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Bolivia's "ethno-socialism" and the coming civil conflict^(*)

Antefact: the Diablada incident

Devils and She-devils dance in formation to the crackles and booms of drums of all sizes and shapes, chased by giant angels brandishing metal swords, surrounded by fat white bears that run and jump: such hellish drama is a Bolivian tradition called "Diablada", the main attraction of the Oruro city Carnival.

Yet, tourists might have been surprised to find themselves in the middle of the battle-dance on 20th August, 2009, months before the Carnival; and in La Paz, miles and miles away from Oruro. It was actually a "special edition" set up by a group of Bolivian organizations to assert a deeply felt message: the "Diablada is Bolivian", as declared by dozens of led displays worn by the dancers. During the last Miss Universe edition the Peruvian candidate had walked on stage wearing a Diablada costume, with red horns and flashing colors, attracting the resentment of Bolivians. From La Paz, President Evo Morales protested officially, and announced the intention to raise the problem to the La Hague international court on the ground of "appropriation of cultural heritage". The beauty contestant timidly responded that the Diablada was actually a

Peruvian tradition, born on a side of the Titicaca Lake that never belonged to Bolivia. Unsurprisingly, the assertion did all but calming sentiments.

The issue has no solution, since both sides are right: the Diablada is a shared tradition. By the way, it is also present in the traditions of Chile, and the dance is strictly related to some rituals practiced in Panama, Venezuela and Ecuador. It was born on the Andean Altipiano, centuries ago. The fact that a (rather entertaining) popular dance sparked up such a heated confrontation must be the sign of some deeper, hidden feeling. The reason for so much sensation may find its roots on the political message stressed by Bolivia's president Evo Morales in his first mandate: nationalism and cultural identity were at its core.

Apparently, the strategy is a winning one: Morales is forecasted to win a second mandate by a landslide, at the next general elections on 6th December, 2009. But for the country as a whole, cultural nationalism is creating a new equilibrium of uncertain sustainability. The Election Day will be a day of deep social confrontation, implying ethnicities, social classes, and conflicting political models.

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Abstract

Bolivia's general elections are planned for 6th December, 2009, and the incumbent President Evo Morales and his "Movimiento al Socialismo" are likely to triumph. Despite such certain outcome, the country is showing signs of a deeper and deeper fragmentation.

A perfect split is growing between the "native" altipiano (supporting Morales) and the "criollo" lowlands, gas rich and prone to a more liberal development approach. In 2009 Morales introduced a new "National Constitution" that the lowlands do not approve.

There is a high probability that tensions will explode around the Election Day, as Morales' victory will give him a strong mandate to carry on his agenda.

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Morales' first mandate: in search of a national identity

The strong-willed and skilled politician Evo Morales is a former coca grower of very humble origins. As a teenager he could not afford buying cigarettes and smoked half-finished ones thrown by running buses. Along the years he developed far-reaching contacts within farmers unions, eventually leading the coca growers one; he also leveraged his talents as a soccer player to extend his network to different parts of the country. His party is the leftist "Movimiento al Socialismo" ("Movement to Socialism", or MAS), and "indigenous" people constitute his major supporting group. Morales himself is an "Aymara", belonging to the second largest Bolivian ethnicity after the "Quechuas". He represents a genuinely new subject in the country's political history, being the first indigenous person ever elected at the highest post in Bolivia since the Spanish Conquest. It is a first in almost five centuries.

After having been elected, Evo – as most Bolivians call him – was officially crowned in a complex sun ritual at Tiwanaku, the most important Aymara archeological site. Tiwanaku itself is undergoing a much needed and remarkable renovation effort, and a new complex has been built to host artifacts. The desire to re-evaluate the past is represented by a large stone statue recently brought back to the site, after having cruised many spots in La Paz. It ended up once at the stadium entrance, where disappointed football fans threw glass bottles at it.

Morales' victory is the fulfilment of an Andean ancestral dream:

«In the indigenous original perspective, colonialism, the universalization of Christian religion, Western civilization and the imposition of Spanish language meant a forced return to *Tutay Pacha*, or the Time of Obscurity. [...] With this invasion of "borrowed knowledge", what could be left of the collective indigenous memory?»¹. The MAS's underlying message implies that Bolivia is reaching history's "ultimate aim". In the words of his critics, MAS believes that all the country's life between 1496 and Morales' election has been just a distraction from the real tendency of events, and Morales promises the return to a five centuries old ancestral society.

Morales has a candid way of delivering his message to the citizens. His rhetoric is simple in structure, metaphors and words, expressed with large smiles and condescending expression. He can use the native Aymara idiom to address people in the language of their fathers. Evo is a man of the people, a friend and a brother. He reduced his wage and that of his colleagues. Also the details of his physical appearance are not left to chance: Morales is the initiator of a new fashion, where jackets, jerseys and shirts with traditional knitted patches are worn in governmental and parliamentary houses.

This newfound Bolivian native identity had to be asserted also towards foreign influence. Morales often stated that most of the country's problems arise from the outside imposition of values that do not belong to the

native culture. His most vehement attacks target Sanchez de Lozada, a former President of Spanish origin, who attempted to introduce pervasive capitalistic reforms between 1993 and 2003. Morales and his backers use the word "neo-liberalist" as an insult.

The new Bolivian indigenous left is deeply critic of the "National Revolution" that ousted a military junta in 1952. Instead of a struggle for democracy, they interpret it as an imposition of an "imagined community" characterised by objectives of homogenisation, as a direct emanation of the colonial and neo-colonial times. The 1952 revolution, by empowering the Revolutionary Nationalist Movement (MNR) centre party, introduced «institutions and structures of dominance that replaced originary logics, substituting them with mono-culturalism, mono-language and mono-ethnicity»².

The first split: ethnicities

The claim that the "Diablada is Bolivian" can be interpreted as a cause and a symptom of Morales' message. On one side, the growing nationalistic feeling motivated Bolivians to strenuously protect their symbols: Bolivia's new role is identified with Andean culture, and Andean culture must be Bolivian. On the other, Morales' government did not miss the opportunity to aggregate popular consensus under the Diablada incident, actively

¹ M. GALINDO *et als.*, *Visiones Aymaras sobre las autonomias - aportes para la construcción del Estado nacional*, PIEB, 2007.

² M.T. ZEGADA, *En nombre de las autonomias: Crisis estatal y procesos discursivos en Bolivia*, PIEB, 2007.

engaging in the political battle against Peru, the Miss Universe organization, and the now famous Peruvian contestant, Karen Schwarz. The strategy of asserting the identity of a nation basing on ethnic characteristics could be a dangerous game. The main issue that is rising now is: what will happen to non-Aymaras and non-Quechuas?

In all Bolivia, Aymaras and Quechuas represent 55% of the population, and the “non ethnics” are 38%, the rest being represented by smaller groups. The demographics of Bolivia are broadly split between the “altipiano” (the highlands) and the lowlands. The first one is the Andean cradle of Bolivia’s Aymaras and Quechuas, that represent two-thirds of the population in the La Paz district, and the majority in all other altipiano departments: Oruro, Cochabamba, Chucuisaca and Potosí.

The situation is rather different in the lowlands. In the largest department of the area, Santa Cruz, 62% of the people claimed to have “no ethnicity” in a 2001 census. The other lowlands departments of Beni, Tarija and Pando had a “non ethnic” population of respectively 67%, 80% and 84%. The “non ethnics” actually have something in common: they are generally people of Spanish origin (“criollos”) or of mixed ethnicity (“mestizos”). And they have a political agenda too: the structure of power in the lowlands revolves around a criollo/mestizo elite that in some cases represents the only organized form of power that may counter the highlands’.

The two political systems never matured a political bridge filling the difference between the lowlands and the altipiano. The

leading groups of Tarija and Santa Cruz are openly skeptical towards the administrative capabilities of the La Paz government. Sentiments rapidly evolved to outright opposition, as Morales’ decisions seemed to favor indigenous cultures, like the plan for the return of land to ethnic communities.

Harsher critics now even state that the Aymaras’ is a «made-up culture, flourished during the colonial time among enslaved people, but actually with no shared ancestral origin»³. In his opponents’ opinion, Morales’ claim that the “original” society was a fairer one is not true; and the possibility that it could materialize again, after a hiatus of five centuries, is utopian and damaging. Some commentators argued on TV that the reference to the “mythical past” has surprising precedents in the dictatorship that referred to the return to Ancient Rome or to the German Empires, or even in the claims of supremacist organizations in the US⁴.

On their side, natives are deeply critical of the lowlands elite. In the *Proposal for a Chiquitan Indigenous Organization*, dated 2005, we can read that «In Bolivia the white and the mestizo races historically imposed racial discrimination on the indigenous population [...], impeding their development and keeping them in poverty. It is manifested in all aspect of daily life: in a justice that favours white people, in an economy that does not allow equal access to natural resources and work; in politics,

because we are not represented in the government and in the institutions. Our organizations are not considered. Indigenous wives are excluded; we are discriminated in the health and education sectors»⁵. On describing the State as formed by the white elite, Simón Yamapara, a sociologist and former “Campesinos” (Farmers) Affairs Minister, wrote that Bolivia was an «excluding, hypocrite, fake, expression of colonialism and neo-colonialism that is overimposed on ancestral logics. A mix of communitarian and colonial structures held together by positive right»⁶.

The “Guarani” Assembly, representing a some 100,000 population mostly present in the Santa Cruz department, traces back the cause of the current status of Bolivia to the Spanish conquest, together with the following “neo-colonial republic”. Spaniards succeeded in introducing «institutions and structures of dominance», like «missions, policies of colonization and expropriation of indigenous land, expansion of servitude and enslavement of natives through haciendas [...] de-structuring the patterns of the Guarani and indigenous society in the Bolivian Chaco». The Guaranis now «want to generate a vision of a country based on our reality and with

⁵ Organización Indígena Chiquitana, *Bases de la propuesta: derechos de los pueblos indígenas y originarios en la Nueva CPE*, 2005, <http://constituyentesoberana.org/info/files/PROPUESTA%2001CH.pdf>.

⁶ S. YAMPARA, *Descentralización y autonomía desde la visión de los pueblos indígenas*, FES-ILDIS, 2005, p. 39.

³ Interview to a political leader of Tarija collected by the Author in Tarija, Bolivia, in August 2009.

⁴ See L. BÀEZ - P. DE LA HOZ, *Evo, Espuma de Plata*, Ediciones Plaza, 2008.

the participation of the historically excluded»⁷.

No less than the Spanish conquerors, the United States are considered responsible for having curbed Bolivia's development chances. The Presidency Minister of Morales, Juan Ramón Quintana, once proudly declared that «We managed until today [...] to get rid of the meddling and influence structure on the Bolivian political and economic decision making, something that the United States, obviously, will hardly digest [...]. We got the CIA out of the government building. Here in the palace there was an office for them, and we closed it as soon as we entered. They believed that the CIA was destined to influence us without any kind of opposition, resistance, critic, to take decisions in the name of the war on terrorism. [...] We broke our military relations with the United States, because the head of the Southern Command tried to depict our President as someone financed by drug traffickers and associated with terrorism»⁸.

The Morales government opposes also the influence of USAID, and Minister Quintana once declared that he had unveiled how the USAID development programs in Bolivia served the US interests in influencing the government. USAID «introduces the doctrine of free market within enclaves where social values tend to community solidarity. Through such economic opportunities program they try to break the

social frame of the solidarity of living in a community»⁹. In particular, Quintana was angered by the fact that 70% of the total USAID social investment, estimated at 120-140 million dollars, was allocated «unilaterally», without involving the Bolivian government. USAID itself was supposedly filled up with «intellectuals» that were close to the liberalist President de Lozada, in order to foster the diffusion of the capitalistic economic paradigm.

The second split: economic development

The «Media Luna» departments (as the lowlands are also called) as a group have a much higher per capita income than the other provinces: in 2007 it was 1.4 times higher than that of the highland, at 1,699 USD¹⁰. The Santa Cruz department in particular represents the «economic engine» of Bolivia. With a fourth of Bolivia's population, it contributes to one-third of the national GDP, realized through agro-industry and a developed service sector. Between 1990 and 2004, Santa Cruz increased the percentage of industrial exports on the total from 23 to 51%.

In terms of poverty, in 2001 the national census showed that Bolivia's poors were 58.6% of the population, while in Santa Cruz they were 38%. Compared to the altipiano, Santa Cruz proved more stable, more open to commerce and

trade, with a more fertile terrain and with a more differentiated economy.

The neighboring Tarija department also grew at a remarkable pace in the last years. Ten years ago it generated 5% of the country's GDP, and now is at 20%. A short walk in the city center gives plenty of evidence for the town's success: it looks like a Barcelona with two story buildings. Neat streets, lively markets and perfect square depict a society longing to connect with the international environment – excepts for the movie theater, recently shut down on the grounds of «excessive bootlegging» by spectators.

The intellectual father of the MAS policies, Vice-president Alvaro Garcia Linera, rebukes the idea that Bolivia is split between the highlands and the lowlands. He declared that: «This idea of the East as an alternative model is pure invention. The East [...] sustains itself through the work of small producers in the countryside and in the city. The only difference between the two regions is that the popular fight met a greater development in the East in the last century. [In Santa Cruz] the increase of population is a recent thing and implied a slower formation of popular indigenous and campesinos mobilization structures¹¹». The analytical base leverages class struggle, a view that the lowlands' elites cannot share.

The third split: natural gas

The key for lowlands' Tarija's dramatic growth is hidden under its soil: natural gas. The

⁷ Asamblea del Pueblo Guarani, *Nosotros, el Pueblo Guarani*, in «El Deber», 29 January 2005, p. 2.

⁸ Quoted in L. BÀEZ - P. DE LA HOZ, *Evo, Espuma de Plata*, Ediciones Plaza, 2008, pp. 23-24.

⁹ Quoted in L. BÀEZ - P. DE LA HOZ, cit., p. 25.

¹⁰ M WEISBROT - L. SANDOVAL, *The Distribution of Bolivia's Most Important Natural Resources and the Autonomy Conflicts*, Center for Economic and Policy Research, 2008.

¹¹ Quoted in L. BÀEZ - P. DE LA HOZ, cit., p. 106.

department hosts 85% of the country's reserves, located in a flat called "Chaco". Part of the area was lost to Paraguay in a war between 1932 and 1935, but the hydrocarbons (unexpectedly) rich portion stayed with Bolivia. The real boom materialized as late as 1996, when the liberalist President de Lozada introduced a law to privatize a part of the dysfunctional State energy company YPFB ("Yacimientos Fiscales Petroliferos Bolivianos") and opened up the sector to foreign investment.

Yet, the blessing of gas came with a nuisance, in the form of a national discussion about how much of the profits should stay in Tarija and in the other producing departments, and how much should go for redistribution. The tricky part is that all gas and oil production is located in the lowlands departments, further broadening the fracture with the highlands.

It is a problem that concerns the very essence of the relation between the Bolivian society and the country's natural resources. The "Cerro Rico", a cone-shaped mountain dominating the 4,100 mt asl town of Potosi, is a tragic incarnation of the issue. It started being excavated for silver by the Spanish conquerors since the first years of occupation, and it practically paid out the expenses of the Spanish empire. People say that it would be possible to build a bridge from Potosi to Madrid with Cerro Rico's silver. They also say that a return bridge could be build with the bones of the people that perished in the mountains, estimated to be around 8-10 million. Indigenous slaves were forced to work from four to six months in the mines without exiting, becoming blind in the process. Some others

were used to select silver stones in mercury pools, and died after a successful find.

Today Cerro Rico is still being excavated for tin by cooperatives, but its real treasury was extracted long ago. Bolivians are now afraid that also the gas wealth could sail away on the oceans.

The current redistribution formula favors producing departments. Each Tarija inhabitant can rely on 491.1 USD per year in hydrocarbons revenues; Chucuisaca has per capita hydrocarbons revenues of 93.4 USD, and Santa Cruz 46.4 USD. The inhabitants of Beni and Pando, given the low population amount, receive respectively 147.7 and 751.3 USD per year, favoured also by a law granting them a share of other departments' gas profits.

In a game of reciprocal distrust, Tarija is using gas revenues to finance actions that impose a *de facto* infrastructural separation from the altipiano. The department is building a portion of a trans-continental highway, called "Corredor Bioceanico Central", that connects the two ocean coasts passing through Brazil, Paraguay, Bolivia's Tarija, and Chile. The department is also developing a network of asphalted roads that have one characteristic in common: none of them is directed to the altipiano. Reaching La Paz from Tarija is still an adventurous trip that takes two days of travel by bus, on dusty roads climbing up cliffs and breath-taking sheers. Tarija also offers universal free of charge healthcare to its citizens, to provide an actual demonstration of the capabilities of a local management of hydrocarbons revenues.

The gas debate concerns the administration of the industry in

general. The de Lozada hydrocarbons reforms placed State royalties on gas extraction at 18%, decreasing them from the 50% of the previous regulation. The fiscal framework was modified accordingly, placing Bolivia's government percent take in line with international standards. Such structure attired investments in exploration and production.

Morales in his electoral campaign stressed a message focused on the limited frame that royalties were lowered at 18%, and succeeded in building national resentment towards the liberal reforms. Also, the industry was in despair after a decision for the construction of a gas export pipeline to the Pacific coast was blocked by street clashes and violent protest: why should Bolivia give its gas to foreigners, if large parts of the country have none?

As President, on May 1st, 2006, Morales nationalized the gas industry, the third of such undertakings in the country's republican history.

The leftist government also claimed that gas exports during the neo-liberalist era were paid by Brazil 1 dollar per British Thermal Unit, compared to reference prices between 3 and 4 USD, whereas after Morales' nationalization the price was raised at 4.2 dollars per BTU. The government forgot to mention that after the nationalization the reference price soared at 7-8 USD in 2007, and it was even higher at the beginning of 2008. It is easy to spot how the price that Brazil pays is just a mark-down of 3-4 USD on the reference price, but that's enough to satisfy demagogy.

Eventually, the nationalization proved to be a disaster for Bolivia's gas sector. It

succeeded in increasing State revenues, but certainly not for its merits: it seized operations that had been opened up by international companies, and exerted higher revenues percentages.

But international companies also significantly divested from the country, with consequences that may become evident in the longer period. Bolivia's traditional acquirers are seeking different ways of gas procurement, and a set of liquefied gas facilities is mushrooming all around the continent's coasts to procure hydrocarbons from other sources¹².

Morales' nationalization is presented as an operation opposing foreign powers, be it energy multinationals or the US. The May 2006 nationalization was inaugurated with a military occupation of the fields operated by international companies: the spectacular action underlined the message that there cannot be any hydrocarbons policy without La Paz, and the departments have to obey.

It is nevertheless the first time that military leaders demonstrate such a deep unity of intents with a leftist government. The MAS party believes that in the XX century Bolivia was prevented to embrace its "natural tendency" to socialism because of constant interventions by the military, backed up by US money, trainers and intelligence. Bolivia's military detected and executed Che Guevara with the help of CIA. After Ronald Reagan gradually reduced support, Bolivia's

military entered a long phase where it lacked a real role in society and politics. Morales offered it a new opportunity: be the guardians of the reform. And the deal was done.

The objective of increasing the government take on gas operations could have been reached with means way less spectacular than nationalization. The same can be said for domestic consumption: gas extraction contracts can include a "Domestic Market Obligation" with controlled prices. The actual goal of Morales' nationalization was that of gaining popular consensus. Carlos Alberto Lòpez, a non-MAS former Energy Vice-minister, declared that "For ideological reasons [the Morales] government wants to rely on state-run companies. But the only efficient is Petrobras [of Brazil]", while the others are not, and all of them tend to perform well only when the international market is favourable, lacking the necessary flexibility to adapt to downturns¹³. And a nationalized company is better controlled by the centre, than by producing departments.

The growing confrontation from the Nineties to the "Autonomy Statutes" of the lowlands

The political confrontation between the lowlands and the altiplano is a constant in the history of Bolivia. As early as 1876, a rebellion in lowlands' Santa Cruz challenged the authority of the central government. In 1891, the "Revolucion de los Domingos"

took control of the city of Santa Cruz for two months, with the intent to create an independent and sovereign State. In the following decades, the situation calmed down: Santa Cruz even lobbied for the creation of a railway, in order to be better connected with the rest of the country. In 1932-35, then, the war with Paraguay represented a dramatic moment of national unity.

After the 1952 Revolution, a new leftist government introduced centralistic plans that included the nationalization of all mines: a move that disrupted the – stable although unfair – socio-economic tissue of the lowlands departments. Santa Cruz, and partially Tarija, succeeded nevertheless in developing a capitalistic model that was different from that of the rest of the country, although the claim of non-inclusiveness was largely true. Still today, in Tarija the popular perception is that the ruling elite is represented by the "400 x 400" model: four hundred families of European origin have been ruling four centuries.

Noticing differences in the political and industrial patterns compared to the highlands, Santa Cruz began to push for self-determination with increased force in the Nineties. Three large protests took place in 1993, 1994 and 1995, when finally La Paz satisfied the requests to grant a larger share of hydrocarbons royalties to the province. But as the liberal President Sanchez de Lozada fled to the US in October 2003, Santa Cruz feared the risk of a new wave of national centralism, and switched its claims from "decentralization" to "secession". Santa Cruz asserted such intentions by setting up a rally of 280,000. Ruben Costas, the departmental

¹² For a detailed review, see F. CANDIA - N. PACHECO, *El Pendulo del Gas*, published by the Fundacion Milenio, 2009, www.fundacion-milenio.org.

¹³ *Bolivia pays a high price for nationalization*, in «Financial Times», 17 February 2009.

prefect, gave the only speech of the day asking demonstrators: «Do you agree with the formation of an Assembly that would represent us and lead us to the process to obtain the total autonomy of Santa Cruz?»; the answer was, of course, a loud «Yes!».

Santa Cruz had suddenly realized that the protests against Sanchez de Lozada had brought relatively few in terms of decentralization, but had done much damage to the successor of de Lozada, his former vice-President Carlos Mesa. This situation provided fertile ground for the growth of the new left movement led by Morales, as Santa Cruz further pushed for autonomy.

On 18th February 2005, Santa Cruz presented a list of 421,000 signatures to ask for an autonomy referendum. Moreover, the department started calling for the direct election of its prefect (that were appointed by La Paz up to then). On 13th June the Committee declared it intended to create a *de facto* government if autonomy was not reached. Eventually, La Paz allowed the direct election of prefects.

On 18th December 2005, Evo Morales won the presidential election by a landslide, with 53,7% of votes. The candidates backed by Santa Cruz had been crushed. On 2nd July 2006, Bolivians voted for the representatives of the new constituent assembly, and for an autonomy referendum. At a national level, opposition to autonomy won 57,6% to 42,4%, but as expected autonomists won in the lowlands of Santa Cruz (71,11%), Tarija (60,80%), Beni (73,83%) and Pando (57,60%). Unsurprisingly, the interpretation of the results was disputed. The Santa Cruz committee declared that local

results (thus, autonomy) was all that mattered; the Morales government replied that the general results mattered.

Between May and June 2008, the four lowlands departments held self-administrated “autonomy referendums”, to approve local statutes. The voting took place in a very unstable atmosphere. Roads to La Paz were blocked, and clashes erupted in the capital of Pando, Cobija, and in other cities.

The Morales government declared that the referendums were waste of time and money: «the statutes are illegitimate, illegal, unconstitutional and separatist», Alfredo Rada, Interior Minister, told reporters at the presidential palace¹⁴.

As the results showed an overwhelming victory for autonomies, demonstrations broke out in all secessionist departments. In the Chaco area, citizens started a long hunger strike, and some people tried to shut down a valve regulating gas flow to Brazil. In Santa Cruz vandals attacked public buildings and insulted indigenous citizens on the street. In Tarija, protestors set fire to cars, occupied the customs office, and gathered to the city’s market, where it was rumoured that groups linked to MAS were organizing a march towards the main plaza – luckily, it was just a rumour, but more than 80 people were injured in the meantime¹⁵.

Morales also claimed that the US was behind the secession attempts. At a press conference at the sidelines of a UN general

assembly in September 2003, he declared to «have the evidence» of the American backing of the protestors. Not only had George W. Bush fed insurgents with cash through USAID: it had provided them with explosives and ammunitions. The US Ambassador in La Paz, Philip Goldberg, had been declared *persona non grata* by Morales, and had been expelled by the country.

La Paz’s answer: the new National Constitution

As the autonomy issue remained unsolved, Morales carried on his agenda, although to visit Tarija and Santa Cruz he had to use a helicopter borrowed by Venezuela. In January 2009 a national referendum approved the new national Constitution, the real political weapon of the MAS party.

At a first glance, the laws concerning autonomy seemed to favour decentralization: departments can obtain autonomy after issuing a referendum. Yet, this was nothing new, since the lowlands departments (plus Chucuisaca) were already legally independent. But the new Constitution granted now the opportunity of independence also for other entities within the departments territories. In the nine Bolivian departments there are 112 provinces, including 314 municipalities. Provinces and municipalities can unite and form a separate entity called “region”, which has a set of powers surprisingly similar to those granted to departments: deliberative, normative-administrative and fiscal. Also the 314 municipalities can singularly achieve autonomy, and they would have once

¹⁴ *Defying Morales, two Bolivian Provinces Back Autonomy*, in «AFP», 1 June 2008.

¹⁵ D. HUMPHREYS BEBBINGTON *Letter from Tarija: to the Brink and back again*, Manchester 2008.

again deliberative, fiscal and legislative powers.

The issue of “traditional uses” is further fostered by the option to transform a municipality into an “Autonomia Indigena Originaria Campesina”, consisting of a “self-government” structure expressing the «free determination of nations and of original campesinos indigenous people, whose population shares territory, culture, history, languages and organization or juridical, political, social and economic institutions»¹⁶; the administration by indigenous autonomies will be exercised basing on its «norms, institutions, authorities and proceedings [...] in harmony with the Constitution and the Law»¹⁷. If the territories of such autonomies cross the borders between different municipalities, the subject empowered to solve competency conflicts is a national one, the “Plurinational Assembly” – with no role for the departments. Autonomy after autonomy, down to the municipality level, the departments risk to see their powers eroded.

Concerning natural gas, the Chart appears clear cut in assigning powers: the management of hydrocarbons belongs to the Central State as a «matter of exclusive competency».

This rule contrasts with the Tarija autonomy statute, which states that the department shall participate to the definition of the hydrocarbons policy, to the formulation of the national development policies of the industry¹⁸, and to take part to

the “industrial chain” together with the central government, or alone¹⁹. The Santa Cruz statute also conflicts with the national Chart on the element on gas. All the lowlands statutes, then, are not consistent with the Constitutional ruling to forbid large landed estates. They all assert that the management of territory is a departmental competency.

The new Constitution is the cornerstone defining Morales’ economic and political idea: the goal to create a form socialism defined by the MAS as “Andean”. It is based on common ownership of land and production means, on the reduction of foreign influence, and on self-determination. At a closer glance, this socialism is not purely new: it closely resembles older ones. From Cuba it took inspiration to impose a fragmentation of the territory, with tiny political units responding directly to the central government. Like the Soviet Union, it leverages the export of natural resources as an element of power and financing.

Yet, Morales’ socialism is genuinely original in his “ethnic” side, trying to create a connection between shared ownership and ancestral uses. Morales’ appears as an “ethno-socialism” that mixes up elements of traditional socialisms. It is clear that native communities may feel more attracted by the idea than lowlands “non-ethnics” may ever be. The next presidential elections in December 2009 will be considered as a second approval referendum to Morales’ Chart. A victory by the incumbent government, largely probable at this time, will grant enough popular strength to

impose the supremacy of the national Constitution above the local statutes. But the lowlands are unlikely to accept it. The elections will be a test on Bolivian social stability. Highlands and Lowlands are split more than ever.

The coming conflict

At current, Bolivia is performing relatively well. The Morales government has shown remarkable financial discipline in managing its wealth: since the collapse in commodity prices in 2008, the stock of international reserves built with gas was only partially touched. Bolivian capitals deposited abroad also started being returned, demonstrating a new trust towards the central bank. Poverty and unemployment have been reduced.

But a wise monetary policy cannot distract our attention from the most evident problem affecting the Bolivian economy: the same natural resource wealth that allowed the build up of cash reserves, also determined some degree of dependency. Hydrocarbons exports on total GDP increased from 1% to 20% in the last ten years. They represented less than 6% of total exports in 1999, and now are about 50%. The portion of State income depending on hydrocarbons was high ten years ago (41%) and is even higher now (53.5%).

Such a situation is sustainable as long as commodity markets remain favourable, but a sudden change may occur as conditions turn adverse. In February 2009, following the dramatic decrease in gas prices in the last trimester of 2008, for the first time in years the Bolivian trade balance entered

¹⁶ Constitution of the Bolivian State, art. 289, 2009.

¹⁷ Constitution of the Bolivian State, art. 290, 2009.

¹⁸ Tarija Autonomy Statute, art. 16.

¹⁹ Tarija Autonomy Statute, art. 41.

negative territory. As a World Bank document stated in April 2009, «Gas exports are beginning to fall due to the decline in oil prices, affecting fiscal and external balances. [...] The fall of mining commodity prices (one-third of total exports) and the reduction of remittances (7% of GDP in 2007) will also have a significant impact on the external current account. [...] Bolivia's impact from the global economic slowdown could be compounded by the low levels of investment in the energy sector. [...] This situation may have an adverse effect on Bolivia's ability to meet export commitments to Argentina and Brazil»²⁰.

Could a decrease in resource rents be enough to generate a full-blown social conflict in Bolivia? Probably yes, and it may be a sparkle prompting instability at the core of South America. Social tension started to find expression with the election of Morales, but still has to demonstrate all its force.

Scratching the surface of the «Andean Socialism» we find the patterns of a bourgeois revolution, rather than a proletarian one. During the French Revolution the political instrument of change was represented by small and medium bourgeoisie allied to rural and urban popular masses: these were social categories whose ideal was a democracy of small autonomous productions, be it handcraft or agriculture. Comparatively, Morales' ideal of common ownerships of lands is a project to break away from

large properties. The core of the revolution is purely economic. The economic improvements in the last twenty years led to the creation of a new society, looking for acknowledgement.

It is clear that Morales' revolution may not lead necessarily to growth. But so neither did the French Revolution in its first period: time was needed to clear existing processes, even through violent means. The danger factors in the Bolivian case are complicated by the coexistence of a developed area with an underdeveloped one. It is worth to remind that the only Bolivian civil war erupted for an issue concerning the federal administration of the State, at the end of the XIX Century.

Morales' game of depowering and fragmenting departments is also a very dangerous one. In the gas producing area of Tarija resides a population called «Guarani», that receives a part of the Gas royalties, as farmers residing nearby do. The central government of La Paz has promised them larger grades of independence from the administration of Tarija city; the Tarija prefect responded by granting each farmer family a bonus of around 200 USD to be invested in «capital goods». La Paz and Tarija have engaged in a war to buy out support from the rural population of the region. This confrontation would do very few in the sense of development, but would be rather effective in fostering rent-seeking behaviours.

Nevertheless, a tribe like the Guarani is present also in neighbouring countries. It is expectable that the Guaranis in Tarija may soon start to advance more and more requests on the resources produced in their home

territories, and join up fellow Guaranis from other countries to have more political weight – as the case of Italy's South Tirol has shown in the last decades. It is a common pattern involving resource extraction and trans-national tribes, and has often led to secession attempts or civil conflict. Bolivia's conflict has the potential to become a trans-border one, and ignite South America's tensions.

The particularity of Bolivia's ethnic tensions, at a closer look, assume a multi-dimensional level that may prove even more complicated and unpredictable than the altipiano split. There is a national conflict driven by economic polarization; there is a departmental conflict driven by the control on resources and on the different economic models; and there is an intra-departmental conflict driven by the presence of native communities in the lowlands. An equilibrium where La Paz is the only «arbiter super partes» would not be a stable one.

A national reconciliation may allow Bolivia, a beautiful country with a millenarian history, to leverage all the resources at its disposal. Making others responsible for a country's own dissatisfaction and underdevelopment signals that this country does not aim at achieving a real self-awareness. The building of a national consciousness cannot only go through the rebirth of ancestral traditions or the imposition of ethnic languages in public offices; it must also consider the meaning of recent mistakes.

Bolivia has tremendous potential to be an integrating part of South America's growth, beneath gas. Universities are open to global inspirations, and

²⁰ *Interim strategy Note for the Plurinational State of Bolivia for the period FY 2010-FY2011*, Document of the World Bank, Report n. 48372-BO.

are crowded of students willing to apprehend from the reality outside the national borders. With its lively political arena, with its cities full of museums, Catholic churches and book-stores, with the deep attention that people pay to their representatives, Bolivia is more Western than it would ever admit. It is not by chance that those huge sword-brandishing angels in the Diablada wear a helmet and a shiny armoury: the tradition may be Andean, but the iconography is Christian.

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