



Special Update: Bolivia

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Popular Protest Brings Down the Government

by Kathryn Ledebur
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Former Bolivian president Gonzalo Sánchez de Lozada is the fourth elected president in Latin America to be forced from office as a result of popular outrage in just four years.¹ His fall from power in October should serve as a wake-up call to Washington, which has largely ignored the crisis brewing in its own backyard. Across Latin America, polls show increasing frustration with continued poverty and unemployment as economic growth, more often than not, has failed to trickle down to the poor majorities, while privatizations have led to lay-offs and higher prices.² The socio-economic situation in poor countries like Bolivia is further exacerbated by rigid U.S. drug control policies. U.S. inflexibility on meeting coca eradication targets has left many rural Bolivian families without income, has generated social conflict and violence, and has contributed to Sánchez de Lozada's increasing lack of legitimacy. Ultimately, Sánchez de Lozada was viewed as "out of touch with a poor and angry country."³ His successor, Carlos D. Mesa, inherits a delicate and potentially explosive situation. The U.S. government should not repeat the mistakes it made during Sánchez de Lozada's term.

To succeed, Bolivia's new government needs the full support of the international community – and it needs room to negotiate with many social sectors. Towards that end, Washington should make two contributions:

- The U.S. government should provide significantly more economic assistance to Bolivia for development efforts, and do so without linking it to anti-drug objectives.
- The U.S. government should also waive coca eradication targets for 2003 and support Bolivian government efforts to:
 - negotiate the terms under which any future coca eradication will be carried out;
 - carry out an independent study of the legal coca market; and
 - reform anti-drug legislation as deemed appropriate or necessary by Bolivian actors.

U.S. international drug control policy would be better served in the long run by ensuring a stable, civilian government in Bolivia, rather than the present short-term focus on meeting coca eradication goals.

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The recent political turmoil in Bolivia was sparked by the government's proposal to export the nation's natural gas to the United States through a Chilean port. The widespread popular protests that ensued ultimately encompassed a range of popular concerns, including demands for better wages, reform of anti-drug legislation, rejection of a law imposing prison terms for people participating in road blockades, and repudiation of the proposed Free Trade Agreement of the Americas (FTAA). After more than a month of growing demonstrations, violent conflict, and a near breakdown in public order that resulted in sixty people killed and several hundred wounded, President Gonzalo Sánchez de Lozada resigned. Vice President Carlos D. Mesa assumed the post in accordance with the stipulations of the country's constitution.

In his inaugural address, President Mesa set forth five guiding principles for his presidency: a broad-based referendum on the exportation of the nation's natural gas; a non-partisan cabinet; a full-fledged war on government corruption; fiscal austerity; and a constitutional assembly which would allow the Bolivian public to participate in reforming the country's constitution. President Mesa faces many challenges as he seeks to implement these principles, including the need for concrete improvements in the lives of Bolivia's poor, confronting corruption and impunity, developing a more effective and humane drug control policy and, perhaps most importantly, restoring people's faith in government.

The Roots of the Crisis

Sánchez de Lozada began his term on August 6, 2002, with an extremely weak mandate, having won with only 22.5 percent of the popular vote, just one and half points above the nearest contender, Evo Morales, leader of the country's coca growers' federations. As no candidate garnered a majority, the task of naming the next president fell to the Bolivian Congress. In spite of longstanding political differences, Sánchez de Lozada's Nationalist Revolutionary Movement (MNR) forged an uneasy alliance with the Leftist Revolutionary Movement (MIR) which gave him sufficient congressional votes to win the office. From the start, internal conflict plagued the coalition, leading the public and even a government official to complain that the administration "wasn't getting anything done except fighting over key posts and assignments."⁴ The entry of the New Republican Force (NFR) into the coalition after the administration's first year only exacerbated competition for resources and control of ministries.

As widespread popular protest gained momentum from mid-September to mid-October 2003, the paralyzed government coalition jeopardized its own longevity by refusing to engage in dialogue with most of the protesting sectors or otherwise address their concerns. Although social unrest increased daily during this period, legislators continued to bicker over party control of appointments. In response to government inaction, more and more Bolivians took to the streets in protest. In short, the government appeared unable and unwilling to address the growing social unrest.

Ultimately, the administration resorted to heavy repression in lieu of dialogue. Within one month of the initiation of the recent round of protests, security forces killed at least sixty citizens, and injured several hundred, the great majority from bullet wounds. In fact, the armed forces and police killed almost as many people during the fourteen-month Sánchez de Lozada presidency as during the seven years of General Banzer's dictatorship, considered one of the bloodiest of Bolivia's military governments since the 1952 revolution. Popular outcry against the government's violent response to largely peaceful protest ultimately provoked widespread

calls for the president's resignation, even from some high-ranking government officials. Carlos Mesa, Sánchez de Lozada's hand-picked vice president, withdrew his support for the president on October 13, explaining that, "If the government does not have the capacity to understand [the concept of] unconditioned dialogue, it will not be able to be a valid participant in the process to address popular demands."⁵

Initially, Sánchez de Lozada refused to resign, saying that he was going to preserve democracy and not succumb to "a huge subversive project from outside the nation, which is attempting to destroy Bolivian democracy." The president stated that Peru's Shining Path guerrillas and Colombian insurgent groups allegedly training the coca growers were financing the protests. He also suggested that nongovernmental organizations and the Libyan government could be involved.⁶ These statements provoked even more popular anger, as the president refused to recognize the validity of protesters' concerns and seemed to be out of touch with reality.

Lack of confidence in government

Bolivia's inherently weak Congress and political parties – viewed by many as more concerned with personal gain than with representing their constituencies – exacerbated the political crisis. The existing structure and manner in which the Bolivian legislature functions leaves it ill-prepared to provide effective oversight of executive branch policy. Moreover, legislative gridlock created by traditional party disputes impeded any significant legislative action during Sánchez de Lozada's short presidency.

The majority of congressional seats are apportioned to each party according to the percentage each receives in the presidential election. It is the party leaders who name their representatives, not the voters – the candidates are chosen before elections take place. Not surprisingly, party loyalties of the legislators frequently override their sense of accountability to their supposed constituents. As noted by the United Nations Development Program (UNDP), "In general, civil society does not have faith in the parties or the state institutions where they directly participate, such as the legislature and the judicial branch. Like the parties, these institutions do not have the confidence of the common citizen which generates an important deficit in representation."⁷

The congressional election of the human rights ombudsman as well as other appointments was scheduled to take place in July 2003 but was put off time and time again as government coalition parties continued to fight over "power quotas" – the distribution of key political posts among parties. After waiting six months for these elections since her term ended on March 31, former ombudswoman Ana María Romero de Campero withdrew in frustration from the race. She believed the elections were already fixed by the traditional parties in Congress and said that she refused to participate in the "democratic farce."⁸ During her five-year term, she established a high level of credibility as an objective advocate for human rights and played a key role in mediating social conflict. The majority of the Bolivian public, as well as opposition parties, supported her reelection. However, on the very day of her withdrawal, coalition parties led by the MNR elected their own favored candidate. The dramatic turn in political events, combined with intense public pressure, forced the new ombudsman to resign on October 22, 2003.

Corruption

Widespread corruption in a country with limited resources helped catalyze popular protest. Upon taking office, the Mesa administration launched investigations into possible corruption by those involved in the previous government. On October 21, financial audits of all ministries began. Investigations revealed that key economic and strategic information, including recent purchases of anti-riot gear, had been erased and destroyed within the Ministry of Government.⁹ Investigations are proceeding with regard to other ministries as well.

There are also reports implicating Sánchez de Lozada appointees in U.S.-funded drug control initiatives in acts of corruption. For example, during the first year of his administration, the director of the Bolivian government's alternative development counterpart agency, which is financed by USAID, also received USAID funding for a private agrobusiness he manages, in spite of a clear conflict of interest.¹⁰ Joint action lawsuits brought against the company claim that it consistently failed to pay workers' social benefits.¹¹

On October 22, the Bolivian press published a shocking revelation. A day before he resigned, Sánchez de Lozada signed a decree stating that spending of reserved funds, a very large sum in the Bolivian national budget, did not have to be approved or audited by the government accounting office, and he authorized himself to approve spending for September, October and November. The decree stated that, "the recent events in the country endanger normal citizen activity . . . as a result, it is necessary to engage in a greater number of specific central administration expenses, which cannot have the necessary documentation and supervision."¹² The new government's special representative to fight corruption, Lupe Cajías, stated, "We believe that there is an act of corruption here, and that concerns us, because [the decree] is signed by all the ex-ministers of the government; furthermore there is, once again, an ethical issue. How is it possible that he signed a decree, knowing he was about to leave – to protect what actions?"¹³ It remains unclear whether the ex-president and other officials implicated in the incident will face legal consequences.

Poverty and inequality

Bolivia is one of the poorest and least developed nations in the region. For example, the richest ten percent of the population receives income over ninety times greater than that of the poorest ten percent.¹⁴ The estimated fifty-six to seventy percent who are indigenous¹⁵ largely overlap with the two-thirds of the population who live in poverty, many of whom are subsistence farmers. Nearly thirty percent of the population subsists on less than a dollar a day, and twenty-three percent is considered by the UNDP to be undernourished (the average for all Latin America is twelve percent).¹⁶ Bolivia also has the second-highest infant mortality rate in Latin America.¹⁷

A four-year sustained economic crisis, paired with the loss of government income as a result of privatization of state industries in 1995, has exacerbated this poverty. The great majority of the Bolivian public feels that it has not shared in the proceeds from the privatization effort and that past economic policies have done little to directly benefit the population.

Within this context, the proposal to export natural gas to the United States through Chile, primarily determined within closed government circles, provoked widespread outrage. During his inaugural address, President Mesa promised that he would carry out a broad-based referendum to consult the Bolivian population whether natural gas should be exported or not, and if so,

how, when, and through what port this should be done. Many analysts question the present terms of the exportation agreement. According to CEDLA, an economic think tank, the current price the nation receives per thousand cubic feet of gas to Brazil is US \$1.77. The price paid by the United States would be \$.70 per thousand cubic feet, with Bolivia receiving about eighteen percent of that amount, around \$.13 per thousand cubic feet. President Mesa stated that if Bolivia decides to export the natural gas, he wants the petroleum companies to return fifty percent of the profits to Bolivia.¹⁸ Many citizens remain skeptical that any plans to export the gas would benefit the Bolivian people and instead continue to demand that it be industrialized nationally. However, Bolivia does not currently have the financial resources to undertake such a project.

U.S. Drug Control Policy

Although the United States consistently supported Sánchez de Lozada throughout the protests that brought down the government, the U.S. ambassador to Bolivia, David Greenlee, recognized that the transition of power to President Mesa was constitutional. He offered the U.S. government's support for the Mesa presidency and noted that the amount of development aid to Bolivia from the U.S. government will not change.¹⁹ What this "support" will entail, however, remains to be seen. Strong pressure to comply with accelerated forced eradication of the coca leaf remains the cornerstone of U.S. foreign policy in Bolivia.

Much U.S. economic aid and U.S. support for loans and assistance from international financial organizations are conditioned on compliance with anti-drug objectives. Bolivia is extremely dependent on this funding and hence has repeatedly bowed to U.S. pressure. Although the use of the Bolivian military to forcibly eradicate large quantities of coca in the Chapare region has provoked gross human rights violations, generated greater power for the armed forces at the expense of civilian rule and provoked sustained conflict in the region, the United States has been unwilling to be flexible on coca eradication targets.²⁰ Alternative development projects meant to generate replacement income for farmers, as stipulated by Bolivian law, have failed to keep up with the rapid pace of eradication. As a result, coca farmers quickly replant eradicated plants to provide income for their families.

U.S. inflexibility on the eradication issue has repeatedly caused negotiations between coca growers and the Bolivian government to break down, resulting in renewed cycles of conflict and violence. At the beginning of his term, Sánchez de Lozada initiated a three-and-a-half-month dialogue with coca growers in which consensus was reached on some key issues. After U.S. officials expressed opposition to a temporary suspension in coca reduction efforts, the talks stalled and eventually broke off altogether. If completed, the agreement would have represented a significant step forward in meeting coca grower demands while allowing the government to eradicate coca production not destined for the legal market.

During these talks, coca growers called for a sustained pause in forced eradication efforts in order to study legal markets, a reevaluation of alternative development efforts, the right to grow a small amount of coca per family, and that dialogue be permitted to continue. Of particular importance was a near-agreement between Bolivian government officials and coca growers' representatives to have an independent institution carry out an in-depth study of legal coca consumption markets in Bolivia in order to determine how much coca is actually needed for traditional needs. Bolivia's principal drug control legislation, Law 1008, stipulates that 12,000 hectares of coca may be grown for legal, traditional uses; coca growers maintain that internal consumption and export of legal coca to Argentina has increased well beyond the limits estab-

lished in the law.²¹ In exchange, the coca growers agreed to abide with eradication targets for coca crops surpassing the new legal consumption limit. This would have given the Bolivian – and U.S. – governments significantly more legitimacy in future eradication efforts. With the change in government, the coca market study is again a subject of debate; it is in all parties’ interest to allow it to go forward.

Future Challenges for the New President

U.S. drug control policy could well be the issue that makes or breaks the Mesa presidency. Coca producers have reiterated their demands for a pause in eradication, the modification of Law 1008, and a study of legal coca markets. Their leader, Evo Morales, has warned that if no progress is made on these issues, the producers will resume direct action after the temporary “truce.”²² After government ministers met with high-ranking U.S. officials, Mesa announced that coca eradication was a state policy and would continue. Ambassador Greenlee confirmed that U.S. drug control policy in Bolivia would not change.

In spite of the political instability during the September–October 2003 conflict, high-ranking U.S. officials continued to pressure for compliance with counternarcotics goals and blamed the clashes on drug-trafficking interests. On October 3, the U.S. drug czar, John Walters, stated that Bolivia and Peru had suffered setbacks in their anti-drug efforts. “[Colombian] President Uribe is the model for Bolivia and Peru to follow . . . the issue for us and them is how to reduce the drug problem, which is being used to feed political uprising.”²³ Soon after Mesa’s inauguration, Walters continued to press for forced eradication and warned, “Hitching Bolivia’s future to coca cultivation could relegate it to permanent backwater status.”²⁴ General James T. Hill, commander of the U.S. Southern Command, maintained that “in Bolivia, narco-terrorists and a radical political party have combined efforts to undermine the elected government.”²⁵ These statements were highly misrepresentative of the phenomena leading up to this period of unrest and the actors involved in it, and may have served to further constrict the Bolivian government’s room to negotiate a peaceful resolution to the conflict.

Such U.S. pressure has backfired in the past. The former U.S. ambassador, Manuel Rocha, stated just before the 2002 presidential elections that if Evo Morales became president, the country would lose international aid.²⁶ The statement infuriated Bolivian voters and, as noted previously, helped Morales come in just behind Sánchez de Lozada. In effect, heavy U.S. government pressure has helped make the Bush administration’s fears become reality, increasing popular support for Morales and contributing to the fall of the Sánchez de Lozada government. If U.S. policymakers do not leave more maneuvering room for the Mesa government, they could very well be faced with a more radical administration in the not-too-distant future.

Confronting Impunity

In his inaugural address, Carlos Mesa promised full investigations and sanctions of those responsible for the atrocities that took place during the recent unrest. Progress on this front will be essential to maintaining the support of sectors that participated in the protests. Mesa has already met resistance within the government regarding investigations. Several party leaders in Congress commented that a debate over the social conflicts and violence which recently took place “would not be wise at this time because such a debate would bring back a climate of confrontation within the country at a time when we should focus on pacification.”²⁷ The Bolivian military has publicly stated its support for Mesa; it has also denied responsibility for the vio-

lence, saying that they were ordered to confront the protestors by the president (referring to Sánchez de Lozada).²⁸

On October 23, the European Parliament voted to reject asylum for ex-president Sánchez de Lozada and other officials and asked that they be held responsible for the repression and deaths in the conflict. The resolution is crucial for a nation plagued by endemic impunity for human rights violations. Members of the Bolivian security forces rarely face legal consequences for their actions. Cases of military personnel accused of excessive use of force and other human rights violations are routinely referred to military courts, in violation of Bolivian and international law, and they are generally acquitted quickly. It will be extremely difficult for the new president to maintain credibility with popular sectors without addressing the issue of impunity.

Maintaining support of traditional political sectors

Mesa appointed a new round of apparently qualified ministers, most of whom have traditional party ties. He stated, “The decision to develop a government without political parties . . . is the clear answer, after the absolutely inescapable fact that the political parties are in a grave crisis, not just within the government, but within the whole society.”²⁹ The non-partisan nature of the new cabinet provides the opportunity for greater government transparency and efficiency. At this time, all major parties have expressed support for the new government, except for some sectors of the MNR (Sánchez de Lozada’s and Mesa’s own party).

However, the impact of Mesa’s cutting the traditional parties *per se* out of his administration – and his ability to maintain their support – remains unclear. In the past, ministerial posts and personnel from departmental governments were spoils that traditional parties divided up among their members. Until Mesa’s inauguration, membership in a traditional party was considered a prerequisite for government employment, even at the lowest levels. The new appointments weaken the power base for political parties and hence could very well provoke strong opposition in the near future.

The constitutional assembly proposed by President Mesa is necessary for the enactment of constitutional reforms which could permit a truly representative government through the direct election of the legislature and other measures. Several articles of the existing constitution permit its modification. Without these changes, and if the power of traditional party interests is not curtailed, it will be difficult to avoid renewed protests and confrontations.

Conclusion

The majority of the Bolivian population has given Mesa the benefit of the doubt. National polls suggest that he has a sixty-six percent public approval rating.³⁰ This support, though, is not unconditional nor immutable – it is inextricably linked to his capacity to meet the multiple and varied demands of numerous social sectors. As Mesa stated at his inauguration, it will be impossible to grant all concessions to all groups. Without breathing space from traditional political elites, Mesa’s efforts to create a more representative and inclusive Bolivia could be impeded. Moreover, the new administration also needs the full support and flexibility from the international community and, perhaps most importantly, the U.S. government.

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NOTES

¹ “Bolivia: After the Uprising,” *The Economist*, 25–31 Oct. 2003, 54.

² “The Stubborn Survival of Frustrated Democrats,” *The Economist*, 1–7 Nov. 2003, 33.

³ “Bolivia: After the Uprising,” *The Economist*, 25–31 Oct. 2003, 54.

⁴ Author interview; interviewee wishes to remain anonymous, 30 Oct. 2002.

⁵ “Carlos Mesa Gisbert: No tolero que muerte sea respuesta a las protestas populares,” *El Diario*, La Paz, 14 Oct. 2003.

⁶ “Presidente de Bolivia anuncia intento golpista,” *CNN Español*, 13 Oct. 2003, <<http://cnnenespanol.com/2003/americas/10/13/bolivia.protestas/index.html>>.

⁷ United Nations Development Programme, *Informe de Desarrollo Humano para Bolivia 2002*, La Paz, 122.

⁸ Letter from Ana María Romero de Campero to Carlos Mesa, president of the Bolivian Congress at the time, 2 Oct. 2003.

⁹ “Denuncian que borraron datos de seguridad,” *Los Tiempos*, La Paz, 23 Oct. 2003.

¹⁰ Author interview with alternative development consultant, 12 June 2003.

¹¹ “Ojo con la generación 1008,” *La Prensa*, La Paz, 12 Oct. 2003.

¹² “Goni aprobó un decreto confuso antes de irse,” *Los Tiempos*, La Paz, 23 Oct. 2003.

¹³ “Decreto: Cajas dice que Goni cometió delito,” *Los Tiempos*, La Paz, 24 Oct. 2003.

¹⁴ United Nations Development Programme (UNDP), *Human Development Report 2001: Making new technologies work for human development* (New York, Oxford: Oxford University Press, 2001), 182–185.

¹⁵ U.S. Department of State, Bureau of Western Hemisphere Affairs, *Background Notes: Bolivia, November 2002*, <<http://www.state.gov/r/pa/ei/bgn/1958.htm>>.

¹⁶ UNDP, op. cit., 150, 164–5.

¹⁷ “Bolivia ocupa el segundo lugar en mortalidad infantil,” *El Deber*, Santa Cruz, 12 Dec. 2002.

¹⁸ Centro de Estudios para el Desarrollo Labor y Agario (CEDLA), “La exportación de gas a EEUU sólo salvará a este gobierno,” Sept. 2003, <<http://www.cedla.org/noticias-Gas.html>>.

¹⁹ “David Greenlee se aleja de las opiniones de Goni,” *Los Tiempos*, Cochabamba, 22 Oct. 2003.

²⁰ For additional information see Kathryn Ledebur, *Drug War Monitor: Coca and Conflict in the Chapare*, The Washington Office on Latin America, July 2002.

²¹ Both coca growers and members of the administration agreed that earlier studies carried out on coca consumption might have been politically motivated; also, that any such study should not be funded by the U.S. to avoid being dismissed for lack of objectivity.

²² “Embajada de EEUU y el MAS presionan a Mesa por la coca,” *Los Tiempos*, Cochabamba, 22 Oct. 2003.

²³ “EEUU pide a Bolivia coca cero y dureza en lucha antidrogas,” *La Razón*, 10 Oct. 2003. Andean Information Network translation from Spanish.

²⁴ “Bolivia’s Coca Crops,” editorial, *The New York Times*, 22 Oct. 2003.

²⁵ C-Span broadcast, 6 Oct. 2003.

²⁶ Public speech given by Ambassador Rocha at the inauguration of Dignity Airport in Chimoré, Chapare, Cochabamba, 26 June 2002.

²⁷ “El debate sobre los conflictos está a punto de postergarse,” *La Razón*, 20 Oct. 2003.

²⁸ “El Ministro de Defensa responsabiliza a Goni,” *Los Tiempos*, Cochabamba, 13 Nov. 2003.

²⁹ “El Presidente forma un gabinete a la medida de la crisis política,” *La Razón*, La Paz, 20 Oct. 2003.

³⁰ “El Presidente Mesa cuenta con el 66% de apoyo popular,” *El Deber*, Santa Cruz, 2 Nov. 2003.