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The Bolivian Autonomy Crisis of 2007-2008

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Introduction

The problem of failed states since the end of the Cold War is increasingly important for the future of global security. In a world that is becoming more and more interconnected, such states can be hotbeds of terrorist activities that threaten more stable states. Examples of other possible threats include displaced refugees, epidemics, famines, and disputed borders.

As defense budgets come under increasing pressure globally, nations and the international community must develop more efficient ways of dealing with failed states.

There is not an official Obama doctrine. Robert S. Litwak, of the Woodrow Wilson Center, says "there is no Obama doctrine because the president is not doctrinaire." [1] However, a new U.S. doctrine for the 21st century does seem to be developing. In a speech at the National Defense University on March 28, 2011, President Obama in the course of explaining U.S. actions in Libya did provide insight into how he and future U.S. presidents might approach future security threats. Obama said that the U.S. will always act if vital national or economic interests are threatened. The U.S. may also take action in defense of non-vital national interests based on American values. An example of such a non-vital U.S. national interest would be a humanitarian intervention to halt a foreign government from indiscriminately slaughtering its own civilians, which seemed about to happen in Libya. But in the case of these non-vital national interests, the region must support any U.S. actions, there must be a broad international coalition ready to work

with the U.S., and the cost to the U.S. must be low. [2] In the case of Libya, since that country is a greater political and security concern to the Europeans than for the U.S., NATO took primary responsibility for it, with the U.S. providing some support. This allowed the U.S. to concentrate on protecting its vital national interests. An example of those vital interests is finding a conclusion to the war in Afghanistan where U.S. forces remain heavily engaged, without leaving that country a place where terrorists could attack the U.S. from or destabilize nuclear-armed neighbor Pakistan. While not cost free to the U.S., this multilateral approach can be a lower cost alternative to U.S. unilateralism. Additionally, after the Iraq and Afghanistan wars, multilateral approaches by the U.S. to international security problems will be more acceptable to the U.S. and international publics.

This paper will examine two situations of near civil war and state collapse. In both situations, regional organizations played major roles, and the U.S. played only a minor role. The first situation will be Bolivia in the period from 2007 to 2008. Additionally, the previous history of Bolivia will be examined for the sake of perspective and to give a background on the conflict. The course of the conflict will be discussed, and the role of some of the regional organizations in resolving the conflict will also be examined.

The second conflict concerns Cote d'Ivoire in 2011. Independent from France since 1960, Cote d'Ivoire does not have the deep historical background of conflict that Bolivia has. The course of the Cote d'Ivoire conflict will be considered, as will the role of regional organizations.

While Bolivia and Cote d'Ivoire are very different places, some lessons about the roles, strengths and weaknesses of regional organizations can be gleaned from both studies.

The next chapter will briefly examine the physical character of Bolivia. While the nation of Bolivia and the Bolivians have been shaped by many cultural, social and historical processes, the physical geography of the land itself has also had an important influence on the state and people.

Chapter 1 – Bolivian Geography

Bolivia is divided into two major regions, east and west. Additionally, according to historian Waltraud Q. Morales, Bolivia can also be divided into three topographical regions, the Andean, the transitional sub-Andean and the lowlands. [1] The Andean and much of the transitional sub-Andean region can be considered to be mostly western Bolivia, and the lowlands and some of the transitional sub-Andean region are considered to be eastern Bolivia [see maps 1, 2 and 3, pages 6 and 7].

The western part of the country is dominated by rugged highlands and the Andes mountain range. Many of the mountain peaks in western Bolivia are above 21,000 feet in elevation. Additionally, many areas besides the mountains in the west are above 10,000 feet: the political capital of Bolivia, La Paz (meaning "Our Lady of Peace") is located at 11,975 feet. La Paz is the highest capital city in the world. However, La Paz is actually in a deep valley relative to the land around it, known as the *altiplano,* or high plains. The *altiplano* was where the majority of the Bolivian population has traditionally lived. Morales describes this area, which lies mostly at or above 13,000 feet, as

> ...only 80 miles wide and running 500 miles from north to south between two main branches of the Andean range....The climate on the altiplano varies from frigid to temperate, depending on the altitude, sun and winds. Sundown brings a rapid temperature drop. Water is scarce, and the soil supports mostly scrub grass...Hundreds of potato variations native to the Andes were cultivated by the ancient Aymara and Inca civilizations, and there are more than 200 varieties in present-day Bolivia...Mining has been the primary economic activity of the altiplano. The major mining complexes of Catavi (Llallagua) and Huanuni near the city of Oruro are situated close to the frigid and steep Andean passes. Isolated and completely dependent on outside resources for clothing, food and housing, Bolivian miners have been a hardy, poor and long-suffering class of workers. [2]

The departments of La Paz, Oruro and Potosi are considered part of the Andean region.

Morales describes the second region which he calls the transitional sub-Andean region, "consists of the rich, temperate valley (*valles*) nestled in the foothills of the Andes and the sub-tropical valleys (*yungas*) of the northeastern escarpment of the Andes...the transitional upper valleys of the sub-Andean region lie between 10,000 and 14,000 feet. [3] The transitional sub-Andean region includes the departments of Tarija, Chuquisaca and Cochabamba.

Morales observes that the third region of Bolivia, the eastern lowlands:

> covers 70% of the territory and consists of the extensive and ecologically diverse eastern plains or llanos...subtropical forests and grasslands, as well as the dense tropical rain forests of the Amazon basin...and the Chaco....This inhospitable, arid region of cacti, spiny scrubs and dry quebracho forests is swamp for three months of the year and parched desert the rest of the time. [4]

The lowlands consist of the departments of Santa Cruz, Beni and Pando.

Bolivia may well be the most Indigenous (or Native American) of South American countries. The U.S. Department of State says this about the ethnic composition of Bolivia:

> According to the 2001 [Bolivian] census, Bolivia's ethnic distribution is estimated to be 55% indigenous, 15% European, and 30% mixed or mestizo (all categories are self-identified and answers vary widely depending on how questions are phrased). The largest of the approximately three dozen indigenous groups are the Quechua (29% or 2.5 million), Aymara (24% or 2 million), Chiquitano (1% or 180,000), and Guarani (1% or 125,000). No other indigenous groups represent more than 0.5% of the population. German, Croatian, Serbian, Asian, Middle Eastern, and other minorities also live in Bolivia. Many of these minorities descend from families that have lived in Bolivia for several generations. [5]

By comparison, Paraguay has a 45 percent and Ecuador has a 25 percent Indigenous population.

The people of western Bolivia, especially the Indigenous, are sometimes referred to as *kollas*. This term is derived from the Inca name for the area.

Additionally, the U.S. Department of State and most other sources estimate that in Bolivia, currently "Almost two-thirds of its people, many of whom are subsistence farmers, live in poverty."[6] The majority of people in Bolivia have always been poor at least since the Spanish conquest, although the Indigenous have generally been the poorest of the poor and the most oppressed.

Spanish among the Indigenous of Bolivia has been a second language, with most people speaking an Indigenous language as their first language.

Like many places in the world, Bolivia has become increasingly urbanized, but many people still live in rural areas, and it is in the rural areas that poverty is concentrated. Klein reports that the 2001 Bolivian census found 38 percent of Bolivians living in rural areas, and in these rural areas 91 percent were considered poor. [7]

The departments of La Paz, Oruro and Potosi are considered part of the Andean region. In general, western Bolivia (the Andean and sub-Andean regions) can be considered something of the West Virginia of Bolivia, since their mostly Indigenous population has been since the Spanish conquest (as we shall see) heavily discriminated against. Additionally, the miners (who were mostly Indigenous) of the region have often fought bitterly with the government and the mine owners (who were mostly white or of mixed Indigenous/white descent). The eastern part, in contrast, can be thought of as the Texas of Bolivia. Large agribusiness, ranching and energy development projects are

located there (we will look at how they developed later), and the area has a business-friendly atmosphere. The people of eastern Bolivia are sometimes referred to as *cambas*. How stark the historical differences between the eastern and western parts of Bolivia have been, and how history has shaped the experience of Bolivians since independence will be the subject of the next section.

Defense mapping Agency Gazetteer 1986

Map 1

Bolivian departments (states) and department capitals

Defense mapping Agency Gazetteer 1986

Map 2
Bolivia size comparison

ExploreBolivia.com 2011

Map 3
Bolivian topography

Chapter 2 - Bolivian Territorial Loss, Social Unrest and Nationalism

Bolivia has a long history of domestic, social and economic conflicts, as well as conflicts with neighboring countries, which has resulted in an impressive loss of territory. Understanding these past conflicts is important to understanding the forces that shaped the Bolivian crisis of 2007-2008 and which continue to influence Bolivia to this day and in the future.

Bolivia claims to have lost over half of its land (Map 4 and Table 1, page 9) to its neighbors since independence.

Originally boasting 2,363,769 sq. km. of territory, Bolivia now possesses 1,098,581 sq. km. [1] Bolivian territory was lost to Brazil in 1867 and 1903, to Peru in 1909, to Paraguay in 1935, to Argentina in 1862 and 1883, and to Chile in 1884. [2]

Since independence from Spain in 1825, Bolivia has had over 200 coups, civil wars, revolutions, and wars with neighboring countries. Bolivia has been called "the land of 200 coups." In the 19th century alone Scheina asserts Bolivia sustained some 60 civil wars and rebellions. [3] Bolivia has had new constitutions in 1826, 1831, 1834, 1839, 1843, 1851, 1861, 1868, 1871, 1878, 1880, 1938, 1945, 1947, 1961, 1967 and 2009, for a total of 17 constitutions. Also, there were five major constitutional reforms in 1994, 1995, 2002, 2004, and 2005.

Lonely Planet 2004

Map 4
Bolivian territorial losses

Country	Territory
Total former Bolivian territory	2,363,769 sq. km.
Brazil	490,430 sq. km.
Peru	250,000 sq. km.*
Paraguay	234,000 sq. km.
Argentina	170,758 sq. km.*
Chile	120,000 sq. km.
Total loss	1,265,188 sq. km.
Total present Bolivian territory	1,098,581 sq. km.

Geografía y Recursos Naturales de Bolivia 2000

Table 1

Countries Bolivia has lost territory to since independence

Martin Sivak, author of a book on Bolivian President Evo Morales, points out:

> Bolivian presidents govern from the Palacio Quemado (Burned Palace). In 1875, dissenters of then-president Tomas Frias hurled flaming torches at the house of government from a neighboring cathedral, igniting a massive fire. The uprising was unsuccessful but even after the edifice was rebuilt, the name "Burned Palace" stuck, a fitting reminder of the volatile country Bolivia has become since its founding in 1825. Of its 83 governments, 36 didn't last for more than a year, 37 were de facto governments, and, to this day, no historian has managed to determine the exact number of coup d'états and military uprisings. [4]

Even among its own citizens, Bolivia has a reputation as a seemingly eternally unstable country. The Bolivian novelist Edmundo Paz Soldan captured this impression of Bolivia as trapped in never ending internal discord in his novel, "Turing's Delirium," when his main character, Miguel Saenz (aka Turing), says:

> At times the years pass by languidly, lazily, with no sign of movement on the earth's crust but that peace is no more than a pause between shakeups, and it is simply a matter of waiting patiently for a new tremor to come. The epicenter varies: the mines, state universities, the tropics of Cochabamba, the highlands of La Paz, the cities. The motives vary: protests against a coup d'état, the minimum wage, hikes in the cost of gasoline and basic necessities, military repression, plans to eradicate coca crops, dependence on the United States, the recession, globalization. What remains invariably is a nerve center of discord. [5]

Another of Soldan's characters, minister of finance Valdiva, points out the effects of this extreme internal discord on the economy of Bolivia:

> Our people want the economy to recover, but when investors come from outside, they shout to high heaven (about foreign exploitation of Bolivia). They don't understand that capitalist companies are not charitable organizations – [investors] invest in Bolivia because they want to earn a profit… [the Bolivian people will] put them [foreign investors] on the run, all right, and then the next day they'll wake up with nothing. It will be a victory with no winners – just the kind of victory we like. [6]

A third minor character in Soldan's novel is an unnamed city prefect who is forced to resign from his office because of massive social protest against a fictitious multinational electrical corporation called GlobaLux that has been attempting to operate a power company in Bolivia. The resigning prefect describes what the impact of the political and economic situation will likely mean for the lives of Bolivians in his resignation speech when he says: "there will be no GlobaLux, but neither will there be an adequate provision of electricity over the next fifty years. Our children and our children's children will continue to live with blackouts. A Pyrrhic victory, the kind we are used to." [7]

It certainly is true that Bolivian leaders and politics have in the past and in the present displayed what Kohl and Farthing call a confrontational political style [8] and what Claudio Katz calls the "combative impulse" [9] in abundance.

Social unrest has played a part not only in the economic, political and social development of Bolivia, but also in the physical size and extent of the nation. As we shall see, internal political strife and social unrest occurred in times of war as well as in times of peace, and played a part in the loss of at least some of Bolivia's territory. These internal and external conflicts in the over 186 years since Bolivian independence have had a powerful influence on the political identity of Bolivians and their relationship with their government. If, as Charles Tilley famously said, "War made the State and the State made War," perhaps it is possible that unsuccessful conflict (internal and external) may corrode the state and make it vulnerable to state failure. A study of how Bolivia came to near state failure in 2007-2008, and how state failure was averted, plus a comparison with

a somewhat similar situation in Cote d'Ivoire, which this paper will examine, can provide some useful observations on this kind of situation.

Conflicts of particular interest to our study include selected incidents from the 19th century, especially from 1841 onward, with special attention on a major war with neighboring Chile (the War of the Pacific, 1879-1883). In the 20th century, we will examine a secessionist movement (the Acre War of 1903), another major war (the Chaco War of 1932-1935) and one revolution (the 1952 Bolivian Revolution), which also had major effects on the Bolivian nation and national identity, and which have particular relevance to the events of 2007-2008.

Before we consider Bolivia's internal and external conflicts, it will be helpful to consider national identity and how it binds or fails to bind a nation together. We normally think of Great Britain, for example, as a politically mature nation with a strong sense of identity. But an argument can be made that the British national identity (like many national identities) was manufactured relatively recently.

Linda Colley observes of Great Britain:

> ....If we accept Benedict Anderson's admittedly loose, but for that invaluable definition as a nation as "an imagined political community", and if we accept also that, historically speaking, most nations have always been culturally and ethnically diverse, problematic, protean and artificial constructs that take shape very quickly and come apart just as fast, then we can plausibly regard Great Britain as an invented nation superimposed, if only for a while, onto much older alignments and loyalties (such as England, Scotland and Wales)...[10]

Further, Colley points out that in the song "Rule Britannia":

> "When Britain first at heaven's command,
> Arose from out of the Azure main,

This was the charter of the land
And guardian angels sung this strain:
Rule Britannia, rule the waves,
Britons will never be slaves"

...the chorus is so rousing that it scarcely seems to matter that it is Britain's supremacy offshore that is being celebrated, not its internal unity. Or that the British are defined less by what they have in common, than negatively – whatever these people are, we are told, they are not slaves. [11]

Interestingly, the chorus of the Bolivian National Anthem is somewhat similar to the British song:

"Let us keep the lofty name of our country in
Glorious splendor,
And, on its alters,
Once more we swear,
To die before we live as slaves,
To die before we live as slaves,
To die before we live as slaves."

Other factors can help forge a national identity, however, and certainly Latin America has done its share of national identity construction. In his excellent work on the use of popular music and radio in the 1930's to help construct modern Brazilian national identity, McCann points out that culture can substitute for warfare in the making of a national identity. However, he also points out:

> Brazilianness, or *brasilidade*, was commonly understood to mean that collection of qualities which defined the nation, which distinguished Brazilians from citizens of Argentina, Portugal, and the United States – to name three populations whom Brazilians felt it was important to define themselves *against*. Determining the cultural content of Brazilianness, and discovering the best ways to cultivate, express, and

preserve it, became an overriding concern. [12]

Great Britain and Brazil, the United States and other nations have had their national identities formed by successful domestic territorial expansions and international conflicts and have developed strong national cultural/political identities as well. Brazil, for example, was a winner in the 1864-70 War of the Triple Alliance, which virtually destroyed its enemy, Paraguay. Additionally, Brazil also participated on the Allied side in World War II. As we shall see however, Bolivia has no such record of foreign success in war. On the contrary, all recent international conflicts have been lost by Bolivia, and the country also has a tradition of internal conflict, which has undoubtedly affected Bolivian national identity and politics, and has certainly influenced the perception of Bolivia by other countries and international business. In the 1950's, according James Seikmeier:

> an offhand remark supposedly made by a U.S. official, subsequently published
> in *Time* magazine, caused an uproar. Rumors swept La Paz that a U.S. official said that Bolivia should be partitioned by its neighbors because it was doing such a poor job of governing itself. Anti-American demonstrations broke out,
> resulting in two deaths, several wounded and $70,000 of property damage. [13]

In turn, this internal weakness probably encouraged foreign adventures at Bolivian expense. One Chilean writer wrote of Bolivia: "An artificial country has no right to survive." [14]

Chapter 3 – The *Caudillo* Era

However, if Bolivia is a tumultuous country, it is certainly one with a long history of conflict, especially from 1841 onwards. This period is characterized as being dominated by military strongmen or *caudillos*. The term *caudillo* implies a "man on a horse" who commanded and led from the saddle, often by brute force. Scheina observes that by the 1840's, there were four major political centers in the country, all in the western highlands: Sucre (population about 12,000); La Paz (population about 40,000); Cochabamba (population about 30,000); and Oruro (population about 4,600). [1]

Sucre at the time was the constitutional capital, although the Bolivian Congress rotated between the four cities (in the Federal Revolution or Civil War of 1898-1900, La Paz was fixed as the political capital while Sucre became the judicial capital). [2] Scheina observes that this arrangement favored division and conflict in Bolivia, since "having four capitals instead of the normal one made starting rebellions easier and ending them more difficult." [3] In part, this reflected the political reality of a mountainous and jungle-covered land connected by few roads or other easy means of transportation. Even during the war of independence against Spain, there had been six separate zones of resistance, or *republiquetas*, in Bolivia.

Morales observes that in that period "in addition to the six major republics, there were numerous minor republics, smaller republics within larger republics, and factions within these that were led by virtually independent partisan leaders." [4] Additionally, the

Indigenous people fought on both sides, further adding to the chaotic situation. Scheina concludes that geographical isolation, while not the only reason for internal conflict in Bolivia, had "significantly contributed to the lack of political, economic and social development" of Bolivia, [5] and helped create the conditions for the internal conflict which has had such an influence on Bolivian history.

Much damage had been done to the economy of Bolivia during the struggle for independence. Once, Bolivian silver had helped finance the Spanish Empire. Klein observes that the Bolivian city of Potosi alone produced half of the silver produced in the New World in the period from 1570 to 1650 [6], but that because of the war of independence (which lasted for 15 years and used Bolivia as a main battleground) and the exhaustion of the richer silver deposits, by the 1840's

> ...there were still ten thousand (abandoned) silver mines in the republic, two-thirds of which still retained silver, but were now under water and could not be developed without pumping machinery. There were, in fact, only 282 active mine owners in 1846 who employed only some nine thousand miners, most of whom were part-time specialists who worked in agriculture as well. [7]

Attempts to develop the cotton industry failed, and according to Klein the number of factories dropping from several hundred in the pre-independence era to just 100 such factories by 1846. [8] The economy at the time could be considered strongly mercantilist, with imports heavily restricted and taxed. Also, the economy was mostly agricultural, with much of the national income coming from the taxes paid by the Indigenous, including not only a head tax but also a tax on coca leaves. [9] Even though the Indigenous were the majority of the population and did much to support the country, they were effectively disenfranchised. Additionally, at this point according to Klein and

others, Bolivia had "An inflated army that absorbed almost half of the national budget and had one general for every hundred soldiers." [10] A Bolivian general, Jose Ballivian was elected president in 1841 but was ousted in 1847. His administration was considered the last stable one until nearly the end of the 19th century. His successor as president, General Jose Miguel de Velasco, was in turn overthrown by his own secretary of war, General Manuel Belzu. However, the various intrigues of the time were not confined to palace and garrison. According to Scheina, after a rebellion against him commenced in 1848, President Belzu

> ...immediately appealed to class hatred and encouraged the "have not" *cholos* [those of mixed race who wore European dress and speak Spanish as well as Indigenous languages, and elsewhere in Latin America are called *mestizos*] to attack the great landlords. Mobs in La Paz and Cochabamba rose up in support of the regime. Guerrilla bands roamed the countryside, stealing, raping and murdering almost at will; this environment fuelled endless conspiracies...particularly by influential *criollos* [persons of pure Spanish blood born in the New World]. Captured enemies were brutally punished. [11]

After numerous attempted rebellions and an assassination attempt (he survived being shot in the face in 1850), Belzu stepped down in 1855 and turned the government over to his son-in-law, General Jorge Cordova. Cordova was overthrown in 1857 by a civilian, Jose Maria Linares, who ruled until 1861. According to Klein, Linares did try to improve the economy, attempting to expand the mining industry [8] and initiating "long-term changes in the direction that was to mark the ultimate victory of the free trade ideology" in the 19th century. [12] Additionally, Scheina observes that Linares reduced the size of the army from 6,000 to 1,200 men (plus a militia) to improve the fiscal condition of the state. [13] However, Klein states that Linares became increasingly authoritarian, and in

many ways ruled in the style of a *caudillo*: after September 1858, he established a formal dictatorship. [14] Scheina further observes:

> ...one uprising after another occurred. Although they were unsuccessful, these rebellions took their toll on the government. In November 1860 the government massacred rebellious Indians at the shrine of Copacabana on Lake Titicaca. Also, Linares had a priest shot for conspiracy; as a consequence, two of his ministers resigned in protest and the public was outraged. [15]

Linares was eventually overthrown and sent into exile in 1861, and was succeeded as president by General Jose Maria de Acha. Acha in turn had to fend off numerous rebellions. During one of these rebellions:

> Acha approached (the rebel army of General Gregorio Perez) with an inferior force and hesitated. Colonel Melgarejo, commanding one of his divisions, said "My general, it is necessary to attack, and I attack." Without waiting for a response, he led his division in a charge. Perez's army was defeated... [16]

Alfredo Iriarte, along with many others, is unimpressed with Melgarejo, however. Iriarte admits that Melgarejo

> ...displayed suicidal courage in battle. Of course, it should be stated that that such intrepidity had never been the product of a truly heroic character, since in not a few critical moments he gave evidence of a gallinaceous cowardice. The truth was that before entering the melee Melgarejo drank a bottle of rotgut anisette spiked with gunpowder and distributed the wholesome compound among his gallants. The collywobbles provoked by this noble drink cut a wider swath through Melgarejo's host than the bullets and bayonets of the enemy. [17]

It is possible this story of an anisette/gunpowder combination may be fiction. Many wild, colorful stories have been told about the notorious Melgarejo: hardly anyone has ever wanted to defend him. However, if true this concoction predates and foreshadows the use of a similar infamous concoction of cocaine and gunpowder called *brown brown*,

which was popular among the adult and child combatants in the late 20th and early 21st century wars in West Africa and is shown so well in the movie "Lord of War" and Ishmael Beah's book "Long Way Gone."

Soon, Acha and Melgarejo came into conflict. As Machiavelli could have warned, the problem with good mercenaries is that they will want to take over your government, which is what now General Mariano Melgarejo eventually did, overthrowing Acha in December 1862. We will spend some time examining Melgarejo, since significant events such as the rise of the mining industry and considerable loss of Bolivian national territory occurred during his rule. Additionally, to many Bolivians, Melgarejo probably represents an era, and the way at least Bolivia's early governments routinely acted toward Bolivians. As Tristan Marof said, "Melgarejo is the history of Bolivia." [18]

Melgarejo was an especially ruthless, brutal and colorfully crude *caudillo*. In fact, it could be argued that Melgarejo was the *caudillo's caudillo*. When former president Belzu returned from exile in March 1865 and attempted to return to power, Melgarejo and a few followers broke into the palace where Belzu was writing a victory speech and overwhelmed Belzu's guards. Melgarejo personally shot and killed Belzu [19].

Waltraud Morales says of this incident:

> According to a popular account of the affair, Melgarejo rushed to the presidential balcony after the cold-blooded murder and defiantly proclaimed to the crowd below "Belzu is dead! Who lives now? The crowd roared back, "Long Live Melgarejo!" [20]

This was especially ironic, since Belzu had earlier pardoned Melgarejo for taking part in an earlier unsuccessful uprising against him. Iriarte states that "No one ever discovered whether, when … Melgarejo perfidiously murdered him, the ex-dictator had time to rue not having crushed the viperling's head when he'd had the chance." [21]

Melgarejo is popularly credited with starting the controversial Bolivian government tradition of selling the country and its resources to foreign interests and nations. He sold coastal mineral rights to foreign investors (according to Klein, mineral exploitation of highland Bolivia was mostly reserved for Bolivians, however) and land to Brazil and Argentina in1862 (see map 4, page 9). There is a story (which may or not actually be true) that Melgarejo gave some of the Bolivian land to Brazil in exchange for a horse for himself. Called "*caudillo barbaro*" or the barbarian strongman, Scheina observes that Melgarejo "Abrogated the constitution, ruled by decree, and made sergeants ministers within his government." [22] Of particular importance to our study, Klein notes that in 1866, Melgarejo issued a decree that was a major attack on traditional Indigenous land ownership:

> By the terms of the confiscation decree, it was declared that all (indigenous) community properties were really state owned lands and that Indians on them were now required to purchase individual land titles…Even if the Indian should be able to purchase his land, ultimate possession still resided with the state, so that the lands would have to be repurchased all over again after five years. [23]

Scheina observes

> Melgarejo's increasingly tyrannical rule inspired numerous rebellions. He created the "Colorado" Battalion [or Presidential Guard], fanatically loyal to him personally. He crisscrossed the *altiplano* cutting down his opponents…In June 1869 Col. Leonardo Antezana massacred Indians while carrying out Melgarejo's policy of seizing indigenous lands. When not fighting, Melgarejo devoted himself to liquor, women, gambling, gluttony and brawling, while his mistress, Juana Sanchez, emulated his debaucheries. [24]

However, Klein points out:

> Yet, despite the term "*caudillo barbaro*," as Bolivian historians have labeled him, Melgarejo in many ways represented the coming to full power of the mining elite of the country and the triumph of its policy of free trade. The liberal policies of the regime represented a coherent continuation of programs that had been set in motion as early as the

> Linares period. Moreover, despite his alleged "drunkenness" and dissolute living style, Melgarejo received important support from the new mining elite for much of his term of office...His regime fully reflects the reemergence (since Spanish rule) of a powerful silver-mining export industry in Bolivia...Bolivian historians have justifiably condemned the Melgarejo government for consistently selling the nation to the highest bidder. But could other regimes have successfully resisted these blandishments after some 50 years of stagnant fiscal revenues and an officer corps that proved insatiable in its demands for power? Moreover, one can seriously question whether the new mining elite was at all concerned whether the new mining concessions granted to Chilean capitalists or other aspects of government policy that essentially ended all attempts at mercantilist control either in terms of the mining industry or in protecting national industries. [25]

Melgarejo was finally defeated and forced into exile in 1871 (there he died a violent death, killed by a son-in-law during a domestic dispute in Lima, Peru). Congress declared Colonel Augustin Morales president, but one of Morales's nephews killed him during a family argument. Congress then declared President Adolfo Ballivian (the son of the 1841-1847 president), but he died in 1874. He was replaced by Tomas Frias, who endured numerous rebellions (the presidential palace in La Paz was burned in his time, getting the name the "Burned Palace" at this time). Finally, Frias was ousted by General Hilarion Daza, with the approval of Congress. It is during Daza's tenure that the critical 1879-1883 War of the Pacific occurred.

In 1839 deposits of valuable minerals and nitrates (such as bat guano, which could be used for fertilizer and explosives) were discovered in the Atacama Desert area along the Pacific Ocean coast. This area was claimed by both Bolivia and Chile, with Peru claiming part of the region as well. After almost going to war in 1866, Bolivia and Chile agreed to a compromise in 1874 that gave Bolivia control of the territory north of 24 degrees south latitude (which Bolivians call the Litoral department) in return for Chilean

companies and citizens (who soon were the majority population of the area) being allowed to exploit the nitrates for a small tax paid to Bolivia. This situation was similar in many ways to the situation and role of U.S. citizens in Mexican Texas and California before the Texas War of Independence and the Mexican-American War, in that the host government needed the immigrants but doubted their loyalty. This was a serious matter in the context of the times. The French justified their conquest of Algeria and other areas in Africa in this era by asserting that they could better use the territory as farmland than the native nomads, so therefore they had a right to take it. Other European countries thought the same way. Morales points out that very few Bolivians lived in the entire Litoral, and that "the great Uruguayan philosopher Jose Enrique Rodo correctly observed in his book of essays *Ariel* (1900), 'To govern is to populate.' Bolivian governments, by failing to populate the whole of the national territory, did not fully govern Bolivia." [26]

On Feb. 6, 1873 Peru and Bolivia signed a secret agreement to come to each other's aid if either one was attacked by Chile. Later, in an attempt to generate desperately needed funds, Scheina reports:

> On February 23, 1878, Bolivia levied an export duty of ten centavos per each hundredweight on all nitrates, including those mined by Chileans between the 23rd and 24th parallels. When the Chilean government protested the tariff, the Bolivian government not only refused to rescind the export duty but declared it retroactive and further decreed that if it were not paid before February 14, 1879, the nitrates in the possession of the Chilean exporters would be sold by auction. Soon, Bolivia cancelled the concession with the Chilean companies, seized their properties, and confiscated the nitrates. [27]

On Feb. 14, 1879, the Chileans gave their response to Bolivia, landing troops by sea and moving their navy into the waters offshore. On March 18, 1879, Bolivia declared war on Chile, seized all the Chilean property it could and requested that Peru join it

against Chile. As a result, Peru reluctantly joined the conflict, with Peru and Chile declaring war on each other on April 5, 1879. By this time, Bolivia had gained a national hero. On March 23, 1879, a Bolivian engineer, Eduardo Avaroa, led other civilians in the defense of a bridge in the Litoral against Chilean troops. After the other Bolivians had either been killed or forced to withdraw, the Chileans ordered Avaroa to surrender. Reportedly he replied defiantly: "Surrender? Your grandmother should surrender!" Subsequently he was killed by the Chileans, but he was an inspiration to Bolivians.

Photo by author 2004

Statue of Eduardo Avaroa near the Bolivian naval base on Lake Titicaca

However, the war ended up being a complete disaster for Peru and Bolivia. The Chilean Navy was more modern and better trained than the Peruvian Navy, and in spite of the fact that Bolivia had a coast at this time, it had no navy. Although the Peruvian Navy did manage to launch a few daring raids against the Chileans, at the Battle of Anagamos on Oct. 8, 1879, the Peruvian Navy was decisively defeated. This action gave the Chileans a tremendous military advantage, because now they could make surprise landings and easily resupply their forces along the Pacific coast. The Bolivians and Peruvians, in contrast, had to move everything by land, often across the Atacama Desert, one of the most hostile terrains on earth. Additionally, the Chilean Army was better organized and equipped than its opponents. The category of artillery alone is revealing. The Chileans had superior German Krupp guns, while the Bolivians had three somewhat modern field pieces and the Peruvians "at the beginning of the war had no modern field artillery."[28] Scheina states that at the climactic battle of Tacna on May 26, 1880 between the combined armies of Peru and Bolivia and the Chileans, the Chilean general Manuel Baquedano

> ...opened the attack with his 12-pound Krupp guns which outranged those of the enemy and soon destroyed them. The one-hour bombardment was followed by a four-column Chilean attack along the entire front. By 2 pm (the Peruvians and the Bolivians) fell back, causing a general retreat. The allies lost 2,500 killed and wounded which included 400 prisoners. The Chileans lost 687 killed and 1,032 wounded. Most of the surviving allies fled to the town where the Bolivians quit the fight and continued all the way back to La Paz. [29]

However, a major factor in the outcome of the war was not only the superiority of the Chilean army and navy, but also the greater political instability of the allies.

Scheina says that after the defeat of the Peruvian Navy and several defeats on land,

the President of Peru, Mariano Ignacio Prado, on Dec. 17, 1879

> Shocked Lima when he sailed for Europe with the stated purpose – perhaps sincere – of raising money to purchase new ironclads (for the Peruvian Navy). General La Puerta, the vice-president, took charge of the government. On December 21, General Nicolas de Pierola – one of those that had refused to serve in Prado's cabinet – rebelled against the government. Supported by the majority in the capital who believed that Prado was running away, Pierola entered the capital the next day and declared himself Supreme Chief of the Nation. [30]

At this point, the Bolivians were having their own internal political problems. Bolivian President Daza insisted on leading his troops in the field, ignoring a section of the constitution of the time requiring him to give up the presidency if he did so. [31] However, "he proved to be an even worse general than politician," according to Klein. [32] Once a plan called for a force of Bolivians led by Daza, many of whom were very poorly equipped, to advance across the desert to link up with the Peruvian allies and other Bolivians and attack a much smaller force of Chileans. Scheina says Daza "began the march across the desert in the heat of the day without adequate water supply (many of the canteens of the soldiers' were filled with wine) or a guide…the army turned back." [33] Morales observes that "Daza withdrew his crack regiments from the field and left the allied forces to be defeated by the Chileans in the Battle of San Francisco…President Daza's desertion became a great national embarrassment to Bolivia. Historians have argued that Daza wanted to protect his prized regiments as a hedge against coup attempts… [34]

Dissatisfaction with Daza's perceived incompetence built up to the breaking point. On Dec. 27, 1879, the Bolivian Army at Tacna (in the Atacama) revolted against Daza, and the next day there was a further revolt against Daza in La Paz. By Dec. 29, General

Narcisco Campero was named president. However, after the Bolivian disaster at the battle of Tacna in 1880, the Bolivians were largely confined to watching as the Chileans invaded deep into Peru. Eventually, in the face of guerrilla warfare, the Chileans left Peru, although they kept some of Peru's part of the sparsely populated Atacama region. The treaty of Ancon ended the war on Oct. 20, 1883. Scheina summarizes:

> Chile's victory was complete...From Bolivia, Chile received that nation's entire seacoast as well as financial concessions...The war confirmed Chile as the dominant power on the west coast of South America. Chile won in large measure because it was politically and economically more mature than either Peru or Bolivia. This maturity endowed it with numerous advantages, such as the capacity to create a modern army and navy, and an economic foundation adequate to sustain an aggressive amphibious campaign. Peruvian society, in many respects, remained in the 18th century as did many of the social, economic, and technological aspects of its army and navy. Bolivia lagged even further behind. No amount of bravery could overcome such handicaps. [35]

The Truce of Valparaiso was signed by Bolivia on April 5, 1884, recognizing Chile's temporary control of the Atacama region. Bolivia officially ceded its lost coastal area to Chile in the 1904 Treaty of Peace and Friendship because it badly needed Chilean money and cooperation to try to develop the Bolivian economy. For Bolivia, the War of the Pacific was a major turning point. Klein says that besides becoming a landlocked country, the War of the Pacific effectively ended the age of the rule of the *caudillos*:

> The discrediting of the old military leaders, the disaster of the state financial structure that had led directly to the costly war, and the loss of all the wealth-producing coastal centers combined to force the miners and the altiplano elite to participate directly in politics. The Pacific War disaster destroyed the power of the army and also gave the civilian politicians the justification they needed for finally and effectively bringing the national political structure into some kind of coherent relationship with the changing nature of the export and urban economies. The result was the ending of the era of military caudillo rule... [36]

Chapter 4 - The Early Modern Period

The debacle of the War of the Pacific led to the rise of two major political parties, the Conservatives and the Liberals, and with them a new political order.

The Conservatives favored a peace settlement with Chile, and had their support base with the silver mine and large land owners centered on the southern Bolivia area around Sucre and Potosi. The Liberals opposed the "pacifism" of the Conservatives and had their support centered on the tin mines (and miners) in the La Paz area as well as some businesspeople in eastern Bolivia. However, Klein notes that: "despite these differences, both parties were primarily interested in political and economic modernization, and their ideological outlooks were similar." [1]

This desire for modernization of the country had major consequences for the Indigenous population and society. As Klein notes:

> While the land titles of the free [Indigenous/Indian] communities had been challenged as early as the Melgarejo period in the 1860's, Indian resistance had nullified this attack, and the communities had effectively retained their control over their lands. But by the 1870's, the whites and *cholos* were increasing their pressure, and the new urban and mining camp markets provided the incentive for the landed elite to undertake a new full-scale attack. Accepting the self-serving thesis that the [Indigenous] communities were an anachronistic system of land tenure and a barrier to social integration and modern economic growth, the elite used classic 19th-century liberal ideas of the need for a free peasantry holding title directly to the land. They forced on the communities in the 1880's a system of direct land purchase in which the titles to the land were held by individuals and not by the corporate group. The creation of an individualistic Indian "peasantry" holding de jure title gave the *hacendadoes* (large landowners) the power to break up the de facto control of the communities by purchasing a few small parcels and thus destroying the cohesion of the community. The rest was simple, with fraud and force being as common as simple purchase,

> and soon there was a major expansion of haciendas...The Melgarejo attack of the 1860's on the communities had been based on these "liberal" ideas. But the 1870's and the 1880's were a period in which new capital was made available to make the attack an effective one...the power of the free Indian communities was definitively broken. Only the marginality of the lands they still retained...prevented their complete liquidation." [2]

This situation in Bolivia is similar to the Allotment Act (or Dawes Act) of 1887 in the United States, which also attempted to end the communal nature of life of the U.S. Indians and convert them into small landowners (and was also largely unsuccessful).

This disruption of Indigenous life and culture did not occur peacefully. An especially large Indigenous rebellion over land ownership occurred in the La Paz department in January 1892. As Scheina reports, "The government reacted harshly, indiscriminately killing Indians throughout the *altiplano* for months." [3] However, conflict between Indigenous and non-Indigenous was soon escalated as part of the conflict between the Liberals and the Conservatives.

The Conservatives had ruled Bolivia from 1880 to 1899, mainly because after they got into power, according to Hudson and Hanratty, they rigged the election of the president. [4] In Dec. 1898 they additionally attempted to make their center of power, the city of Sucre, the permanent administrative capital of Bolivia. This caused the city of La Paz and the Liberal party, led by Colonel Jose Manuel Pando, to rebel against the Conservative-dominated government led by President Severo Alonso in what came to be known as the Federal Revolution. Although the main reasons for the revolt were regionalism and federalism (the previously described system of rotating the administrative capital between the four main cities) Hudson and Hanratty observe that:

> The Federal Revolution differed from previous revolts in Bolivia in that Indian peasants actively participated in the fighting. Indian discontent

> had increased because of the massive assault on their communal landholdings. The *campesinos* supported the Liberal/Federalist leader, Jose Manuel Pando, when he promised to improve their situation. [5]

This was because the Federal revolution, according to Klein

> ...initially found the La Paz rebels isolated, with few arms and threatened by a well-equipped national army...Thus the Liberals went beyond the traditional rules of elite conflict and encouraged the Indian peasant masses to participate. Under the leadership of a principle Ayamara leader, Pablo Zirate "Wilkie" of Sicasica, an Indian army was raised among the peasants of the Department of La Paz. This poorly armed peasant force served as a defensive screen for the Liberal forces, suffering major casualties, and allowed the Liberals time to build an effective fighting force. But the Indians had their own agenda as well... [6]

The Indigenous fighters attacked Conservative/Constitutionalist foraging parties, often taking no prisoners. Scheina further observes that there were incidents in which the Indigenous took non-Indigenous prisoners and proceeded to torture them to death. Sometimes the execution by torture of the non-Indigenous took days. [7]

However, with the victory of the Federalist/Liberal party in April 1899, the Indigenous forces were suppressed. Scheina observes that the Indigenous had

> ...reoccupied lands, seized goods and attacked the establishment. The civil war that had just ended had the potential to spark an interclass revolution. Pando reneged on his promises to the Indians. Their leadership was seized and executed. The Indians were beaten back into submission. [8]

Ironically, the Liberals abandoned Federalism (which the war had been partially about), and made La Paz the permanent administrative capital (although Sucre remained the judicial capital). Additionally, Klein points out that it was the Liberal party that permanently agreed to the loss of the former Bolivian seacoast to Chile with the 1904 Treaty of Peace and Friendship with Chile:

> Here it [the Liberal government] went beyond the most extreme concessions ever proposed by its conservative predecessors in an attempt to obtain funds and terminate a longstanding and politically sensitive issue that it [the Bolivian Liberal government] felt was distracting national resources. Reversing their previous irredentist stand that demanded an unqualified return of the seized territory, the Liberals signed a formal peace treaty with Chile in 1904. Bolivia agreed to cede all seized littoral lands and give up its demand for a Pacific port. [9]

The Bolivian government did this to receive Chilean financial and political help to construct railroads in Bolivia, which were desperately needed to develop the Bolivian mining industry. The intent was that railroads would allow Bolivian tin to be sold on the world market in what is considered now to be the first era of globalization in the 19th century (which lasted until World War I and the Great Depression). Only railroads at the time could lower the transportation costs enough to make Bolivian tin profitable. Sales to the world market would in turn generate desperately needed money for the Bolivian government. This had been the Conservative political and economic program, but now the Liberals had adopted it. These policies resulted in an expansion in the economy because of the exportation of Bolivian tin at favorable prices. Klein notes:

> The adoption of the basic economic program of the Conservatives [transportation improvement and mineral exports], and the decline of the Sucre elite resulted in almost exclusive domination of the Liberals in national government. So strong was the liberal movement, in fact, that there would be no coup attempts from 1899 until 1920, a record in the history of the political evolution of the nation. [10]

Additionally, this period saw the formation of *La Rosca* (or "spring," "coil" or "screw" in Spanish). *La Rosca* were the professional politicians and lawyers who served the elite of the country (especially the mine owners). Together, *La Rosca* and the

wealthy elite ensured that the Bolivian political system and economy benefited themselves. This group in the future would consistently oppose attempts to reform Bolivia in any way that didn't profit them.

It should be noted that this period was one which was extremely friendly to foreign investment. Klein observes that "there were no restrictions on foreign investments in the mines and that Bolivia was open to all types of entrepreneurs," [11] and in fact it is surprising that the Bolivian mining industry didn't end up being completely owned by Chilean, European and United States companies and capitalists. This era somewhat resembles the later period of neoliberalism in the 1990's both in the openness of Bolivia to foreign investment and the lack of benefit the situation provided for the poor of Bolivia.

During this period, however, the Liberal government had to deal with a threat to Bolivian territory from Brazil. The rubber boom, which started in the late 19th century, brought thousands of mostly Brazilian settlers into the northeastern Bolivian territory of Acre, which was rich in valuable rubber. Soon, the Brazilians outnumbered the Bolivians in this area, a situation similar to that which had existed in the Atacama area between Bolivians and Chileans before the War of the Pacific. In 1899 and 1900, there were attempts at succession by the Brazilian residents of Acre, who announced they wanted to establish an independent republic and which were put down by Bolivian forces. Over time, the fighting continued and Brazil became more and more openly involved on the side of the rebels. In 1900 Brazil closed the rivers flowing out of Bolivia to Bolivian traffic until international pressure forced Brazil to relent. In Jan. 1903, the Brazilian rebels won numerous victories and Brazil sent troops to the area to reinforce the rebels.

Beaten, the Bolivians agreed to sell Brazil the Acre region in the 1903 Treaty of Petropolis. In this case Bolivia lost to Brazil 191,000 sq. km. of Acre territory in return for two areas on the Madeira and the Paraguay Rivers totaling 5,200 sq. km., the equivalent of U.S. $10 million, and the use of a railroad to be constructed around the rapids of the Madeira in Brazilian territory.

In two cases Bolivia had lost large sections of sparsely populated territory with valuable resources to powerful neighboring countries. In both cases the lost territory had been populated largely by people who felt little or no loyalty to Bolivia. As Scheina puts it, "For a second time...Bolivia had lost in war a major part of its sparsely populated lowlands to a stronger, better-governed neighbor." [12] Scheina additionally observes that Brazilian control of the rivers leading into Acre gave it an enormous advantage over Bolivia, similar to what Chile attained over Bolivia and Peru once it gained naval control of the Pacific coast during the War of the Pacific. As Scheina says, in the Acre War, "Brazil could sail assistance to the disputed area up the river system, whereas the Bolivians had to carry theirs across the Andes." [13]

It is said about military operations that amateurs talk about strategy while professionals talk about logistics. This remark certainly seems to be true in the case of the Acre War, since Brazil had a logistical advantage that was decisive. Another way of viewing the situation may be that communications and connectivity (roads, river transport, economic ties, etc.,) are a major part of what binds the regions of a country to the central government and each other. If a neighboring nation has better communications and connectivity with another nation's outlying region, then there is greater opportunity for that outlying region to get detached, either by military conquest or

succession. Likewise, there is greater opportunity for the neighboring nation to prevent a regional succession. This situation would occur again for Bolivia.

Being landlocked was going to be a situation that would work against Bolivia from this point forward, but as we shall see, it would also affect possible separatist movements if they didn't have the support of Bolivia's neighbors.

The Liberal domination of Bolivian politics started to end when the Bolivian economy began to decline. Kline states that a "sudden pre-World War I crisis in international trade caused tin production and exports to decline by a third between 1913 and 1914." [14] Additionally, a severe drought in 1913 and 1914 also hurt the economy. These situations helped a new political party to form, the Republican Party, which eventually took over the government in a coup in 1920. Eventually, the tin industry recovered after World War I. However, problems continued to build throughout the 1920's. Unions and political parties started to form and challenge the status quo. Additionally, the Indigenous continued to be restive. Klein observes that in 1921

> a massive Indian uprising in the Jesus de Machaca district near Lake Titicaca led to the killing of hundreds of Indians and dozens of local whites and cholos. Saaveda (Bolivian President Bautista Saavedra) unhesitatingly used force to suppress the revolt and attacked the community governments, or ayllus, as reactionary institutions that had to be suppressed. Thus he took a classic 19th century Liberal position on the Indian question. [15]

Saavedra also used troops to brutally suppress miners.

The repression was not enough to protect mining, the main engine of the Bolivian economy at this time. There was a brief depression in Bolivia in the early 1920-1922, which in turn was followed by the Great Depression. Klein states that "the extraordinarily open nature of the national economy would mean that Bolivia was one of

the first nations in the world to feel the full effects of the great crisis in the world economy known as the Great Depression." [16]

In 1929, of the major world tin producing countries, Bolivia had the lowest-grade ore and the highest transport costs. As a result, when the Great Depression came in 1929 and the world market for tin was virtually destroyed, a huge part of the Bolivian economy was crippled, and would stay crippled until World War II.

It was against the backdrop of rising economic and social tension that Bolivia entered the Chaco War with Paraguay in 1932. The Chaco region was thinly populated and lay between eastern Bolivia and Paraguay, and could be both an insect-infested marshland during the rainy season (December to May) and a virtual desert during the summer (June to November). To some extent, Bolivia had hoped to replace its lost Pacific seacoast with greater access to the Atlantic by way of the Chaco, and there were reports of possible large oil deposits there (some oil had already been found in eastern Bolivia). The Bolivian economy also continued to suffer greatly from the effects of the Great Depression. For example, in July 1931 Bolivia defaulted on its external debt. Additionally, the Bolivian President Daniel Salamanca seemed uncomfortable with economic issues, and was worried by his domestic loss of support as the economy worsened. He told the Bolivian public that the greatest threat they faced was not the economy but communism, and that the government needed to be moral. Klein believes that "As the internal economic and political scene became ever more tense, Salamanca gave more of his attention to the border question, which he saw as more easily soluble with firm righteous stands, while the economic situation grew ever more complex and seemingly insoluble." [17] On July 18, 1932, after a series of border skirmishes, war

broke out between Bolivia and Paraguay over the Chaco. President Salamanca ordered a major offensive and declared a state of siege. Salamanca did this against the written advice and opposition of his own military leadership. Salamanca did take advantage of the state of siege to arrest leftists, some of whom were thrown in jail and some of whom were sent to the Bolivian army to fight in the Chaco.

In spite of the Bolivian population being almost three times larger than Paraguay at the time (3 million vs. under 1 million) and that the German-trained Bolivian army was somewhat larger and better equipped (the Bolivians even had a few armored tanks, which the Paraguayans didn't have) the war became a disaster for Bolivia. The elderly German general who had largely trained the Bolivian Army, Hans Kundt, was recalled from exile to lead the Bolivians, but he proved to be a terrible field commander, getting thousands of Bolivian troops killed in "insane" frontal attacks before he was replaced. The Paraguayans could sail supplies and personnel up their rivers, while again as in the Acre War, the Bolivians had to transport supplies and personnel over the mountains. Many Bolivian troops died of thirst. The Paraguayan also were better led than the Bolivians. Interestingly, Scheina points out that even though the Paraguayan army was half the size of the Bolivian army, the Paraguayans were rarely outnumbered in the actual battles, showing their superior leadership. Eventually Paraguayan forces advanced across the Chaco nearly to eastern Bolivia, threatening the Bolivian oil fields. Bolivian president Salamanca continued to be so incompetent and interfered so much with the military that when he travelled to the Chaco to take personal command of the army in 1934, he was arrested by the military and forced to resign. Bolivian resistance actually improved after the president was ousted however, and eventually a cease fire was declared on June 14,

1935 (peace was formally declared in 1938). Both sides had suffered terribly. Nearly 54,000 Bolivians and 36,000 Paraguayans died in the conflict, or about 2 percent of the total populations of both countries. This was similar to the First World War casualty rate of Great Britain.

Additionally, the social divisions of the Bolivian society were reflected in the structure of the Bolivian Army, and caused many of the soldiers to question their society. Klein observes:

> For the few whites who did serve in the front line, the experience was a bitter one and committed many to a radical stance toward the racial divisions of their society…They had been appalled by the corruption and incompetence of the high command and shocked by the revelations of Bolivian duplicity in the war. To these youths of the "Chaco Generation" their sacrifice had been in vain. They emerged bitter at the army leadership that had led them to disaster and frustrated with the political leadership that had created the whole imbroglio. [18]

Scheina points out that at least since the Federal Revolution in 1900 the Bolivian army had become mostly involved with "holding down the Indians and the miners." [19] Scheina further observes that being used in this manner had a corrosive effect on the Bolivian military at the time of the Chaco War:

> The Bolivian Army has [been a] twenty-year propaganda, as a logical consequence of innumerable parades. The people believed in the organization of their military institution, it also knew it boasted a good contingent of trained reservists: what no one knew was that he who had organized the Army had done so simply to show it in parades. The Army was a political instrument, it was never an instrument of war. The various Presidents of the Republic desired and considered it as such. [20]

The *La Rosca* were largely discredited, although they continued to be a force up to the 1950's. Siekmeier observes that with so many men away in the army, the control of the elites in the small towns and villages was lessened, and particularly the Indigenous

began to discuss their grievances more openly, and to speculate what could be done about them. Additionally, men from the middle class who served in the army together and had been embittered and disillusioned by the racism, incompetence and corruption of the Bolivian government started to consider what a new and different Bolivia could be like. [59] Additionally, while radical ideas such as Marxism had started to enter Bolivia in the 1920's, the combined experience of the Great Depression and the Chaco War got many more people, especially in the Bolivian elite, thinking about how Bolivia could be radically changed. Klein asserts that "Bolivia entered the Chaco War as a highly traditional, underdeveloped export-dominated economy and emerged from that conflict with the same characteristics. But it changed from being one of the least mobilized societies in Latin America, in terms of radical ideology and union organization, to one of the most advanced." [21] In this sense, the Chaco War was a true watershed moment for Bolivia, similar in impact to the War of the Pacific. Like the War of the Pacific, the country would turn out to have been set in a different direction and would be affected for years afterward.

Immediately after the Chaco War, an era of military socialist government commenced with a military coup on May 17, 1936. Hudson and Hanratty believe that one motivation for this coup may partially have been that "the Bolivian officer corps wanted to avoid a civilian investigation of the military's wartime leadership, so backing for the coup came from all ranks." [22] But genuine attempts at reform were made. Disillusioned by both the Chaco War and the state of Bolivia's economy during the depression of the 1930's, these officers felt alienated from the free-trade policies and the

other political arrangements of the pre-war era. These officers were also likely influenced by the economic nationalism which was gaining favor in Latin America at this time. We would call economic nationalism protectionism today. Siekmeier defines economic nationalism as

> a set of policies that aimed to assert state control over some sectors of the economy to stimulate their development. Latin American economic nationalists wanted to grant the state greater authority in economic policy decision-making to ensure that foreign investors did not disproportionately benefit from exploitation of the nation's resources. In addition, these nationalists advocated increased economic self-sufficiency. They believed that economic self-sufficiency would insulate a country from the vicissitudes of the world market and pave the way for diversifying the economy, which would lead to long-term prosperity and economic power. [23]

It was also widely believed by Bolivians that Standard Oil had betrayed Bolivia during the Chaco War. A Bolivian hero of the Chaco War, General Jose David Toro Ruilova, from May 1936 to July 1937 nationalized Standard Oil in Bolivia. Siekmeier notes that the Bolivian nationalization of a foreign oil company was done a year before Mexico did the same thing to its foreign oil companies. [24]

This nationalization, the first of its kind in Latin America, was initially without compensation to Standard Oil. This led to another unique event. The U.S. government eventually started negotiating with the Bolivian government on behalf of Standard Oil to receive compensation. Finally, according to Siekmeier, in 1942 with World War II underway, an agreement was reached: If Bolivia would side with the Allies against the Axis powers and give Standard Oil some token compensation, the U.S. government would give Bolivia $25 million in economic aid.

> By promising to "cooperate" with U.S. officials, Bolivian officials were tacitly agreeing to curtail future expressions of economic nationalism –

> such as expropriations – in exchange for economic assistance. More broadly and fundamentally, the economic aid granted to Bolivia constituted the first time Washington granted a significant amount of economic aid, or aid for economic development, to a nation in the developing world. From this point forward, Bolivian requests of assistance, and U.S. assistance projects, would be an integral (if not the most important) part of the U.S.-Bolivian relationship. [25]

The military socialists continued with efforts to reform Bolivia, and in fact Toro was overthrown in 1937 by officers led by Colonel Germain Busch Becerra who thought Toro wasn't radical enough. However, while their efforts had an impact, it was not in the way they intended. According to Hudson and Hanratty, under Busch a new constitution in 1938 recognized the Indigenous communities, favored government intervention in the economy and society and emphasized the common good over private property. Additionally, Busch attempted to exert government control over the mine owners. However, the conservatives fought and blocked Busch so effectively, that he was driven to commit suicide in front of his aides at age 36, saying "It is best that I terminate my life." However, Hudson and Hanratty observe that the Toro and Busch regimes

> had a profound impact on Bolivia. Reformist decrees raised expectations among the middle class, but when they failed to be implemented, they contributed to the growth of the left. The constitutional convention gave the new forces for the first time a nationwide platform and the possibility of forming alliances. The military socialist regimes also prompted the conservatives to join forces to stem the growth of the left. [26]

From 1939 to 1946, Bolivian governments presided over both increasing demands for reform from the left and an increasing aggressive conservative reaction. Miners continued to organize and strike, and in 1942 the Bolivian government and military violently crushed a major strike at the mines at Catavi (near the city of Oruro). In this

incident according to Klein, hundreds of miners were killed by the military [27], but the brutal suppression united the Bolivian miners with the Bolivian left into a powerful national alliance, which in turn would influence other anti-establishment groups in the coming years as well as being an important force in its own right.

The international investigation of this incident was an opportunity for the newly formed Nationalist Revolutionary Movement (Spanish acronym, MNR) to enter the political spotlight. According to Hudson and Hanratty this party was started in 1941 by middle class and upper class intellectuals, but came to include miners, union workers and peasant groups and included members whose outlook ranged from relatively moderate to extremely leftist. What united them was opposition to the status quo of Bolivia. Hudson and Hanratty summarize that the MNR broadly did support nationalization of national resources and social reform. [28] Scheina observed that additionally the early MNR was "pro-nationalism, pro-Germany, anti-United States, anti-Semite and would become pro-Peron." [29]

However, conservative forces in Bolivia as well as in the rest of Latin America were attempting to return to power. Hudson and Hanratty describe this hostile environment in Bolivia when they recount the overthrow of Major Gualbrto Villarroel Lopez, the last military socialist leader of this era, who

> was overthrown in 1946. He had been unable to organize popular support and faced opposition from conservative groups and increasing political terrorism that included murder of the government's opponents. Rivalry between the MNR and the military in the governing coalition also contributed to his downfall. In 1946 mobs of students, teachers and workers seized arms from the arsenal and moved to the presidential palace. They captured and shot Villarroel and suspended his body from a lamppost in the main square, while the army remained aloof in the barracks. [30]

It should be noted that calling Villarroel "relatively moderate" is an important qualification: Villarroel had his enemies assassinated or executed when possible.

The death of Villarroel began a period of six years known as "the *sexenio*" when conservative governments were in control. These governments did everything possible to prevent change, but eventually they faced what they sought to prevent: revolution.

Chapter 5 – Revolution and Reaction

In 1949 conservative elements used a coup to prevent the MNR from coming into power, but the economy continued to worsen since in the post-war period the price of tin dropped. Additionally, unrest continued among the miners and Indigenous, as well as even the middle class. At this point, the Bolivian government arranged to have the remains of Eduardo Avaroa, the hero of the War of the Pacific, repatriated from Chile to Bolivia. The government, perhaps hoping to take Bolivian minds off their domestic troubles and unite the Bolivian people against the Chileans, sought to make an enormous affair of the return and burial of Avaroa, complete with massive military parades. However, this meant the Bolivian army, the mass majority of whom were recent draftees that served for one year, was busy learning to march instead of learning about their weapons and tactics. [1] As a result, the Bolivian army was unprepared for military operations in 1952. Additionally, the Bolivian general in charge of internal security, other government officials and the Bolivian police plotted with the MNR to overthrow the government. Hudson and Hanratty report:

> On 9 April [1952], the MNR launched the rebellion in La Paz by seizing arsenals and distributing arms to civilians. Armed miners marched on La Paz and blocked troops on their way to reinforce the city. After three days of fighting…and the loss of 600 lives, the army completely surrendered. Paz Estenssoro (one of the leaders of the MNR) assumed the presidency on April 16, 1952. [2]

The MNR could be divided by 1952 into three sections, according to James M. Malloy. One section were middle-class moderate reformers, a second group were leftist

radicals (allied with the miner unions and peasants) and a third group were pragmatic nationalists. [3]

In fact, the Bolivian Revolution of 1952 was, along with the earlier 1910-1920 Mexican Revolution, one of the great, genuine social revolutions in the history of the Western Hemisphere. To earn that distinction, Hudson and Hanratty observed that in July 1952 the revolutionary government established universal suffrage, without any property or literacy requirements. This immediately increased the number of eligible voters by 5 times (from 200,000 to almost 1 million). The three largest tin companies in Bolivia were nationalized on Oct. 31 1952. In Aug. 1953, the government started a major land reform program, which broke up many of the large estates and distributed the land to Indigenous peasants, especially in western Bolivia. It should be noted that at this time the western Indigenous were seizing property from the large western estates, so the government was just legitimizing what was already taking place. The law also abolished the traditional forced labor system the large landlords had used with their Indigenous tenants. [4] Morales concludes that the social revolution of 1952 was a success in that the three core goals of the three major factions of the MNR were achieved: the nationalists and the miners got mine nationalization, the peasants and the Indigenous got significant land reform, and the middle class and the disenfranchised got at least nominal full rights as citizens. In the scale of these reforms, this was one of the most sweeping social revolutions in Latin America. [5]

The United States recognized the new regime on June 2, 1952, and soon started to provide La Paz with economic aid. Siekmeier concludes that the Eisenhower administration eventually supported a leftist revolutionary government in the Cold War

mainly because the White House was afraid Bolivia would destabilize and collapse into chaos without aid.

> The view from Washington was that Bolivia had to provide a friendly environment for foreign private sector investment that they thought would spur growth, which was necessary for pro-U.S. stability. To promote economic growth, *norteamericanos* officials believed, the United States had no choice but to support the revolutionary government with economic assistance. Bolivia was a test case of Washington's ability to nation-build in the developing world by using U.S. - sponsored modernization theory - that western-style free-market capitalism (open to foreign trade and investment) could produce benefits for middle-class and working-class Bolivians. [6]

The U.S. also wanted to strengthen the Bolivian moderates and contain the hard leftists and felt that economic aid and advice were the way to attain these goals. The alternative, military intervention, would have been (and still would be) a logistic nightmare. Being far from the sea, having high, mountainous terrain, few roads and surrounded by other countries whose permission would be required for transit, for the U.S. Bolivia would be a difficult place for any intervention or evacuation of American citizens. U.S. aid to Bolivia was considerable, amounting to nearly $200 million in the 1950's, as compared to the $400 million that the U.S. provided to Greece and Turkey in 1947. [7] In 1957, Hudson and Hanratty estimate that U.S. aid subsidized more than 30 percent of the Bolivian government's central budget. [8]

However, a combination of elements led to the 1952 Revolution running out of steam and eventually being termed an incomplete revolution in spite of its ambitious beginnings.

First, the process of the revolution and the global economic situation took a toll on the Bolivian economy. According to Seikmeier:

> If one wants to put a single international factor to explain the problem of the Bolivians faced in the late 1950's, it would be the rapid fall of the price of tin, which began in the mid-1950's. *Norteamericano* officials realized the problems that the falling price of tin inflicted on Bolivia. Tin sales were down because of the post-Korean War demand and the declining ore content of Bolivia's easily exploitable veins. The price of tin plummeted from $1.21 per pound in January 1953 to $0.80 in June 1954, while the cost of production remained above $1.03 per pound. As a result, COMIBOL (the Bolivian state owned and operated Mining Corporation of Bolivia – Corporacion Minera de Bolivia) ran deficits – deficits that that were covered by drafts from the central bank. As the money supply increased, Bolivian inflation shot up. The cost of living in La Paz rose 124% in 1954, 80% in 1955, and a record 179% in 1956. [9]

The MNR was a coalition whose members had very different ideas of how things should be done. On one side were moderate leftists such as Paz Estenssoro who believed in relatively moderate economic changes, and on the other hand were hard leftist miners who endorsed the 1946 "Thesis of Pulacayo" which Klein concludes "called for permanent revolution and violent armed struggle for the working class." [10] The miners did not help their case with other Bolivians, since at this time Hudson and Hanratty report that "workers in the management of COMIBOL increased salaries and the work force by nearly 50 percent" [11] and armed miners' militia "constantly challenged the government's authority" [12]. The state of the economy and the unrest eventually turned the middle class against the government.

Klein describes the revolutionary crisis this way:

> The collapse of the state, the nationalization of the mines, the destruction of the *hacienda* system, and the massive shift of government resources into social welfare programs all created havoc in the national economy and government income. The takeover of the mines drained massive sums from the state coffers, and agrarian reform reduced agricultural deliveries to the cities drastically, thus necessitating massive food imports to prevent starvation. The only way to resolve all these problems was to increase national currency. The

> result was one of the world's most spectacular records of inflation from 1952 to 1956. In that time the cost of living increased twentyfold, with annual inflation rates of over 900 percent. [13]

The U.S. government attempted to help Bolivia with the Economic Stabilization Plan of 1956. In exchange for economic aid, Washington required Bolivia to cut the number of miners and their wages, allow the currency to float freely, curtail some projects and "temporarily" end land reform. This was an attempt to balance the budget and restore economic stability. As Seikmeier asserts: "This plan was the first of its kind to be implemented in the non-industrialized world. The Bolivians accepted the plan because they had been given an ultimatum: no plan – no aid." [14] Further, Klein concludes:

> The plan was successful. The currency was stabilized, deficits in the government were cut, and COMIBOL achieved a more balanced budget. By the early 1960's, in fact, Bolivia was finally able to give up direct United States budget subsidies. Also, a great deal of foreign, and above all government, capital now entered Bolivia in the form of loans and investments. Productivity in the mines did increase, and the economic stability needed for internal savings and investment finally began to be achieved. But the costs were high. [15]

The plan however caused great hardship among Bolivians, with the hardest hit this time being the poor and lower middle class. Social unrest increased, which caused the moderate wing of the MNR to make the critical decision to rebuild (with U.S. help) the Bolivian military as a counterweight to the leftist elements of Bolivia, some of whom might have been willing to ally with the Soviet Union and Cuba. This accelerated the collapse of the MNR and the eventual return of the military to power in a coup in 1964. In summary, Hudson and Hanratty observe that

> during its twelve-year rule, the MNR failed to build a firm basis for

> democratic, civilian government. Increasing factionalism, open dissent, ideological differences, policy errors, and corruption weakened the party and made it impossible to establish an institutional framework for the reforms. Not even the peasants, who were the main beneficiaries of the revolution, consistently supported the MNR. [16]

In spite of its many failures, the 1952 revolution ultimately could not be completely undone. For the first time, citizenship had been extended to the Indigenous, and for that reason alone, Bolivia would never be quite the same.

Additionally, Seikmeier suggests a postmortem of the U.S.-MNR/Bolivian experience from the U.S. perspective could be

> [i]f Washington had thought through the lessons of the Bolivian experience of the 1950's more carefully, Bolivia's example could have perhaps helped avoid the pitfalls of future U.S. assistance initiatives – but Washington leaders chose not to reflect on how the Economic Stabilization Plan had divided the MNR. The lack of study of the Bolivian experiment in economic assistance hurt U.S. interests in the long run. A study of the impact of U.S. assistance to Bolivia in the 1950's would have shown that it was mainly Bolivia's elites who benefited from foreign aid. Bolivia proved to be a trailblazer…The huge assistance program simultaneously raised expectations for a better life for the region's poor, yet the benefits were heavily skewed toward the wealthy. [17]

The military regimes that ran Bolivia until the early 1980's were not exclusively rightist governments. Some of these governments were more like the pre-*sexenio* era military socialists, especially from 1964 to 1971. The army general who took over with the overthrow of the MNR government on Nov. 4, 1964, Rene Barrientos Ortuno, in fact did brutally crush a strike by miners in 1966. However, Klein points out that this was not simply a return to the pre-1952 era:

> Although leaders of the MNR opposition assumed that the overthrow of Paz Estenssoro was a temporary transition, the reality was that a new political era had emerged in 1964. Younger military officers who had

> come to power under the MNR were to create a complex alliance with the peasants and were hostile to democratic politics and organized labor. These officers justified the legitimacy of military authoritarian government as the only solution to modernization – an ideology prevalent throughout the Americas at this period. Many of these regimes also would find support among the newer elements of the wealthiest classes and powerful regional elites which saw the military as more likely to favor their interests…But the institutional change, often chaotic personnel advancements (in the Bolivian military)…created an officer class that was far more unpredictable than many others in Latin America. Thus the era of military regimes was one of radical shifts of viewpoint….But despite all the very rapid and often seemingly random changes, there existed a series of basic arrangements that were only rarely modified. These coalitions were based on the army's acceptance of the basic social and economic reforms of the National Revolution (of 1952)…Their recognition and active acceptance of the peasantry would mark these new military regimes as semi populist ones…. [18]

Barrientos knew the Indigenous language of Quechua, and attempted to gain the support of the Indigenous. In fact, when revolutionary Che Guevara attempted to start an insurrection in Bolivia, he failed largely because of a lack of peasant support, along with a number of other mistakes and blunders that he made. Interestingly, in the opinion of Siekmeier, the defeat and execution of Che by the Bolivians:

> has proved to be the most significant military victory in (Bolivia's) recent history…the most important Bolivian campaign since the Chaco War, and proved an important victory for a military much derided for its poor record on the battlefield…The worst-case scenario from Bolivia's perspective would be that the victory of the Bolivians over the insurgency would be forgotten if Che managed to escape. [19]

However, relations between the U.S. and Bolivia actually worsened after the death of Guevara in 1967. Relations with the U.S. became interesting during the administrations of General Alfredo Ovando Candia, who took control of the Bolivian government in Sept. 1969, and General Juan Jose Torres, who came to power in

Oct. 1970. Ovando in 1969 expropriated Gulf Oil (although eventually a compensation agreement was reached), and in 1971 Torres kicked the U.S. Peace Corps out of the Bolivia. Interestingly enough, the Peace Corps was expelled mostly because of public uproar over a movie, "Yawar Mallku" ("Blood of the Condor"), which accused Peace Corps workers of the involuntary sterilization of Indigenous people. There is no evidence that that the Peace Corps ever did that. However, the Peace Corps did provide contraception, which did offend the Indigenous of Bolivia who considered children a source of wealth and social security, and showed that the U.S. government had a very limited understanding of Bolivian culture and society.

In spite of occasional bad relations, The U.S. except for occasional breaks continued to send aid to Bolivia in the 1960's, 1970's and 1980's. This was because occasional leftist guerrilla movements periodically appeared in Bolivia, and after the early part of the Kennedy administration, U.S. policy in Latin America's prime goal was to prevent any more pro-Soviet governments. Notoriously, this meant the U.S. allied itself with the region's right wing governments and destabilized leftist governments such as Salvador Allende's in Chile.

One particular Bolivian regime of this period is especially worth examining, that of Hugo Banzer Suarez, who came to power in 1971. Banzer came to power fearing a return of guerrilla activity, and his regime marks the start of true right-wing military rule in Bolivia. As a result, he ruthlessly crushed any possible leftist opponents. Ironically, Siekmeier observes of Banzer:

> In later years, Bolivia would look back nostalgically on his government as a stable period of economic development and relative calm after the instability and uncertainty of the late 1960's and early 1970's. Banzer

> skillfully used this nostalgic haze for his own political ends, declaring himself a democrat after Bolivia became a democracy, and winning the presidency in 1997. As a consequence, the tragic embrace of right-wing dictatorship by U.S. policymakers was tightened. [20]

Banzer's political program was typical of the trend in Latin America at the time, but had an important long-term impact on Bolivia. The Bolivian peasants had changed their demands and were now asking for financial aid from the government as well as land titles. As a result, the alliance between the Bolivian government and the peasants that had been in existence since the 1952 Revolution was now broken, and Banzer's military massacred peasants in Cochabamba in Jan. 1974. From this time forward, for the rest of the 20th century the government and the western Indigenous peasant would generally be in opposition to each other. Additionally, according to Klein:

> The Banzer administration also adopted the antidemocratic ideas then dominating the continent. The Brazilian model became an example to the Bolivian military. It was held that democratic rule ultimately led to social chaos, and only through "de-politicizing" these masses could economic development proceed in a rational manner...military intervention was no longer seen as a temporary affair, but rather as a long term alternative to democratic politics. Almost immediately on taking office, Banzer declared the COB (Bolivian Labor Federation, or Central Obrera Boliviana) and the FSTMB (Federacion de Trabajadores Mineros de Bolivia or Federated Union of Mine Workers of Bolivia) as illegal, and all of the parties to the left of the traditional MNR were formally denied recognition. This resulted in the jailing of many persons...as well as the deliberate use of assassination and torture. [21]

Webber additionally observes that the Banzer regime had major impact on eastern Bolivia:

> Under the [Banzer] regime, which lasted until 1978, the *cruceno* [people of Santa Cruz] bourgeoisie was at the receiving end of massive state subsidies (which incidentally contributed to the unsustainable accumulation of debt taken on by the Bolivian government during the

> Banzer era, setting the stage for the debt crisis of the early 1980's)...cotton, coffee, sugar and timber were promoted for export, in addition to the long standing subsidies for oil exploration and export...the curceno agrarian elite was able to diversify its interests during the agro-export boom of the 1970's by investing in finance, industry and the service sector...Between 1985 and 2000, the economy of Santa Cruz was the most dynamic in the country. [22]

Interestingly, Klein points out that the Banzer government decided to align Bolivia economically and politically with Brazil, which was a reversal of the traditional Bolivian relationship with Argentina. Banzer perhaps had the foresight to realize that especially his home province of the Santa Cruz department with its potential agricultural, natural gas and iron ore resources would require a closer relationship with the rising power of Brazil. [23]

Additionally, Seikmeier observes:

> Banzer ...coupled a repressive political strategy with infrastructure projects aimed at opening up the Oriente (east) to commerce, including foreign commerce, and economic (in particular agricultural) development....The result was increased foreign and domestic investment, which helped the Bolivian economy to diversify....Moreover, the Banzer period saw the beginning of the coca leaf and cocaine booms....[24]

However, economic and political changes eventually brought an end to the era of late 20th century military rule in Bolivia. Seikmeier states that one economic factor was that Banzer's policies "ran up the nation's debt, sowing the seeds of future economic crisis....Interest payments on the debt reached 30 percent of Bolivia's annual export earnings...." [25]. Additionally, Washington and world politics also had their effect. Making human rights a priority in foreign relations, U.S. President Jimmy Carter cut off both military and economic aid to the government of General Louis Garcia Meza. The

Meza regime (1980-1981), was especially brutal and also was allegedly heavily involved in the narcotics trade. Later, President Ronald Reagan also refused to recognize the Meza regime. It is likely that these actions by the U.S. presidents helped move Bolivia in the direction of restoring democracy. Siekmeier states that:

> Although it is often difficult to assess the impact of diplomatic events on internal politics, the actions of the Carter and Reagan administrations gave heart to those in Bolivia who desired democracy. By 1982, the groundwork was laid for Bolivia's return to democracy. It is important, however, that even as military authoritarianism crumbled in Bolivia, its legacy of promoting private sector investment, especially foreign private investment, and its fostering of economic diversification in Bolivia (including the production of coca leaf and cocaine) endured. [26]

The Meza regime deserves some special note. In some ways, his was a character similar to the 19th century *caudillo* Melgarejo. According to Klein, in the Meza period

> the level of corruption in the army reached new heights with its direct involvement in the newly emerging international cocaine trade. Finally, the authoritarianism of the officer class reached the point where they carried out the assassination of nine leaders of the MIR [a political party] in La Paz in January 1981 and organized paramilitary death squads along the model of contemporary Argentina. So extreme was the Meza government...and those temporary juntas that followed it, that they employed internationally known fascists such as the Italian Pier Luigi Pagliari and the German Klaus Barbie ["the butcher of Lyon"] of World War II fame. [27]

However, the clock was ticking on the military regimes in Bolivia and Latin America. This was part of a regional and global trend. In explaining the shift away from military authoritarianism and economic nationalism in Latin America in the late 20th century, Reid observes:

> In 1977 all but four Latin American countries were dictatorships. By 1990 only Cuba was....Some analysts saw this as just another swing of the pendulum....Yet it soon became clear that several deeper factors

> were at work. The first was that the international climate was changing....The Iberian transition to democracy in the 1970's was highly influential across the Atlantic. Second, state terror and long years of exile caused the left to reflect on the folly of its conduct in the 1960's and 1970's. Many left-wingers came to accept the value of civil liberties and democracy....An analogous re-evaluation took place on the right and among businessmen. Many of them assumed that dictatorships, free of the need to satisfy voters, would be able to take the unpopular decisions required to put in place policies that would guarantee faster economic growth. Yet it had not turned out like that – and this was the third and most important factor behind the turn to democracy. Most of the dictatorships had proved as incapable of grappling with the economic challenges facing the region as their civilian predecessors had been.... When the 1982 debt crisis broke, the dictatorships buckled under the opprobrium of economic failure....Rather than risk their professional cohesion, Latin America's armies sat down with the civilian politicians and negotiated a return to the barracks. [28]

To replace the old order, much of Latin America embraced what came to be known as The Washington Consensus, which had its origin in the 1982 debt crisis and was derived from a paper presented by economist John Williamson (who coined the term) to the Institute for International Economics. According to Reid, this paper

> boiled down to three main elements. The first was the importance of achieving macroeconomic stability and taming inflation through the control of fiscal deficits. The second was dismantling protectionism and opening up to foreign trade, competition, and investment. The third aspect was reforming the role of the state in the economy and promoting the role of markets in allocating resources and generating wealth. That meant getting the government out of producing goods through privatization. The implicit idea was to focus the state's activity on regulation, social provision and poverty alleviation. But this was not made explicit. [29]

Thomas P.M. Barnett further observed that the Washington Consensus in his opinion:

> Was really nothing more than a polling of economic experts, in which they were asked, in effect, to describe the most important

> characteristics of the American economic system as a guide for emerging economies…It was a great guide for managing the American System at its full maturity, but not surprisingly, given the snapshot nature of the list, it's a rotten guide for managing a less diverse and less networked economy… [30]

In Bolivia in the 1980's tin and natural gas prices had dropped while the Bolivian currency was simply printed by the Bolivian government, leading to hyperinflation. Seikmeier observes that as a result

> inflation reached 24,000 percent, threatening the nascent democracy that had emerged after twenty years of military dictatorship…However, most Bolivians knew that the military, which was divided, had no quick fix for the hyperinflation problem. Moreover, the repressive Garcia Meza regime had made the very idea of military rule unacceptable to most Bolivians. [31]

Morales notes that a pattern of Bolivian history returned:

> In the 1980's, the chronic pattern of underdevelopment and mismanagement that had trapped Bolivia so often in the past reasserted itself. The pattern hardly seemed to vary from one century to the next. First there would be a discovery of an unexpected resource bonanza, followed by excessive spending and reckless foreign loans. Eventually, when the resources and/or prices declined, an overextended treasury would be unable to make good on the debts, and the country would descend into extreme political and economic instability. [32]

Chapter 6 - The Neoliberal Era

It was against this background of economic disaster and the complete domestic and international discrediting of military regimes, the time of military rule ended. After some fits and starts, in Aug. 1982 the Bolivian congress elected Hernan Siles Zuazo president, which in turn set the stage for further democratic and civilian rule with the elections of 1985.

In fact, Klein observed that the new Bolivian democratic government of President Hernan Siles Zuazo

> moved to dismantle the ferocious paramilitary apparatus that the last military juntas had constructed with the aid of Argentine officials and foreign fascists. In rapid order, the Gestapo leader Klaus Barbie was exported to France and the terrorist Pier Luigi Pagliari turned over to the Italian government. [1]

The financially disastrous policies of the military governments, a global downturn in commodity process (especially tin), congressional gridlock, rumors of coups, anti-government demonstrations and the mass suffering of the population made Siles's government ineffective. Morales describes Siles's administration as eventually "A rudderless ship on stormy seas. Everyone defied the government" [2]. The chaotic situation caused Siles to step down a year before his term would have ended and call for early elections in 1985. The two main contenders ended up being former president Victor Paz Estenssoro and former dictator Hugo Banzer Suarez, now back as a democrat. Banzer actually got more of the popular vote than Paz Estenssoro (29 percent to 26 percent) in the multi-party election, but not enough according to the election rules to win

outright. As a result, the decision would be made by a vote of congress, which elected 77 year old Paz Estenssoro president.

Now the government of Siles had the critical task of institutionalizing Bolivian democracy by turning the office of president over to the president-elect. Morales notes that "[t]he 1985 election was the first time since Bolivian independence that there had been a peaceful transfer of power between opposition parties." [3]

Although elderly, Paz Estenssoro had a stronger political coalition and support than Siles had, and a determined set of plans. Working with Jeffery Sachs and other Harvard economists, the Bolivian president initiated the New Economic Policy (NEP) under executive decree law 21060, which was so severe it was described as "shock treatment."

According to Siekmeier, Paz Estenssoro

> ...virtually dismantled COMIBOL, which ironically had been formed during his first term in office in 1952....Both Bolivia and the United States agreed to economic "shock treatment" for Bolivia. This austerity plan imposed by a team of U.S. and Bolivian economists prescribed, among other things, deep cuts in the government budget, including state-run industries such as COMIBOL. The idea, not a new concept – was that fiscal restraint would create a positive investment climate for businessmen (both foreign and Bolivian) with capital to invest. In the short run the austerity/stabilization plan was a success. [4]

Kohl and Farthing further observe:

> The Paz Estenssoro administration floated the peso (which was later converted to the Boliviano, removing six zeros in the process), indexed petrol prices to the U.S. dollar, thereby increasing government revenues, and instituted export taxes on state-controlled oil and gas. The government reduced expenditures by freezing or cutting public sector salaries, firing some 35,000 state workers, closing unprofitable

> state businesses, and subjecting the rest to strict market logic that prohibited any further investments. To reactivate the economy, the NEP reduced import-export regulation and tariffs on private business…The government also offered new guarantees to protect foreign investment. [5]

Additionally, protectionist measures were lifted, state owned enterprises (SOE's) were sold, the currency was allowed to float, and foreign firms were offered favorable terms to invest in Bolivia. Kohl and Farthing observe that the NEP in Bolivia was one of the first set of programs that came to be called structural adjustment programs (SAP's) that would be widely used later by the IMF and other international institutions in places such as Africa and Eastern Europe and "Represented a sea change occurring throughout Latin America as the import substitution industrialization (ISI, also called economic nationalism) model in vogue since the 1940's was increasingly discredited." [6]

The NEP was in some ways very successful. Seikmeier notes that: "In the short run the austerity/stabilization program was a success. Inflation dropped from stratospheric heights to 16 percent in just two years…Many observers hailed Bolivia as an important case of a poor country that had embraced neoliberal reforms even as it experienced fragility with regard to both economic growth and the strengthening of democratic institutions." [7]

Bolivia as a result saw its international credit rating improve, and it also attracted more foreign business, including energy companies that were eager to explore for oil and natural gas.

However, the price for stabilization was very high. Overall unemployment may have been as high as 20 percent nationally, and the government declared martial law twice to control unrest. Kohl and Farthing further observe:

> But this success came at an enormous cost to Bolivia's workers: over 20,000 miners lost their jobs in the first year and manufacturing jobs fell by 35,000 over five years. By 1988, the informal economy had expanded to almost 70 percent of the workforce. As unrest spread, the Paz Estenssoro government declared two states of siege, resorting to imprisoning union leaders in remote locations in the eastern tropics. [8]

Additionally, the poor were hit the hardest from the government cutbacks and were hurt the most. Morales asserts that the NEP

> ...exacted an unfair toll on humble workers, while the professional and urban middle classes were affected only mildly, and white-collar jobs remained plentiful despite austerity. The injustice inherent in the [NEP] exacerbated social inequality and conflict. A popular quip held that the economy was doing better but the people might not survive. [9]

Interestingly enough, the one bright spot in the Bolivian economy at this point was the narcotics trade. Seikmeier concludes that

> ...what proved to be Bolivia's economic salvation was the rapid growth in the market for cocaine...as the Bolivian mining sector contracted and neoliberal policy disproportionally benefited the wealthy, the popular sectors of society of society increasingly turned to coca to survive. Miners who had lost their jobs as less productive mines closed increasingly migrated...to become coca farmers. [10]

While it is very difficult to accurately estimate the economic impact of an illegal, undercover activity, many observers believe that cocaine in the 1980's had a substantial effect on the Bolivian economy overall. It is entirely possible that in the mid-1980's, cocaine may have been worth as much as all of Bolivia's other exports, [11] leading some to call the NEP the "cocaine stabilization." In response, Paz Estenssoro enacted the Law on the Regulation of Coca and

Controlled Substances (Law 10080) in 1988, which made coca cultivation illegal in some parts of Bolivia (it remained legal in others). This law started the war on drugs in Bolivia, and opened the door for direct U.S. involvement in the Bolivian coca issue.

Paz Estenssoro was followed in the Bolivian presidency after the 1989 election by Jaime Paz Zamora, who happened to be the nephew of Paz Estenssoro. Paz Zamora followed his uncle's neoliberal policies, although he did try to moderate the war on drugs somewhat, declaring that "coca is not cocaine." Nonetheless, the militarization of the counter-narcotics campaign in Bolivia intensified from 1990-1993 with greater U.S. participation (and funding) than ever before, even though Paz Zamora seemed less dedicated to it than Paz Estenssoro had been.

The winner of the 1993 election was Gonzalo Sanchez de Lozada (Goni), who had been the finance and planning minister for Paz Estenssoro and a key architect for the NEP. A millionaire (with major investments in mining), raised in the U.S. (he spoke Spanish with an American accent) and a firm believer in the power of free markets, "Goni" Sanchez de Lozada was described as a "neoliberal fundamentalist." The Goni administration unleashed a tornado of activity as a successor to the NEP of the 1980's called the "Plan de Todos" (Plan for All). Kohl and Farthing note:

> In only four years, Goni's administration (1993-1997) reformed the constitution, the judiciary, and the pension and education systems. His administration introduced administrative and fiscal decentralization, a 'new agrarian reform' and privatized the largest SOEs (state owned enterprises)...The plan went farther than a simple continuation of NEP goals of shrinking government spending and opening limited sectors to

> private capital. The Plan aimed to 'deepen and broaden' market democracy by altering the role of the state, its relationship to its citizens, and the nature of citizenship itself...The Plan sought to establish a neoliberal hegemonic regime at the national level to mediate between the global economy, specifically international financial institutions (IFI's) and private firms on the one hand, and the nation's citizens on the other...The new vision was not unique to Bolivia but part of the accelerating pace of worldwide neoliberal globalization during the 1990's...[12]

It should be emphasized that "The Plan for All" did attempt to improve democracy and justice in Bolivia. Morales observes:

> ...Sanchez's modernizing projects sought to combine a cultural and political revolution with the structural and economic one. Two 1994 laws epitomized these dual, seemingly contradictory goals: The Law of Capitalization and the Law of Popular Participation. Capitalization meant the privatization of state enterprises....The profits from the sales were partially slated for (and went toward) direct social investment and poverty reduction....Popular participation involved a major devolution of decision making and budgetary autonomy to the local level. By redistricting and multiplying local governing units, more than 300 municipalities were recognized and established....This decentralization has transformed the political landscape into one where 85 percent of the municipalities have rural (and often indigenous) majorities. Based on population, the new municipalities receive 20 percent of central government remittances to manage local development needs. Towns that had received nothing or a pittance in the past and had been forced to rely solely on municipal receipts in some cases multiplied their resource base 10 times over. [13]

These ambitious laws had unintended consequences, however. While the Law of Capitalization was partially meant to redistribute wealth to common Bolivians, few Bolivians gained much and the main beneficiaries of the law ended up being the multinational corporations who got to make large profits.

The Law of Popular Participation (LPP) had a more complex and momentous impact. There definitely were negative aspects the LPP. For one thing, the LPP often shifted civic responsibilities to local governments that were

ill-prepared or incapable of handling them, resulting in a deterioration of services and infrastructure in some cases. Additionally, much of the funding was either incompetently spent or taken by corruption.

The subject of corruption in Bolivia is a major one. Even today, after major anti-corruption efforts by the Bolivian government, the 2010 Transparency International Corruption Perceptions Index rated Bolivia 110 out of 178 on the global scale of corruption (Demark is the best with 1 and Somalia the worst with 178). [14] Kohl and Farthing observe that a Bolivian research study estimated in 1997 that in Bolivia "Corruption reduced GDP by 40 percent." [15] Corruption is deeply embedded (and passionately hated) in Bolivian society. Kohl and Farthing further report that

> ...one executive explained in a confidential interview, "almost every business in Bolivia keeps a triple set of books: one to show the government to avoid taxes, one to show minority partners to avoid paying them, and one to show what is really happening." [16]

However, in spite of the likelihood that corruption and incompetence took a heavy toll on the potential of the LPP, it can be argued that the LPP has had a major effect on Bolivian society. For one thing, a considerable amount of money did get sent to the local communities, and some of it did benefit the local people, in spite of corruption, incompetence and lack of expertise. In fact, it may be that the situation may be improving: Kohl and Farthing state that up to a third of the mayors and public officials in Bolivia get thrown out of their jobs for corruption and incompetence by their constituents and investigators every year. [17] At least one official even got lynched for alleged corruption.

Perhaps the biggest impact of the LPP has been on the mobilization of rural and Indigenous Bolivians. Kohl and Farthing conclude that

> ...the LPP broadened local political participation, representing a significant shift in the character of politics in Bolivia. Before popular participation, grassroots groups and unions had few options but to engage in confrontation: now groups make some of their demands through formal political channels. [18]

This last point is important. Before the LPP, political power lay in with the cities, the traditional political parties and the urban elites, who were able to effectively shut the rural and Indigenous people out of the political process (a subject worthy of study in its own right). Left with no legal recourse, on occasion the poor and Indigenous would rebel, which gave the government justification to use the military to repress them. After the LPP, the Bolivian disaffected had formal political structures through their local governments to organize. After getting organized at the local level, some of these groups entered regional and national politics as political parties. Additionally, now these local organizations had funds, which further allowed them to gain political power through the legal system. Many of the functions of local government in the rural areas had often been done by local syndicates and unions, including the coca growers union, so now these organizations could do much more for their constituents and gain even more support. Kohl and Farthing give a good example of how a local leader who previously may have remained local used the LPP to his advantage:

> The success of some of the smaller parties...in winning seats in rural municipalities alerted the traditional parties to the necessity of a stronger rural presence. The trend continued in 1999 as the MAS

> [Movement Toward Socialism party, a leftist, Indigenous and pro-coca group], led by Evo Morales, cemented its hold on the Chapare [region] and won a total of seventy-nine councilors in seven of the country's nine departments, although 'Indigenous' parties together won less than 5 percent of the vote. [19]

Sanchez de Lozada was prohibited by the constitution for running for a second term in the 1997 election. Instead, Sanchez de Lozada's party ran Juan Carlos Duran for president, but Duran lost to Hugo Banzer, the former dictator. Banzer's victory can be explained in part as a reaction against the "Plan de Todos." Poverty, unemployment, underemployment and corruption were high and most people had not seen the benefits of neoliberalism. Banzer promised to expand services by the state, roll back some of the programs of neoliberalism, and fight corruption. He proposed a program of four pillars: dignity, opportunity, equity, and institutionalization. When he actually got into power, he didn't change the policy of neoliberalism, however. Additionally, the economy even worsened in 1999 and 2000. As far as the dignity pillar, Banzer addressed that with a "zero coca" anti-narcotics policy (it was called Plan Dignity), which led to increasingly violent confrontations between coca growers on the one side and U.S. supported Bolivian anti-narcotics police (in some cases, the Bolivians were directly paid by the U.S. Embassy in La Paz to control corruption) on the other. In fact, the cocaine business was severely damaged by this ferocious operation, but clashes between government antinarcotics police and coca growers turned brutal with members of both groups getting killed. The conflict ended up galvanizing the coca growers into an organized and powerful political and social force, the way the Bolivian mine unions had been during the

1950's. Additionally, the coca cultivation soon resumed in many of the areas that had been cleared.

A new conflict, this time over water in Cochabamba, shook the Banzer administration starting in Nov. 1999. Required to privatize poorly performing public services in order to obtain certain loans from the World Bank, the Banzer government sold the municipal water company that supplied water to Cochabamba to a consortium named Aguas del Tunari, which included the Bechtel Corporation. The project was not well thought out and the contract was very badly written. The mayor of the city insisted that the water be brought from a river on the other side of a mountain by way of a 19.5 km tunnel to be drilled through mountains, a plan the World Bank thought was too expensive. Additionally, the contract not only gave the consortium ownership of the river water but also all water in the area as well. People were going to have to pay for water from their own wells, and even "private, rainwater catchments" [20]. Monthly bills in some cases had increased by 200 percent. Outraged by the abrupt increase, virtually the entire population of Cochabamba united against the new

water plan, the consortium and the government. Protest rallies, demonstrations and roadblocks were soon occurring in Cochabamba.

The government and police over reacted, tear gassing and beating previously orderly and peaceful demonstrators in front of international media. A state of siege was even declared. However, these actions only united the protestors and gained them international support as world attention focused on

Cochabamba. On April 10, 2000, the government, unable to reestablish control of Cochabamba, rescinded the Aguas del Tunari contract. But the consequences of this event which came to be known as the water war, had significance beyond a simple municipal dispute. Webber concludes this was the first defeat of neoliberalism in Bolivia. [21] Kohl and Farthing further observe that the water war

> ...heralded a turning point and had an enormous psychological impact on grassroots and popular organizations in Bolivia. It gave resistance movements the voice they had lost after fifteen years of continuous, unsuccessful opposition. Bolivia's status as a poster child of neoliberalism for the World Bank and the IMF, which had widely touted and copied its policies in other low-income countries around the world, had ended. [22]

However, Reid notes that years after the water war, Cochabamba still hadn't gotten a new water system and that there have been many privatizations that have worked well in Latin America. [23] Still, the water war was a clear defeat for the neoliberal doctrine and a warning for the government of Bolivia.

In Aug. 2001, Banzer stepped down from the presidency due to illness (he had cancer), and his vice-president, Jorge Quiroga Ramirez took over as caretaker president until the 2002 presidential elections could be held.

In 2002, "Goni" Sanchez de Lozada narrowly won the presidential election, barely beating opponent Evo Morales (Goni got 23 percent of the vote, Evo 21 percent). However, as Reid observes, "But this time he [Sanchez de Lozada] had a narrow mandate, and the country was in a surly mood" [24]. Nonetheless, President Sanchez de Lozada set about attempting to get the economy to recover from the economic hard times left over from the presidency of Banzer. The

International Monetary Fund in particular was demanding that Bolivia reduce its deficit from 8.5 to 5.5 percent of GDP. The Bolivian government decided to reduce government spending and to raise taxes on oil and natural gas, and to raise taxes, including an income tax. The income tax would have been 12.5 percent, a painful sum for many poor Bolivians. The public response to the proposed income tax was so explosive that it came to be known as the tax war. Kohl and Farthing observe that in Feb. 2003:

> The police went on strike, concerned about paying income tax and demanding an increase in their low starting monthly wage of U.S. $105. The strike turned violent when the police's historic rivals, the military, fired on them in front of the presidential palace. When the dust settled, twenty-nine people were dead and hundreds wounded; this disturbance led to two days of riots and looting throughout the country. Even though Goni withdrew his proposal, the opposition called for his resignation. [25]

Another opportunity presented itself to the Sanchez de Lozada government to raise funds. A proposal was made to run a natural gas pipeline from the eastern Bolivian natural gas fields to the Pacific Ocean, either through Peru or Chile. From either location, the natural gas could be sold to Mexico, the U.S. and the rest of the world. The Chilean route was less expensive, however, and the Chileans would also have been major customers themselves. The Chilean route made the most sense. During his first presidency, Sanchez de Lozada had overseen the construction of a natural gas pipeline to Brazil that had been extremely successful. He hoped to repeat the accomplishment again, this time to Chile. The Bolivian government chose the Chilean route. While perhaps economically correct, this decision proved politically disastrous. Reid states that this decision

> ...touched both the electrodes of Bolivian nationalism: hostility to Chile (dating from the War of the Pacific) and resentment at the exploitation of the country's natural resources by foreigners (dating from the colonial silver mine at Potosi). The result would be an explosive political short-circuit...rock-throwing crowds of demonstrators, organized by far-left groups opposed to the gas export plan, blockaded the roads...for a fortnight, cutting La Paz off from the airport and the rest of the country. [26]

Finally, in Oct. 2003, the military was ordered to clear the roads out of La Paz, even calling some of its few tanks out for the operation.

Armyrecognition.com accessed 29 July 2011

A Bolivian army SK-105 tank near La Paz October, 2003

In the resulting violence, at least 70 people were killed, but the Army could not restore order. Sanchez de Lozada considered desperate measures at this point. When asked how far he would go to stay in power, the Bolivian president expressed a willingness to go down fighting, even if it meant 1,000 deaths, and for him to die "like Salvador Allende." What Sanchez de Lozada meant was that like Allende of Chile, he was willing to die as his enemies stormed the

presidential palace, which is something that had happened before in Bolivia with Villarroel in the 1940's. However, according to Sivak, "Sanchez de Lozada's family pressured him not to imitate Allende or anyone else for that matter: with a calculated fortune of $200 million, he had other considerations to keep in mind." [27]

Sanchez de Lozada did flee to the U.S. on Oct. 17, 2003. He was succeeded by his vice-president, Carlos Mesa, a historian and a television commentator. Mesa attempted to reconcile leftist Bolivians, conservative Bolivians, the World Bank, the International Monetary Fund and the foreign multinational corporations, all at the same time. Mesa promised that he would not use violence against the Bolivian people. Additionally, he made three additional promises: he would raise taxes on the mostly foreign operated and owned hydrocarbons (natural gas) to a 32 percent flat tax in addition to an 18 percent tax on royalties, a referendum would be held to determine how the country should use its energy resources, and a constitutional assembly would be called to "reinvent" the country. The tax proposal satisfied no one: the foreign energy companies protested that it was breaking legal contracts and the Bolivian left felt it didn't go nearly far enough (eventually taxes were raised to 82 percent). In June of 2005, tens of thousands of anti-government demonstrators flooded into La Paz and cut the capital off from the rest of the country with roadblocks.

Supplies of food and water started to run out in the city. Finally, Mesa

who true to his word had not authorized the use of force against Bolivians, stepped down. Mesa remarked that in fact he was the victim of something new, a "street coup." Eduardo Rodriguez, the president of the Supreme Court took over as interim president until new elections could be held to elect a new president.

The neoliberal era in Bolivia had attempted to achieve great things such as to make Bolivia a more prosperous and just nation. However, the doctrine of neoliberalism had been discredited because while it did generate wealth, that wealth failed to benefit the majority of Bolivians, and increased inequality. As a result, the neoliberal era was ended forcibly as the result of four wars that had occurred during its time: the war on drugs, the water war, the tax war and the gas war. Now, the shape of the post-neoliberal government would be decided by the election in 2005.

At the end of the election, Evo Morales won, and won it impressively. Webber notes:

> The results of the December 18, 2005 presidential, legislative and prefectural [state governor] elections in Bolivia were trailblazing in a number of ways. Most astonishing of course, was the 53.7 percent of the popular vote garnered by Evo Morales…This was the first time in over forty years that a presidential candidate in Bolivia won an absolute majority. The percentage of votes obtained by the MAS [party] exceeded by almost fifteen points the top showing of any party in any of the elections since the return of electoral democracy in 1982…Moreover, the overall electoral turnout was an impressive 84.5 percent of eligible voters, up from 12.5 percent from the 2002 elections. [28]

Additionally, Evo Morales, an Aymara, could claim to be the first Bolivian Indigenous president since the Spanish conquest, in itself a historic event.

Additionally, as perhaps the most important player in the events of 2007-2008, the next chapter will briefly look at the background of Evo Morales.

Chapter 7 – The Rise of Evo Morales

Ironically, the U.S. government unwittingly helped Evo Morales in his political career. During the 2002 Bolivian presidential elections, U.S. Ambassador Manuel Rocha said in a public speech at the opening of a new airport, "As a representative of the United States, I want to remind the Bolivian electorate that if you elect those who want Bolivia to become a major cocaine exporter again, this will endanger the future of U.S. assistance to Bolivia." Many Bolivians considered this statement to be interference in Bolivia's affairs by the U.S., and voted for Morales, resulting in Morales finishing in second place, which positioned him for his later successful presidential election in Dec. 2005. Morales has said that ambassador Rocha was his accidental campaign manager.

This incident is fairly typical of Evo Morales: he, like his ally Venezuelan President Hugo Chavez, have often benefited when their opponents underestimated them. There is a difference between the two, however. Chavez's flamboyant behavior causes some to think he isn't intelligent. Morales, on the other hand, has probably been underestimated because of his humble and very hard background, and because he is Indigenous.

Juan Evo Morales Ayma was born on Oct. 26, 1959, near the town of Orinoca in the western Bolivian department of Oruro. The family had a poor and hard life: Of his six siblings, four died either in birth or of childhood diseases. Sivak reports that the family was so poor that besides having no electricity, gas or running water

> [t]he Morales family spent one winter in Orinoca subsisting off only a single sack of corn. They ate corn for breakfast, lunch and dinner. When it ran out, Dionisio [Evo's father] and Evo brought about 50 male llamas to the town of Independencia. They walked for three

> weeks in the rain and cold to trade them for corn, salt, and dried meats. [1]

In 1978, Morales was drafted into the Army. Once during his military service, his unit was involved in controlling a demonstration by coca growers in which one demonstrator was killed.

After his service ended, Morales went back to join his family in Orinoca. In 1980, bad weather destroyed most of the family crop and compelled the family to move to the coca growing Chapare region in central Bolivia to seek a better life (another major coca growing region was the Yungas – see Map 5, page 69). Sivak observes:

> When the Morales family arrived in 1981, the price of the [coca] experienced an increase that lasted for five more years. As a result, El Chapare went from a population of 40,000 inhabitants to 215,000 seven years later…the advantage of coca in relation to other crops was that it could be cultivated up to four times a year, and the yields are high: one load of coca leaves (roughly 100 pounds) is equivalent to 15,000 oranges…He joined the [coca growers] union. In each town in El Chapare, the syndicate [union], which fulfills whatever functions the state does not, constructed the roads, the school and the soccer field. Evo was named the secretary of Sports for the August 2nd Headquarters of the San Francisco Syndicate. [2]

U.S. Accountability Office 2011

Map 5
Yungas and Chapare regions

However, as the Cold War wound down for the U.S., its war on drugs took off. The narcotics problem in the U.S. and the rest of the developed world was perceived to have gotten worse. Additionally, the U.S. now had more free money and attention to spend on the problem. In Bolivia, this campaign meant the U.S. pressured the Bolivian government to forcibly eradicate all coca, except for a few areas where it could be continued to be grown for traditional uses such as ceremonies. Incentives were offered for Bolivia to cooperate. Military and economic aid to the Bolivian government was continued, and much of the counter-narcotics effort was paid for directly by the U.S. Additionally, the U.S. granted Bolivia (as well as Colombia, Ecuador and Peru) a free-trade agreement (meaning that tariffs were lifted on exports to the U.S.). Passed first in 1991 as the Andean Trade Preference Act (ATPA) and renewed in 2002 as the Andean

Trade Promotion and Drug Eradication Act (ATPDEA), the law sought to both eliminate drug production in the Andean countries and promote their economic development and integration into the globalized world economy. While eventually the drug eradication and crop substitution program (attempting to replace coca with oranges, for example) part of the ATPA/ATPDEA failed, other features of the program were more successful. In El Alto Bolivia alone, the ATPA/TPDEA was estimated to have generated between 30,000-50,000 manufacturing jobs. Molina adds that:

> Today Bolivia is an odd case in Latin America because economic growth has not translated into less poverty... (and has) increased in absolute terms...the exceptions to this pattern (were) concentrated in the export sector linked to U.S. trade preferences - labor-intensive sectors such as textiles, leather accessories, gold jewelry, and organic agricultural products that have high labor and environmental standards than other sectors of the economy. [6]

In spite of the benefits, the U.S. counter-narcotics program came to be viewed by many Bolivians as a direct assault on Bolivian society, especially Indigenous culture. The Bolivian Indigenous have used coca in their everyday lives for centuries, and it has come to have great social and ceremonial significance. Morales (and other Andeans) says that "Coca is not cocaine," which is true. Chewed or made into a tea (the traditional Andean ways of using it), coca leaf is similar to ordinary coffee or tea in its effects. Only after a huge amount of coca is processed using highly toxic chemicals is it turned into cocaine.

The intersection in the 1980s and 1990s of neoliberalism, the growing cultural assertiveness of the Bolivian Indigenous, the war on drugs, as well as the rise of democracy, are what formed the life and career of Evo Morales and the movement he came to lead. In this period, many western Bolivian unemployed miners and destitute

farmers (like the Morales family) migrated to eastern Bolivia, many seeking to make a living growing coca. Webber observes that:

> Ideological convergence and mutual transformation quickly congealed a coalition of social forces in the newly volatile, semitropical setting of Chapare, where the Marxist ideas and organizational strategies brought to the area by the migrant miners melded with those visions and tactics of the preexisting networks of indigenous and peasant union and community structures....the *cocaleros* – throughout the late 1980's and 1990's – became the leading light of left-indigenous forces otherwise in retreat and disarray throughout the country. The *hoja sagrada*, the sacred coca leaf, became a symbol of national dignity in the face of the imperial hubris of the U.S. state, and its brutal counter-narcotics policies and support for neoliberal restructuring in Bolivia. [4]

Morales thrived in the world of coca union politics, rising rapidly in the rough and tumble world, which likely shapes his view of politics to this day. Sivak observes that Morales:

> grew up in the school of *campesino* [peasant] unionism. It's his political origin, and for many years he understood politics as a sum of assemblies, negotiations with politicians and officials and fights in the streets and roads...In 1984, he was involved in the first roadblock that resulted in death: three *campesinos* were murdered near the Peruvian border...Morales spoke at as commemorative ceremony. The next day he was beaten up by a group of UMOPAR [Rural Area Mobile Patrol Unit – a unit of U.S. supported anti-narcotics police] agents who, thinking he was dead, threw his body [into bushes]. An archive photo shows him on a stretcher, seemingly beyond recovery. [5]

But Morales did survive, and came out of the experience probably even more determined to his cause. A mentor in activist coca politics, Filemon Escobar said that at this time "Evo was a fierce little thing and he wanted to stick it to the gringos. One time he told me that he wasn't interested in elections and that El Chapare had the conditions for a good guerrilla group. We argued a lot and I told him he was a spoiled child." [6]

In fact, Morales did choose the path of electoral politics. In 1988, he was elected

Executive Secretary of the Federation of the Tropics, in effect becoming head of the coca growers union. He holds this office to this day. In 1997 he was elected to the Bolivian Congress. In 2001 Morales was expelled from Congress, accused of being involved in the deaths of two police officers in a clash in a coca market, but Morales avoided prosecution. While he wasn't in charge of the social unrest that threw both Sanchez de Lozada and Carlos Mesa out of the presidency, he did actively support and participate in activities against both. Interestingly enough, Mesa attended Morales's first presidential inauguration. According to Sivak, Morales during his acceptance speech said:

> "Last year in March, in this same Plaza Murillo [the location of the congress building, the presidential palace and the national cathedral], they wanted to hang Evo Morales, they wanted to dismember Evo Morales. Ex-Mr. Presidents, that shouldn't have happened: one shouldn't marginalize another." He was referring to Mesa. When the ex-president [Mesa] came by to congratulate him a few hours later, Morales responded with his index finger raised; "You wanted to destroy me." [7]

A very hard worker and a micro-manager, Morales reportedly routinely only gets two or three hours of sleep a night. He often has said that his enemies can say many things about him, but not that he is lazy. He also expects those around him to work as hard as he does, and he is well known for losing his temper with those who fail him or don't keep up. While he is Indigenous, Morales has also emphasized the inclusiveness of his administration: *cholos* and whites are included in his staff. Some other leftist Indigenous leaders would probably be less inclusive.

However, as far as relations with the U.S. are concerned, with Morales the past holds great power. In 2006, Sivak reports that:

> The [Morales government] debated what tone to take with the United

> States…The president tried his best to contain himself with the United States…[Vice-President] Garcia Linera had assumed the role of liaison with the [U.S] embassy and [U.S. Ambassador] Greenlee since the campaign. "There are old wounds, ambassador. The president has been persecuted by U.S. intelligence organizations, and many of his friends and colleague were assassinated," Garcia Linera explained in light of Morales' first hostile declarations. "It is time to turn the page," Greenlee proposed. [8]

It is easy to advise to just move on, but that is sometimes easier said than done. For example, ask someone who lost friends or relatives in something like the Sept. 11 attacks to do that. Additionally, the attitude of President Morales toward the U.S. may be similar to what Thomas P.M. Barnett observed at a briefing he gave at the end of the Cold War to a group of U.S. Navy admirals. His briefing said that the U.S. Navy should seek to mentor the Russian Navy in the new, post-war world in order to lower tensions. The result was possibly the least successful briefing ever. One admiral announced that he had "joined this Navy to fight the Soviets, not mentor them." [9] Eventually they ignored Barnett, and he was led out of the room. However, Barnett noticed that the younger officers seemed to agree with him. His point is that sometimes people who have spent years in a conflict can't just switch their world view immediately. Morales may have a personality that finds it hard to let go of an adversarial relationship being temperamentally inclined to confrontation.

However, Morales and his administration, including his vice-president, Alvaro Linera Garcia, have shown some capability for being pragmatic. During the first days of the Morales presidency, his Cuban intelligence advisors recommended to Morales that he fire the entire presidential palace staff for security reasons. Morales refused to do that, probably because he didn't want to appear overly vengeful. He did have the Cubans

check the palace for eavesdropping devices though. [10] Sivak reports that while speaking with Linera Garcia, the vice-president

> ....recounted the years during the 1990s that he had spent being tortured and held prisoner for belonging to the Tupac Katari Guerrilla Army (EGTK). A captain, who had been his jailer at the time, and his guard were resting in an office a few feet away. When he [Linera Garcia] came to the vice-presidency, he ignored his torturers. When he found out that one of them was seeking a promotion, he didn't do anything to prevent it or to help him. [11]

However, this pragmatism probably goes only so far. In a confidential interview, a U.S. diplomat told the author of an encounter he recently had with Linera Garcia at a function in Cochabamba. Linera Garcia recognized him but refused to shake his hand, deliberately ignored him. Evo Morales was also there and did shake his hand, but possibly only because he didn't recognize him as a U.S. diplomat. This incident is perhaps characteristic of members of the Morales government: They may work with former enemies up to a point, but they will not forgive or forget, and they will believe that former enemies will remain so.

In 2005, it did seem that while Morales could be confrontational, he and his administration did seem to have a capacity for being pragmatic. It seemed possible that the Morales government might be able to cooperate with the U.S. government and the Bolivian opposition. However, the Morales administration would prove to be in no hurry to mend fences with the U.S. As far as working with the domestic oppositions, old distrusts and prejudices would prove to be a challenge.

Chapter 8 – Setting the Stage for the Autonomy Crisis of 2007-2008

The history of Bolivia overall is remarkable for its complexity, as well as for the amount of internal conflict and the amount of territory lost to neighbors. Much of the territory lost was either hardly inhabited, or was inhabited by populations loyal to neighboring countries. Much of the lost territory either had, or was thought to have, valuable natural resources. Of even more interest is how often Bolivians have fought each other, and especially how often the conflict has been along ethnic lines. Throughout its history, ethnic-based violence has occurred between the Indigenous, the *cholos* and the whites. During times of conflict with neighboring countries, Bolivian divisions have sometimes handicapped the Bolivian nation's ability to defend its territory. There has always been conflict over who should run Bolivia, and who is really a Bolivian, going back to the time when Simon Bolivar distinguished between Bolivian citizens and those who were simply Bolivians. This has been a constant source of conflict. Attempts at reform and revolutions have faced a recurring cycle in Bolivian history: change has been attempted to improve the conditions and seek justice for the poor and the Indigenous, either by force, such as the revolution of 1952 and some of the coups, or by legislation, which is what many of the numerous Bolivian constitutions attempted. In these cases, the poor, the middle class and some elements of the elite united in political coalitions. Often these alliances were in response to economic downturns and the massive suffering they caused. Often, these proposed reforms have been very leftist and radical in nature. However, over time these coalitions split, with the middle class and the elite opposing the more radical proposals of the poor, Indigenous and the left when it has seemed that the

process of change is hurting the economy or leading to possible political chaos. This has often enabled reaction by Bolivian conservatives that the Bolivian middle and upper-class have either supported (or at least not resisted), such as happened during the *sexenio* period of the 1940s and the military coup of 1964. However, it is notable that while these reactions often rolled back many of the reforms, things generally never went back to quite the way they were before. For example, the potential of the expansion of the right to vote in 1952 was not realized for decades, but it eventually had great impact on Bolivia. However, if progress has been made in Bolivia, it has in the past never seemed to have been enough to really improve the lives of most Bolivians.

Bolivia has also been handicapped by having some divisive and incompetent leaders. Many of the *caudillos* such as Melgarejo and Daza (the War of the Pacific), and some of the civilian leaders such as Salamanca (Chaco War) immediately come to mind. The case can be made that in politics personality generally matters little. Leaders may want to do many things, but once getting into power, they find themselves constrained by circumstances. For example, some Latin American leaders complain that the actual U.S. policy under President Obama for Cuba is similar to U.S. policy under Bush, although the tone is different. One explanation for this is that national interests generally remain the same, so national policies will tend to remain the same from administration to administration.

Lord Palmerston once commented, "England has no permanent friends and no permanent enemies, only permanent interests." These interests generally compel leaders to follow the conventional wisdom policies once they get into power, regardless of what they said before taking power. A good Bolivian example of this is how the Liberals

adopted nearly the entire Conservative program once they got into power after the Federal Revolution (although they did move the administrative capital, which was in their direct interest). However, if it is true that personality generally doesn't matter in geopolitics, the Bolivian historical experience suggests that bad leadership is the exception to the rule. The blunders of the most incompetent Bolivian governments probably contributed to the development of the Bolivian confrontational style of politics, which would be so apparent in the 2007-2008 autonomy crisis.

It could be said that Bolivia, as Schenia said earlier in regards to The War of the Pacific, was not a mature country in the 1800s. Maturity of a country could be interpreted as meaning that social, political and racial divisions and tensions are handled in a reasonably stable way through established institutions and with recognized and accepted rules of procedure and behavior. As a result, the mature nation is relatively cohesive and internally stable. In terms of relations in Bolivia in the 1800s until the 1952 Revolution between citizens (wealthy, literate white or possibly *cholo*) and Bolivians (poor Indigenous and peasants), Bolivia with its constant upheavals and class/racial conflict could be called a less mature country.

In fact, Bolivia was a backward, poorly integrated country, with extremely divisive politics. The political divisiveness contributed to the consistent Bolivian failure to defend its territory. The loss of territory to foreign aggression and expansion probably has given Bolivians a strong sense of national identity. This explains the frequent ploy of Bolivian governments and political parties, who in time of social unrest often try to unite the Bolivian people behind memories of the War of the Pacific. But along with the strong sense of Bolivian nationalism and history, the tradition of internal political

divisiveness remains. This tradition contains a strong sense of betrayal by other Bolivians, as well as suspicion of foreigners.

Most citizens of the United States have difficulty imagining the effect of history on Bolivians, especially the massive loss of territory, or the Bolivian perception of their natural resources being looted by the wealthy elites and foreign interests. Perhaps the only Americans who could relate to the Bolivian history of defeat are those relatively few groups of Americans that have known defeat as Americans: Native Americans, African-Americans and white southern Americans. This is not to say that Bolivians are like white southern Americans. Still, it may be that having experienced hard, undeniable defeat, instead of weakening national identity, may strengthen it, perhaps with an aggressive, sharp edge. This may contribute to the confrontational style of Bolivian politics.

A way that American citizens can imagine the Bolivian situation is to consider what the American character would have been like if the Texas colonists had lost the battle of San Jacinto to Mexico, and if Mexico (or Britain or France) had later seized New Orleans and much of the Louisiana Purchase territories. As George Friedman has pointed out, Mexico in the 1830s was in many ways wealthier and more advanced than the United States at the time, so it was possible. Even with the U.S. never having lost territory and being largely successful in its foreign policy (losing in Viet Nam but winning the Cold War), there currently is great political gridlock and political division. If history had taken a Bolivian-style turn for the U.S., North American politics could be more polarized than it is now.

Additionally, consistent failure can have a radicalizing effect on societies. An example is the rise of jihadist movements in the Arab world. Frustrated attempts at

modernization have led some to seek to return to the era of greatness in the Arab world of the 8th century A.D. Likewise, the Bolivians, faced with consistent failure to develop economically or protect their territorial integrity, have time and again tried relatively extreme political experiments to help themselves.

Another notable thing about the Bolivian struggle against poverty and underdevelopment is the country's relationship to the world economy of globalism in the 19th and the 20th centuries. As related earlier, Bolivia has a reoccurring economic theme: discovery and exploitation of a natural resource (silver, nitrates, rubber, tin, natural gas, etc.) has led to an economic boom. However, this boom has always been followed by a bust, either because of falling international prices, the exhaustion of the resource, mismanagement, or all at the same time. These booms in natural resources have often made a few people wealthy, but they haven't benefited the majority of Bolivians.

In addition to the theme of boom-and-bust economics, it can also be said that Bolivia has had several reoccurring historical themes. Kohl and Farthing list three: international domination (seizure of territory by neighbors, and the exploitation of Bolivian natural resources by international companies), Indigenous resistance (political discrimination), and regionalism (the central governments presence and control of the national territory). [1] Another reoccurring theme is what Kohl and Farthing earlier referred to as the confrontational style of Bolivian politics: Bolivians are stable in their instability. Another recurring theme has been the effort to attain a genuine democracy. This is why Bolivians have had so many constitutions. On this point, there does seem to have been real progress. Evo Morales may not have entered the "Burned Palace" without legitimate democracy.

Seikmeier asserts that Bolivia has often been an indicator of trends in Latin America. He has pointed out that Bolivia was a "trail-blazer" in Latin America in the 1930s with economic nationalism (the expropriation of Standard Oil), in the 1950s with U.S. economic development aid to a Third World country, and in the 1980s and 1990s with neoliberalism. [2] Part of the reason why Bolivia has been a "trail-blazer" is because Bolivians believe that while their country is extremely poor, it is blessed with vast natural resources. As a result, Bolivians have always sought the right way to use their natural resources to escape poverty, and have been willing to experiment radically to find that way.

The extreme poverty and inequality in the period since the War of the Pacific, have led the country to experiment with a number of economic philosophies and strategies. Colonial mercantilism gave way to free trade, which in turn gave way to economic nationalism and by the late 20th century to The Washington Consensus. One gets the feeling that the Bolivian nation has come close to making great progress, such as after the 1952 Revolution or the democratic revival of the 1980s, but then the promise of change faded.

In the next section, we will look at how Bolivian ethnic and regional division, miscalculation and the confrontational Bolivian politics that has developed down the years led to the crisis of 2007-2008.

Chapter 9 – The Constituent Assembly

On Dec. 18, 2005, Evo Morales, the leader of the Movement Toward Socialism (MAS) party, was elected president of Bolivia with the most support any Bolivian president had won since the restoration of democracy in the 1980s.

Additionally, Morales and his vice-president, Linera Garcia, had promised nothing less than to completely "refound" the nation. First of all, the culture and interests of the Indigenous Bolivian majority were to be recognized, protected and promoted. Second, the neoliberal economic model that Bolivia had used since the return of democracy was to be thrown out. The election of Morales and the MAS party was seen as a mandate for that. The relationship with the United States was to be drastically altered. The dependent client relationship that La Paz had maintained with Washington since the 1952 Revolution would be ended. Morales made clear that he would not take orders from Washington on narcotics, economics or Bolivian foreign policy. Coca eradication, for example, was to be immediately halted, and Morales made no secret of his warm friendship with Venezuela's President Chavez or Cuba's Castro brothers, and his opposition to western capitalism.

Morales said that the relationship with Washington, the multinational corporations and organizations such as the International Monetary Fund were to be based on respect for Bolivia, not on subservience by Bolivia. In fact, Morales had proclaimed "Long live coca, death to the Yankees" in front of the press, when he won the presidential election. This surely accurately reflects his attitude toward Washington and the neoliberal order it represents, after his many years of opposition to both.

To change Bolivia's economy, social order and foreign relations, Morales immediately after his Jan. 2006 inauguration began organizing a constituent assembly (CA) to write a new national constitution. This would be Bolivia's 17th Constitution. Elections for the delegates for the CA were to be held on July 2, 2006. The CA would meet on Aug. 6, 2006 in the Gran Mariscal Theater in the judicial capital of Sucre, and was to produce a new constitution within six months to a year. At the same time as the CA delegate election, Bolivians would also be asked to vote whether Bolivia's departments were to be granted departmental autonomy from the central government.

The issue of regional/departmental autonomy would prove to be the most explosive issue since the gas war, and would threaten to rupture the Bolivian state.

For much of the history of the Bolivian state, the eastern, lowland departments had been sparsely populated and isolated backwaters. The central government often had little presence in the outer departments. As a result, secessionist sentiment had always been an issue with Bolivia. It has been observed that eastern Bolivians have always felt that they had more in common with Brazilians or Argentinians than with western Bolivians. The Bolivian central government, according to Waltraud Morales, has always confronted secessionist movements in the southeast, because the Bolivian citizens there would have liked to be part of Argentina. [1]

However, starting in the 1950s, the Bolivian central government built roads and started devoting resources to developing eastern Bolivia. As we have seen in the previous section, the development projects worked. Santa Cruz especially became Bolivia's economic engine, although that didn't benefit the poor in western Bolivia.

During the time of neoliberalism, the lowland wealthy elite had considerable power and influence in La Paz.

With Morales's election, the lowland elite knew they had lost much of their influence in La Paz. Morales opposed neoliberalism, which was what had worked for the lowland elite in eastern Bolivia. Further, Morales wanted to redistribute eastern Bolivia's wealth to benefit the nation overall. His government even talked of breaking up and redistributing the large eastern Bolivian farms (which had mostly escaped the 1952 land reforms) to the landless. The prospect of limiting the power of the central government in the lowlands and protecting their wealth through regional autonomy appealed to the lowland elite.

Additionally, there was also been a racial and ethnic element to the autonomy question. Webber asserts that

> ...it is imperative to highlight the racism underpinning the dominant ideology in the department of Santa Cruz, and more broadly in the other departments of the media luna. A complex mythology of the particularity of the Bolivian lowlands emphasizes the region's comparatively whiter colonial heritage, a mythology through which the lowland ruling class stresses their ties to the Spanish conquistadors. [2]

The media luna region is a term for the departments of Santa Cruz, Tarija, Beni and Pando, because together these eastern and lowland departments look like a half moon.

Interestingly, the lowland sense of superiority includes pride in the Indigenous heritage as well as the European heritage. Most eastern Bolivians, after all, are *cholos*, people of mixed Indigenous and European descent. However, eastern Bolivian *cholos* may say they are descended from eastern Indigenous groups such as the Guarani, who are

better than the western Indigenous people. The dislike some *cambas* have for *kollas* was partially because so many *kollas* had migrated in recent years to eastern Bolivia (such as the Evo Morales family), with resulting tension as the newcomers competed for jobs and land. An image the more blatantly racist *cambas* would bring up was the negative prospect of a "herd of *kollas* at the gates."

Many of the poor people of eastern Bolivia supported regional autonomy, even though their interests may have been better served by the Morales government's program. Kohl and Farthing say that the eastern wealthy elite were very clever "in convincing the urban working class and poor majority that unemployment, social problems and discrimination are principally the fault of Bolivia's centrist system." [3] It is possible that the elites of Santa Cruz and the other eastern departments were hoping to likewise convince western Bolivians that neoliberalism wasn't their enemy, inefficient state control of the economy was. Failing that, the eastern wealthy thought control of their departments would be adequate to protect their interests. Webber states that regional/departmental autonomy was understood to mean that the departments would keep two-thirds of the tax revenue generated by the department, ownership of the natural resources of the departments, and powers except for the obviously national ones such as foreign policy and defense. [4]

The results and rules of the simultaneous election and referendum would prove to be a challenge to Bolivia's unity and democratic system.

First, the composition of the delegates to the CA would either force Bolivians to compromise or doom the process to gridlock. Mokrani and Gutierrez in Webber

observed that "the [political] right's political representation in the Assembly [came] to 99 seats out of the 225 total, or 39 percent of the assembly. This percentage [was] not enough to pass an article proposed for the new constitution, which required two-thirds majority, but it [was] sufficient to veto the changes proposed by other factions, which require[d] only 33 per cent of the vote." [5] The CA was scheduled to meet on Aug. 6, 2006 in Sucre and was scheduled to complete the new constitution by Dec. 14, 2007.

Second, while the departmental autonomy vote lost nationally with a 57.6 percent no vote, majorities voted for autonomy in the eastern departments of Santa Cruz, Tarija, Beni and Pando. This is important because those were the departments that most wanted autonomy. Additionally, these were the exact departments that had voted against Morales in the 2005 presidential elections. A split in Bolivia along regional boundaries was becoming apparent.

Some observers concluded that the situation at this point could encourage compromise. At the CA, the conservative eastern departments theoretically had the opportunity to win limited autonomy for themselves and to moderate the new constitution in exchange for supporting some of Morale's MAS party platforms at the CA. Neither side going into the CA had enough power to get exactly what it wanted unilaterally, which could have encouraged compromise. In comparison, in spite of disagreement over slavery and other issues, the U.S. Constitution was approved by 39 out of 42 delegates (three delegates abstained) and was eventually ratified by all states. In spite of the future American Civil War, it could be said that the ability to compromise has been fundamental to the constitution from its inception. Such a potential opportunity to compromise existed for the newly restored Bolivian democracy at this point.

However, what occurred next was unfortunately more in the tradition of the Bolivian confrontational style of politics that has caused two centuries of conflict and instability.

Both sides in the CA immediately began blocking each other and the process went into deadlock. Rather than compromise on the issues, the conservative, mostly media luna, political faction immediately indicated that it would veto the majority of the leftist proposals. This probably was a critical mistake, since many Bolivians (particularly in western Bolivia) may have come to have seen the conservatives as selfishly seeking to protect their interests at the expense of the nation. In return, the leftist delegates sought to break their opponent's stranglehold on the CA. Webber asserts:

> The MAS announced in August that the "two-thirds" rule for the Constituent Assembly would only apply to the final text of the draft resolution at the end of the process, whereas the decisions leading up to the final text would be determined by simple majority. The MAS, of course, held a simple majority in the CA, and therefore these announcements galvanized the autonomist right of the media luna, which denounced what they claimed was authoritarian maneuvering on the part of the government. In mid-August the right formed a decisive regional bloc within the media luna departments to challenge the "hegemonic plans of the MAS." [6]

However, as time went on, the debate in the CA took to the streets of Sucre. The citizens of Sucre demanded that as part of the CA process, a "capital hosting" proposal be made to debate the possibility of returning the legislative capital to Sucre from La Paz. The MAS party believed that the conservatives of Sucre had allied themselves with the media luna conservatives to derail the CA process and resisted this proposal. As a result, angry townspeople demonstrated in Sucre, and occasionally threatened and attacked MAS delegates, especially from Aug. 2007 onward.

The Morales government and MAS party responded with their own demonstrations. The privately owned Bolivian press reported that on Aug. 7, 2007, approximately 5,000 pro-MAS Indigenous, including leftist "Red Poncho" militia from the *altiplano*, were brought into Santa Cruz by the Morales government and paraded with 6,000 Bolivian military in the city. The Bolivian military cleared and prepared a camping ground at the Santa Cruz bus station for the out of town Indigenous marchers to camp at before the parade. The central government also instructed the residents not to fly the Santa Cruz departmental flag (the Andean/Western Bolivian "whipala" flag was also not supposed to be flown) during the parade. On the same day in Sucre, other Indigenous people and the Bolivian military held a similar parade. Both parades were likely an attempt to intimidate the media luna conservatives and the autonomy movement.

La Prensa, 2007

Lapiztola cartoon showing Morales pulling a Trojan Llama filled with Indigenous supporters into Santa Cruz

There were attempts to break the CA gridlock. The CA went into recess several times, but once the delegates returned, there was little progress on the two-thirds voting rule: the conservative delegates did not want to lose their veto power. Additionally, the conservatives wanted a new constitution to reform the state, not to radically refound the state, which the leftists sought. According to Webber, the MAS did offer some compromises at the CA. One such compromise was an offer that the less controversial articles could be passed by a simple majority, while more important articles would still require a two-thirds

approval vote. [7] However, possibly not believing the sincerity of the compromise offer or simply refusing to compromise, the conservatives rejected the offer.

Finally, on Nov. 24, 2007, the Morales government made its move. The CA was moved from the city of Sucre 5 km away to La Gloreita Castle, a military academy run and secured by the Bolivian military. At this location, without the conservative opposition (who boycotted the move to the academy), the draft of the new constitution was approved and the leftist delegates left Sucre. The town of Sucre exploded in rioting, which left three dead and after going on for three days, forced the police to temporarily withdraw from the city (the police later returned to Sucre with a new commander). [8] On Nov. 28, 2007, a vote was held by the Bolivian Congress in La Paz to allow a change in the CA venue from Sucre to the city of Oruro to allow delegates to vote on the final draft of the new constitution. MAS demonstrators and their allies outside the building where the vote was to be held prevented many of the opposition politicians from attending the session. As a result, the venue was changed from opposition-friendly Sucre to MAS-friendly Oruro. On Dec. 9, 2007, the new Bolivian Constitution of the State (CPE), also called the "Magna Carta," was passed at the Oruro Technical University, again without the opposition in attendance. On Dec. 14, the text of the new constitution was delivered to La Paz, and on the next day, the constitution was formally presented to the public in La Paz, accompanied by parades by union members, Indigenous groups and the military.

In response to being bypassed on the adoption of the CA, the media luna region announced that they would hold departmental autonomy referendums within their departments, in effect asking their residents if they approve of unilaterally declaring themselves autonomous from the central government.

Chapter 10 – The Bolivian Autonomy Crisis, 2007-2008

On Dec. 13, 2007, a conservative former Bolivian army general, Marcelo Antezana, had written an article pointing out that much of the Bolivian army was in the eastern departments that were seeking autonomy. Since the majority of Bolivian soldiers served in the areas they had come from, the implication of the general's comments was that if called on to suppress an autonomous movement, the Bolivian army troops in the east might refuse to follow orders to use force against their friends, neighbors and relatives. While there was no proof that the military would disobey President Morales, the possibility that the military might not intervene was probably something the eastern autonomists were hoping for. After all, the unilateral referendums were bordering on treason.

Antezana was not unbiased, however. He had been involved in the transfer in 2005 from the Bolivian army to the U.S. military for deactivation of 28 Chinese made shoulder-launched anti-aircraft missiles during the interim presidency of Rodriguez, between Presidents Mesa and Morales. The U.S. had recommended the transfer, saying that the missiles were unreliable and dangerous. Additionally, the U.S. was probably also worried about the missiles falling into the hands of terrorists because of lax security or corruption within the Bolivian military. However, when the Morales administration found out about the transfer and destruction of the weapons, it disputed that the missiles were unusable and forced Antezana out of the Army. There was even talk about

bringing treason charges against former acting President Rodriguez. This incident probably confirmed the suspicions President Morales had about both the loyalty of the older Bolivian military commanders and the motives of the U.S.

The media luna leaders proposed having talks with the government on Dec. 28. The key issues to be discussed were departmental autonomy, the share of the taxes that the departments would get and the CA. The negotiations were unsuccessful. On Feb. 22, 2008, Morales called for the two national referendums to adopt the CA. One would ask voters to approve of the text of the new constitution, and the second would be to decide what constitutes a large estate of land, either 5,000 hectares or 10,000 hectares. Under the new constitution (Article 398, Option B), large estates could be expropriated and divided up to provide landless farmers with small farms.

In April, the eastern autonomists set the dates for their departmental autonomy referendums. The Santa Cruz autonomy vote would be held on May 4, 2008. Tarija would have its vote on June 22, and Beni and Pando would be on June 1.

By this time, it appeared that both sides in the dispute were engaging in an almost comical game of political chicken, ignoring the other side and possibilities for compromise while pushing ahead with their agendas. This was classic, confrontational Bolivian politics. However, something new happened during this Bolivian crisis. Regional organizations with a stake in Bolivian stability started to get involved in the Bolivian standoff.

On April 23, Morales went to Caracas for an emergency meeting of the Bolivarian Alternative for the Americas (ALBA) organization over the situation in Bolivia. Founded by Cuba and Venezuela in 2004, ALBA eventually had eight Caribbean and South American member states and was intended to counterbalance the U.S. proposed Free Trade Area of the Americas (FTAA) proposal. While it must have been no surprise to the eastern autonomists that the leftist ALBA organization would support Evo Morales, the support of the group was no doubt welcomed by the Bolivian president.

On April 26, the Organization of American States (OAS) held a meeting that also expressed support for Morales and expressed apprehension about the May 4 Santa Cruz autonomy referendum. This may have come as a disappointment to the eastern autonomists, although it probably wasn't a surprise. The OAS is the most conservative and pro-U.S. of the Latin American organizations. It traces its beginnings back to 1889 and is headquartered in Washington, D.C. However, many of its 35 member states had their experiences with right-wing military coups and social unrest during the 1960s and the 1970s. As a result, the OAS as an organization had no wish to do anything to encourage a military or conservative overthrow of a democratically elected government. Even the U.S., which had engineered many coups and counter-insurgencies against leftists in Latin America over the years, had no stomach for such an adventure. First of all, the U.S. was heavily engaged in Iraq and Afghanistan and had no time for further adventures. Additionally, the George W. Bush administration had paid a high diplomatic price for expressing premature satisfaction for Hugo Chavez's brief overthrow in 2002. Washington was not likely to want any further trouble in Latin America, and U.S. policy

strictly prohibited encouraging plots against elected governments.

The eastern autonomists were very interested in getting outside support or at least involvement. When they first announced the May 4 Santa Cruz referendum, they requested mediation by the OAS, Brazil, Colombia and Argentina. Support from Brazil or Argentina would have been especially helpful to the eastern autonomists. Brazil and Argentina were major customers for eastern Bolivian natural gas, with pipelines from eastern Bolivia supplying them (see map 6). Additionally, eastern Bolivian products traveled to the Atlantic Ocean through their territory. In short, without either Brazilian or Argentinian collaboration or support, an autonomous eastern Bolivia wouldn't economically survive.

Economist, 2008

Map 6

Eastern autonomist departments

Additionally, there were rumors that anti-Morales elements in Bolivia were sounding out U.S. officials about getting support against Morales. After all, Morales and the U.S. government had been adversaries for a long time. Whether the U.S. was actually plotting against Morales or not, Morales believed it was.

On May 4, 2008, the Santa Cruz departmental autonomy referendum was held, but there was dispute about what the referendum meant. The eastern opposition pointed to the 84 percent of the votes that said yes to the autonomy question and declared victory. The Morales government pointed out that there was only about a 65 percent participation rate. As a result, citing the low turnout, the Morales government also claimed victory. Additionally, the Morales government stated that the referendum didn't count since the Bolivian national electoral court (CNE) ruled the referendum illegal and unconstitutional.

However, the eastern opposition was encouraged by the results of the referendum. So far they had failed to gain any international support, but they appeared to have considerable support in their home departments. Next they tried to maneuver on the Bolivian national level by proposing a national recall referendum.

At this point the eastern opposition and their conservative allies had a majority in the Senate, where a recall referendum could be launched. Even though Morales had the previous year suggested such a referendum, the bill for the recall referendum was passed quickly [1] by the opposition Senators.

The question comes up as to why the opposition was so eager for the recall referendum. Webber believes that the eastern opposition didn't really believe that they

could beat Morales at the national level, but that they wanted to legitimatize their previous autonomy referendum by showing in an internationally monitored event that they really did have support in their own departments. This would position them to try to beat Morales in the next presidential elections, the real target, coming up in 2009. [2] Alternatively, the eastern opposition support for the recall referendum may have been because at least some of them really believed they had a chance of beating Morales, or at least hurting him politically. Whatever the reason, on May 12, Morales signed the bill to hold the recall referendum on Aug. 10.

As the recall referendum approached, other ugly aspects of the Bolivian confrontational style of politics started to appear. On May 24, President Morales was supposed to arrive in Sucre to present several ambulances to the town. However, many of the townspeople of Sucre were still angry over the deaths in their town during Nov. 2007 around the CA, so they launched such raucous demonstrations that the presidential visit was canceled. During this time a group of Indigenous and other supporters of the Morales government attempting to hold a demonstration in Sucre were set upon by a mob of townspeople. No one was killed, but the Indigenous were captured and taken to the town square, stripped to their underwear and subjected to racial humiliations. This blatant racism, widely reported, touched a sore spot with many of the Indigenous and heightened regional, racial and ethnic tensions.

On May 27 the Bolivian press reported that Evo Morales would not attend official functions in the departments of Tarija, Beni, Pando and Santa Cruz because of the inadequate security for him in those places (see map 6). In fact, government officials had

been attacked and roughed up in towns and cities in those departments. Chuquisaca department, because of Sucre, was also hostile.

As June approached and the time for the Beni, Pando and Tarija autonomy referendums neared, tensions got even higher. On June 21 in Tarija, there was a night-time bomb attack on a pro-eastern autonomist radio station in Tarija. Such attacks are not all that unusual in Bolivia, and since they happen at night, there are rarely injuries. The interesting thing about this incident was that the bomber was captured when he crashed his vehicle while fleeing. He was an officer in the Colorados presidential guard unit, and the vehicle he crashed had been rented by the Venezuelan Embassy (the rental papers were in the vehicle). The eastern autonomists charged that this was state terrorism, and brought the matter up in the Senate.

Three days after the Tarija incident, the Chapare region coca growers voted to expel the United States Agency for International Development (USAID) from their region. Back on May 4, Morales had accused the USAID of working with the eastern opposition against him. With the rising tensions suspicions had increased against USAID in this center of Morales support.

On Aug. 10, 2008, the recall referendum went off without major incident. According to Webber, the event was closely monitored by "[m]ore than 400 observers from the OAS, the Latin American Council of Electoral Experts, and parliamentarians from Europe and the Mercosur countries (Argentina, Brazil, Uruguay and Paraguay)." [3] The results: Morales and Linera Garcia won and stayed in office, and most of the departmental prefects won and stayed in office. Only two rightist prefects were kicked

out of office, and neither of them was from the autonomist eastern lowland departments. They were the prefects of Cochabamba and La Paz – both solidly in the control of the Morales government. However, Morales did gain significantly more support nationally (14 percent more, to 68 percent) than he did in the previous election in 2005. Basically, both sides had reinforced their positions.

The eastern autonomists started acting more aggressively. Proposals were made to create departmental tax agencies, police forces and allow the departments to make contracts with foreign corporations, especially energy companies, responsibilities normally reserved for governments. On Aug. 19, the departments of Santa Cruz, Beni, Pando Tarija and now Chuquisaca called for strikes, demonstrations and road blocks against the central government. On Sept. 3, the eastern autonomists threatened to cut off natural gas shipments to Brazil and Argentina.

Additionally, violence and ethnic tension increased in the eastern provinces. What happened at a march by pro-Morales supporters in Santa Cruz on Aug. 29 is especially instructive. According to Webber, a group of the pro-autonomy Santa Cruz Youth Union (UJC) started calling the Morales supporters "filthy *kollas*" and yelled "Indians, go back to your lands." Then the UJC attacked the male and female Morales supporters with sticks, clubs and whips, severely beating many.

On Sept. 10, there was an explosives attack on a natural gas pipeline in Tarija, which the government blamed on eastern autonomist elements. On the same day, U.S. Ambassador Philip Goldberg was declared persona non grata and asked to leave Bolivia. He had met with one of the principal leaders of the eastern autonomists, Ruban Costas,

the prefect of Santa Cruz. Goldberg said that he was following Department of State policy by meeting with both sides in a dispute in a country, so as to better understand the situation and possibly serve as a mediator. Morales however believed that Goldberg was conspiring with the eastern autonomists to overthrow him. The next day, Washington responded by expelling the Bolivian ambassador, which in turn led to Venezuela expelling the U.S. ambassador in solidarity with Bolivia.

On the same day that Washington and Caracas were kicking out ambassadors, a pro-Morales march was starting in El Porvenir the Pando department, headed to the department capital of Cobija. As the march progressed through the jungle, the group was attacked with gunfire by a pro-autonomist group. At least 18 were killed, although some bodies may have disappeared as people tried to escape by swimming across a nearby river.

While Bolivian politics may be confrontational and contentious, the killing of so many people at once was a massive shock in Bolivia and throughout Latin America. While in Bolivian history there are many cases of large numbers of people being massacred, that had become rare since the restoration of democracy in the 1980s. The only other time more people had been killed was during the gas war of 2003, and that had resulted in the expulsion of a Bolivian president. As Dunkerley has noted, the remarkable thing about Bolivia is how few people have actually been killed in recent years, considering all the social unrest and conflict in the country. [4]

The Porvenir massacre, as it came to be known, had a galvanizing effect.

Immediately after the killings, the Morales government declared a state of siege in the Pando department. Webber has stated that Morales hadn't declared a state of siege before, in spite of the fact that he had been unable to travel to the eastern departments for months, because he was trying to be reasonable and inclusive of the conservatives. This may be true. We have seen that in at least some cases the Morales government would work with former opponents. It also may be true that Morales didn't want to trust his military too much, for fear it wouldn't obey orders to repress the eastern autonomists or was physically incapable of such a mission. However, it is also possible that Morales had been waiting for the right time to react. If so, the Porvenir massacre might have been the justification he needed to act, allowing him to rally his forces against an atrocity.

However, Morales got additional political support. On Sept. 13, he thanked the expression of support he received from the United Nations, the OAS and the Andean Community of Nations for this crisis. Additionally, on Sept. 15, the Union of South American Nations (UNASUR) called an emergency meeting on Bolivia to be held in Santiago, Chile. This recent formed 12 member organization issued a statement that it would "support Bolivian institutions and territorial integrity." In other words, UNASUR would oppose any attempt by the eastern autonomists to secede from Bolivia. Additionally, UNASUR formed a committee to facilitate roundtable discussions to resolve outstanding issues, required the opposition to leave occupied government buildings and facilities, and created a committee to investigate the Porvenir massacre.

The intervention of UNASUR especially seemed to have a notable effect on the Morales government. On Sept. 17, Bolivian military forces had taken the Cobija airfield,

which had been closed by the autonomists, and arrested the Pando prefect Leopoldo Fernadez on charges of being complicit in the Porvenir massacre. On the same day, the Bolivian military claimed it had regained control of the natural pipelines in eastern Bolivia.

By Sept. 21, elements of the Bolivian army, including armored units, had started to deploy eastward toward the eastern autonomist stronghold of Santa Cruz. Additionally, an estimated twenty thousand civilian Morales supporters were marching on the city of Santa Cruz from several directions. The residents of Santa Cruz declared that they would defend their city. There is a question as to why Morales would allow his civilian supporters to march on the capital of the eastern autonomists, a situation almost sure to end in massive violence. The situation could have ended like a giant Porvenir massacre, or alternatively, with thousands of angry Morales supporters loose in Santa Cruz. Either one was an unsettling prospect. It is possible that Morales didn't believe he could trust the regular military alone to regain control of Santa Cruz, and considered his civilian and militia supporters to be more trustworthy. This possible distrust of his security forces might explain why Morales had tolerated so much social unrest in the east for so long. Or it may be that Morales, a great believer in the power of demonstrations, felt this was the right way to handle the situation. However, we will never know what would have happened if the Morales supporters hadn't been ordered by Morales to stop their advance and return on Sept. 24. The intimidated eastern autonomists ceased their social unrest, and the crisis ended.

Reuters 2008

A Bolivian army SK-105 tank being transported east in Sept. 2008

How close did Bolivia come to true civil war? There is controversy on this question. Some observers feel that there really wasn't much chance of a civil war. The eastern autonomists and the Morales supporters didn't appear to be well armed, and the Bolivian army was probably reluctant to involve itself in security operations since the 2005 gas war. It is possible that if the civilian Morales supporters had arrived at Santa Cruz, it would have just been more typical Bolivian street unrest, with only a few people injured and killed. However, if enough people got killed and if there was enough damage, the Bolivian military would probably have been ordered to intervene. The army had been

forward deployed (see the Reuters image above), probably to back up the march on Santa Cruz. Remembering that many Bolivian soldiers were one year draftees from the east, it is possible that the army could have fractured along regional lines, with some units going over to the autonomist side. With a long tradition of ethnic conflict and internal division, it can't be ruled out that Bolivia could have collapsed, which was a prospect that was observed in 1952 as well as 2008.

The eastern autonomist leaders did want to preserve their wealth and were probably hoping to win the 2009 election. This was a good possibility: many Peruvian, Ecuadorian and Bolivian leaders and presidents only serve one term before being thrown out (either by the voters, the military or revolutions). If the economy had declined before the Dec. 6, 2009 elections, even without the tumult of the autonomy crisis, Morales may have been voted out of office.

However, Morales won with an even larger margin in 2009 than he had in 2005 – he got 64 percent of the vote (vs. 53.7 percent in 2005) with voter turnout of nearly 90 percent. [6] While social unrest had declined after Sept. 2008, it is the 2009 elections that really ended the crisis. The eastern autonomists had wanted to gain control of their departmental resources, and they probably wanted Morales and his party weakened. By 2009, neither goal had been achieved. In fact, Morales was stronger than ever, and the movement toward regional autonomy had subsided.

This suggests two things. First, that Morales was much smarter than his eastern autonomist opponents gave him credit for: He bided his time, avoiding over-reaction, waiting for his opponents to commit an atrocity so that few western Bolivians and no

surrounding country would give them support, and he had an excuse to act. Then he used his regular military and his civilian supporters in a unique way to intimidate his opponents, so that the large scale use of force was unnecessary. He was the master of the Bolivian style of confrontational politics, and he won. Second, the eastern autonomists blundered by being too aggressive and underestimating Morales. They probably thought Morales was simply a poorly educated Indigenous union organizer who could bring governments down but wasn't intelligent enough to run a state. As a result, they not only failed to gain autonomy, in spite of the limited military power Morales had, they also lost the election of 2009 badly. By pursuing a regional, confrontational and racist agenda, they alienated possible support they could have gotten from the middle class and even the poor in western Bolivia before the 2009 presidential election.

This brings up the question: what were the eastern autonomists really trying to accomplish – what were they thinking, what were their real goals? This is difficult to reconstruct and speculative, because the autonomy leaders were careful not to say things that they could be charged with treason for.

Webber asserts that "Bolivia on the brink is a phrase too often uttered by passing journalists unaccustomed to the country's regular politics of the street. But events of the first two weeks of September 2008 could not be passed off as the ordinary business of protest." [5] He believes that rather than a civil war, the eastern autonomists were conducting a sort of coup. He believes that the eastern autonomist leadership didn't intend to separate from Bolivia but to achieve three goals. First, to weaken the Morales government and the Indigenous movement. Second, to control the natural gas and

agricultural wealth. Third, to someday regain power at the national level. [6]

The best option for the autonomists would have been to have La Paz recognize their autonomy, but that was proving unlikely since Morales was neither over-reacting with military force or caving in under pressure. It is possible that the autonomists would also have been willing to form their own state, or join an already existing one, such as Argentina or Brazil. Southeastern Bolivians had often felt closer to these countries, as mentioned in the Constituent Assembly chapter.

However, any autonomous or independent eastern Bolivia would have required the cooperation of either Argentina or Brazil, or both. The existing natural gas pipelines, eastern Bolivia's economic lifeline, ran through both countries. The majority of eastern Bolivian products would also have to pass through these, and the other members of UNASUR's territory.

This is where UNASUR was powerful. It was not necessary for the organization to mobilize troops. To have an impact on the Bolivian autonomy crisis, all UNASUR had to do was make clear that it would not support a rebel eastern Bolivia. Without at least the collaboration of the countries that eastern Bolivian natural gas and products pass through, any independent or autonomous lowland Bolivian state would be unviable, and would die on the vine (see map 6).

The eastern Bolivian leadership could have persisted in resistance to La Paz. They could have blown up the natural gas pipelines (that had been demonstrated already). Additionally, if the Bolivian army had tried to occupy the lowlands, the *cambas* could

have started guerrilla warfare to wear down and outlast the Bolivian military, and any Venezuelan or Cuban allies that may have come.

However, the leaders of the autonomy movement were not guerrilla leaders: they were mostly wealthy businessmen. They wanted to make money, not fight a hard scorched earth campaign. Like Sanchez de Lozada in 2003, they had other options than a last stand, such as try to win elections later, or even go into comfortable exile. With the opposition of the neighboring countries of UNASUR, further efforts toward autonomy would only endanger the prosperity of eastern Bolivia. By refusing to do business and deal with the autonomists, the other South Americans had likely been the deciding factor in the Bolivian autonomy crisis of 2007-2008.

In the next chapter we will look at another case where a civil war threatened to occur. But in this next case, that of Cote d'Ivoire in 2011, the circumstances and results were very different than they were in Bolivia in 2008.

Chapter 11 – Ivorian Historical Context

Perhaps the saddest thing about Cote d'Ivoire is that after independence from France in 1960, the country experienced peace and stability for 39 years, and for the first 20 years the country had a respectable 7 percent annual growth rate. Akindes points out that this was similar to the growth rates of Brazil and Korea. [1] Much of this was because of the vision of the leader of the country at independence until his death in 1993, Felix Houphouet-Boigny. Ruling the nation for 30 years, Houphouet-Boigny kept the country together by his personal skills, personal relationships and force of personality. This is a way that Cote d'Ivoire is very different than Bolivia: Cote d'Ivoire has a much shorter history as an independent nation.

Houphouet-Boigny selected a capitalist model for his nation, which was unusual for newly independent African nations. Collier states:

> Houphouet-Boigny aspired to build a strong economy through a 1950's style French model: strong state institutions supporting private-sector growth. This strategy contrasted markedly with the prevailing model of socialism. Indeed, at independence, the president of neighboring Ghana, Kwame Nkrumah, had challenged him to a wager that in ten years Ghana, with a standard socialist model, would far surpass Cote d'Ivoire. He lost: by the 1970's Ghana was in a state of economic and political collapse, and he himself had been ousted by a coup, whereas Cote d'Ivoire was stable and prosperous. [2]

Africaconfidential.com 2011

Map 7

Cote d'Ivoire

BBC 2011

Map 8

New Forces (pro-Ouattara) and Gbagbo areas

An additional distinctive element of "Houphouetism" was that it welcomed immigration. The labor and the skills of the immigrants were needed to work especially the agricultural sector. Immigrants were welcome, for example, to come and grow cocoa on unused land. This attracted immigrants, especially from landlocked and impoverished Burkina Faso to the north. Other immigrants came fleeing from social unrest in other less stable African countries. Cote d'Ivoire became the leading exporter of cocoa, as well as coffee and other items. According to Collier, by the 1980s the population of Cote d'Ivoire was 40 percent immigrant. The money the immigrants generated working in agriculture and other fields allowed the native Ivorians to have comfortable civil service jobs. For years the formula worked well, and the country was peaceful, prosperous and attractive. The seaside commercial capital, Abidjan, was called the Paris of Africa. Houphouet-Boigny had moved the political capital to his home village, Yamoussoukro.

However, in 1980 the price of cocoa and coffee dropped, hurting the Ivorian economy. Economic mismanagement (the civil service continued to grow and price subsidies continued to be paid) exacerbated the problem. Urban unemployment greatly increased and incomes fell, creating social discontent.

To add to the difficulties, when Houphouet-Boigny died there was no clear plan for political succession. The two main contenders ended up being Henri Bedie, the president of the National Assembly, and Alassane Ouattara, the prime minister. Bedie became president. Ouattara chose to take a job working for the International Monetary Fund until the elections in 1995, which he believed he would win. However, Bedie chose to adopt the anti-immigrant doctrine of a minor politician, Laurent Gbagbo, and promote *Ivoirite.*

The concept of *Ivoirite* said that true Ivorians were born of parents that were both Ivoirians. It also implied that true Ivorians were Christians from the south of the country, which further excluded many immigrants, the majority of whom were Muslims, many of whom lived in the north. This had the effect of eliminating Ouattara as a candidate, since only one of his parents was a native Ivorian and he was a Muslim from the north. While politically expedient for Bedie, this policy greatly aggravated social tensions.

Then on Dec. 24, 1999, Bedie was thrown out of office by a military coup, and replaced by General Robert Guei, who promised to hold elections in six months. The French, who had maintained a military and political presence in Cote d'Ivoire, chose not to intervene at this point. Guei probably thought he was going to win the elections, but he ended up losing to Gbagbo. Guei simply refused to step down. However, Gbagbo had a militia made up mostly of unemployed urban youth, and this militia actually beat the small Ivorian military in street fighting in Abidjan. The militia took the opportunity to kill many immigrants as well. Guei was forced from power, and Gbagbo became president.

On Sept. 19, 2002, Guei attempted to stage a coup against Gbagbo, but this time he was killed. However, many of Guei's troops fled to the north of the country, where they reformed, calling themselves the New Forces (Forces Nouvelles, or FN) and proceeded to attack the Gbagbo government. Gbagbo's militia, while very effective in the urban setting of Abidjan, would stand little chance fighting against the FN in open country. Gbagbo's solution was to blackmail the French into intervening on his side. He did this by threatening to attack the sizable French population in Cote d'Ivoire. The plan worked.

French troops imposed a cease-fire that divided the country (see map 8, page 107) into a Gbagbo controlled south and an FN controlled north. [3] Additionally, the Economic Community of West African States (ECOWAS) and the UN also deployed troops and monitors to pacify the situation. Negotiations were begun to resolve the crisis.

However, Gbagbo used the cease fire as an opportunity to rearm. Being in control of the south of the country, Gbagbo had the most economically valuable part of the country. Not only was cocoa grown in the south, but much of the economic activity from northern Cote d'Ivoire and the entire region had to travel through seaports on the southern coast to reach world markets. Gbabgo's forces launched an attack on the north, in the process killing French troops on Nov. 6, 2004. The French retaliated, destroying Gbagbo's air force, and re-imposed a cease-fire. Peace negotiations started again.

The March 2007 Treaty of Ouagadougou set the stage for a permanent peace, which was supposed to occur following the holding of free and fair presidential elections. Being delayed numerous times, the elections finally occurred in late 2010. Following the final round of voting on Nov. 28, 2011, Ouattara was declared the winner. While the Carter Center expressed some reservations about the election, Ouattara was recognized as the new president by the UN, the African Union (AU), ECOWAS, the European Union (EU) and the U.S.

However, Gbagbo refused to accept the results. Claiming the vote was rigged in the northern part of the nation, he had the judiciary he controlled invalidate the election and declared himself the winner. Ouattara, who was in Abidjan under the protection of UN troops at the Golf Hotel, was soon surrounded by pro-Gbagbo forces. Thus began a

standoff, with Ouattara in the Golf Hotel in Abidjan, the pro-Ouattara New Forces holding the northern part of the country, and Gbagbo holding the south.

Chapter 12 – The Cote d'Ivoire Crisis, 2011

Attempts to mediate the crisis were made, all to no avail. Major international economic sanctions were placed on the Gbagbo government on Jan. 6, 2011. Gbagbo was, at least for the time being, satisfied to hold the southern part of the country. So long as he had that, he could try to wait out the international community, and either rearm later and take the north, or simply keep the south.

On Dec. 7, 2010, ECOWAS resolved as a group to endorse Ouattara. Realizing that Gbagbo would probably not leave power voluntarily, on Dec. 24 the organization threatened to use force to remove Gbagbo. In fact, ECOWAS's biggest member, Nigeria, was a large and in many ways powerful country. However, the Nigerian military had very limited capability by itself to transport and sustain large numbers of troops outside of the country. Additionally, Nigeria was going to have elections that year that would require troops for security, and an Islamist insurgency in the northern part of the country was also demanding attention. Gbagbo knew that the threat of ECOWAS intervention was empty. This was unlike the situation in Bolivia, where UNASUR had a range of political, economic and military options available. However, Bassett and Strauss observe that such action by a regional organization

> ...had a major impact: it shrank the space for diplomatic maneuver for Gbagbo, a consummate and cleaver bargainer: allowed the central bank of West African States to cut off Gbagbo's money supply, which weakened Gbagbo's standing with his own military and civilian government: and crucially, proved essential in obtaining unanimous UN Security Council approval for action against Gbagbo's positions in Abidjan. [1]

The other major African regional organization, the AU, also could have played a part. However, some of the leaders of the AU were authoritarian rulers like Gbagbo who refused to step down from their positions. These leaders were not eager to see the precedent of the removal of a state head by a regional organization. Angola and others recommended that the elections be held again. Gbagbo may have been encouraged by this lack of unity.

http://dianaivorycoast.blogspot.com/2010/02/three-maps.html

Map 9

Districts of the city of Abidjan

Meanwhile, the situation in Cote d'Ivoire started to deteriorate. Pro-Ouattara demonstrations started occurring in Abidjan, which were brutally crushed by pro-Gbagbo security forces and supporters. Pro-Gbagbo death squads started raiding the pro-Ouattara districts such as Abobo at night, abducting people who later were found dead (see map 9, page 112). Since the UN was protecting Ouattara, pro-Gbagbo security forces and civilians begin harassing UN personnel as they tried to move around in Abidjan and other Gbagbo controlled areas. For example, attempts by the UN to investigate allegations of mass graves for death squad victims were halted by pro-Gbagbo security force roadblocks. This violated the UN mandate to protect civilians and investigate war crimes.

Tensions also increased between France and the Gbagbo government. France was seen as being pro-Ouattara, and stirring up hostility against the French was a favorite Gbagbo tactic for galvanizing his supporters. Also, the French were seen as being allied with the UN, with both opposing Gbagbo. The French maintained a large military base in Abidjan for their military operation in Cote d'Ivoire, known as the Licorne (Unicorn) force (see the appendix 1). The mission of the Licorne force was to support the UN and to protect the large resident French population in Cote d'Ivoire (approximately 12,200 at this time). [2]

In Jan. 2011, clashes started occurring between the pro-Gbagbo forces and unidentified but organized opponents in Abobo. The pro-Gbagbo forces started taking casualties in well executed ambushes. As a result of the rising tensions, the UN decided

to send additional troops and aircraft to Cote d'Ivoire. Among these UN reinforcements were Ukrainian-owned and operated Mi-24 HIND attack helicopters from the UN mission in Liberia, which gave the UN an air attack capability.

Qspot.com 2010

UN Mi-24 HIND

On March 3, Gbagbo security forces in the Abobo district of Abidjan fired on a group of peaceful anti-Gbagbo female demonstrators, killing seven. This act violated an Ivorian norm of not harming women and provoked an immediate response. The Abobo district blocked its roads, and pro-Gbagbo forces that entered the area came under attack. Raiders operating out of Abobo even started to attack targets in the pro-Gbagbo districts at night. It was apparent that Gbagbo had lost control of the northern part of his own capital. Possibly in frustration, Gbagbo forces shelled a market in Abobo, killing civilians on March 17.

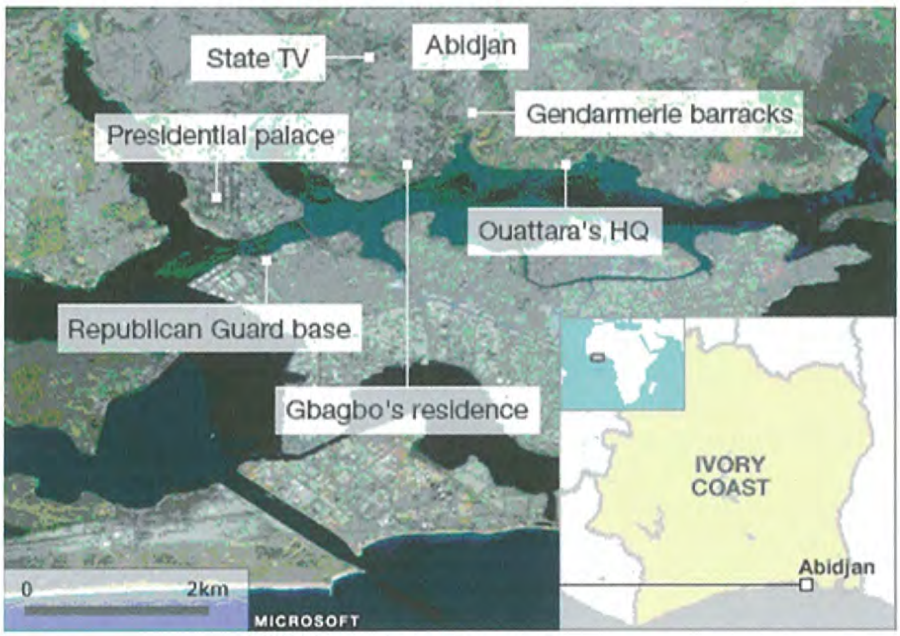
On March 21, fighting started between pro-Gbagbo forces and the pro-Ouattara New Forces in the west of the country. The New Forces won every battle. Soon the New

Forces started a general offensive and rapidly swept south taking the administrative capital of Yamoussoukro on March 30. Both sides were accused of deliberately killing civilians by the UN.

By March 31, the New Forces had entered Abidjan and Gbagbo was confined in the presidential residence in the Cocody district. However, Gbagbo forces were now operating in areas they were familiar with, and there were indications that the New Forces were vulnerable to a counter attack. Additionally, much of the population of Abidjan had been without water, power and food for days. Trash and dead bodies lay uncollected in the street.

AFP/Getty Image/Time 2011

New Forces (FN) troops



BBC/Microsoft 2011

Map 10

Location of Presidential/Gbagbo residence

Tensions continued to rise in Abidjan, and threats to foreigners increased. On April 4, two French citizens were abducted from a hotel in Abidjan by alleged pro-Gbagbo forces. In May their bodies were recovered from an Abidjan lagoon. They had been murdered.

Also on April 4, the UN HIND attack helicopters attacked a pro-Gbagbo military base in Abidjan where heavy weapons were reported to be located, inflicting heavy damage. The HIND were later joined in additional attacks against pro-Gbagbo forces by French attack helicopters. The attacks were justified by the UN and the French as being an attempt to protect civilians. It was apparent, however, that the French and UN wanted Gbagbo to either surrender or leave the country, which would end the conflict that had

taken on an ethnic aspect. The fear seems to have been that not only might a Gbagbo counter attack succeed and so drag the conflict out, but also that even more atrocities against civilians might occur.

On April 6, pro-Ouattara forces launched an attack on the presidential residence but were beaten back. However, the fighting endangered many foreigners: the presidential residence was near the residences of many foreign diplomats. During the fighting, pro-Gbagbo forces broke into the nearby Japanese ambassador's residence, forcing the ambassador to take refuge in a safe room. The Gbagbo forces proceeded to shoot from the roof of the residence. Later, French forces rescued the Japanese ambassador. On April 8, the French ambassador's residence was shelled. French and UN helicopters launched periodic attacks on Gbagbo's position at the presidential residence, followed by negotiations to try to get Gbagbo to leave the country or surrender.

2011

A solder of the French Licorne force outside the Licorne base in Port Bouet.

However, Gbagbo only used the time to reinforce his forces. On April 9, Gbagbo forces launched an attack on the Golf Hotel and other locations. There was again concern that Gbagbo cornered may be very dangerous. On April 11, the New Forces launched another attack on the presidential residence, which was again repulsed. Shortly afterwards, French and UN ground forces advanced on the presidential residence, sweeping Gbagbo forces aside. New Forces troops entered the presidential residence, capturing Gbagbo, his wife and their staff.

Yet, this did not end the conflict. Some areas of Abidjan, especially the Yopougon district, had pro-Gbagbo forces that continued to resist. It wasn't until May 4 that the Ouattara government had secured the Yopougon district. Most of the pro-Gbagbo defenders in Yopougon were said to have been Liberian mercenaries, who after being driven out of the district retreated back to Liberia, killing people as they went.

Additionally, the new Ivorian government had to deal with threats other than the pro-Gbagbo groups. When the New Forces entered Abidjan, they found that many of the forces that had been attacking the pro-Gbagbo forces in Abobo were led by an independent adventurer called Ibrahim ("IB") Coulibaly. The new government considered IB a security threat because of his attempts to seize power for himself going back to 1999, and because he was slow to disarm his militia with the capture of Gbagbo. On April 27 Coulibaly was killed by a government raid.

With the conflict over, the UN estimated that at least 3,000 people had been killed in the conflict since Nov. 2010. Additionally, according to the U.S. Department of State, as of June 15 2011, 210,000 people had fled to neighboring countries as refugees and there

were at least 500,000 internally displaced people (IDPs) in Cote d'Ivoire. [3] President Ouattara promised to reconstruct the country and see war crimes by both sides prosecuted, but it remains to be seen if either of those goals will be met. Further, the New Forces are mostly from northern Cote d'Ivoire and are seen by many former southern Gbagbo supporters as an army of occupation. It remains to be seen if peace has permanently returned to Cote d'Ivoire.

Chapter 13 – Comparisons Between Bolivia and Cote d'Ivoire

In Cote d'Ivoire in 2011, a civil war occurred (or reignited) in spite of intensive regional and international efforts to find a peaceful resolution. A military intervention by the UN and France avoided a greater humanitarian disaster, although it remains to be seen if Cote d'Ivoire will return to stability. In Bolivia in 2008, a largely regional initiative by neighboring South American nations kept a somewhat similar situation of social unrest from turning into a civil war. Although divisions and social unrest continues, Bolivia has avoided the kind of widespread violence that Cote d'Ivoire suffered. While Bolivia in 2008 and Cote d'Ivoire in 2011 are very different countries, and their regions and neighboring counties also very different, (see table 2), a comparison of the similarities and differences between the two situations may provide useful insights and greater understanding of some of the causes of state failure, as well as how state failure and civil war may be avoided.

Like Bolivia, Cote d'Ivoire can be divided into two regions, with a disparity of resources between the two areas. Cote d'Ivoire was once one of the most prosperous of West African nations, with much of its wealth coming from the sale of cocoa, coffee and other commodities. Cote d'Ivoire had an additional resource: unlike landlocked Bolivia, Cote d'Ivoire has seaports in the southern region along the Atlantic Ocean. Not only did this allow southern Cote d'Ivoire to ship its products inexpensively to world markets, but other landlocked nations such as Burkino Faso also shipped their goods through southern

Country	Population	GDP	GDP per capita	% of Population below the poverty line	Military expenditure as % of GDP
Bolivia	10,118,683 (July 2011 est.)	$47.98 billion (2010 est.)	$4,800 (2010 est.)	30.3% (2009 est.)	1.3% (2009)
Paraguay	6,459,058 (July 2010 est.)	$17.17 billion (2010 est.)	$4,900 (2010 est.)	18.8% (2009 est.)	1.0% (2006)
Argentina	41,769,726 (July 2011 est.)	$351 billion (2010 est.)	$14,700 (2010 est.)	30% (2010 est.)	0.8% (2009)
Venezuela	27,635,743 (July 2011 est.)	$344.2 billion (2010 est.)	$12,600 (2010 est.)	37.9% (2005 est.)	1.2% (2005 est.)
Brazil	203,429,773 (July 2011 U.S. Census estimate)/169,872,855 (Brazil 2000 census)	*$2.194 trillion* (2010 est.)	$10,900 (2010 est.)	26% (2008 est.)	1.7% (2009)
Cote d'Ivoire	21,504,162 (July 2011 est.)	$22.38 billion (2010 est.)	$1,800 (2010 est.)	42% (2006 est.)	1.5% (2009
Nigeria	155,215,573 (July 2011 est.)	$206.7 billion (2010 est.)	$2,400 (2010 est.)	70% (2007 est.)	1.5% (2006)
France	65,102,719 (July 2005 est.)	*$2.55 trillion* (2010 est.)	$2.55 trillion (2010 est.)	6.2% (2004)	2.6% (2005 est.)
USA	313,232,044 (2011 est.)	*$14.62 trillion* (2010 est.)	$47,400 (2010 est.)	12% (2005 est.)	4.06% (2005)

Central Intelligence Agency, CIA World Factbook 2011

Table 2 – Country and region comparisons

Ivorian ports. Additionally, a major fuel refinery is located in the southern Ivorian port of Abidjan that also supplied much of the fuel for the surrounding region. As a result, like eastern Bolivia with its natural gas deposits and agriculture, southern Cote d'Ivoire was the most productive region.

Also like Bolivia, there was a definite regional nature to the political division. The north favored Alassane Ouattara while the south was the power base for Laurent Gbagbo in the Nov. 2010 elections. Northern Cote d'Ivoire was largely Muslim, and the south was largely Christian. This mirrors to some extent Bolivia being divided into an Indigenous west and a European and cholo east. However, Cote d'Ivoire is in some ways even more divided than Bolivia, with numerous different ethnic groups and 60 language dialects (Dioula being the most common), although French is the official language. [1] Additionally, the prosperity of Cote d'Ivoire had created an immigration problem, since people from other African countries had come to Cote d'Ivoire to find work and security. These immigrants and their children were not considered to not be real Ivoirians by some native Ivoirians. For example, Ouattara, a leading contender in the 2010 Ivorian presidential election, was considered to not be a real Ivoirian by many because his father was from Burkino Faso.

These divisions within Cote d'Ivoire had largely been ignored during the years of peace and prosperity between independence from France in 1960 and the death of the first Ivorian president, Felix Houphouet-Boigny, in 1993. After 1993, splits along ethnic and regional lines worsened, culminating in the outbreak of civil war in 2000. With the intervention of both the UN and France in 2004, a cease-fire went into effect (the civil war was declared over in 2007), leaving then president (and ethnic southerner) Gbagbo

and the regular Ivorian military in control of southern Cote d'Ivoire (including the commercial capital of Abidjan and the administrative capital of Yamoussoukro) the northern part of the country was controlled by ethnically Muslim northern rebel forces. The division of the country was supposed to be ended and full unity restored by subsequent presidential elections. After being postponed multiple times, the election was held in Nov. 2010. Ouattara, a Muslim from the north, was declared the winner, a result which was recognized by the election commission, the United Nations, the European Union, ECOWAS, the African Union and the United States. However, Gbagbo refused to accept this result and had the Ivorian Constitutional Council (which he controlled) reject the election as having been rigged in the northern part of the country. [2]

It is here that the differences between President Gbagbo in 2010-2011 and President Morales in 2007-2008 stand in contrast. Morales in 2008 sought to keep his country united, and prevent the most productive section from becoming autonomous or even splitting away. The money generated by eastern Bolivia was badly needed to develop the western part of the country, a major project of Morales. Gbagbo, unlike Morales, seemed to be satisfied with having the nation fracture, leaving himself and his supporters in control of the most profitable section. It is possible that Gbagbo made no effort initially to retake the north because his forces had been weakened by years of international arms embargos. Additionally, Gbagbo's forces would have had to face a northern rebel force that from the previous civil war was already organized and battle experienced. Morales would not have faced anywhere near as formidable a force. He enjoyed regional and international support as well. Still, it does appear that division of the nation was a result

that at least temporarily, and possibly permanently, suited the Gbagbo faction, so long as that group had control of the most valuable resources.

The Bolivian and Ivorian situations highlight a major cause of state failure: the struggle over control of natural resources which can be sold to the globalized world economy, even if that means the division of a country. In the Bolivian case a rebel region sought autonomy or separation to market resources. In the Ivorian case, a national government seemed satisfied to lose (at least temporarily) a region to have a larger share of the profits from the exploitation of natural resources. In both cases, the leaders of the region with the bulk of marketable resources seemed very willing to separate themselves from the poorer section and its people.

An examination of the role of neighboring regional powers sheds further light on factors that affect state failure or the prevention of state failure in both the cases of Bolivia in 2008 and Cote d'Ivoire in 2011 (see Table 2). In both cases it is likely that the relative strengths and weaknesses of the regional major powers were important influences in the thinking of the decision makers and therefore influenced the course of events.

In the case of Bolivia, the most important regional powers in South America were Venezuela and Brazil. Both South American countries had considerable relative economic and military power. Additionally, Cuba was able to provide some political and technical support to the Morales government. All three governments with the rest of South America, announced public support for the Morales government. Venezuela had early on provided not only strong political support for Morales, but soon after his election provided many forms of economic and security aid. Morales himself was flown around

Bolivia by Venezuelan helicopters, flown by Venezuelan crews loaned to him by the Venezuelan government. Venezuelan C-130 transport aircraft made numerous flights to Bolivia, dropping off mysterious personnel and equipment. Cuba contributed doctors who provided free medical care and organized literacy programs in Bolivia. Both Cuba and Venezuela provided security services. Morales was reported to be guarded by several Venezuelan agents. However, Venezuelan commitments to La Paz were far greater, and more controversial, than Cuba's. In Sept. 2008, the Bolivian armed forces commander General Luis Trigo publicly criticized Venezuelan President Chavez for stating that if President Morales were ousted or killed, Venezuela would have "the green light" to intervene in Bolivia and rejected foreign intervention of any kind. [3] There is no doubt that having lost half their territory since independence, many Bolivians would have been hostile to direct intervention by Venezuelan or other military forces. However, while Venezuela has a large military and some of the best weapons in South America (its Russian made Su-30 jet fighters are the most advanced fighter aircraft in South America), Venezuelan ability to deploy and sustain a large force to Bolivia is very questionable. In recent disputes with Colombia, for instance, few Venezuelan troops had actually deployed to the border, even though Colombia is next door and Chavez had publicly ordered it.

Brazil on the other hand, was even more formidable than Venezuela in the context of the crisis in Bolivia. The Brazilian economy is larger and healthier than Venezuela's (see Table 2), and its military has proven with its involvement in the peacekeeping mission in Haiti that it has some expeditionary capability. More important, Brazil is located next to eastern Bolivia. Any intervention into Bolivia would have been relatively

easy, but any totally landlocked eastern Bolivian breakaway state would likely need Brazilian, as well as Paraguayan and Argentinian, cooperation to survive. Neither Brazil nor the other two nations expressed any support for the eastern Bolivian autonomists.

This contrasts with the situation with Cote d'Ivoire. In West Africa, Nigeria in theory could have played the regional power role in the Cote d'Ivoire situation. It is a large country, with a population of over 150 million, a large military and vast income from petroleum production. However, much of Nigeria's oil wealth is lost to corruption, and much of the Nigerian military was expected to be tied down with internal matters. In April 2011, Nigerian presidential and state elections were scheduled to be held, and Nigeria was facing the remains of an insurgency in its south (where oil production was centered) as well as a terrorist campaign in the north by the Boko Harum (also known as the Nigerian Taliban) fundamentalist Muslim group. Additionally, other West African regional powers appeared to sympathize with Gbagbo, in spite of both ECOWAS and the African Union supporting Ouattara. The president of Angola said on Jan. 4, 2011 that Gbagbo was the "constitutional president" of Cote d'Ivoire and suggested that a new election be held. [4]

The Republic of South Africa took a similar position until March 2011. [5] There were also unproven charges in the African press that Angola, South Africa and Zimbabwe were secretly providing military equipment and personnel to the Gbagbo government. It is possible that there was genuine disagreement on how the Cote d'Ivoire situation should have been handled on the part of the African countries. The African Union especially seeks "African Solutions to African Problems" without outside interference. However, it is also very possible that Angola and South Africa saw benefit

in a crisis in West Africa that would distract their regional rival, Nigeria. This disunity on the part of the African regional powers in the Cote d'Ivoire situation contrasts with the solid support South American countries gave the Morales government in 2008.

Comparison of the Bolivian and Cote d'Ivoire cases, different as they may be, suggests that strong regional powers, especially if they are willing to work together, can play a role in discouraging civil wars and state failure in their neighbors. Alternatively, weak regional powers, or regional powers that are actively in competition with each other, may facilitate or even promote for geopolitical reasons the break up and failure of states, and the destabilization of their regions. The implications for U.S. policy may be that supporting regional powers such as Brazil and Nigeria, with whom the U.S. may have commonality of interests and values with, may be a good policy for stabilizing those regions. Stronger friendly regional powers can in turn strengthen the regional organizations that they are members of, which would improve the capability of those regional organizations to deal with local failed or failing states. We saw this in the example of Bolivia, where UNASUR played a part in preventing a wider conflict without the use of force and without much international involvement.

Chapter 14 -Bolivian Update

Many were wondering what Bolivian President Morales would use to replace neoliberalism in the time since his election 2008. With his background as an Indigenous coca grower union leader, he is one of the most unique leaders in the world. Further, Bolivia is a country that has been, as Siekmeier says, a "trailblazer" in Latin America. Programs and doctrines such as economic nationalism, neoliberalism, structural adjustment programs (SAPs), and U.S. economic development aid programs have often used Bolivia as a proving ground. This is because the extent and persistence of poverty in Bolivia has always encouraged experimentation.

Further, the fiery rhetoric of the Bolivian president led many to believe that Morales would lead Bolivia to another experiment to find something to replace neoliberalism with. And indeed, there is much more of an emphasis on social programs than during the neoliberal era.

However, one is struck by the disappointment of many observers. Webber maintains that the Morales administration is reformist rather than revolutionary, and that Morales is virtually the savior of capitalism in Bolivia. While Morales talks about "savage capitalism" being the enemy of the earth itself, his vice-president, Linera Garcia talks about developing "Andean-Amazonian capitalism." [1] This economic model would involve greater state ownership of business to allow an Indigenous middle class to develop in Bolivia, which in turn would allow the state to transition to true socialism. This process however would take 50 to 100 years.

The Morales government has found itself constrained in many of the same ways as previous Bolivian governments. For example, on Sunday, Dec. 26, 2010, without warning the Bolivian government ended a subsidy for fuel which that year cost $380 million. The government said the subsidy could no longer be afforded. Gasoline prices went up by 73 percent and diesel prices by 80 percent overnight, the greatest fuel increase in Bolivia in 30 years. Food prices also increased. The protests were so heated over what came to be called the *gasolinazo* (or big gas hit) that President Morales cancelled the decree within a week. The abruptness of the removal of the subsidy and the extreme hardship the action would have imposed resembles something from the Cochabamba water war of the neoliberal era. The *gasolinazo* appears to show two things. The first is that even under a populist president, Bolivia is still stuck in the cycle of underdevelopment it has experienced since independence. For at least the immediate future, its people will probably still have to face economic hardship before things can improve significantly. The second thing the *gasolinazo* shows is that a small, poor and remote nation has limited options available to it. Kohl and Farthing observe that in Bolivia

> despite the enormous transformations, the challenges are much the same as they were 150 or even 500 years ago: how to develop the country's resources for the public good, how to incorporate the indigenous population fully into political and economic life and how to address the needs of diverse regions....The question of whether a small, dependent country can develop a model to withstand transnational neoliberal pressures echoes the unresolved debates between Trotsky and Stalin during the 1920's about the possibility of socialism in one country....No doubt Bolivians will continue to take to the streets. [2]

Bolivian dependency on U.S. foreign aid did decrease. Disagreements on how to

control cocaine production in Bolivia led to the U.S. cutting counter-narcotics aid to Bolivia, and on Nov. 27, 2008, President Bush ended the ATPDEA program with Bolivia, also because of disagreements on counter-narcotics policy. President Obama also has not renewed the ATPDEA. However, U.S. aid was at least matched by Venezuelan aid. The Bolivian government announced on Oct. 1, 2008 that it had received $214 million in aid from Venezuela between 2006 and 2008, replacing lost U.S. aid. Many observers believe the actual amount may be much higher. The aid has been very useful: Venezuela has been buying the textiles and preserving the jobs in Bolivia that the ATPDEA had helped create, for example. However, while this arrangement is certainly better than having people unemployed, it does seem Bolivia has traded dependency on one country for another.

Interestingly, there is currently a trilateral agreement being worked out between Bolivia, the U.S. and Brazil for cooperation on the problem of cocaine coming out of Bolivia. It is possible that this could develop a new way to approach the drug issue with something other than a war on drugs model. This program also could provide an opportunity for Bolivia and the U.S. to start to work together on other issues, such as aid and trade, as well as narcotics. However, like Siekmeier said about an earlier Bolivian leader, Juan Jose Torres, it is likely that Evo Morales will rarely pass up an opportunity to "Ruffle the North American eagle's feathers."

Chapter 15 - Conclusions

This paper examined a near civil war in Bolivia, and an actual civil war in Cote d'Ivoire, with an in-depth emphasis on Bolivia. While different places, lessons can be drawn from both the similarities and differences between the two countries.

Both Bolivia and Cote d'Ivoire had strong ethnic and racial aspects to their crisis. Additionally, there was an immigration issue in both cases. In Bolivia, the Indigenous have been in conflict with the European descended since the Spanish conquest. Anti-Indigenous prejudice was especially evident among some of the eastern autonomy supporters in August and Sept. 2008. The root of much of the eastern *camba* hatred toward western *kollas* appeared to be that 1) the western people wanted to use resources from eastern Bolivia for their benefit and 2) many leftist westerners had migrated to the east, causing friction and resentment among the easterners. While there is some debate about how close Bolivia actually came to a civil war in 2008, the chances are good that if a civil war had happened, it would have had a strong ethnic aspect and may have been particularly violent. Fortunately, the crisis was concluded early. A major contributing factor to the ending of unrest that the eastern autonomists realized they had no chance of success from further conflict because of their political isolation within the region. The interesting thing is that in spite of the long history of ethnic conflict in Bolivia, few people actually got killed.

Also of note is that Bolivia has received foreign development aid for over 50 years, from the U.S. and now Venezuela. Yet, major poverty problems still exist. Likewise, Bolivia has been a testing ground even longer for a wide variety of extreme economic

doctrines and plans such as economic nationalism, neoliberalism, structural adjustment plans and now Andean Amazonian capitalism. But relatively little progress has been made. This repetitious history of often extreme attempts to escape poverty over so long a period of time underlines how difficult the problems of underdevelopment can be.

Like Bolivia, Cote d'Ivoire also had an issue with ethnicity, compounded with an even larger immigration problem. A large proportion of the population were immigrants or the children of immigrants, and these were not considered true Ivorian citizens by the native Ivorians. These people were additionally of different ethnic groups as well as members of a different religion (Islam). When economic times were good, these different groups coexisted. However, when the economy declined, ethnic tensions increased. Unscrupulous politicians enflamed the situation further by stirring up ethnic hostility for their own political gain. In this case an actual civil war did break out, which included indiscriminate attacks on the members of the opposing ethnic group, regardless of sex or age.

The conflict was concluded relatively quickly, so even though at least 3,000 people were killed, the toll could have been much higher if the war had gone on for longer. The issues of immigrants and immigration is especially important, considering that more and more people in the future are likely going to be migrating from their home countries in search of work or education.

Regional organizations played a key role in both situations. In the Bolivian case, it is likely that UNASUR especially played an important role in discouraging the autonomy seeking eastern departments from continuing resistance or even trying to secede from Bolivia. Both UNASUR and the OAS presented a united front in supporting the Bolivian

central government. Moreover, this support seemed to embolden the Bolivian government to move to restore order before violence got out of hand. While there is some debate about how close Bolivia came to an actual civil war, there was potential for the country fracturing and experiencing ethnic violence.

In Cote d'Ivoire, the regional organizations were much less successful in deterring a conflict. One organization, ECOWAS, lacked the ability to credibly intervene militarily, and the other, the African Union, was divided on the issue. However, the ECOWAS endorsement of military intervention in Cote d'Ivoire provided political support for UN and French intervention, which hastened the end of hostilities and probably saved lives.

Regional organizations clearly have a role to play in failing-state situations. If the regional organizations can present a united front and have member nations that have the capability and will to credibly intervene, they can be effective in preventing state collapse. They can also be credible mediators, such as the OAS was with both sides in the Bolivian situation. If regional organizations are united but have a lack of capability, they can still help the situation by giving valuable political support to international organizations or outside powers. Regional organizations that are disunited are probably the least helpful, because their disunity can hinder appropriate intervention, and actually encourage one or both sides in a failing state to be aggressive.

As the U.S. and other powers consider a future of tighter defense budgets and a possibly more unruly world, sharing responsibilities for managing world trouble spots will encourage working more and more closely with allies, alliances and regional organizations. The success of avoiding a civil war in Bolivia in 2007-2008 and the relative success of the resolution of the civil war in Cote d'Ivoire in 2011 gives useful

lessons as well as hope for the future use of regional organizations in managing civil wars and failing states.

Appendix 1

Why Unicorn/Licone/Ucorne?

French Troops in Cote d'Ivoire Ready To Evacuate Foreign Nationals

Commentary by Isabelle Lasserre: "French Army Ready to Evacuate Foreigners"

Paris Le Figaro April 4, 2011

The unicorn enjoyed a marvelous reputation in Greek mythology. This graceful four-footed animal is endowed with a single horn that has the power of spotting the presence of a poison and neutralizing it. It never feels hatred or anger and it avoids getting mixed up with human beings, other than in cases of *force majeure.*

This is how the "Ucorne" [Unicorn] Force in Cote d'Ivoire was going until yesterday [3 Apr], contenting itself with supporting (from its Port-Bouet bastion) the UN and monitoring, from afar, the activities of the two contenders for power. However, French forces in Cote d'Ivoire suddenly rose up in strength by taking control of the Abidjan international airport. Moreover, two additional companies (approximately 300 men) were sent as reinforcements from Ubreville, Gabon, yesterday, bringing "Ucorne's" strength to 1,500 men. In November 2004, at the height of French intervention, it had more than 5,000 men.

Private African Domain

Officially now, the "Ucorne" soldiers' role consists in ensuring the security of approximately 12,200 French nationals in Cote d'Ivoire as well as proceeding with their evacuation, should the Ministry of Foreign Affairs so decide. Yesterday, Nicolas Sarkozy asked Abidjan's French residents to assemble "without delay."

However, as fighting continued between pro-Ouattara and Gbagbo loyalists in Abidjan yesterday, the former colonial power had no plans for intervening more directly. After having flown to the rescue of troubled regimes in its former private domain for years, France has distanced itself. In Cote d'Ivoire, it has delegated settlement of the Ivorian crisis since 2004 to the UN, for whom the "Ucorne" soldiers have become a rapid reaction force. France's defense agreements with its former African colonies were revised downward when Nicolas Sarkozy came to power. It was no longer Paris's intention to be the continent's gendarme. And when France does act, it does so much more discreetly by sending officers (as some sources suggest) to train and advise Ouattara's men in order to prepare them for a lightning offensive to bring Laurent Gbagbo down.

Although French displays are less obvious, the Gbagbo side always denounces them.

Reacting to the French taking control of the airport, an adviser to the outgoing president, Toussaint Alain, inveighed against the "Licorne," deeming that the French force was acting "like an army of occupation, outside of any mandate." "Cote d'Ivoire is engaged in a war against the French army," he said, recovering the regime's old propaganda reflexes.

ONUCI [United Nations Operation in Cote d'Ivoire] in Bouake

Should the situation continue to deteriorate, can France, whose forces are undoubtedly the only ones capable of resolving the problem quickly, remain passive for long in the face of massacres? While affirming on Saturday [2 Apr] that the former Ivorian president, whose "stubbornness is criminal," should "leave," Minister of Foreign Affairs Alain Juppe called on the ONUCI "to play its role and intervene between the combatants." This is not a done deal. Yesterday, the United Nations force, tired of the repeated attacks on its Blue Helmets, decided to "relocate" its non-essential personnel to Bouake, in the center of the country, the stronghold of Ouattara's supporters.

France's intervention in the Sahel at the beginning of the year, in response to the abduction of French nationals by men from AI-Qa'ida in the Lands of the Islamic Maghreb [AQIM], and the decision to carry out air operations in Libya prove just how difficult it is for France to walk away from Africa. Yesterday, the International Crisis Group think tank called on the international community to "take Cote d'Ivoire out of the abyss" and advocated "bold, effective, and immediate" action. Will ONUCI ask "Licorne" to serve as the antidote for the Ivorian poison?

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