over mobilisation capacity and sometimes clash over demands and priorities. No coordination or affinity can be assumed between these actors and their actions. But their resemblance consists in their indictment against a state they perceive as 'autistic' with regard to the problems they bring to the fore.

71 The office of Ombudsman had been created subsequent to the 1994 constitutional reform that set the stage for reforms of the Judiciary. Ombudsman Ana María Campero was installed in March 1998 and since then had become a key player in Bolivian politics, a point that we will take up later. For an account of smuggling see Salman (2000a).

72 *La Prensa Domingo* (17 June 2001).

73 The 'Water War' is analysed in detail in Assies (2001 and 2003) and by Nickson and Vargas (2002).

The Water War in Cochabamba and the Coordinadora

For decades water has been a scarce good in Cochabamba and has triggered disputes between the municipality of Cochabamba and the surrounding rural areas that were affected by the drilling of deep wells to supply the city with water. For decades too, a solution has been on the books: the MISICUNI project that would bring water to the region from the Misicuni catchment area through a system of tunnels and aqueducts and generate electricity on the way. In the minds of most *cochabambinos* MISICUNI had acquired a magic aura over the course of the years and on various occasions they had mobilised to pressure for its implementation. It was an expensive project, however, and according to the World Bank (1999) a white elephant. Nevertheless, alternative solutions proposed by the Sánchez de Lozada administration had been rejected by the local population mobilised by the Civic Committee and Mayor Manfred Reyes Villa. By the end of his administration Sánchez de Lozada proposed open bidding for MISICUNI and to link this to the privatisation of the inefficient Cochabamba municipal water company SEMAPA in order to enhance future profitability. The bidding process started under the Banzer government. Some transnational companies showed an initial interest but backed off after examining the conditions and only one consortium, Aguas del Tunari, continued to show interest. Instead of opening a new round of bidding the government authorised negotiations with this consortium. With the December 1999 municipal elections upcoming it sought something to show and gave in to most of the conditions posed by the consortium, which meant severely reducing the initial project, making the contract terms more flexible and allowing for a stiff increase in water tariffs. In September 1999 the contract was signed in the presence of President Banzer, Cochabamba's Mayor Manfred Reyes Villa, delegates from the Civic Committee and other notables.

On the other hand, in November the government piloted a law on potable water and basic sanitation through Congress, although a General Water Law that should provide a framework for such secondary legislation was still being debated and controversial. The new law introduced a system of 40-year concessions for the areas where water provision could be expected to be profitable. The granting of such concessions was to be carried out by a superintendency, a legacy of the Sánchez de Lozada government that, following the guidelines of the multilateral agencies, had introduced these entities to regulate sectors likely to constitute natural monopolies. The superintendencies function as autarchies and relieve the state from direct involvement in resource administration. It was expected that in 41 cities the water supply would be rapidly transferred to private concession holders. In fact, the law on potable water and basic sanitation thus legalised the contract with the Aguas del Tunari Consortium.

Opposition to the contract first came from middle class sectors such as engineers, lawyers and some environmentalists who organised a Committee for the Defence of Water and the Popular Economy. They questioned the lack of transparency in the negotiations about the contract, the fact that the original MISICUNI had been reduced to a bonsai version to guarantee profitability, and they argued that the contract allowed for a stiff price hike that might reach 180 per cent for some sectors of the population. Opposition broadened when the Committee was joined by the factory workers union, the well-organised irrigators from the Cochabamba valley and the urban water supply committees that were running cooperative wells since the SEMAPA system only covered part of the urban area.[74] The new grouping adopted the name Coordinadora por la Defensa del Agua y la Vida.

When water bills started to reach the population in early January 2000 they indeed included drastic tariff rises, of up to 150 per cent in some cases, although the supporters of the contract, the Civic Committee and government officials had always affirmed that the rise would not exceed 40 per cent. In fact the population was made to pay in advance for promises about future improvement of water provision. At the same time, it became known that the contract allowed Aguas del Tunari to install meters on the wells drilled by cooperatives and private owners. A protest movement now started in which the Coordinadora and the Civic Committee, seeking to regain ground, vied for hegemony. This led to a series of protests that met with heavy-handed repression by a government that was more concerned with the investment climate than with the popular economy. Violent street battles shook the city in early January and early February, and came to a climax in early April when a youngster was killed, in all likelihood by an army sniper in civilian clothes.[75]

The clashes were one of the reasons for the government to declare a state of siege on 8 April. On the eve of the state of siege the Church and other mediators had arranged for a meeting between the Coordinadora, the Civic Committee, municipal officials and a ministerial delegation in the Cochabamba Prefecture. However, to the dismay of the mediators, instead of the ministers a police force arrived and arrested the Coordinadora delegation, which was released again the next day. Throughout the country leaders of ongoing protests were arrested and 22 of them were deported to San Joaquin, the 'Bolivian Siberia' in the tropical Beni Department. Ombudsman Ana María Romero filed a habeas corpus appeal to have them released because the arrests were illegal, since they were carried out before the state of siege had been declared.

74 Besides such wells, often drilled with the help of NGOs or the Church, tank trucks are also important in supplying water to the poorer sectors of the population, which to be sure is profitable business.

75 The government denied that snipers had been at work, even in the face of video footage broadcasted by PAT TV, which very clearly showed the contrary.

The arrests not only failed to defuse the rallies, they also backfired because they gave new impetus to the protests, which finally forced the government to give in. The contract with the Aguas del Tunari Consortium was cancelled, the law on potable water and basic sanitation was substantially modified at short notice and water supply in the city was returned to SEMAPA with a new board of directors that included 'independents' with links to the Coordinadora. The Coordinadora claimed that after 15 years of defeats for the popular movement it had reversed the tendency and won a victory over neoliberalism and transnational capital. It later sought to transform itself into an opposition movement, the Coordinadora de Movilizaciones Única Nacional (COMUNAL), taking up various consumer and labour issues. This is suggestive of how the void left by the disarticulation of the COB may be filled by a new type of organisations that no longer are strictly rooted in the workplace but also in the neighbourhood.[76]

Various features of the Water War episode should be noted. In the first place, the manner in which the government ignored early protests, then resorted to heavy repression and finally gave in, signing agreements that it is not inclined to carry out; a dynamic that Laserna (1999) has characterised as 'forced negotiation'.

In the second place, and related to the first point, it should be noted that the government denied the legitimacy of the Coordinadora as an interlocutor. Instead, in the course of the protests the government sought to negotiate with the Civic Committee, which — though nominally broad-based — largely represents the business sector and some notables. This attitude was justified by pointing to the articles of the Bolivian Constitution that define only the political parties and civic groups with 'recognised personality' as the legitimate channels of participation. The stance of the government with regard to this question is symptomatic of a systemic feature of the system. Legislation, as well as the attitudes and positions taken by government officials *en marge* of legislation, express a chronic cleavage between the polity and societal voices and demands. Downplaying the legitimacy of all objections against government decisions that are not formulated by officially recognised entities, 'officialism' time and again confirms, in the eyes of societal groupings, its 'extraterrestial' position. Protesters, in turn, find out that the only way to make the government 'touch ground' is to pressure it with means that surpass the formally acknowledged channels. This routine is illustrative of a pattern in which the non-responsiveness of the polity undermines democratic consolidation, because it blocks one fundamental element of such a system: the representation of societal worries and heterogeneity in the sphere of political deliberation and decision-making.

76 Kruse (2002).

The Coordinadora did not have 'recognised personality' but counted with widespread support and legitimacy among the population. This is a case of what Habermas has called 'public opinion as a fiction of constitutional law'.[77] Public opinion that is not channelled according to the constitutional precepts is ignored and may be repressed. However, the government was finally forced to negotiate with the Coordinadora as a result of massive and enduring protests, a dynamic that fits Laserna's concept of 'forced negotiation'.

Thirdly, one should note that a negotiated resolution was finally reached through mediation by Archbishop Tito Solari, the Asamblea Permanente de Derechos Humanos de Bolivia (APDHB) and the Ombudsman's Office. Political parties did not play any role, which is suggestive of a 'representation deficit'.

Fourth, the movement was not confined to the urban area. It included the irrigators from the Cochabamba valley. The nationwide peasant movement added repeal of the law on potable water and basic sanitation to its list of demands, regarded the emerging water legislation as a threat. This includes the system of superintendencies, which in operating according profitability criteria, tend to favour private enterprise[78] and are not subject to popular control. The alternative proposed in the case of water is a National Water Council that includes consumer representatives. Finally, the anger on the part of the protesters, incorporating middle class as well working class sectors, over the contract with Aguas del Tunari was not just due to the content of the contract, but also to the deceit about the tariff hike and beyond that to the lack of transparency in the negotiations in a context of widespread government corruption.[79]

The 'Water War' was the most prominent of the protest episodes and collisions that confronted the Banzer administration. It is, however, a story

77 Habermas (1992), p. 237.

78 Another case in point is the Forestry Superintendency that granted forestry concessions overlapping with indigenous territories that were in the process of being recognised. The case was brought to the attention of the ILO, which, in 1999, issued a series of recommendations to make Bolivia comply with Convention 169 on the rights of indigenous peoples.

79 A final element worth mentioning is that in 2002 the Aguas del Tunari Consortium, through it's overarching 'mother-enterprise' Bechtel, filed a claim for recompensation of the profits it had not been able to cash in at a World Bank tribunal, recurring to the so-called Bilateral Investment Treaties, or BITs. Since the Netherlands have such a BIT-agreement with Bolivia, the process takes place through the Dutch 'PO-box' extension of the company. In Bolivia, the affair has produced indignation since Bechtel is claiming approximately US$25 million, an amount that according to many is in no way justifiable. Moreover, the proceedings of this tribunal are rather nebulous and information is hard to come by. 'The Water War has entered a new phase,' stated a Cochabamba-based association trying to influence the process.

alongside a whole range of similar stories, some running (partly) parallel and some taking place after or before these specific events. Concentrating in what follows on the actors and actor-groups rather than on sequences of unrest, we will, respectively, address the highland peasants lead by Felipe Quispe, the coca farmers whose spokesman is Evo Morales and finally the lowland indigenous peoples movement and some other, less important protest protagonists.

The highland peasantry and radicalised Katarism

States of siege have been decreed frequently since 1985 to repress protests against unpopular, read neoliberal, policies. The April 2001 state of siege, however, was the most deadly. It was decreed in the midst of what in Bolivia is known as a 'social convulsion'.

While the Water War in Cochabamba came to a head in early April, peasants initiated the largest wave of peasant protests of the past two decades. The day the state of siege was declared 880 police mutinied in La Paz to press wage demands. Students also protested in La Paz and later coca-growers from the Yunga region set up roadblocks to protest against forced eradication. When, on 20 April on the eve of the Easter weekend, the state of siege was lifted confrontations had claimed five lives, of which four were civilians, three of them peasants. Here we shall focus on the peasant protests and discuss the role of Felipe Quispe, *El Mallku*, who with his Movimiento Indigenista Pachacuti gained six per cent of the vote in the 2002 elections.

The wave of peasant protests was remarkable for being the largest peasant protest in two decades and for suggesting a resurgence of the Confederación Sindical Única de Trabajadores Campesinos de Bolivia (CSUTCB), which had been passing through an organisational crisis that some observers considered potentially terminal.

The CSUTCB had emerged in 1979 under strong influence of the Katarista movement and passed its test of strength in the unprecedented peasant resistance against the de facto regimes of General Natusch Bush and narco-dictator García Meza. By the late 1980s, however, the Katarista movement had increasingly splintered into different political factions.[80] The election of Katarista leader Víctor Hugo Cárdenas as vice president in the Sánchez de Lozada government (1993–97) led to further erosion of organised *Katarismo*. Within the CSUTCB hegemony shifted from the (Aymara-) Kataristas to the (Quecha-speaking) coca growers of the Chapare and the defence of the 'sacred leaf' from eradication became a major item on the CSUTCB agenda.[81] These struggles were intertwined with attempts to forge a 'political instrument', which materialised in the Asamblea por la

80 Albó (1994); Cárdenas (1988).
81 Loayza (2000); Ticona (2000).

States of Siege Declared between 1985 and 2000*

Government	Year	Duration	Motive for protest	Reponsible Minister	Detained	Liberated	Confined**	Dead	Wounded
Víctor Paz E.	1985	9-18 to 12-18	D.S. 21060	Fernando Barthelemy	200	45	156	0	10
Víctor Paz E.	1986	8-26 to 11-27	Miners March for Life and Peace	Fernando Barthelemy	184	117	67	0	4
Jaime Paz Z.	1989/90	11-15 to 2-15	Payment of Bonus to teachers	Guillermo Copabianco	858	705	153	0	n.d.
Gonzalo Sánchez de L.	1995	4-18 to 6-17	Teachers hunger strike and COB strike	Carlos Sánchez B.	810	460	350	0	9
Gonzalo Sánchez de L.	1995	7-18 to 10-18	Teachers and COB strike	Carlos Sánchez B.	30	0	30	0	n.d
Hugo Banzer S.	2000	4-8 to 4-20	Water War and peasant road blocks	Wálter Guiteras	50	?	22	6	45

Source: PULSO, 3-24/3-30 (2000), p. 5.

* The table contains small errors, but on the whole is quite suggestive. The date of lifting the state of siege in 2000 has been added.

** Those confined are usually sent to remote regions in the northern Bolivian Amazon.

Soberanía de los Pueblos (ASP), led by Evo Morales, Alejo Véliz and CSUTCB executive Román Loayza. However, the leadership dispute between Evo Morales and Alejo Véliz became evident at the VIII CSUTCB Congress in Trinidad in June 1998. It was in this context that leadership shifted to another sector within the organisation. At the November 1998 Congreso de Unidad Campesino in La Paz Felipe Quispe was elected executive. The regained strength demonstrated by the CSUTCB in the recent actions is often attributed to this shift within the CSUTCB.[82] Quispe had prepared his election by patient 'work with the bases'.[83]

Felipe Quispe Huanca was born in the Jisk'a Axariya community of the Achacachi municipality in 1942 and joined the Movimiento Indio Tupaj Katari (MITKA) in the late 1970s. He participated in the foundation of the CSUTCB and by the late 1980s had founded the radical Ofensiva Roja de Ayllus Tupakataristas.[84] Guerrilla activities led to his arrest in 1992. He was released without trial in 1997 and joined the peasant movement again. On his election as CSUTCB executive in 1998 he took up the title of *Mallku* (condor), a title of Aymara authority. After his election as CSUTCB executive Quispe stated that he should be regarded as the chief of the Aymara Quechua Nation and in interviews he does not hesitate to express disgust with the *k'aras* (white, mestizo, dominant sectors) or to state that once he will be president he will create a Ministry for White Affairs. The earlier hegemonic Katarista discourse of the 'pluri-multi' was displaced by an ethnicist nationalist variety of the 'two Bolivias'.

The CSUTCB *pliego de reclamos*, or package of demands, which was filed with the government in October 1998, was a mixed bag covering four main themes: lands and territories, political, economic and social issues. However, in the course of the mobilisations after April 2000, shifts would take place and the ethnic element became more pronounced.[85] By early April Agriculture Minister Oswaldo Antezana claimed that 75 per cent of the demands were being attended but he forgot that the remaining 25 per cent constitute key demands such as the joint elaboration of a Sovereignty Plan, monitoring of ministries, a peasant bank, an agrarian university, immediate titling of indigenous areas and direct administration of protected areas. In March the CSUTCB had agreed to start actions by April. By then the water issue had become explosive and suspension of the General Water Law project moved up on the list of demands.

82 Patzi Paco (1999), p. 121.

83 *Pulso*, no. 39, p. 21; *Pulso*, no. 40, p. 8; Patzi Paco(1999).

84 For an insight into the mind-frame of Ofensiva Roja see Calla, Pinelo and Urioste (1989), pp. 298–312.

85 This is very well documented in an excellent analysis by Cajías (2001), on which this section relies in good part.

Peasant roadblocks started on 3 April in the Departments of La Paz, Oruro, Cochabamba, Chuquisaca and Tarija. Mostly these are simple affairs: 'sow' sufficient medium size stones across the road so that cars have to slow down or cannot pass at all, then mount guard and build a fire to keep warm. The military failed in attempts to control the main roads and by 5 April the Departments of Beni and Potosí had joined the actions. The arrest of Felipe Quispe in La Paz on 7 April and his deportation to San Joaquín only added another issue to the agenda: the liberation of *El Mallku*. The city of La Paz started to run out of chicken and vegetables and, fuelled by Quispe's rhetoric, the imagery of the late eighteenth-century siege of the city by Tupac Amaru and the nineteenth-century rising led by Zárate Willka cropped up in the minds of many *paceños*.

The peasant-indigenous protests led to a violent confrontation in the locality of Achacachi on 9 April, leading to the death of two peasants and an army captain. In an attempt to depict the Aymara inhabitants of Achacachi as irrationally violent and cruel Defence Minister Jorge Crespo and army sources claimed that Captain Omar Téllez had not only been beaten to death but also had been quartered and that his eyes had been torn out, claims that would later be denied by the director of the local hospital and by Ombudsman Ana María Romero, who denounced the abusive actions of the military and noted that Captain Téllez had been the first to shoot to kill.[86]

Negotiations between a CSUTCB delegation and a government delegation started on 11 April after mediation by the Church, the APDHB and the national Ombudsman. From the viewpoint of the CSUTCB delegation they were at best negotiations over the conditions to negotiate, that is the liberation of the detained, including *El Mallku*. As noted, by then Ombudsman Ana María Romero had filed a habeas corpus appeal in order to liberate the detained. On 14 April the CSUTCB and government delegates finally signed an agreement. It stipulated the immediate release of *El Mallku*, ratified agreements on CSUTCB demands from October 1998, determined trade-union participation in the elaboration of a General Water Law, regulation of agrarian legislation, the formation of commissions to resolve various problems and compensation for the wounded and the families of the dead. The government should carry out the agreement within 90 days. If not, roads would be blocked again. Upon his release Felipe Quispe, whose arrest had only contributed to his renown, commented that the CSUTCB delegates who signed the agreement would have to respond for what they signed. He had not. The peasant protests had only been a preview of what could come, he declared, and he invoked the possibility of an alliance with military sectors like in Ecuador; 'I will be back in September,' he stated. In this way he not only

86 *La Prensa*, 5 June 2000.

astutely harked back to Tupaj Katari's last words when he was quartered in 1781, 'I will come back and I will be millions'[87] but also announced what came to be known as 'Black September' and what for *El Mallku* was a 'second test' in promoting Aymara–Quechua nationalism.[88]

Quispe's announcement not only reflected the agricultural cycle — sowing taking place in August — but also the lack of confidence that the government would really comply with the earlier agreement,[89] an idea that, again, fits with Laserna's (1999) concept of forced negotiation. What nobody, including Quispe, could foresee was that September 2000 would be another moment of 'social convulsion', surpassing April.

In September trouble started when teachers demanded a 50 per cent salary rise and the government laconically stated that this was out of the question for lack of funds. While that conflict escalated, the coca growers of the Chapare initiated roadblocks to protest against forced eradication and militarisation. With these two conflicts well on the way, the CSUTCB broke off negotiations with the government on 13 September saying that the latter was not complying with the April agreements, but also taking advantage of a moment of extreme weakness of the 'mega'. *El Mallku* installed his *Estado Mayor* in Achacachi and throughout the highlands roads were littered with stones. Meanwhile, in the lowlands a border dispute between the Santa Cruz and Cochabamba departments triggered roadblocks, the public health sector went on strike and other sectors joined the fray. By the end of September some ten different conflicts were ongoing. Food scarcity began to be felt in the cities and by the end of September food had to be flown to La Paz. The government sent thousands of military and police to repress the roadblocks, but despite making a significant number of victims,[90] they were helpless in the face of strategies like Quispe's *Plan Pulga* (Plan Flea) of wildcat roadblocks.

Amidst mounting demands that Banzer resign, as he turned out to be the 'dictator of old' and exponent of 'dialogue with bullets', the government started to negotiate the different conflicts. Mediators arranged a meeting between *El Mallku* and a delegation of ministers set for 1 October in the CARITAS offices in La Paz. Some days before the meeting was due, however, the army and air force attacked a gathering of peasants in the township of Huarani, leaving three dead. The meeting in the CARITAS offices soon was over. Quispe arrived with tears in his eyes, delivered an infuriated harangue, and walked out:

87 See also Quispe (1999), p.116.

88 Occasionally other indigenous peoples of the lowlands are also mentioned, but relations, as we shall see, are somewhat tense.

89 Cajías (2001).

90 By the end of September the number of dead amounted to at least 15 and some hundred people had been wounded.

> We have received you, we gave you our territory, we lodged you strangers, and now? Now you kill us, butchers! Why don't you kill me now? Why do you kill my Quechua brothers? Why do you kill my Aymara brethren? Why? I want to know the answer. The only crime we committed is to ask for justice and liberty; our only offence is to claim that you return us our political power. Murderers! Why do you kill us? The people want to know, the world needs to know. It hurts me to look at you bloodthirsty people stained with Indian blood. (...) I am not going to look you in the eyes, because your eyes are stained with Indian blood. I am not going to look at your faces, because they are bathed in indigenous blood. As a *Mallku Mayor* this hurts me. I am not a political *pongo* (servant). It hurts me because you, tenants, have appropriated our lands.[91]

The ministerial delegation, Guiteras (Presidency), Lupo (Economic Development), Vásquez (Labor) and Antezana (Agriculture) was stunned. Never had an Indian dared to address them like that. Guiteras commented that *El Mallku* is 'a man who does not recognise the country, who does not recognise our national anthem and who in his book even uses adjectives against the Catholic Church'.[92]

Negotiations started, however, and on 8 October the government accepted the full list of 50 demands elaborated by the CSUTCB. The agreement included the repeal of water legislation, the revision of agrarian legislation, the withdrawal of biodiversity law projects, various social demands and the implementation of a peasant-friendly rural development policy. A panicked government produced decree after decree and elevated the Vice Ministry of Indigenous and Originary People's Affairs to the rank of a Ministry for Peasant, Indigenous and Originary People.[93] Meanwhile, in November Quispe created his own 'political instrument', the Movimiento Indigenista Pachacuti (MIP) and never stopped menacing with new mobilisations and in April 2001 he set a date: the first of May.

Other sectors, such as the coca growers and COMUNAL, saw this as an opportunity to press their deferred demands and started to prepare for the May convulsion, initiating marches to arrive in La Paz on time. By that

91 The speech is reproduced in an interview with Felipe Quispe (2001).

92 *La Prensa*, 2 October 2000.

93 The ministry came to be occupied by a candidate indicated by Felipe Quispe, Wigberto Rivero, linked to the MIR. He also received the support of Marcial Fabricano, the controversial leader of the lowland indigenous organisation CIDOB and the Confederation of Colonists, but not from the Santa Cruz-based indigenous organisation CPESC, which, as we shall see, played an important role in the Indigenous and Peasant March for Land Territory and Natural Resources of June–July 2000. According to Felipe Quispe, he had put forward Wigberto Rivero because no Aymara or Quechua was disposed to take a post in the Banzer government (personal communication, 7 October 2002, Mexico).

time, however, the CSUTCB was deeply divided. A 'Unity Congress' had taken place in January in Oruro. Although neither Felipe Quispe nor Evo Morales was present, their factions clashed, leaving one person dead, and the congress gave rise to a parallel CSUTCB, headed by Humberto Choque and sympathetic to Evo Morales. In late April Quispe staged a 'Unity Congress' of his own in La Paz. After being duly elected and having 'expelled' Evo Morales from his CSUTCB, Quispe toned down his rhetoric and postponed the mobilisation he had announced at the last moment. Meanwhile, the police and army had succeeded in dispersing the coca growers marching on La Paz, while a reduced number of COMUNAL marchers managed to reach the city but met with little support. The announced mobilisation seemed to have petered out and Quispe was accused of being a traitor and having connections with government party MIR.

Nonetheless, when the government sent troops to the Yunga region of La Paz to eradicate coca, *El Mallku* declared that one of the points of the October 2000 agreement was being violated and initiated roadblocks in the highland region. Although this was a nuisance and damaged the tourism industry in the area, the government paid little attention and even felt itself in a position to send Quispe an ultimatum threatening to arrest him for sedition. Troops would clear the roads, starting 13 July. That was a huge miscalculation. One word from *El Mallku* sufficed to mobilise around 25,000 peasants who massively resisted the army and forced it to withdraw, committing abuses against peasants during their retreat, which led to new denunciations by the Ombudsman. State authorities were ousted from many communities, creating virtually 'liberated territories'. On top of that, a few days later Quispe, Evo Morales, COMUNAL leader Oscar Oliveira and Yunga *cocalero* leader Dionisio Núñez were photographed happily shaking hands after having concluded a pact of mutual support against neoliberalism. The government was pushed on the defensive again and peasant demands now went well beyond the earlier lists, including the repeal of DS 21060 and of Law 1008 on coca eradication, as well as the 1996 agrarian legislation, the Ley INRA. According to various ministers such demands could not possibly be met. Nevertheless, on 23 August the Acta de Pucarani was signed, which included clauses on agrarian legislation and Law 1008. Ethnic demands had become far more pronounced this time and were reflected in proposals to declare 21 June, the Andean New Year *Inti Raymi*, a national holiday and to create an indigenous university. The act also promised to distribute 3.8 million hectares amongst the peasantry, to initiate a US$47 million Integral Development Programme for the La Paz Department, to buy 1,000 tractors and to initiate an US$11 million micro-credit programme for peasants and small producers. The government was given 90 days to comply with the Act.

After this 'third test' the highland region remained relatively calm, however, until in January 2002 Evo Morales was expelled from Parliament, a point to which we return below. The CSUTCB, holding a congress in Sucre, ordered roadblocks in solidarity with Morales and again the roads in the highlands were littered with stones. After that, attention shifted to the political process and the demand for a Constituent Assembly instead of a mere reform of the Constitution, brokered by the political parties.

As we have seen, *El Mallku* has been able to create a strong support base among the rural communities of the La Paz Department and with his confrontational style has given voice to the resentment of a marginalised population through a new radicalised nationalist discourse, which particularly has boosted Aymara pride among his supporters. Through the CSUTCB the attention of mobilisations has been refocused on the plight of the rural highland population. On the other hand, however, this radical brand of Katarism also resonates among sectors of the urban population of, for example, El Alto, a population that earlier responded to the appeal of Carlos Palenque and Max Fernández, the founders of CONDEPA and UCS, respectively.[94] While political Katarism always seemed to be doomed to insignificance, and never won more than two per cent of the vote, the MIP has emerged as an important political force.

The coca-growers and the Movimiento al Socialismo

As already noted, the party that came second in the 2002 elections also has its roots in CSUTCB-linked peasant organisations of the mostly Quechua-speaking coca growers of the Chapare, who turned the struggle against eradication programmes into a major item on the CSUTCB agenda. Coca growing in this region does not have a long history. It grew spectacularly fast under Banzer's first de facto regime (1971–78) and in the 1980s. Whereas the military at the time were heavily involved in the cocaine circuit, there is no evidence that the peasant producers are involved in organised crime. Although not a traditional coca-growing region, it has emerged as a combative one. Under the leadership of people like Evo Morales, the farmers constituted a well-organised group, desperate enough to fiercely defend their newly acquired livelihood after having migrated to the region as low agricultural yields on the *Altiplano* and mass lay-offs in the mining branch forced them to develop another survival strategy.

94 These two parties had emerged in the late 1980s and can be characterised as neo-populist. Although these parties posed a challenge to the established party system dominated by the ADN, MIR and MNR, they soon were incorporated into the dynamics of pact making. CONDEPA, in particular, relied on anti-neoliberal rhetoric and a politisation of ethnic fissures. For a discussion of these parties see Mayorga (2002).

In contrast to other countries' resistance against eradication policies have taken the form of trade union and political action.[95] Peasants are organised in six federations and in the mid-1990s forged a 'political instrument', the Asamblea por la Soberanía de los Pueblos (ASP), led by Evo Morales, Alejo Véliz and CSUTCB executive Román Loayza. The new organisation first showed its electoral strength in the 1995 municipal elections, in which it won 11 elections for mayor and 47 municipal council seats in its home base Cochabamba.[96] In the 1997 general elections it gained four uninominal[97] national deputies on the Izquierda Unida ticket, among them Morales and Loayza. Morales achieved 70 per cent of the vote in the Chapare electoral district, which made him the best-voted uninominal deputy.[98] After the 1998 leadership dispute Alejo Veliz stayed with the remainder of the ASP while Evo Morales adhered to the Movimiento al Socialismo (MAS). In the 1999 municipal elections, after the rift, ASP emerged with 28 municipal councillors and five mayors in Cochabamba. MAS won 79 council seats nationwide, of which 40 were in Cochabamba,[99] where it also won six mayorships. In a national perspective such outcomes correspond to about three per cent of the vote, far from the 20.9 per cent that brought Morales only one step from the presidency in 2002. Although Morales, who is of Aymara origin, during these last years symbolised the resistance against Banzer's policy to eradicate 'redundant' (cocaine-suspect) coca,[100] we shall show this was not exactly what propelled him and the MAS to second place among the political forces in the country.

One of the few 'achievements' claimed by the Banzer government was the substantial reduction of coca production in Bolivia — the other, unclaimed but perhaps more genuine, achievement being the appointment of an Ombudsman. Whereas in 1997 it was estimated that some 38,000 hectares were growing coca, by 2001 estimates ranged from 3,000 to 6,000. Over the past five years the 'war on coca' has claimed over 50 dead and 500 wounded, while about 400 people were detained under Law 1008 of 1988 on coca and controlled substances, a law that is absolutely at odds with the human rights regime.[101]

Initially, in October 1997, the Chapare coca-growers had decided to cooperate with voluntary eradication, but things changed when in January

95 Albó (2003).

96 Yaksic and Tapia (1997), pp. 166, 175.

97 Following the 1994 constitutional reform 68 uninominal districts had been introduced by 1996. The remaining 62 seats in the Chamber of Deputies are filled through nationwide proportional vote.

98 Yaksic and Tapia (1997), p. 211.

99 Van Cott (2003).

100 Albó (2003).

101 For a discussion of policy development see Laserna (1996; 1998).

1998 the government made public its Plan Dignidad. As usual under the *banzerato* the Plan had four 'pillars': alternative development, prevention and rehabilitation, eradication of illegal and redundant coca and interdiction. For the 1998–2002 period US$952 million was budgeted, of which US$700 million would be destined to alternative development. In early February, in the context of the new strategy and bilateral agreements with the USA Banzer tacitly authorised the 'amplified' involvement of the armed forces in the war against drugs. The Chapare prepared resistance to the Plan. Conditions for dialogue deteriorated when in March the government announced that the economic compensation for eradication of a hectare of coca would be reduced from US$2,500 to US$1,650. In April, repression of roadblocks in the Chapare claimed its first victims among the peasantry and the region was increasingly militarised under the pretext that armed groups were operating there. Militarisation went together with human rights abuse, unjustified detentions, torture, violation of women and theft by the military. Meanwhile, the alternative development policies produced more glossy folders and large newspaper ads than tangible benefits for the peasantry. By the year 2000 confrontations had claimed the lives of 11 peasants and six police.

When in September of that year the CSUTCB roadblocks started, the *cocaleros* seized the occasion to press their own demands and to protest at the government's intention to construct three new military barracks in the Chapare. Besides better conditions for the marketing of the alternative development products they also demanded to be allowed to cultivate a *cato* (1,600 square metres) of coca per family. While in the first weeks of October the other conflicts ended in negotiations, the conflict in the Chapare dragged on and escalated. Various police and eradicators were ambushed and killed and the government accused Evo Morales of being the intellectual author of the crimes and called for his parliamentary immunity to be lifted, although it never managed to provide substantial proof to sustain the accusation.[102] One of the *cocalero* leaders who was arrested on the charge had to be released again when it became absolutely clear that she could not have been at the place of the crime. Morales, for his part, suggested that the killings might well have been provocations to justify militarisation, a version that gained credibility when, in November, 2001 it became clear that a special irregular parallel force of between 1,000 and 2,000 'mercenaries' had been recruited to carry out a 'dirty war' on drugs. The Ombudsman had another case.

Meanwhile, in December 2000 the government had declared that it had achieved its aim of *coca cero* in the Chapare. That was immediately ques-

102 Nor has it ever been able to substantiate Morales's alleged links to the cocaine mafia (Albó, 2003).

tioned and gave rise to quite some haggling about how much was left. Thus 'Plan Dignity' ended in endless quarrels over how much was eradicated, how much was left and how well the programmes for alternative crops and compensation for the farmers were doing; the Plan claimed variable numbers of dead each year it was in existence and finally became 'enduring eradication', as 600 acres left at one time turned out to be 6,000 the next month. Violent confrontation again took place in the last months of 2001 and in November five peasants were killed in the suppression of roadblocks and 30 women allegedly were raped by members of the military. Information Minister Mauro Bertero commented that the rape was the 'product of the intolerance of the *cocaleros*'.

At that time, President Quiroga, under pressure from the US Embassy, sharpened the anti-coca policies and named an 'anti drugs Tsar'. The government stubbornly stuck to its fundamentalist obsession with '*coca cero*' in the Chapare and on the basis of two decrees of November 2001 decided to control all transport of coca leaf and to close the legal market for coca in Sacaba on 15 January 2002.[103] The provocation led to a violent confrontation over the next few days.[104] Twenty-five drugs control agency cars were set alight, three peasants and two soldiers were killed in the confrontations and a few days later two soldiers were brutally murdered.

It was another murky killing that provided President Quiroga with the opportunity to demand the lifting of Evo Morales's parliamentary immunity. After a summary trial by the 'ethical commission' 104 of the 130 members of the Chamber of Deputies voted for the 'definitive separation' of Morales, which meant his virtual 'eradication' from the political scene. He lost not only his immunity but also his popular mandate. ADN Lower House member and former minister Fernando Kieffer, himself immune from prosecution over various corruption cases, made quite clear that the objective was to eliminate the political and trade union mouthpiece of the *cocalero* movement.[105]

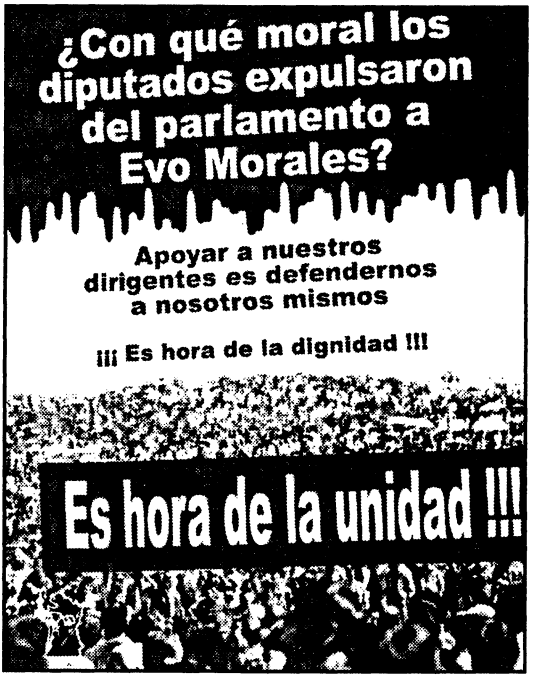
The majority that had voted against Morales did not expect there to be any significant consequences; 'nothing, absolutely nothing will happen,' stated Fernando Kieffer. He could not have been more mistaken. After four years of Banzerism the government and most of the political class were widely, and with very good reason, perceived as utterly corrupt and arrogantly contemptuous of most of the population. When Morales was expelled from Congress people felt deeply offended and humiliated by a

103 The Sacaba market is rather insignificant in comparison to the La Paz market, but it is an important outlet for the few tons of legal leaves produced by the Chapare peasantry. Due to eradication policies the quantity of leaves sold was reduced by 90 per cent and turnover dropped from around Bs 20,000,000 in 1997 to Bs 6,000,000 in 2001.

104 *Pulso*, 18–24 January 2002.

105 *Pulso*, 25–31 January 2002.

political class that staged a sham process against one of them and, moreover, it was felt that they had dared to do that because Morales was an Indian. The racist contempt of the governing class came back on them like a boomerang. The usually divided factions of the peasant movement closed ranks. The CSUTCB of Felipe Quispe, in Congress in Sucre, called for roadblocks, the *cocaleros* of the Yungas did the same, and those of the Chapare marched to Cochabamba where Morales was on a hunger strike in the offices of the Workers Union. They camped on the campus of the Cochabamba University from which they marched daily to the central square to salute Morales. Once again the city became the scene of violent confrontations between protesters and police forces. On 6 February Fernando Kieffer had to admit that 'The country is living a dramatic situation that gets more complicated by the minute'.[106]



Two days later the government and Evo Morales reached an agreement. Basic points were that the decrees on coca leaf drying and transportation would be suspended and that a new scheme for the commercialisation of legal coca was to be worked out between the parties. Evo Morales's polit-

106 *Pulso*, 8–14 February 2002.

ical and trade union rights would be respected and the Church and the APDHB would start a procedure with the Constitutional Tribunal to annul Morales's expulsion from the Chamber of Deputies. The government would also attend the claims of a variety of other movements and respect the agreements that had been reached with Felipe Quispe.[107]

One question Morales raised was how much the US Embassy had paid for all the 'ethical' votes against him. In fact, besides popular outrage against the government and the political class and the discontent with neoliberal policies, which Morales had always vehemently opposed, US Embassy meddling in Bolivian politics was extremely helpful in propelling him to his electoral victory. His rise in pre-election polls worried the US ambassador to such an extent that a few days before the elections he warned Bolivians — after affirming that it was a free and independent country — not to vote for Morales if they did not want to lose US support.[108] His statements only served to boost Morales from fourth to second place and, when election results began confirming the landslide, Morales jeered that he could not have wished himself a better campaign leader.

Other emergent actors

While we have hitherto focused on the highland region and the Cochabamba Department we here will briefly discuss the indigenous people's movement of the eastern lowlands and the movement of landless peasants that emerged in 2000, as well as a very different movement staking ethnic claims: the Nación Camba.

At the end of June 2000 indigenous people and peasants from the lowlands undertook their Third March,[109] under the banner of 'Land, Territories and Natural Resources'. The march was provoked by a Supreme Decree issued in October 1999 that allowed former rubber estates in the northern Bolivian Amazon region — now dedicated to the production of Brazil nuts and timber — to be converted into new concessions under the 1996 Forestry Law.[110] This decree was clearly a favour to the ADN-linked

107 *La Prensa*, 9 February 2002.

108 For a suggestive analysis on the increasing interlinking of geopolitical interests and the motives behind 'developmental assistence', see Duffield (2001).

109 Over 30 indigenous peoples have been identified in the Bolivian lowlands, totalling some 220,000 persons. The First March had taken place in 1990 under the banner 'Dignity and Territory' to protest the abuses of forestry companies in areas occupied by indigenous peoples. For the first time, this widely publicised march made the indigenous peoples of the lowlands 'visible' and then President Paz Zamora signed a series of decrees recognising indigenous territories. Bolivia also ratified ILO Convention 169. A Second March took place in 1996 to press indigenous demands to be incorporated in the new agrarian legislation, under the banner 'Land and Territory' (Albó, 1994; Assies, 2000; Van Cott, 2000).

110 For a detailed analysis see Assies (2002).

politicians of the region. After it was issued the Agrarian Superintendency calculated the claims staked by the estate owners, which are based on 'customary rights', or rather the law of the jungle. It concluded that if these claims were to be honoured there would be hardly any land left for peasant and indigenous communities. Given the potential for conflict, the superintendency suggested that the property rights of communities and others should be clarified before proceeding with any 'conversion', but its warning fell on deaf ears. In April 2000 an 18-point Peasant-Indigenous Manifesto was launched, which in June was followed by a 31-point platform of demands, to be pressed for with the Third March. A few days later the Ombudsman demanded that the decree be declared anti-constitutional. While the decree was the principal issue that triggered the march, conflicts over indigenous territories and peasant lands in the Santa Cruz region and the Gran Chaco of Tarija also figured on the list of demands.

The march started in the end of June with the aim of participating in the Great National Assembly of Indigenous Peoples (GANPI) that was to take place in Santa Cruz under the auspices of the lowland indigenous organisation CIDOB. The CIDOB leadership,[111] however, brokered a deal with a government delegation that caused dissident factions to continue their march, this time heading for La Paz by way of Cochabamba. Government panicked at the prospect of them being joined by *cocaleros* and other malcontents and sent a delegation of ministers that finally gave in to most of the demands and signed an agreement in the township of Montero on 16 July. The decree was repealed, clarification of property rights in the northern Amazon region and the Gran Chaco should be concluded within a year, the titling of indigenous territories (*tierras comunitarias de origen*, TCOs) in Santa Cruz and other areas would be speeded up and procedures of titling in favour of indigenous peoples, peasants and colonists would be simplified.[112]

Rather than complying with the agreement, however, the government sought new ways to allow for the conversion of the old rubber estates and dragged its feet where clarifying ownership rights in the Gran Chaco was concerned. What is more, in September 2001 the government signed an agreement with the Cámara Agropecuaria del Oriente (CAO) that was absolutely contrary to the agreement signed in Montero. One of its most scandalous clauses was that it promised a Supreme Decree on the 'animal charge' for land in the lowlands, the CAO pressuring to allow extensions between six and 47 hectares per animal.[113] It was commented bitterly that in Bolivia it would be better to be a cow than a human being.

111 Headed by the controversial Marcial Fabricano, who was to become a vice-minister in the new Sánchez de Lozada government.

112 Assies (2002), CEJIS (2000)

113 CEJIS (2001).

The lack of action in the Gran Chaco contributed to the eruption of violence in the region when, in November 2001, the Pantani settlement of landless peasants, near Yacuíba, was attacked by alleged paramilitary 'peasants with land'. Seven people died, among them one of the attackers. This is only one example of the increasingly violent response of landowners to the Movimiento Sin Tierra (MST) that had emerged in May 2000. Not only have settlements been attacked, but NGOs representing indigenous and peasant interests have also come under attack from landowners and cattle ranchers, as well as from the Banzer government, which dedicated much effort to 'regulating' NGO activity as regards the more critical NGOs.[114]

The climate for such attacks has been created by the lack of progress in implementing the 1996 agrarian legislation and by organisations such as the Comité Pro Santa Cruz, the CAO and the virulently right-wing Santa Cruz-based regionalist movement Nación Camba, which emerged in early 2001 and claims to represent not only Santa Cruz, but the whole eastern lowland region. This movement claims that the *cambas* (the mestizo lowland population) is an 'emerging nation' based on 'tradition, blood and ethnic-cultural unity'. It calls for the defence of eastern Bolivia against the highland *kollas* who invade their lands and speaks of an Aymara 'occupation police'. The movement claims self-determination as a nation-state.[115] However, it cannot be said to be sympathetic to the indigenous peoples of the lowlands. Nación Camba is thus a new manifestation of *cruceño* regionalism, which cannot be suspected of much sympathy for lowland indigenous groups or, for that matter, for *camba* landless peasant movements, which have encountered violent reactions on the part of large landowners in recent times. The movement essentially claims the lowlands for the dominant mestizo population or, more precisely, the mestizo dominant class.

The tensions described here are a further indication of the extent to which the 1996 agrarian and forestry legislation failed to resolve the problems in the lowland region.[116] At the same time this legislation did not address the problems in the highlands at all.[117] The agrarian question in both these regions has, as we have seen, prompted the emergence of new movements.[118] Together with the other movements described, and notwithstanding the tensions among them and their frequent failure to cooperate, these

114 *Ibid.*

115 Sandoval (2001).

116 Assies (2002).

117 Urioste and Pacheco (2000).

118 In October 2001 the Bolivian government convoked an 'Earth Summit', which later was renamed 'Encounter' as expectations were reduced because the conditions for resolving problems had worsened after the Pantani massacre. The principal peasant organisations did not participate in the encounter and announced that they would convoke a summit of their own.

movements stand for what some, perhaps somewhat exaltedly, have dubbed 'the return of plebeian Bolivia'.[119] Undeniably, however, a new political constellation has emerged. It is time to have a closer look at the Bolivian political system and how it fared during the last few years.

V

Systemics and anti-systemics: a party system in turmoil

The protests described above did not simply lead to political parties as a logical follow-up. They were, however, the decisive forces behind the obliteration of the established party spectrum and, as such, the new parties can be seen as rejections of the system as it used to operate and as representatives of voices that no longer accepted the deception of vote-issuing as they had known it. Which of course is still a long way from appropriating an acknowledged place in the party spectrum or having developed the force to substantially correct the deficits of the party system. Here we will briefly look at the evolution of the Bolivian party system and then focus on how it performed under the second *banzerato.*

Three parties, the MNR, ADN and MIR, have been at the core of the political party system that emerged in 1985, after the coalition government led by the left-wing Unión Democrática Popular under Siles Suazo. By the late 1980s, however, two new forces had emerged: CONDEPA and UCS.[120] These two parties, founded by the La Paz-based media figure Carlos Palenque and the Santa Cruz-based beer magnate Max Fernández, respectively, heralded a new form of populism. Their founders — both 'self-made' men — appealed to the urban *cholo* population, and Palenque was particularly popular among the *cholas.* Additionally, MBL — a centre-left breakaway from the MIR — emerged briefly in the 1993 elections. These elections resulted in a new constellation. Whereas until then the game of coalition making had been played among the three 'traditional' players in alternating partnerships, the ADN and MIR were both now relegated to the opposition. The new coalition revolved around the MNR, which had achieved an exceptionally strong vote, with the MBL, UCS and MRTK–L as minor coalition partners. Víctor Hugo Cárdenas, far exceeding the popularity of his party (MRTK–L), became vice-president.

By 1997 the founders of the new populist parties had both died — Max Fernández in a plain crash and Carlos Palenque from a heart attack. As noted, after the elections Hugo Banzer brokered the megacoalition that brought him to the presidency: the ADN, MIR, CONDEPA, UCS and the NFR of Cochabamba's Mayor Manfred Reyes Villa, who had started his

119 García et al. (2000); Spedding (2001).

120 For technical reasons the UCS did not participate in the 1989 elections. For a discussion of these neo-populist parties see Mayorga (2002).

career under Banzer's patronage,[121] jumped on the bandwagon. Haggling over power shares started immediately and president Banzer and his entourage repeatedly had to call on the partners to respect the president. CONDEPA, which after Palenque's death had begun to disintegrate, with various factions fighting over the remnants, was expelled from the coalition in August 1998. The next party to leave, or rather to be expelled, was the NFR. Although the party was fully responsible for the MISICUNI contract, including the price hike, in the midst of the Water War raging in its home base it chose to criticise the hike. In a flurry of mutual accusations the NFR left the 'mega' in February 2000.

What remained was not a particularly stable or coherent ensemble either. When celebrating his seventy-fourth birthday in May 2000 President Banzer turned to the ministers and officials that had gathered for the occasion and said that he 'preferred a grain of loyalty over a ton of intelligence'. That reflected quite well his governing mentality, which was rather detrimental to government itself. The MIR was a highly ambiguous coalition partner. In times of crisis Jaime Paz would dress up in an overall to push wheelbarrows to help out road construction in El Alto, telling anybody who would hear it that being in 'mega' did not imply sharing responsibility. For the UCS one good reason for staying in the coalition was that in that way the Fernández family would not have to pay an outstanding tax debt incurred by its breweries. The ADN was divided into *dinosaurios*, Banzer's old cronies from the 1971 coup and the like, and *pitufos* (chicks, career politicians) grouped around Jorge Quiroga. Quiroga was frequently accused of plotting against Banzer and by the time Banzer stepped down the two could barely shake hands. In between the two factions there was a group of *pitosaurios*, led by Fernando Kieffer.

One of the issues at stake between *dinosaurios* and *pitufos* is the future of the ADN, which had been founded in 1979 in the wake of the Banzer dictatorship (1971–78) to participate in the upcoming elections and to assure Banzer's future immunity from any trial of responsibility. After the 1997 elections Banzer became president, the only ex-dictator to achieve such a feat. For Banzer and his entourage this was the main objective of the party, a last chance to savour power and also be celebrated as democrats. The younger generation of the ADN is more concerned about the future and, in clear contrast to the conspiratorial old guard, is more technocratic in its outlook. Quiroga is a rather technocratic neoliberal hard-liner who does not hesitate to implement policies by force. Banzer, on the other hand, in his later years was somewhat more hesitant about the use of force since this would damage his credentials as a dictator turned democrat. After Quiroga took over government, in a few months the number of deaths due to repression soon

121 Mayorga (1997), pp. 129–224.

exceeded the, by no means negligible, total during the four years of Banzerism. Quiroga also was the first Bolivian president to install a computer in his office. The *vox populi* commented that he was the first Bolivian to govern by chip, allegedly implanted during a surgical operation in the USA.

While the *dinosaurios* were Banzer's 'inner circle', there furthermore was an inner 'inner circle', the Banzer–Prada axis. The Banzer–Prada families took charge of the customs service, and the diplomatic service was filled with nieces, nephews and other members of the clan. Another famous case is Luis 'Chito' Valle Ureña, married to Banzer's daughter and personal secretary Patricia. 'Chito' Valle, already with quite a trajectory of dubious deals, was appointed prefect of the La Paz Department, and during the two and a half years of his administration managed to accumulate a fair list of what have been baptised *chitocasos*: the *chitochatarra* involved the auctioning of cars of the Prefecture as if they were scrap iron, the *chitodepósito* the depositing of public funds in a private bank account, the *chitocarreteras* the overpricing of road-construction, etc. As an 'honourable deputy' Luis Valle benefits from parliamentary immunity. And he is not alone. In October 1998 Health Minister Tonchy Marinkovic (MIR) was hesitantly dismissed after the press had denounced the purchase of 'overpriced' vaccines. Though responsibilities were established no measures were taken. Industry and Commerce Minister Leopoldo López (MIR) was dismissed in April 1999 after irrefutable proof had been presented on his involvement with smuggling Argentine meat. His party 'licensed' him until the case could be cleared up but by January 2001 no advance could be reported. Defence Minister Kieffer is accused of embezzlement of funds destined to the victims of an earthquake in Cochabamba in 1998, which led to his dismissal in June 1999. He continued as a deputy and leader of the ADN-fraction. He is also involved in the purchase of the overpriced *Kiefferavión*, a Beachcraft that was supposed to be used to help victims of natural disasters but actually was used as the president's private plane and then as a sort of air-taxi at the disposal of ministers until it hit a wall at Potosí airport, where it remained awaiting eventual repair.

Justice Minister Carlos Subirana (UCS) and Information Minister Jorge Landívar (ADN) lost their posts in August 1999 and March 2000, respectively, for their alleged friendships with Marino Diodato. Diodato was born in Italy and had met Gina Banzer, daughter of Banzer's elder brother, in 1983. They married and established themselves in Bolivia where Diodato came to cooperate closely with General Luis Iriarte, ex-chief of Banzer's *Casa Militar* and married to a niece of Yolanda Prada de Banzer. They worked together in setting up a parallel intelligence service. Diodato was arrested in June 1999 in a DEA-directed operation on charges of drug trafficking, money laundering, cloning mobile phones, the installation of illegal casinos, arms trafficking and spying. Although he was first absolved from the drug-trade charge, which provoked an irate reaction from US

Ambassador Donna Hrinak, he was condemned to ten years in September 2000. Throughout the episode Banzer affirmed that he hardly knew Diodato; a typical case of Banzer's selective amnesia, which also made him forget everything about his involvement in the Operation Condor.[122] While Diodato was eventually jailed, under strong pressure from the US Embassy, impunity was the norm.

That seemed to change after Evo Morales had been expelled from the Chamber of Deputies. The outrage that followed made the deputies aware of their blunder and they started to seek 'ethical compensation' for the ousting of Morales. The first victim of this 'ethical revolution' was Luis Alberto 'Chito' Valle who was also 'definitely separated' through the same questionable summary procedure, and a list was drawn up of 15 other candidates for ethical cleansing. Not much came of that, and 'Chito' Valle also regained his immunity in 2002, after Evo Morales had successfully challenged the expulsion procedure.

Still another case was that of Wálter Guiteras, minister of the presidency. In the first week of January 2001, the tabloid *Extra* in extremely sensationalist style reported that Guiteras's wife, Lourdes Arias, had presented herself at the Brigade for Protection of Women and the Family in southern La Paz to denounce her husband for wife-beating. At first, Guiteras denied that anything had happened and claimed that it was all a plot concocted by media magnate, and former Banzer associate, Raúl Garáfulic. That started off a real time *telenovela*, with police accusing Guiteras of trying to bribe them, during which it became increasingly clear that something had happened and that Guiteras had only made things worse by lying about the case. That forced Guiteras to step down in mid January. People commented that, if there had been a plot, Guiteras himself must have been in it.

But so much for 'power, corruption and lies'. The list of cases is too long to reel off and it is time to pay brief attention to the issue of inner-party democracy. As Dunkerley has noted,[123] Mainwaring and Scully (1995) describe the Bolivian party system as 'inchoate', although the chapter in their book that deals with Bolivia[124] describes it as patrimonialist and, given our foregoing account, one might use the term prebendalist.[125] Perhaps the

122 Sivak (2001).

123 Dunkerley (2000) p. 50.

124 Gamarra and Malloy (1995).

125 Parties routinely deduct ten per cent of the wages of clients who have been given a place in the state bureaucracy (World Bank, 1999). How far nepotism goes in Bolivia can also be gathered from a declaration by Banzer's wife Yolanda Prada, who, answering criticisms on the number of her and her husband's relatives in government service, stated that there was nothing abnormal about it. She pointed out that everybody would always try to do their best for their family and help them as much as possible. 'Everybody in my position would do the same,' she argued. Although her remark met with much criticism, it cannot be denied that she was right about the 'normality' of the practice — only it had usually not been defended that shamelessly before.

notions are not mutually exclusive. As noted, Bolivian democratic institutionality has strongly relied on pacts among party leaderships.[126] Despite occasional rhetoric against the neoliberal model imposed in 1985 this did not materialise in the form of effective opposition. The rise of the neo-populist parties and the deficiencies of the electoral system that became rather manifest in the 1989 elections, however, prompted negotiations and agreements among the parties regarding institutional and electoral reforms and opened the way for the 1994 reform of the Constitution. The system of 'pacted democracy' combined continued implementation of an economic model, which generated exclusion, with a deficient and merely symbolic form of political inclusion. It basically operated by way of the division of spoils among coalition partners who would be allotted ministries and then could contract party militants in return for their loyalty. Programmatic issues or the representation of popular concerns were, at best, of secondary importance. In the wake of the 1994 constitutional reform some attempts have been made to do something about the 'representation deficit' that characterises the Bolivian party system,[127] though increasing abstensionism, the outcomes of the 2002 elections and the rise of the so-called anti-systemic forces suggest that the renovation has not been terribly successful. New legislation on political parties obliges them to democratise and hold internal elections. Although most parties formally complied with the rules, the UCS distributing bags of noodles to broaden its membership, the internal elections in ADN were particularly fraudulent. A final feature of the party system that needs attention is the rise of the 'anti-systemics'. We have already discussed Evo Morales and *El Mallku*. They converted their mobilisation capacity into parties: the MAS and the MIP. The two most remarkable elements of their electoral successes in June 2002 were that they did so well in spite of the fact that these parties were portrayed as extremist, subversive, un-democratic and 'irrational', and that they increasingly played the ethnic card, not hesitating to polarise between 'mighty *blanco-mestizos*' and 'subjected and exploited *indígenas*', something considered taboo in the increasingly politically correct context of Bolivian politics. Whereas these elements would have led most political observers in the country to the conclusion that they would seriously hinder these parties from obtaining any significant share of the vote, things turned out otherwise. The contradiction between the 'logical'

126 The Pacto por la Democracia of MNR and ADN (1985–89), the Acuerdo Patriótico, a gentleman's agreement between MIR and ADN (1989–93), the Pacto de Gobernabilidad between MNR/MRTK–L/MBL and the UCS (1993–97), the Compromiso por Bolivia which sustained Banzer's 'megacoalición' of ADN/NFR, MIR, UCS and CONDEPA (1997–2002). After the 2002 elections a pact was brokered between the MNR–MBL, MIR and UCS to sustain Sánchez de Lozada's Gobierno de Responsabilidad Nacional.

127 Tapia and Toranzo (2000).

implausibility of their success and the fact that they achieved it regardless, is suggestive of how much credibility the system had lost.

Before coalescing in support for the MAS and the MIP, this loss of credibility was reflected in the appearance of some 'anti-systemic' politicians. One of them was Alberto Costa Obregón, a maverick judge who had handled various famous cases,[128] until he was suspended for 'abuse of power'. That launched him into politics and after 'Black September' (the protest peak) he gained a substantial following that called for a Constituent Assembly and argued that to stop corruption the political parties should be dispensed with. At a certain point he scored some 15 per cent in electoral preference polls. Another 'anti-systemic' was ex-MBL Juan del Granado, the mayor of La Paz, nicknamed 'Juan Sin Miedo' for his, considering the time, bold stand as a lawyer moving heaven and earth to put former dictator García Meza, the cruellest of them all, behind bars in the early 1980s. After having been elected mayor of La Paz in 1999, however, his popularity dropped when a corruption scandal erupted over the leasing of the municipal urinals in that city. And then there is Manfred Reyes Villa with his NFR, who occasionally in a rather opportunistic ploy poses as an 'anti-systemic'. At some point in mid-2000 it was rumoured that an alliance was in the making between Manfred Reyes Villa, Johnny Fernández of the UCS and Evo Morales, but this never materialised and it would hardly have been a credible coalition.

VI

Democracy and elections: the story of their divergence

Bolivia's democratic institutionality has not recently been under threat. Banzer's desperate attempt to underscore his democratic vocation, having been elected president still tainted as 'the former dictator', kept him, in general, from manoeuvres like dissolving parliament or unconstitutional decrees. The state of siege he once decreed cost lives, but was short-lived; it rapidly became clear that no solution to the threat posed by the unrest was enhanced by suspending civil and political rights. Being confronted with the choice between full dictatorial repression and a return to the negotiating table, the authorities opted for the latter. On the whole, government in the end tended to negotiate with protesters — and subsequently failed to deliver.

However, Banzer's presidency was marred by various debatable decisions with regard to the upholding of democratic standards. More than

128 Among them the case of Dante Escobar, who managed the ADN campaign funds as well as the Complementary Fund for Public Administration, from which he channeled funds to ADN. He fled to Argentina in 1997 and was captured in 1998.

once the government recurred to the military to 'restore order' in the many cases of protest actions. And during his government dozens of people were killed in confrontations between police or military forces and protesters, most of them in the Chapare region. Last, but not least, ongoing and new mechanisms of financial corruption and political manipulation, along with the impunity of politicians who broke the law or dodged their tax obligations, also detracted from 'clean' democratic norms. To this ambiguous record of respect for democracy, the total failure to improve economic performance and social policies should be added. Taken together, these traits left unaltered, and probably even exacerbated, a legacy of deep distrust among a substantial majority of the population with regard to the political system. Many feel that there is a wide gap between their concerns and those of the politicians.

The gulf between the population's needs and expectations in Bolivia is long-standing. Additionally, the process of industrialisation and economic progress has been weak and ambiguous, as has modernisation in general, particularly in terms of democratic representation and institutionality. Thousands of Bolivians feel their interests, and the consequences of political measures on their livelihoods, are hardly ever reflected in political deliberations. They do not have, and have never had, the feeling that a political alternative is available in which solid trust to defend and express their problems can be deposited. Awkwardly, the discursive tropes on 'speaking the common people's language' and 'being a non-politician, but someone of the people' have marked recent electoral contests — but have never resulted in anything tangible. The party system as a mediation system between society and the state has, in recent years, only deteriorated further.[129] Such situations have made Ninou Guinot suggest that Latin America is characterised by strong parties but a weak party system.[130] Parties monopolise the field of representation and disqualify or co-opt alternative organisational forms, but at the same time, these features result in a malfunctioning mediating mechanism. The feeling of having no access through institutional and formal electoral mechanisms[131] has fostered a tradition of resolving political and social conflicts through extra-parliamentary means.

129 Gamboa (2001).

130 Ninou Guinot (2000), p. 146.

131 Trust in politicians and parties is traditionally low in Latin America, but reaches dramatic lows in Bolivia: according to a 1990 survey, 77 per cent of Bolivians expressed the conviction that parties did not work for the good of the country and merely defended group interests (Gamboa, 2001, p. 101; see also Berthin Siles and Yáñez 1999, pp. 37–44). According to *The Economist* (17 August 2002), most countries in the region saw support for how democracy worked in their countries increase between 1996 and 2002; but in Bolivia it did so only slightly. Even so, over 70 per cent of the respondents expressed partial or total dissatisfaction. Nevertheless, as the survey on which these conclusions are based reveals, support for democracy as such, as the

This tendency has been prolonged and even re-enforced in recent years. First of all, traditional lack of trust in politicians, parties and their slogans and promises has been cemented by recent policies through which the state withdrew from previously formal responsibilities and tasks. Parties and politicians are, today, viewed as bartering what, at least in principle, should be their *raison d'être*: to take on the task of developing the country and promote the well being of Bolivians as a whole. Whereas traditionally 'only' compliance with what was perceived as the state's tasks used to remain undelivered, today even the recognition of the state's role in caring for the nation's welfare through active intervention is denied by post-'national developmentist' politicians. This perception, added to well-founded suspicions regarding corruption and untrustworthiness, gives rise to the 'normalisation' of fierce, inconsiderate and radical protest, which in recent years has developed into a nursery for 'anti-systemic' politicians and political entities. However, people feel the consequences of policies of privatisation and deregulation, and the lack of access to politics, in their daily life in very different degrees and areas. This gives rise to protests that are, in general, defensive in character, diffuse in subject and incidental in scope, but that, even so, erupt with increasing frequency and desperate radicalism.

Such developments also indicate the relevance of questions regarding political culture.[132] If political culture is defined in a very general way as consisting of 'attitudes, values, beliefs and experiences that predominate in a given society ... translated into people's views on politics, their assessment of political systems and their own role in the polity',[133] it becomes clear that the attitudes and standpoints of political contestants are not defined by 'immediate causes'. Entrenched expectations, engrained images and historically forged feelings of individual and group identity, as well as imagery surrounding opponents, also inform these attitudes. In Bolivia, as in many other Latin American countries, such expectations, imageries and views have been nourished traditionally by a curious blend of liberal and rule-of-law discourses, distrust of an untrustworthy political class, clientelism, populism and elitism and feelings of exclusion, but also a certain degree of trust in and expectations about a developmentalist and protective or 'compassionate'[134] state; even if such protection and compassion

preferable political system increased, which makes *The Economist* talk about 'a ray of faint hope for democrats' (*ibid*, p. 41). It is worth mentioning that contempt for political parties in Bolivia increased (parties scoring only ten out of a 40 possible points), as did the rejection of the idea that privatisations have benefited the country. Hostility towards privatisation in Bolivia is now only behind that in Argentina, Paraguay and Uruguay.

132 Salman (2002).

133 Camp (2001), p. 7.

134 Falk (2000).

was scant and arbitrary. A state declaring itself unwilling and incapable of upholding the minimal welfare regulations it inherited from the past, and implementing measures that undo, for instance, subsidies targeted at the poor, therefore clashes with more than simple rejection of these measures; it faces a battle on the very significance of its prerogatives.[135]

Secondly, recent socioeconomic developments exacerbated traditional segregation and did not contribute to social and cultural integration. The long-established ruptures widened and mutual suspicion grew. Representation weakened and livelihoods deteriorated. As a result, underprivileged groups tended to greet, with increasing vehemence, any proposal or measure 'from above' with deep distrust. This led to demands and positions that displayed little empathy with opponents' points of view and interests. A sort of 'enclosure in the proper right' on both sides hindered dialogue and compromise.[136] At the same time there is a growing inability to identify companions in adversity and to articulate shared interests and possible alliances.[137]

Thirdly, the initiatives for decentralisation and the promotion of local participation that Banzer inherited from Goni, originally given the benefit of the doubt by large sectors of the population, got bogged down in bickering, sabotage and squabbling, thus contributing to the already strong feelings of being denied formal, institutionalised, effective channels of debate. In this sense, these developments reflected the persistence of 'limited democracy',[138] and possibly support the even more daunting assertion that 'limited democracy in Latin America is not necessarily a temporary or transitional stage, but could well be an enduring form of government that mixes a substantial degree of democracy with a substantial degree of authoritarianism'.[139] This dovetails quite neatly with O'Donnell's remarks about the difference between elected *governments* and democratic *regimes* and his suggestion that nothing guarantees that a 'second transition' to such democratic regimes will occur.[140] We also have pointed out how Habermas's notion of 'fictions of constitutional law' may apply to Bolivia, where protest movements were disqualified on the grounds that they lacked official credentials, despite their legitimacy among the population.[141] Consequently, a strong sense of 'they only listen to force' consolidated both among traditional contenders (labourers, miners, teachers) as well as among new constellations of protesters (water-consumers, coca farmers, pensioners, *transportistas* and others).

135 Salman (2000b).
136 Calderón and Szmukler (2000), p. 330.
137 Paris Pombo (1990), p. 65.
138 Haynes (2001), pp.14–15.
139 *Ibid.*, p. 79.
140 O'Donnell (1999a), p. 160.
141 Habermas (1992), p. 236.

On the whole, the process suggests that democratic consolidation failed to occur. Institutional credibility has receded in recent years instead of advancing. In turn, trust in public debate, in state responsiveness and in official channels and procedures for dialogue failed to materialise. The normality of democracy and democratic procedures did not deepen, because trust in its potential to take up the grievances and alternatives presented from within society was systematically undermined. The distrust not only refers to specific stances and the interests of specific sectors, but also includes the very efficiency and capacity of state institutions. As Diamond remarked, the confidence in the very ability of state institutions to design and implement political measures is at least as important as the trust in these institutions being able to pursue a specific action or arrangement.[142] The 'real' and relevant intervention-potential and disposition of the state is, as we noted at the outset, a necessary precondition, and its effectiveness a crucial component in the growth of societal trust in the system. On all these fronts Bolivian democracy has failed to deliver and has failed to nourish the basic popular reliance on which a consolidated democracy could rest.

The democratic deficit evolved into a structural mismatch between the perceptions, worries and interests of large sectors in society and the polity. Parties and authorities are unable to express society's reading of political measures and their social effects, and to channel uncertainties and demands towards authorities. State institutions have, in the eyes of the overwhelming majority, been unable and/or reluctant to intervene in a way that would 'make a difference'. Instead they tend to be absorbed in internal and mutual squaring of account, in persevering to recruit their cadres from unrepresentative population sectors, and at the same time have persisted in receiving new political contenders with bad faith through self-protective legislation relating to political parties and *ad hoc* measures if needed. The 'natural way' in which ballots are a meaningful exercise for winning constituents' votes through competing party programmes and convincing candidacy has become an empty ritual in Bolivia. Voting has become detached from party programmes, profiles or ideological tendencies, and programmes and representatives fail to inspire trust. This state of affairs is responsible for the fact that the large number of fragmented protests of recent years — to the surprise of many — coalesced into significant electoral success for 'anti-systemics', with candidates not only present representative bodies, but also fiercely rejecting the whole apparatus of representation and government as it functions at present. Affiliation with the traditional political contenders proved, among a large sector of the voters, very weak. However, it was not the individual parties, but the disfunctionality of current democracy that was the target, and in 2002 this became the message of the new voices, languages and attire in the legislative bodies.

142 Diamond (1996), p. 239.

This is a significant change, but still far from a decisive one. The protests, as stated above, remained fragmented and mostly reactive. Most actions and manifestations did not reveal a coordinated, or even cognate cluster of views and proposals on the part of the protesters. Many incidents were *ad hoc*, isolated and triggered by contingencies, often had an opportunistic countenance and were not geared to one another. In part this is explained by *exclusion*: where large sectors of the population, and their interests, are ignored or silenced in the realm of politics and institutions (and to a lesser degree: the media), their discontent assumes the form of disarticulated, fragmented eruptions. They do not find an established entity that represents, formulates and glues together their grievances and frustrations, and as a consequence, these criticisms operate on a mushroom basis. Additionally, the fragmentation is due to social, regional and even ethnic heterogeneity, to government's attempts to divide and rule and to the fact that measures tend to primarily affect specific sectors, who often are not in the — informational — position to connect their fate with overall political tendencies. It gives the rise of 'anti-systemics' its character of incapacity to fight traditional politics with the weapons the latter *should* be able to manage: political debate, cohesive views on various aspects of the country's state of affairs, alternative proposals and the ability to form alliances. No 'orderly' or 'argument-focused' debate on political directions or alternatives takes place in current Bolivia. The 'anti-systemics' are still a far cry from performing as 'alternative systemics', and do not yet perform as a coherent voice of those who, rejecting the traditional practices of exclusion, gave them their vote.

Nevertheless, leaders and spokespeople insist on the culpability of international capital, structural adjustment policies and privatisation — and of racially structured exploitation and discrimination, for that matter. And in spite of fragmentation, protest was not random. Reviewing motives, themes and occasions, it becomes clear that protest expressed anger and anxiety triggered by the consequences people suffered from a whole range of political measures inspired by restructuring and adjustment policies in a setting of institutional incapacity, ineffectiveness and political squabbling. These combined economic transformations that undermined the security of livelihoods and attempted political changes that failed to bring about real participation, in spite of talk about transparency, dialogue and participation, should be held responsible for the sustained wave of protest with which Banzer's administration saw itself confronted.

The 2002 elections, then, were about more than the 'punishment' of the incumbent parties, and about more than growing sympathy for radical protest voices. To be sure, the outcomes suggest that the government — and all 'established' parties for that matter — failed to disqualify the main protagonists of the protest cycles as extremist and unworthy-of-interlocu-

tion politicians, and at the same time failed to qualify themselves as the exclusively legitimate representational 'game in town'. Both Quispe and Morales obtained a vote that scoffs all attempts to simply dismiss them as irresponsible agitators and anti-democratic troublemakers. Precisely in that sense, their success points at more than just a shift in preference. Especially given that the US ambassador's warning not to vote for Morales underpinned his success, the suspicion arises that a questioning of the whole system of claimed democratic legitimacy is at stake.[143] A politico-cultural challenge surfaced, in which the present *de facto* legitimacy of the division between included and excluded citizens, and the status of the dominating group as 'rightful representatives', is called into question. Behind this is a radicalised, albeit not programmatically articulated, demand for democratic representation and civic participation,[144] and for a U-turn in political-economic direction. Not merely a demand for effective inclusion in currently ongoing economic transformations, but a demand for a voice in the formulation and conceptualisation of what development and democracy stand for, is at stake.[145]

That, however, is more of a subtext than an explicit message. The explicit statement risks remaining confined to ethnic polarisation. Morales' and Quispe's success is especially worrying for Bolivia's power-holders because it is associated with elements that make a simple reconciliation and integration in the existing party system unlikely. This comes to the fore primarily in the fact that their programmatic and political utterances evoke longstanding socioeconomic, regional and ethnic clefts, often in Manichean terms. Both Morales and Quispe, besides focusing on concrete issues and topical confrontations, recur to identity politics and suggested incompatibilities between western globalisation and the roots and values of their social bases.[146] With such discursive resources, uneasiness among political contenders easily turns into fear and mutual demonising — and represents a refusal to enter in a genuine debate on manifest and underlying grievances.

However, it should be noted that, although Morales' discourse includes motifs about the 'defence of the sacred leaf' it is essentially an anti-imperialist discourse that centres on a 'dignity' and 'sovereignty' opposed to the proposals of the Banzer government that equated dignity with eradication, and thus did not uphold sovereignty in the face of US impositions. MAS discourse thus couples anti-imperialism with a — perhaps not altogether up-to-date — socialist programme. On the other hand, Quispe's belligerent discourse is also shifting in a search for equitable dialogue and an adherence,

143 Gamboa (2001), p. 102.
144 Lievesley (1999), p. 126.
145 See Alvarez, Dagnino and Escobar (1998); Assies, van der Haar and Hoekema (2000).
146 Edelman (2002), pp. 419–20.

even if only provisional, to democracy, coupled with the threat of new roadblocks if agreements are not complied with. On occasion he stresses that his is not a discourse of *revanchisme* and that not taking into account the interests of the poor *k'aras* would be political suicide. He also rejects the accusation of 'reverse racism' and often stresses that he is not demanding 'tanks and guns but tractors and ploughs'. In September 2002, threatening roadblocks, he invited the incoming government to a dialogue in the isolated community of Amaguaya 'where there is no water or electricity' in order to make them 'descend from their palaces and know reality on the ground'. He invited the president and his ministers to share in a *fricasé de vicuña*, to which they eventually agreed. With his particular sense of humour, Quispe commented that the presidential delegation left the place with diarrhoea.[147]

Precisely because of these tensions around the entry of the Indian in parliament, it becomes clear that the message goes beyond a reallocation of power among diverse political fractions, or an electoral backlash against corruption. With the renewed ethnic polarisation, previously channelled through CONDEPA and UCS, Bolivia's democracy harvested its systemic deficiencies.

VII

Goni's return and fall

The second 'Goni' Sánchez de Lozada administration has been short-lived; some 13 months after taking office a wave of popular protest that coalesced around the issue of intended gas exports to the United States forced the president to flee the country and seek refuge in Miami in October 2003. In February the introduction of a new tax bill had already triggered a round of violent protest and riots. By October, clashes between protest movements and the forces of order had claimed a total of around 140 lives, which made the second Sánchez de Lozada government the bloodiest following Bolivia's return to democracy. Over the course of the years 'democratic institutionality' and the maintenance of the economic model increasingly had come to rely on repression of protest movements. As the system of elected governments failed to develop into a democratic regime able to respond to the concerns of the population, Bolivia slid toward a *democradura*. While the scenario that unfolded in Bolivia has its particularities the parallels to events in Ecuador and Argentina in recent years are notable.

The three cases mentioned are suggestive of the challenges facing democratic governance in Latin America, which recently have come under scrutiny in the UNDP-sponsored assessments of the 'quality of democracy' in Latin America. Such endeavours seek to reframe the debates on

147 Personal communication, 7 October 2002, Mexico.

democratic consolidation by taking into account aspects that go beyond the mere institutional features of the regime. Attention is refocused on the role of the state in providing an environment in which democracy can flourish — particularly where the rule of law is concerned — and by giving renewed attention to the societal context and issues such as income distribution that have tended to be marginalised in the exclusively institutionalist approach that has come to dominate much of the debate on democratic consolidations.[148] The 'quality of democracy' perspective also draws attention to the capability, and the willingness, of governments to 'make a difference'.[149] Given the US and multilateral system's attitudes the ability of Bolivian governments to make a difference until now has been severely circumscribed, while willingness has been low. Under these circumstances, the attempts at institutional engineering to gain a semblance of legitimacy — the Law of Popular Participation, the electoral reform and the law on party organisation — have backfired since the established party system was not able to reform itself, although it was able to co-opt the neo-populist parties into the system of 'pacted democracy' and the repartition of spoils. The combination of symbolic integration and actual exclusion, however, exposed what we have called the 'autism' of the party system to much of the population, leading to electoral abstensionism and sympathy for 'anti-systemic' forces on the one hand, and the shift towards a *democradura* on the other. The second Sánchez de Lozada government harvested these tensions and turned out to be unable and unwilling to manage them in any creative way. As a result, the tendency toward *democradura* was reinforced and resulted in a death toll that exceeded that of any previous institutionally democratic government.

To be sure, in economic terms the government faced adverse conditions beyond its control: the crisis in Argentina further affected trade, led to illegal imports at prices the national industry is unable to compete with and resulted in massive return-migration, exacerbating unemployment. Brazil's feeble economic and monetary performance will not rapidly improve and the global economic slowdown has further afflicted the countries' export prospects, while the difficult birth of the Andean Trade Preference Act (APTA)[150] does not bode well for export expansion either.

The things that were, in principle, within the government's reach also appear to be beset with problems. Economic reactivation will be hard to obtain. Almost cynically taking into account current poverty rates, The Economist Intelligence Unit, in its 'Bolivia Country Report' of August 2002 reports that inflation would probably remain below three per cent 'as

148 O'Donnell, Iazetta and Vargas Cullel (2003).

149 Ninou Guinot (2000).

150 See *The Economist Intelligence Unit* Country Report, August 2002.

domestic demand will only rise modestly'. With a bleak outlook for both export prospects and internal acquisition power, it is hard to see where substantial growth could come from. Moreover, the source just mentioned also predicted that the new administration would 'have to reconcile election pledges to increase public sector investment with pressures from the IMF and international lenders to consolidate public finances after fiscal slippage over the past 18 months'. Yet Goni stated in a press conference directly after his election that 'this will be a government of much intervention in the economy, to make it work...' That was quite an unconventional statement for a self-declared neoliberal and underscores the dilemmas the government faced. Though unwilling to steer another course, the government was well aware that in Bolivia distrust towards globalisation and the IMF is huge, and it was reticent to publicly applaud its role.

Thus, there seemed to be little room for manoeuvre and it was unlikely that the salaries in most state sectors, such as education, the civil service, the army and the police, would rise (although the higher ranks received increases before, despite the adverse economic circumstances). It also was unlikely that employment opportunities would grow significantly, particularly since the IMF would be reluctant to approve new government expenditure on major infrastructural projects, which Goni had announced. In that context the project to export gas to the USA emerged as a 'window of opportunity', at least from the government's point of view.

Immediately after his inauguration Goni presented his 'Plan Bolivia', to state his government's key intentions. It was a rather meagre list of 12 points, most of them rather tattered and, in their verbal form, uncontroversial. The plan revealed no details and gave rise to the suspicion that it was first and foremost meant to dampen traditional MIR-MNR animosity. More concrete measures and propositions already suggested that the MIR's anti-neoliberal and anti-privatisation rhetoric might be a little more than sheer rhetoric.

Additionally, the usual dance around the golden calf of power, influence and budget control did not stay away — and since besides the MIR, other government supporters such as the UCS and ADN demanded their share, it was foreseeable that tensions and disputes over appointments would mark the new administration. While the power to distribute lower level positions and jobs would be at stake, the renewal of positions in the Supreme Court of Justice, the Judiciary Council, the National Electoral Council and the Ombudsman were bound to become particularly difficult issues, not only because they would be subject to infighting within the coalition but also because the coalition did not have the two-thirds majority required to make these appointments and therefore would have to find ways to strike deals with some of the opposition parties, the always ambiguous NFR being the most likely candidate. The same went for a

reform of the Constitution, which had been prepared during the previous government as prescribed by the Bolivian Constitution.

Opposition from the MAS and the MIP could be expected to be unrelenting. Resistance to coca eradication now would not only come from the peasantry in the Chapare and Yunga regions but would also strongly reverberate within Parliament.[151] An end has come to the almost complete parliamentary consensus on the 'righteousness' of the attempt to terminate coca cultivation. The arguments of 'Bolivia's sovereignty' and its cultural legacy are nowadays more strongly stressed and meet with support among large sectors of the electorate.

As such, the new parliamentary make-up demonstrates that the penetration and co-optation of social movements by political parties has, to a certain degree, been reversed; now the movements have in an unprecedented way made themselves present in the political parties' bulwark. Moreover, these 'political instruments' of the coca-growers and radical Katarists show an unprecedented ideological firmness — though combined with programmatic weakness. They will not easily compromise and have obtained a relatively large share in parliament. This is a rupture with a tradition in which the establishment of unlikely and *ad hoc* alliances was a daily occurrence and a concomitant lack of trust in politicians' campaign platforms ran through the entire political spectrum. Anti-neoliberalism is now commonplace in Parliament, not only opportunistically for purposes of political gain, but by those who, in very fundamental terms, question the model's necessity and its alleged beneficial long-term effects.

Parliamentary clashes are heightened by accusations about the existence of 'two Bolivias', and concrete issues are played out in terms of an overall opposition between traditional haves and have-nots. Rhetoric is uncompromising. From the MAS and MIP benches, fierce criticism of the *mank'a gastos* (those who eat without working; for example, all who belong to traditional parties and having been and still are thieves and loafers) was voiced from the start, as were grand words like 'etnocidio' and 'economicidio'. 'We are the ones that used to work for you,' said Felipe Quispe in his provocative speech in the parliamentary session in which Goni was elected president (3 August 2002). 'Here we are, the Indians — we have become more now and we'll be more still,' was another remark. Forms of ethnic polarisation have become prominent in Bolivian politics. The other side of the coin is, of course, that the patrimonial political culture of Bolivia is being disputed in a new way. New mechanisms to defy the de facto sharing out of power and

151 Initially the new government sought to negotiate with the coca farmers, but their room for manoeuvre was severely limited as a result of US pressures. By January 2003 the situation had deteriorated to the extent that new confrontations took place, claiming several lives.

the ineffective instances of control have become available to those who declare themselves the debarred peoples of Bolivia.

Preparing the main part of this text, which focused on the outcomes of the 2002 elections, we could not have guessed the events that were to follow, nor their pace. The events that marked 2003, however, suggest that our assessment of the 'Bolivian condition' was fairly adequate: when the authorities demonstrated that they still had not understood the message of the 2002 elections and were unwilling to change the 'set of rules and procedures established in accord with the prevailing relations of (political, military and economic power)',[152] and thus persisted in obstructing a democracy that the Bolivians would recognize themselves , a new confrontation was unavoidable. A first round of protests erupted in February 2003, when the government introduced a new tax bill leading to an outburst of violent protest that cost over 30, and perhaps as many as 50, lives. At the end of September another round of protests started, culminating in 'Black October', which claimed some 70 lives and the resignation of President Sánchez de Lozada.

The impuestazo *revolt of February 2003*

The February protests broke out when, forced by a large fiscal deficit and the need to obtain a new IMF loan which would only arrive if the deficit was reduced, Goni's government designed an *impuestazo* — a tax bill — which amounted to a 12.5 per cent increase in income tax for every salary above 880 Bolivianos (approximately US$115). From the outset, the proposal produced broad protest, for its failure to contemplate progressive taxation and for ('once again') making poor Bolivians pay the bill for defective governing. The sectors that would be hurt by the measure were the government and employees of large enterprises; the many people working in the informal sector would only be affected indirectly.

Among the most prominent protesters were the police. They took to the street on 12 February to reject the proposal and to insist on a pay rise for which they had been asking for a long time. As usual in situations of street protest, the presidential palace on the Plaza Murillo was guarded by a small military detachment. On the Plaza the police were joined by a group of secondary school pupils. They were there to demand the dismissal of their school principal and also to express their rejection of government policy in general and the tax bill more particularly. The military opened fire when the pupils threw stones at the presidential palace, smashing most of the windows. As the pupils immediately ran, the first victims were the police demonstrators. They, in turn, opened fire on the palace. In the chaos, the president was evacuated and rapidly negotiated the withdrawal of the police

152 Vilas (1999), p. 9.

from the streets of La Paz. Subsequently, the crowd that had meanwhile gathered on and around the Plaza attacked the vice-president's offices and the ministries of Sustainable Development and Labour, proceeded to the offices of ElectroPaz and the customs, and ended up looting various shops in the city centre. This pillaging ended the next day.

Remarkably, in these events the two most powerful and consistent protest groups were not the protagonists. The MAS, headed by Evo Morales, however, did not hesitate in demanding the president's resignation and threatening new protest activities. Felipe Quispe joined them in this demand and threat, although his relationship with Morales remained tense. Both, however, reacted to events rather than initiating them.

Their reaction added to other challenges faced by the government: pensioners were protesting against the pittance they received, consumers against price increases and privatisations, schoolteachers at their wages, entrepreneurs against the failure to reactivate the economy, the coca farmers had just negotiated a temporary hold in eradication and the highland farmers were still awaiting the delivery of a series of tractors, as a token concession by the government before proceeding with a more systematic handling of the whole package of peasant grievances. Within all these groups, and among these groups, affinities remained fragile — cooperation is weak or non-existent and allegiances shift from ethnic through socioeconomic and sectoral to regional and national, in shifting configurations and relative primacy.

The government withdrew the tax bill, and in the days that followed the whole cabinet was reshuffled. This measure was accompanied by a presidential address to the nation asking for calm and for comprehension regarding the need for austerity policies. In his address, he emphasised that the government was setting an example by reducing the number of ministries and by the president forsaking his salary. The protest threats continued, however, and in the course of the cabinet reshuffle the coalition parties began a struggle for influence as if nothing had occurred.

The shock in the country was enormous. The press unanimously mourned the unprecedented number of dead — since democracy was restored — and diagnosed the government's incapacity to maintain order and its monopoly on violence because of the mutiny within the institutions that are supposed to impose order. Press comments urgently suggested innovative measures to prevent the country from disintegrating. The government received a devastating blow and, according to observers' reports, insecurity was rife at all levels.

The protests could not be dismissed as an 'eruption' and as mere looting, although elements of opportunistic raiding were doubtless present. Despite the character of uncoordinated and clashing pressure groups,

there was a clear signal that the Sánchez de Lozada — and previous — government's handling of the socioeconomic crisis was rejected by large sections of the population, and that this rejection reached heights that discredited the government's legitimacy. As far as the government was concerned, however, that message did not get through, as is clear from the attitude it adopted when a new wave of protest began to gather pace.

Black October and the fall of Sánchez de Lozada

The issue that became the common denominator of the conflicts that brought down Sánchez de Lozada was the intended sale of liquid natural gas (LNG) to the United States and Mexico, by way of Chile. Much more was at stake, however, as became clear from Sánchez de Lozada's last bid to resolve the conflict episode and from the inaugural address of Carlos D. Mesa Gisbert upon assuming the presidency, and in these speeches they only addressed a few of the issues. We shall first look briefly at the gas question and then discuss Goni's fall.

The polemic over gas exports has its roots in the hydrocarbon legislation and the controversial 'capitalisation' process of the first Sánchez de Lozada administration. In the context of the capitalisation policy state enterprise Yacimientos Petrolíferos Fiscales Bolivianos (YPFB) operations were split up into three enterprises: the Empresa Petrolera Andina was to be capitalised by the Argentine YPF–Pérez Compano–Pluspetrol consortium, US based AMOCO was to capitalise the Empresa Petrolera Chaco and the network of pipelines was turned into Transredes, to be capitalised by ENRON-SHELL. The complementary legislation on hydrocarbons introduced a system of shared risk contracts with a residual YPFB, and of concessions to be regulated by a newly created Superintendency for Hydrocarbons. In order to promote private investment in exploration, exploitation and commercialisation, the Hydrocarbons Law distinguishes between 'existing' and 'new' hydrocarbons. While existing and already exploited fields would continue to pay a 50 per cent fee (*regalia*) — the 'fifty-fifty' system of the previous legislation — newly discovered reserves would only pay 18 per cent.[153] Apart from the fee, operators pay some 12 per cent in taxes on the value of oil or gas 'at the pit' (*boca de pozo*). Beyond the *boca de pozo* the product is the full property of the operator. Compared with other countries, the Bolivian system introduced in 1996 is extremely generous with the private operators. The capitalisation policy, which was plagued with irregularities, has prompted an important increase of direct foreign investment in some sectors, particularly the hydrocarbons

153 It is suspected that reserves already identified by YPFB have been classified as 'new' to the benefit of private operators. The 18% fee consists of 11% of the value 'at the pit', which goes to the department where the operation takes place, 1% goes into a special fund for development of the Beni and Pando departments and 6% goes to YPFB, which transfers this revenue to the National Treasury after deduction of operating costs.

sector, which received some 44 per cent of foreign investment in the privatised sectors. While YPBF was being privatised Bolivia's proven gas reserves increased miraculously. If in 1996 they had been estimated at 6.6 trillion cubic feet, by 2002 the estimate stood at 52.3 trillion cubic feet, which made Bolivia the owner of the largest reserve in the Southern Cone and therefore the 'gas hub' for the region.[154] Gas would become the business of the future that would save the country, providing it with a 'window of opportunity' in the terminology of the multilateral agencies, which were quick to condition further loans on the 'monetarisation' of these new riches. In 1999 the country started to export gas to Brazil and since then Brazilian demand has rapidly increased. With an average annual growth rate of 7.5 per cent during the 1990s, the hydrocarbon sector became the most dynamic one, and by 2003 gas had become Bolivia's main export product, accounting for 21.6 per cent of its exports and with a value of US$ 99.7 million.[155]

In recent years the US West Coast and northern Mexico have become energy craving regions and Bolivia prepared to join the race to supply them with Liquefied Natural Gas to generate energy — mainly electricity. The owners of the Margarita gas field in the Department of Tarija, British Petrol, British Gas and the Spanish enterprise REPSOL, formed a consortium with Sempra Energy, which would take charge of distribution. Gas would be liquefied and then shipped, either from a Chilean or Peruvian port. The total investment at that time was calculated at some US$5,000 million, of which US$1,800 million would be invested in Bolivia to develop the gas field and to construct a pipeline. The Bolivian government calculated that the project would yield a revenue of some US$310 million per year. The plan immediately generated controversy. Both Peru and Chile offered harbour facilities, the port of Ilo and the port of Mejillones, respectively. This introduced the issue of Bolivia's access to the Pacific, which it had lost in the 1879 war with Chile. The gas project should be used as leverage to regain sovereign access to the ocean, it was argued. Chile's interest in facilitating Bolivian gas exports, it was also suspected, derived from the fact that Chile itself is in desperate need of gas and thus would eventually buy an important share of the gas exported to cater for its domestic market and to build a petrochemical industry. Another issue was that the project relied on a price 'at the pit' of US$0.70 per thousand BTU (British Thermic Units), whereas the gas exported to Brazil is paid US$1.30 per thousand BTU.[156] Finally, it was argued that pro-

154 It should be noted that 85% of the Bolivian reserves are located in the Tarija Department, a fact that fuels regionalism.

155 INE, *Nota de Prensa No. 76*, 17 June 2003.

156 The 'price at the pit' is the basis for the calculation of fees and taxes. This price is arrived at by deducting transportation and distribution costs from the final sales price. The difference between the price paid by Brazil and the price calculated for exports to the USA and Mexico derives from the higher transportation costs.

cessing facilities should be located in Bolivia to generate employment, giving priority to the Bolivian population and industry. Gas derivatives should be produced in thecountry instead of exporting natural gas.

Bolivian President Jorge Quiroga had tried to strike a deal before the end of his term but did not succeed and negotiations continued under the Sánchez de Lozada government. Meanwhile, a Coordinadora for the Defence of Gas had emerged, linked to Evo Morales' MAS and adamantly opposed any export of gas through Chile where, the argument went, it would be used to develop a petrochemical industry, which should be developed in Bolivia. While opposition gathered pace, negotiations over the realisation of the project stalled, particularly after the February 2003 revolt. It was increasingly, and probably rightly, suspected that the government actually had already decided to export gas through a Chilean port.

The gas issue became increasingly polarised. The government talked of a consultation and prepared a World Bank funded campaign to convince the population of the project. On the other hand, an Estado Mayor del Pueblo was formed in June 2003 to oppose government plans. Evo Morales and Oscar Olivera, who had been a key figure in the Water War, were prominent as was retired General Vito Ramírez López, who stated that preparations were under way to construct the pipeline to Chile. Opposition parties MAS and NFR proposed a referendum on the gas issue, while in the Department of Tarija a regional movement arose to defend gas exports. By August the popularity of President Sánchez de Lozada had dropped to nine per cent and most of the population mistrusted him and his government coalition, which was continually engaged in shady deals and bickering over power shares. In a context of crisis and political paralysis the NFR entered the coalition in early August and negotiated its share of ministries. That same month the election of Jaime Solares as the new executive secretary of the Central Obrera Boliviana (COB) meant that the government coalition lost control over the organisation, which until then had been dominated by the MIR. The COB now allied itself with the opposition. And in mid August the MAS declared the 'Gas War', stating that its strategy of going from 'protests to proposals' had fallen on deaf ears and that from now on it would adopt a strategy of 'protests with proposals'.[157] Widespread discontent began to coalesce around the gas issue. The pace of events quickened when some Aymara community leaders were arrested in the La Paz Department, accused of hav-

157 Although the MAS, which after the June 2002 elections had become a major opposition party, had difficulties in articulating a coherent programme, it also was given very little opportunity to negotiate issues by the governing coalition. In December 2002 Evo Morales presented a list of 14 issues he wanted to discuss. The government replied that it would only discuss the coca issue with Morales and that he should not attempt to assume the representation of other sectors.

ing been involved in the killing of two cattle rustlers. Aymara leader Felipe Quispe and nearly a thousand followers started a hunger strike in the premises of Radio San Gabriel in the city of El Alto, from where other protests were directed. Freeing the two community leaders was only one of the demands and was merely added to the list that on various previous occasions had been negotiated with ministerial delegations. The gas issue was also added to the list, although Quispe did not enter the alliance formed by Morales. Roads were blocked in the region between La Paz and Lake Titicaca, trapping some 70 tourists. By 19 September, the government had decided on an operation to rescue the tourists, which was carried out the next day in Rambo style under the direct supervision of Defence Minister Carlos Sánchez Berzaín. Six people were killed, five of them civilians and among them an eight year-old girl. That fuelled an escalation of Aymara peasant protests, while the city of El Alto was brewing up with protests for a host of other reasons such as the introduction of new tax forms, a new Law on Citizen Security which favours repression of protest movements, the issue of autonomy for the newly created university in El Alto, and so on.

Around the same time Congress was busy bickering over the nomination of new ministers to the Supreme Court, the Constitutional Court, the Judiciary Council and of a new Ombudsman. The office of Ombudsman had been created in 1997 and the first to hold the post was Ana María Romero de Campero, who gained enormous prestige among the population for her courageous defence of human rights and her denunciations of abuse in the repression of protests. She was now one of the candidates but withdrew her candidacy when it became clear that the governing coalition wanted to get her out of the way at any price and concocted the election of a candidate of its own through the usual means of power brokering among coalition partners. MNR candidate Iván Zegada was manoeuvred into the post, to the outrage of much of the population. One more reason for mistrust of the government and protest had been created.

Protests, roadblocks and demonstrations gradually escalated in El Alto and the northern La Paz region and started to spread to other parts of the country such as Cochabamba, Oruro, Sucre and Potosí. The government sought to minimise the issue and argued that only a small minority was creating disturbances. Protests became massive, however, with the gas issue serving as the symbol for generalised discontent. In this context the government resorted to tactics reminscent of the authoritarian regimes[158] and relied on repressive measures, culminating in the killing of 26 persons on 12 October. That day an army operation was carried out to bring tank trucks down from El Alto to fuel-starved La Paz. The trucks were escort-

158 Some newspapers, which suggested that Sánchez de Lozada should resign, were confiscated at newspaper stands and opposition radio stations were attacked.

ed by tanks and moved down to La Paz under heavy machine gun fire and in a cloud of teargas. The next day another 20 people were killed and Vice President Carlos Mesa withdrew his support for the president, stating that he could not support such disproportionate repression.

Two days later, on 15 October, Goni appeared on television to address the nation. He was seconded by coalition partners Jaime Paz Zamora of the MIR and Manfred Reyes Villa of the NFR and had a statement read by his spokesman Mauricio Antezana. Sánchez de Lozada offered to hold a consultative referendum by department to establish a policy on gas exports, to revise the hydrocarbons legislation through a consensual process with the oil companies, to incorporate the figure of a Constituent Assembly into the Constitution, according to constitutional procedure and, finally, reaffirmed his decision to uphold democracy and the constitutional order. In a short comment the president stated that he was the victim of a seditious conspiracy of *narcos*, *terroristas* and *sindicatos*. Upholding democracy and the institutional order was equated with his remaining in power.

Goni offered far too little, far too late. A referendum by department meant that he was betting on the support of the eastern lowland departments to carry through his gas export project. Moreover, the referendum would only be consultative. Revising the hydrocarbons legislation with the help of the oil companies could not be expected to yield palpable advances and introducing the figure of a Constituent Assembly through constitutional procedure meant that such an assembly would not take place before 2012. The opposition immediately turned down the offer. With the moral support of ex-ombudsman Ana María Romero de Campero intellectuals, NGO personnel and human rights advocates began a hunger strike, recalling the movement that had helped to bring down the Banzer dictatorship in 1978. It meant that the middle classes now clearly joined the opposition to the Goni government. Under pressure from their rank and file. Manfred Reyes Villa and Jaime Paz Zamora finally withdrew their support for Goni on 17 October, leaving him no other option than to resign. Goni fled the country to Miami, leaving behind a resignation letter that was accepted in Congress by 97 to 30 votes and Carlos Mesa assumed the presidency.

Mesa's inaugural speech struck a very different tone than Goni's wild accusations about narco-terrorism and conspiracy, instead drawing attention to longstanding forms of ethnic exclusion and inequality and to the challenge posed by regional differences. Furthermore, he stressed that the defence of the constitutional institutional order cannot come at the price of disrespect for life and human rights. Among other things, he offered a binding referendum on gas exports, a modification of the hydrocarbons legislation and a review of the capitalisation process, to convoke a Constituent Assembly, to form a government without the direct participation of the political parties, and to struggle against corruption and to

strengthen the rule of law. The review of the capitalisation process is in response to the widespread suspicions of irregularities and manifest failures in cases such as the capitalisation of the airlines, while the idea of convoking a Constituent Assembly should, among other things, address the issue of increasing regional and ethnic polarisation. Creating a government without direct party involvement is not meant to imply that parties are dispensable, but rather to give it the time to recuperate the credibility of the Executive, the Parliament and the parties.

For reasons of space it is impossible to offer a full analysis of the change in Bolivian government and the prospects for the future. We should, however, note that in his inaugural speech Carlos Mesa also offered to hold elections before the official end of his term in August 2007. A few weeks later he withdrew this offer in the face of the threats by the most radical opposition groups to topple him if he would not meet their demands. Remarkably, the MAS was not among these groups and it should be noted that throughout the events that led to Goni's fall Evo Morales fully supported the process of constitutional succession and made no attempt to 'seize power' as television commentators predicted. After Carlos Mesa assumed the presidency MAS senator Filemón Escobar also picked out his adversaries when he stated 'We will impede any attempt of the MIR, MNR and NFR to use their parliamentary majority to screw Carlos Mesa'. He clearly referred to the UDP episode, when President Siles Suazo found himself between the rock and the hard place of MNR and ADN orchestrated opposition in parliament and the maximalist demands of the COB and other organisations, which led to his resignation and the calling of elections before they were due. The MAS thus shows itself to be a fierce defender of democratic institutionality and a supporter of the new government without imposing conditions, although the party does not fail to point out that there are huge problems to be resolved in order to avoid future disturbances. It thus seeks to position itself as a strong contender in the 2004 municipal elections and the 2007 presidential elections. On the other hand, the US government seems to allow little room for manoeuvre, insisting on the 'war on coca' as it has been carried out thusfar and on preservation of the economic model.

The Carlos Mesa government has manifestly stated its intention to reverse the shift towards a *democradura* and it is well aware of the deficiencies of the party system as it has operated until now. One of its stated objectives is to generate a new relationship between the polity and civil society, based on trust. It has also shown its sensitivity to the sufferings of large sectors of the population under the current economic model, but the short-term economic prospects are rather gloomy. One question that remains to be resolved is 'what is to be done with the gas?' Nobody has suggested that it stay in the ground, as Sánchez de Lozada and Jorge

Quiroga have asserted to discredit opposition to their project to export gas to the USA. What will eventually happen will depend on thorough negotiations among a range of actors, both at the national and the international level. In the end, the regional market (Argentina, Brazil, Chile) might be a viable option. though it is fraught with complexities and diplomatic sensibilities. For the moment the new government enjoys immense approval rates and the very solid support of the major 'anti-systemic' party, possibly the only party that genuinely seeks to reform itself. Those are assets that might enable the government to make the difference the Bolivian population has merited for such a long time. But the task is huge, the room for manoeuvre is small and the shadow of history looms large.

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