

Evo's Bolivia: Ten Years On

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Evo Morales' government has suffered two significant electoral setbacks in the past year and is currently mired in scandal, which has put its long term projections - planned for up to 2025 - into question. Why is one of the Americas' most progressive governments stumbling at this juncture?

Bolivia is a landlocked Andean country about the size of Texas with only ten million people. It is the continent's most indigenous and economically poorest country which has relied on extractivism - centered around silver, tin, and natural gas with virtually no value added - for over 500 years. Although it is the world's third largest coca leaf producer after Peru and Colombia, the small size of Bolivia's economy has always meant the industry's impact has been more significant than for its neighbors. About 70% of its urban population works in the informal economy as day laborers and street sellers. Its' almost completely indigenous rural people make up approximately a third of the total population and despite recent improvements in living standards, the country still has one of the region's highest rates of rural poverty. And, typical of extractive economies, historically its government has been characterized by chronic instability and corruption.

But what Bolivia is best known for among the left is the militancy of its social movements, most famously the Water War of 2000 and the Gas War in 2003. Bolivia's movements - miners, factory workers, indigenous farmers, coca growers, low-income urban dwellers - have resisted domination for decades, and its indigenous movements, for centuries.

When coca grower leader Evo Morales, the country's first leftwing indigenous President, was propelled into office in 2006 as the political instrument of these movements, his political formation, the MAS, described itself as the political instrument of the social movements and proposed an ambitious agenda to transform the country.

Many of those in the new MAS party government were union, indigenous and urban community leaders, many with little formal education and almost entirely without any public administration experience. Along with middle class Bolivians drawn principally from non-governmental organizations, they confronted an entrenched, poorly functioning bureaucracy based on political and personal patronage appointments. Many of the new government's supporters were convinced that

access to government posts was part of their spoils of victory.

The new government moved quickly and forcefully. Over a ten-year period, extreme poverty dropped by half, largely due to conditioned entitlement programs for pregnant women, schoolchildren and senior citizens. The minimum wage tripled. For the first time, indigenous people and women ran government Ministries in significant numbers. One of the world's most progressive constitutions, which privileged collective and state rights over private ones, was adopted in 2009.

Revenue from natural gas soared after the government successfully renegotiated contracts with multinationals in 2006, even as it stopped shy of a full nationalization, which was close to impossible given Bolivia's chronic lack of governmental investment capital. The new injection of funds into state coffers particularly benefited rural areas where new schools, roads and hospitals are evident everywhere. An innovative community-based scheme to control coca production brought a non-repressive approach to supply side drug control for the first time in the world. The about-face in coca policy also highlighted the important assertion of Bolivia's sovereignty vis-a-vis the US. The country's legislature now is almost half women, the world's second highest. And Morales's government has distributed and cleared title to more land than any other government since the 1953 Agrarian Reform.

The MAS government project was the first and most extensive in Latin America to prioritize indigenous, rural peoples and women. Bolivia's middle class has soared by a million people, roughly 10 percent of the population, and economic growth was greater than it has been in decades.

These gains were not accomplished without opposition. Transnational actors from the World Bank to the International Monetary Fund, had long wielded decisive power in Bolivia and the US embassy was often called the fourth branch of government. In 2007 a major uprising led by elites in the eastern part of the country, with US support, threatened to split the country in two, between the Andes and the eastern lowlands. At its height a million people marched in the streets of Santa Cruz demanding greater regional autonomy and in some cases a separate nation. In exchange for restoring peace, the government was forced to scale down land reform, which had never been applied to the east, and make deals with the agribusiness sectors, increasingly based in soy.

Over the ten years of the MAS government, Bolivia's underlying economic structure has not changed. The country still relies on natural resource extraction with virtually no value added, financed by foreign capital. Not only is this model unsustainable over the medium to long term, it comes at an enormous environmental cost, which falls most heavily on indigenous communities. While Bolivia has played a lead role internationally on climate change, at home Morales' government argues that expanding extraction is necessary to provide the resources to pull the country out of centuries of poverty.

From the beginning, the MAS government has tended to be an exclusive rather than inclusive project. Party loyalty usually triumphed over competence and constructive criticism. Whenever the attacks against the government have been particularly fierce, this tendency to close ranks has grown. Principled criticism from the left of the MAS has largely been the exception, and in the last year particularly, much of the left opposition finds itself in a dubious alliance with an increasingly emboldened right against Morales. The media, controlled as it is elsewhere in Latin America by the right, discredits the government through disinformation, rumor and innuendo rather than any substantive criticism of policy. Many of those on the middle-class, intellectual left participate in this trashing, reflecting how irrational and toxic political discourse has become.

Undoubtedly the MAS has lost sight of its original path in part because of the deals it cut with the wealthy landowners in the east. Increasingly the traditional elites don't see the MAS as a threat, and

in fact, as an ally in expanding the agricultural frontier. Political opportunists of every stripe have joined the party, as the state structure has always been perceived as a lucrative source of jobs and opportunities for corruption.

All this has seriously weakened the MAS and its original agenda, but allowed it to stay in power. Like so many others before them and so many yet come - in Bolivia and everywhere else, the MAS's principal objective has transformed over time into staying in power. The rationale is familiar: retaining power is seen as the only way to ensure that the 'process of change' as the MAS agenda is called, will continue.

Cutting deals with the right is only part of the equation. The MAS government first incorporated and then where that failed, coopted and marginalized Bolivia's once powerful social movements. At the extreme, where movements were sharply divided as to whether to continue to support the government, it has showered money and resources on the faction that supported them while harassing the dissidents. This process has exacted an enormous toll as social movements who do not support the government are marginalized and isolated. Most importantly it seems unlikely that these divided and weakened social movements will be able to mount a significant defense to the growing threat from the right.

The Achilles heel of both the government and social movement organizations is *caudillismo*, an entrenched Latin American political practice centered on strong, often authoritarian, almost always male political leaders. Leaders concentrate and retain power often by undercutting and marginalizing potential rivals. This exists in all types of organizations, and curtails leadership formation at all levels. Popular organizations were weakened by their leadership was weaned off into the government and there was often no one with adequate training, skills and experience to replace them. In many ways Evo is a classic *caudillo* - he eliminated rivals first within the coca growers' union, then within the national leadership of the popular movement and later within the government itself. *Caudillismo* has also concentrated power into a small group within the government short circuiting the flow of ideas upwards to decision-making levels.

So what does this experience teach us as leftists? I think, aside from the inevitable constraints of inheriting a weak state in an inordinately complex and fractious society, the limitations of the MAS government project stem from two principal sources. One was its failure to take on a structural re-conception of government administration. What has been called by Bolivian scholars and intellectuals, the decolonization of the state. This is incredibly difficult to do in stable, relatively well-administered place, let alone a country like Bolivia. But it was never even on the table for discussion and it should have been. The result has been a continuation of a dysfunctional state apparatus, rife with the corruption and patronage which has plagued Bolivia since its beginnings. As the most indigenous country in the Americas, Bolivia offered the opportunity to seriously rethink the state and its role in creating human well-being.

In tandem with this was the failure to create a political party that over the long term differed in style and substance from other traditional parties. As in the past, too many people joined the MAS for personal benefit, rather than to advance a progressive agenda.

The second was the failure to engage in a re-distribution of wealth and income. Bolivia is not only poor it remains very unequal despite gradual improvement since 2000. The MAS government has grown sizeable parts of the country out of poverty - largely because of increased revenues from gas and investments in improving rural infrastructure which combined favorably with commodity booms in mining and agriculture, including a surge in quinoa production which benefited small highland producers organized in cooperatives. But no overhaul of the income tax system was undertaken - it's a flat 13% - and the wealthiest frequently avoid paying it altogether.

Could the process have played out differently? Perhaps. Bolivia demonstrates unequivocally the importance of social movement independence from government and political parties- even though movements can be unrealistic in their demands and narrowly focused on their own sector's priorities. Strong social movements are essential for pushing government to fulfill progressive agendas, keeping bureaucracies honest and at their best, can push for structural changes in a society. How can this be achieved when the ebb and flow of protest cycles is a real phenomenon? This is a real challenge for the left. Long term change can only come through sustained organizing and mobilization, and yet this is incredibly difficult to achieve.

In a country very influenced by anarchism, it is worth noting that the Bolivian experience points to the centrality of the state plays in enacting change. It has proven in Bolivia's case to be the most effective mechanism - imperfect though it is - to propel society-wide transformation. Even given the caveat that any elected government faces limits to what it can change because it is inevitably forced into negotiations with the opposition.

The Morales government is in power until 2019 which gives it some time to re-establish its legitimacy. Bolivia finds itself in a different position from other left governments in the region. While it is battered by the fall in international commodity prices, it has one of the highest financial reserves per capita which is helping it weather the drop in oil and natural gas prices. But it is under intense attack, not just from the right and sectors of the left, but from the weakening of the left in its far larger neighbors, such as Brazil, Argentina and Venezuela. On the other hand, the MAS government remains hugely popular in largely indigenous rural areas, which is where it has accomplished the most. And it is moving ahead an ambitious agenda that seeks to break Bolivia's dependence on extraction alone, such as carrying out value-added projects in lithium and iron ore.

But as Morales' government is increasingly tied up with often absurd scandals that appear largely manufactured by the press, its political future unclear. Its concentration of power has weakened Bolivia's democracy and many of its actions have sadly undermined the movements that propelled it to power in the first place. And with the decline of social movement influence and space for civil society, the prospects for desperately needed structural change diminish.

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