

## **In Bolivia, New Setbacks To a Leader's Lofty Vision**

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BUENOS AIRES, Aug. 30 -- Intensifying labor strife, political infighting and budgetary pressures are threatening to chip away at the domestic support of Bolivian President Evo Morales, who took office in January promising to nationalize the natural gas industry and to achieve social equality for the country's indigenous majority.

During his first months in office, Morales announced a series of sweeping reforms that have helped make him one of the most popular presidents in modern Bolivian history and heightened expectations in a country eager to shed its label as South America's poorest. In May, he donned a hard hat and announced that all foreign energy companies had to surrender operational control to the state's energy company. This month, he celebrated the creation of a newly elected assembly to rewrite the country's constitution, a key demand of indigenous supporters who view Morales, of Aymara Indian heritage, as an advocate.

But days after that celebration, the government quietly issued a statement announcing the temporary suspension of the "full effect" of the nationalization program because of a lack of funds. On Monday, the president of the state energy company resigned after being accused of violating the nationalization decree by exporting oil through a Brazilian firm. A day later, members of the Constituent Assembly suspended voting amid tense debate over charges that Morales and his supporters were trying to manipulate the assembly to circumvent Congress and the courts.

Before he was elected president, Morales was the leader of a coca growers' union and was known for leading public demonstrations, including some that helped topple two presidents between 2003 and 2005. But this week, Morales found himself on the receiving end of the same sort of social and labor protests that he used to organize.

"The honeymoon that this government has had with the social movements is starting to come to an end," said Gonzalo Chávez, an economist and political analyst at the Bolivian Catholic University in La Paz. "The movements are now asking for results, such as more employment and better income distribution. It is causing some problems for the government, but Morales still has very strong support -- his popularity rating is at about 70 percent, according to the most recent polls, which is enormous support for a president in Bolivia. So I think he still has a lot of room to maneuver to avoid serious conflicts."

But the pressure is building quickly. Teachers this week began a strike to protest plans to make indigenous languages compulsory. Bus drivers launched a two-day walkout to protest one plan that would require drivers to re-register and another that would increase fines for traffic violations. Postal workers continued a week-long strike aimed at securing the resignation of a top official, and public health workers took to the streets to demand the reinstatement of several officials fired recently over corruption allegations.

Near the border with Argentina, a group of Guarani Indians briefly turned off a natural gas pipeline that supplies Argentina to protest that country's recent hike in customs and border-crossing fees.

Strikes and protests are nothing new here. But Morales's policies have underscored the long-standing divisions in Bolivia that are at the heart of the most recent controversies.

The Constituent Assembly was set up to eliminate the inequalities suffered over the years by the indigenous population. Given its importance, Morales and his supporters have pushed for the power of the assembly to supersede that of Congress and the judiciary. But opposition members have balked, saying they fear that the president could use the assembly to significantly weaken the branches of government he doesn't control.

Meanwhile, the government has blamed its bitter relationship with the opposition for the delays in the nationalization program, which Morales said in May would probably take six months. When the president of Bolivia's state-run energy company resigned this week, he labeled accusations that he violated the nationalization program "an attack by the oligarchy and the reactionary right wing."

Critics of the program, however, said the problems faced by the energy company prove that the government is not prepared to take over the sector.

The delay in the nationalization program "was a recognition that they may have bitten off more than they could chew," said Carlos Alberto López, a former vice minister of energy who is now an energy industry consultant based in La Paz. "This had been, pretty much, the main campaign measure they had proposed, and all of a sudden they realize that they can't go forward as they had expected."

Last week, the Bolivian Senate -- which is controlled by a narrow majority of members opposed to Morales -- voted to censure Energy Minister Andrés Soliz, forcing him to offer a letter of resignation. Morales rejected the resignation and reiterated that the nationalization program would proceed once emergency financing became available.

"This vote is a shameful act against our national dignity by a group of sellouts," Morales said in a televised speech last week, according to the Associated Press. "The nationalization and industrialization of our natural resources will not stop."