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Heeding Bolivia's Wake-Up Call

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The riots that culminated in Bolivian President Gonzalo Sánchez de Lozada's resignation on October 17 were a means for marginalized citizens to express frustration with exclusion from political decision-making and participation in their economy. But for the agitators who rallied behind them, the protests and their attendant violence were a way to force a change in power. This should be a warning to the Bush Administration of how discontent can be channeled to empower leaders hostile to U.S. interests and the region's fledgling democracies and markets.

To foster stability and ensure ongoing cooperation in counternarcotics efforts, the United States should encourage international support for Bolivia's precarious democracy, enhance lagging U.S. public diplomacy efforts, and retarget counternarcotics assistance to strengthen civil society and the rule of law.

Government on Thin Ice. Bolivia has enjoyed two decades of uninterrupted democratic rule and, thanks to free-market reforms, an average economic growth rate of 4 percent during most of the 1990s. Since 2000, however, successful elimination of 90 percent of the country's illicit coca cultivation has caused the economy to contract, and excessive government bureaucracy, weak rule of law, and inadequate property rights block any compensating rebound. Because citizens living on the margin cannot easily overcome these obstacles, 60 percent of

Bolivia's citizens continue to subsist on less than \$2 per day.

U.S. counterdrug aid in the form of crop substitution programs has failed to boost employment or cut poverty, and the transportation infrastructure needed to move commodities to market has barely improved over two decades of assistance. Moreover, none of the substitute crops, such as bananas, has a competitive advantage.

- Unemployment led protesters in Bolivia's highlands to rise up against President Sánchez.
- The Bush Administration should encourage Bolivia's democratic processes, improve U.S. public outreach to indigenous communities, and retarget assistance to leverage broader reforms, improve infrastructure, and strengthen civil society.

The previous administrations of Presidents Hugo Banzer and Jorge Quiroga hoped to replace lost coca income with natural gas exports from newly discovered reserves. But President Sánchez de Lozada, elected in August 2002 in a runoff against coca eradication opponent Evo Morales, ran into mounting

opposition after trying to impose new taxes on the middle class when the economy was sputtering, and then neglected to communicate how gas sales could benefit the majority poor.

Mining Discontent. In September 2003, residents of the shantytowns surrounding La Paz took to the streets to denounce government plans to con-

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struct a gas pipeline from the fields near Tarija to the Pacific Ocean. At first, they complained that it would go through rival Chile, which blocked Bolivian access to the Pacific following the war in 1879. When President Sánchez agreed to consider rerouting the pipeline through Peru, they switched their message to opposing foreign gas sales entirely.

Although Bolivia's coca growers generally did not participate in the protests, their leaders—indigenous activist Evo Morales and coca growers union chief Felipe Quispe—assumed prominent roles and claimed their movements would soon be in power. The media generally attributed some 70 deaths to actions of Bolivia's security forces, but the violence began when rural agitators shot at a government convoy engaged in rescuing tourists held up by roadblocks in the highlands. Later, some deaths reportedly resulted from accidents, rioters wielding lit sticks of dynamite, and thugs intimidating non-participating citizens. However, Morales accused the government of perpetrating a massacre.

Losing support within the government, Sánchez resigned on October 17 and was replaced by Vice President Carlos Mesa, who promised early elections and repeated Sánchez's parting pledge to hold a referendum on the gas issue.

Wider Implications. Halting gas sales may cost Bolivia billions of dollars in lost revenue, but natural gas is a pawn in a much bigger power play. After bullying Sánchez from office, Quispe gave President Mesa 90 days to adopt his pro-coca cultivation agenda, or else violence would resume until special elections—not contemplated under Bolivia's constitution—are arranged. If either Quispe or Morales becomes president, the country could fracture from conflict between the highland poor and more prosperous lowlanders.

Furthermore, it is likely that Morales, reportedly advised by European activists and backed by Venezuelan President Hugo Chávez, would align Bolivia with Chavez's authoritarian regime and Castro's Cuba. Both Quispe and Morales oppose coca eradication efforts and, if elected, would set back the war against drug trafficking and Colombia's attempt to reign in domestic narcoterrorists.

What Needs to Be Done. The Bush Administration was right to express confidence in President

Mesa; but to promote Bolivian stability, maintain prospects for prosperity, and salvage cooperation against drug trafficking, the United States also should:

- **Support Bolivian democracy and the rule of law.** Internal agitators seek an extraconstitutional special election to put their leaders in office. U.S. officials should encourage all parties to abide by Bolivian law and pursue any changes constitutionally, and the Bush Administration should ask hemispheric allies like Brazil and Uruguay for their support in monitoring and protecting Bolivia's democratic order.
- **Strengthen U.S. public diplomacy efforts,** which have languished in Bolivia since the U.S. Congress cut all such programs in the late 1990s. Bolivia's indigenous population is not monolithic. Embassy outreach should be conducted in Aymara and Quechua, as well as in Spanish, to promote moderate voices in the community. The U.S. Broadcasting Board of Governors should consider adding indigenous dialects to the Voice of America's South American broadcasts. International exchanges should be increased and extended to promising indigenous leaders, not just government officials.
- **Retarget counternarcotics support.** While the political will to reduce excess coca cultivation must be addressed, some of the \$100 million in annual assistance should be redirected to land titling to strengthen property rights and break up existing coca collectives, leverage transportation improvements to get alternative crops to market, and support local organizations that champion the rule of law and deeper free-market reforms.

Building a broad-based middle class through open markets must be Bolivia's first priority. The United States should support that objective if it wants continued cooperation on other issues such as the traffic in narcotics.

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