

Bolivia's Political Fissures Force Morales to Shift Course

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LA PAZ, [Bolivia](#), Jan. 21 -- The elected assembly charged with redrawing Bolivia's political blueprint has not debated a single proposal after six months of sessions. When the 255 members meet, they fight over how many votes it will take to pass constitutional changes, if the changes are ever proposed.

But the people of this politically divided country are growing increasingly impatient, and they have started to do what the assembly has not. They are once again debating Bolivia's future, in an even more volatile setting than the contentious assembly hall: the streets.

As President Evo Morales celebrates his first year in office Monday, he remains determined to launch what he calls a "democratic revolution," built on the traditions of the country's indigenous population. But the rising public unrest -- by his opponents and supporters -- has forced the government to come up with new ways to try to get there.

Morales, and the slight majority of assembly members aligned with him, initially had hoped that the assembly, created last year, would enable them to grant indigenous communities more institutional power and a bigger share of government revenue.

But long-simmering regional conflicts have interfered, with opposition assembly members insisting on more autonomy for local governments in regions that produce the bulk of the country's export income. The deadlock over voting procedures is merely a reflection of the much deeper fault lines running through Bolivia.

"Our meetings always end in insults," said Oscar Urquízu Córdova, an assembly member for the Podemos party, which opposes Morales, the former leader of a coca growers union. "Their side accuses us of 500 years of oppression against the indigenous class, and they say we represent a repressive oligarchy. Then we say things back to them, like calling them 'narco-traffickers.' "

Meanwhile, the rifts left unaddressed by the assembly have worsened.

Last month, about a million people filled the streets of Santa Cruz to demand greater autonomy from the central government, which the protesters accuse of taking their region's wealth and unfairly distributing it elsewhere. Recently, when the regional governor of the central district of Cochabamba said he would seek greater regional autonomy, Morales's allies took to the streets to demand his resignation. Two people were killed and more than 100 wounded in the resulting clashes.

And protesters in La Paz plan demonstrations Monday demanding the resignation of that district's governor, who also supports greater regional autonomy.

"All of these issues -- the problems with the assembly and the protests around the autonomy issue -- are closely related," said Gonzalo Chávez, a political analyst at the Catholic University in La Paz. "The assembly was supposed to be addressing these things, but now the country lacks the institutional mechanisms to deal with them. And it has to look elsewhere."

Morales and Vice President Álvaro García Linera recently have appeared to downgrade their expectations for the assembly, which was supposed to have written a new constitution within a year.

In an interview last week, García Linera said that the deadline was unrealistic and that the process would take at least two years.

To try to defuse the conflicts between the regional districts and the central government, García Linera last week proposed holding referendums that would allow voters to replace the controversial governors elected in December 2005. He said promoting such an option reflected the government's responsiveness to what thousands of protesters have identified as a common aim.

"What this essentially does is enrich our democratic institutions and create the possibility of an exit door -- democratically and institutionally -- for when a government official is no longer wanted by the electorate," García Linera said of the referendum proposal.

According to a preliminary version of the proposal that the government released last week, the threshold for revoking an official elected with more than 50 percent of the vote would be higher than for those who received a smaller percentage. Morales won nearly 54 percent of the vote when he was elected in December 2005.

Not surprisingly, some members of the opposition object.

The governor of La Paz, José Luis Paredes, ridiculed the referendum plan, saying that it was consistent with a governing style that he believes has become increasingly authoritarian. Paredes, who received about 39 percent of the vote when elected, asked: If the government listens to the protesters who want him out of office, why didn't they listen to those who filled the streets of Santa Cruz to demand more autonomy?

"This government has a style of confrontation, which generates hate and rancor among Bolivians," Paredes said in an interview Friday. "Every Bolivian now has another Bolivian that they are supposed to hate, or who is supposedly opposed to them. Whites are against brown-skinned people, those of the east are against those of the west, the traditional types are against the so-called 'revolutionaries.' This government isn't interested in democracy."

Many of Morales's supporters believe that the regional governors, or prefects -- whose positions were created in 2005 at the request of those seeking greater autonomy -- are now simply trying to advance their own political interests at the expense of the Morales administration. García Linera said that 40 percent of all state investment goes to the regional governments, which he suggested could be a corrupting influence for leaders seeking to undermine the president.

"They have a lot of economic power," he said. "That is good, but in some cases, when you have so much money so rapidly, some prefects use the power as a lever, or as a trampoline, to project themselves nationally."

The debate over the use of government money is more relevant than ever, because Bolivia has a budget surplus that amounts to about 6 percent of the country's gross domestic product -- its largest in years.

The government clearly views Morales's plan to partially nationalize the country's energy sector as the key to the rosy revenue picture. The plan significantly increased the state share of profits and decreased profits for energy companies by drastically altering the tax structure. Previously, about 18 percent of money generated from energy projects went to the state, García Linera said, and 82 percent to the foreign energy companies; now, those percentages are exactly reversed, he said.

When the nationalization plan was announced in May, many critics predicted that it would result in foreign investors abandoning the Bolivian energy industry. Though analysts say foreign investment slowed initially, the energy companies have stayed, renegotiating their contracts and agreeing to play by the new rules.

Now, Morales is planning to overhaul the mining industry, which is Bolivia's second-largest source of export income behind natural gas. García Linera said the government would probably unveil a new tax structure for foreign mining companies, but that it was likely to be "less intensive" than the energy overhaul.

Despite the tension in the streets, the popular nationalization agenda has helped keep Morales's overall popularity rating above 50 percent, according to recent polls.

But some loyal Morales supporters say they fear that support could erode if the government does not respond more quickly to public demands.

Raúl Prada, an assembly member from Morales's party, said he fears a repeat of what happened in Ecuador two years ago, when Lucio Gutiérrez -- a president elected on a populist agenda with strong support from the indigenous population -- was ousted after abandoning his base and losing the support of the middle class.

"The opposition has grown -- not so much for what they have done, but as a result of our mistakes," Prada said during an interview in Sucre, where the assembly is based. "Before, the opposition on the right was completely pulverized, but now they are holding these large rallies and attracting parts of the middle class. It is tremendously dangerous."