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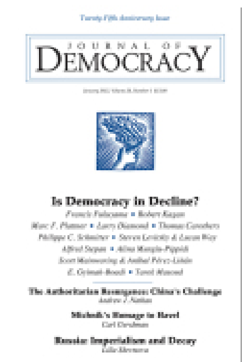

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High Anxiety in the Andes

BOLIVIA AND THE VIABILITY OF DEMOCRACY

Laurence Whitehead

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Two decades ago, when there were few democracies outside the OECD countries and the prospects for democratization elsewhere seemed bleak, the five "Andean Pact" countries—Bolivia, Colombia, Ecuador, Peru, and Venezuela—represented a heartening exception. At the time, most of South America seemed destined to remain under military rule, the civil wars in Central America were becoming bloodier than ever, and Mexico's ruling Institutional Revolutionary Party (PRI) was still firmly wedded to its old practices of electoral chicanery. By contrast, Colombia and Venezuela had been islands of democracy since 1958. Both had returned their militaries to the barracks through popularly approved plebiscites and had isolated and marginalized guerilla insurgencies, offering militants legal avenues for political expression and participation as an alternative to violence. Both countries featured multiparty systems with periodic alternations in office, upheld a framework of constitutional checks and balances, and encouraged social pluralism.

Ecuador and Peru followed along this path in 1978, when they began to return their military rulers to the barracks and set about restoring constitutional government and competitive elections. Even Bolivia, the poorest and most turbulent of the five republics, belatedly followed suit. Starting in 1978, the outgoing dictator, General Hugo Bánzer Suarez, initiated what was supposed to be a controlled transition to constitutional rule but instead turned into a complex cycle of disputed

elections, public confrontations, and officially orchestrated violence. The transition degenerated into virtually direct rule by representatives of the cocaine-trafficking mafias, followed by a collapse of public authority. Then, after a pact between the civilian parties to restore constitutional procedures, a trade union–backed leftist government came to power, but its policies soon precipitated hyperinflation. Finally, in 1985, Bolivia too became a more or less "normal" democracy, pursuing a very painful but effective policy of economic orthodoxy and promarket reform.

All that was two decades ago, when democratization seemed too sheer a rockwork to scale in nearly all the rest of the world. Today, however, the picture looks very different: In South America, all the Southern Cone countries, whatever their remaining difficulties, enjoy liberal democratic regimes that are less troubled than those of the Andean community. Even war-weary Central Americans look on countries like Colombia with a feeling of relief that they have progressed beyond the state of disorder that currently reigns there. In the western hemisphere, Cuba alone remains outside the democratic fold, while Venezuela is now located somewhere between Cuba and the rest in the precedence that it gives to "social justice" over constitutional niceties.

During the past decade, only three Latin American presidents—Mexico's Carlos Salinas, Peru's Alberto Fujimori, and Ecuador's Abdalá Bucaram—have fled abroad in search of shelter from possible legal sanctions at home. While Salinas may be entitled to some slight credit for his part in the democratization of Mexico, Alberto Fujimori's political legacy in Peru is unambiguously illiberal. Both men were highly authoritarian leaders who were feted by the West for their unwavering commitment to promarket economic reform, regardless of domestic criticism. As for Ecuador, after the farcically irresponsible Bucaram was ousted, it became the sole member of OPEC to default on its renegotiated (Brady Plan) government debt. Ecuador is the only "third-wave" democracy that has legally removed one elected president (Abdalá Bucaram in 1997) and then forced another out of office (Jamil Mahuad in 2000) before the completion of his term. It was also the last of the old political regimes (or first of the new) to succumb to a Bastille-like seizure of state power, when in January 2000 dissident soldiers joined indigenous leaders in occupying the National Congress for a day.

Each of the Andean republics has a separate story to tell, yet the historical and structural linkages among them invite a more comparative perspective, especially since the region as a whole is so out of step with broader international developments. What do these five generation-long experiments in democratization suggest about theories of democratic transition, democratic consolidation, institutional design, and regime legitimation? Before taking up these broader questions and the prospects for democracy in the Andean region as a whole, I want to focus on what

has been considered the greatest Andean success story of the past generation—the remaking of Bolivia's political institutions.

Bolivia Since 1985

With the lowest living standards in South America, Bolivia has been notorious for its weak political institutions and unstable political life. Yet over the past decade, democracy has made greater progress in Bolivia than in any of the other four Andean republics. The positive aspect of Bolivia's record since 1985 has been widely noted. To start with, for at least a decade, Bolivia's armed forces have been more effectively subordinated to civilian constitutional authorities than their counterparts in any of the other four republics. The cocaine mafias that have flourished elsewhere (particularly in Colombia) have steadily declined in importance in Bolivia. The once-powerful forces of the radical left have long ceased to pose any violent threat to the constitutional order. A wide array of competing political tendencies has found expression through the electoral system.

Bolivia's electoral rules and the configuration of its party system have ensured a succession of genuinely competitive elections, each producing a peaceful transfer of power, with effective incentives for coalition-building and cross-party cooperation. The processes of electoral competition have extended all the way down from the national to the municipal level of government, bringing public-policy decisions much closer to the people. Even so, a relatively coherent program of economic and social reforms has been enacted, making Bolivia one of the World Bank's chosen success stories and enabling the current government to qualify for substantial debt relief under the bank's "Highly Indebted Poor Countries" (HIPC) initiative.

Ex-dictator Bánzer, who formed his own political party (Nationalist Democratic Action, or ADN) in 1979, has contested every presidential election since 1985, accepting several defeats (sometimes by narrow margins) until he finally returned to the presidential palace as a constitutionally elected head of state in 1997. When the political climate deteriorated in 1999–2000, the government convened a broad "national dialogue" that gave voice to a variety of dissatisfied groups. In the wake of these wide-ranging internal consultations, the authorities pledged to implement a series of reforms demanded by their critics. They also offered assurances to the Catholic Church and others that the resources generated by HIPC debt relief would be targeted for poverty alleviation, and not just appropriated by those with influence in the current administration. This is quite an impressive record, in comparison both with the standards of earlier Bolivian governments and with the personalization of power in Peru and Venezuela or the destructively praetorian politics of Colombia and Ecuador.

Nevertheless, Bolivia today once again displays the illiberal traits that are raising concerns about the viability of democracy throughout the Andean region. It is true that, even in long-established, prosperous, equitable, and highly inclusionary democracies (such as Austria), sections of the electorate can become disenchanted with the narrow spectrum of political alternatives offered by a party system designed to foster compromise and continuity and to fend off challenges from outsiders. After extended periods of political continuity, those with steady access to public office may increasingly find common ground among themselves, thereby growing apart from those not immersed in the intricacies of day-to-day politics. Even some of the most robust democracies have, over time, developed this kind of divide between the "political class" and the far more apolitical majority. If this has happened in social-democratic Europe, it is hardly surprising to find it occurring in far more inequitable and conflict-prone countries like Colombia and Venezuela. Electoral competition may be presented as the "only game in town," but if it is seen as protecting the undeserved privileges of a *partidocracia,* large sections of the population may see no reason to play the game or may even be attracted to "antisystem" challengers. Analyses of democratization in the Andean countries have generally been framed in the language of "institutional design" and "regime consolidation," but a generation after democratic regimes have been installed, it may be necessary to consider a more open-ended vocabulary, one that allows for cyclical patterns and that directs attention to the *viability,* rather than the immutability, of democratic processes.

In Bolivia, the political crises and hyperinflation of the early 1980s had a searing effect, lowering political expectations and clearing traditional obstacles to the establishment of a more solidly based constitutional regime that could attract strong international support for its pursuit of economic and political reforms. The armed forces were discredited by their involvement with the drug mafias, and the radical left was ideologically disarmed by the failure of economic interventionism and the demise of the Soviet Union. Some of the political leaders who seized this opportunity to reshape the life of the republic in a liberal democratic mold were exceptionally clear-headed and authoritative, notably Victor Paz Estenssoro, the leader of the once-radical Nationalist Revolutionary Movement (MNR), and Gonzalo Sánchez de Lozada, his planning minister and eventual successor as party leader. Also of critical importance, however, was the tacit cooperation of their once-bitter rivals on both the left (Jaime Paz Zamora, leader of the Movement of the Revolutionary Left, or MIR) and the right (General Bánzer, founder of ADN). Founded in 1970, MIR was a student-led breakaway faction of the MNR that advocated an Allende-style radicalization of Bolivian politics. General Bánzer seized power in 1971 largely in reaction to such challenges, and throughout the 1970s his repression radicalized the

outlawed opposition. From 1979 onwards, however, ADN and MIR shifted their conflicts to the electoral arena, eventually forming a coalition against the MNR in 1989. Their first coalition supported the presidency of Jaime Paz Zamora (1989–93); their second supports General Bánzer's current administration (1997–2002).

During the period of national emergency in the early 1980s—which was similar to what Colombia and Venezuela experienced in the late 1950s and Peru in the late 1970s—it was unclear whether the key political actors in Bolivia were collective (for example, broadly based political parties with durable structures) or individual (that is, strong personalities around whom parties formed as personalist vehicles). A generation later, when the effects of the 1985 crisis were bound to be wearing off and dominant personalities were nearing the end of their careers, something approaching more "normal" political interactions was to be expected. Yet in Bolivia, "normal" politics has never historically been confined within the narrow limits prescribed by formal rules and constitutional procedures.

Two Levels of Bolivian Politics

From the earliest days of independence, political life in Bolivia has operated on at least two distinct levels, with little coordination between them. On the one hand, the country has a long tradition of legal formalism reflected in a quite sophisticated system of constitutional rules and precedents. On the other hand, it boasts an equally strong tradition of direct political participation that breaks in upon elite games and defies their constraints in the name of an excluded populace. In its heyday, the MNR had achieved mastery in both domains, but by the 1960s, it was no longer able to maintain a stable synthesis between them. Bolivia soon succumbed to a succession of unstable governments, with neither constitutionalism nor popular mobilization constraining the arbitrary use of state power.

The restoration of constitutional government in the 1980s was accompanied by an unusually prolonged period of quiescence and demobilization of popular organizations. This had much to do with the collapse of the state-owned sector, especially Comibol, the dominant mining enterprise that had long provided most of Bolivia's foreign exchange and had also harbored a militant and highly politicized labor movement. During the 1990s, other avenues for popular mobilization emerged, but they seemed somewhat more manageable and were co-opted, at least temporarily and partially, into the party and electoral system.

The coca growers of the Chapare region of eastern Cochabamba (many of them former mineworkers who remembered the earlier episodes of direct action) constituted one intractable group, inevitably opposed to

official Washington-backed policies of coca eradication, but they were confined to a narrow geographical location. Indigenous movements, always limited in scope and fragmented in structure, became more active, but the political system offered them outlets at both the municipal and congressional levels, which tended to disperse and absorb some of their energies. In the Aymara-speaking zones of La Paz's dominant department, a new party named Conscience of the Fatherland (Condepa), established in 1988 to articulate the aspirations of Aymara-speakers, rose to electoral prominence and actually joined the Bánzer administration in 1997. In the eastern lowlands, a somewhat analogous personalist party (the Civic Solidarity Union, or UCS) played a parallel role. In short, until recently, Bolivia's new democratic institutions appeared capable of reconciling constitutionalism with demands for direct political participation from hitherto excluded sectors of the electorate. These two fundamental and opposed political traditions seemed to have been brought into some kind of equilibrium.

Developments over the past two years, however, have revealed the tentative and provisional nature of this equilibrium. Condepa, for example, owed its effectiveness to a single highly charismatic leader, Carlos Palenque Avila. Upon his death in 1997, the movement lost cohesion, and the Bánzer administration lost a strategic source of popular legitimation. After 1998, an alternative current of Aymara nationalism emerged among the peasantry of the *altiplano* surronding the capital city. Led by Felipe Quispe Huanca (universally known as El Mallku, or "the leader"), it demands land and power for the Aymara nation and pursues confrontation rather than accommodation. The UCS also proved a fairweather friend, and the ADN itself quickly lost momentum once in government. Most recently, another useful member of Bánzer's "mega-coalition" fell away, as Juan del Granado, the popular mayor of La Paz, left the government. In each of these cases, the personalism of an ostensibly pragmatic organization has proven a key weakness.

From its beginnings, the ADN campaigned to return General Bánzer to the Palacio Quemado. Once that was achieved in 1997, the question arose as to what longer-term purpose the party might serve. As far as its founder was concerned, his principal objective was to overcome the stigma of his past authoritarian rule by securing election as a democratic president. The constitution forbids consecutive reelection to the presidency, and Bánzer is too old to sit out a term and then be a plausible candidate for president in 2007. So the ADN became polarized between the general's old cronies, who have scant political prospects once he leaves office, and a separate group of younger, mostly business-oriented leaders who hope to inherit the party apparatus and eventually use it for their own ends. In the absence of a clearer purpose, Bánzer's government—weakened by an economic downturn attributable partly to the effects of the Asian crisis and partly to the pursuit of a tight credit

policy that squeezed small business and the informal sector—had lost its popularity by the end of 1999. The two main contenders to replace Bánzer and the ADN in the May 2002 elections were the MIR and the MNR—or more precisely, ex-presidents Jaime Paz Zamora and Gonzalo Sánchez de Lozada, both of whom seemed well-placed to stage a comeback. Thus far, a conventional story of party competition appeared to be unfolding.

Eruptions from Below

The events of April 2000 in the strategic city of Cochabamba, however, reveal the incompleteness of such a narrow, party-centered interpretation of Bolivia's regime dynamics. During that month, a longstanding local dispute about the poor quality of the city's drinking water, along with distrust of the private foreign consortium that had been brought in to tackle the problem, erupted into an outburst of protest, leading to a province-wide blockade and violent standoffs between protesters and the military. Though specific local factors were no doubt involved (General Bánzer is remembered for the use of violence against peasant protesters in Cochabamba at the start of his dictatorship in 1972, and ex-president Lozada is associated with the privatization of the city's water utility), it is the broader implications that matter here: The incident illustrated the extent to which not only the government but all the political parties were out of touch with popular sentiment, which regarded neither the Congress nor any other institutional forum for the expression and redress of grievances as fully legitimate. The nongovernmental Comite pro-Agua seemed to have emerged from nowhere and, like so many other direct-action movements based on local assemblies in Bolivian history, it temporarily overwhelmed the weak institutions of formal government, imposing its own demands.

The direct action in Cochabamba was quickly reinforced by the upsurge of a different kind of collective protest in the traditionally conflictive *altiplano* peasant settlement of Achacachi. On April 9, on the 48th anniversary of the National Revolution of 1952, large numbers of peasants took to the highways to block traffic, leaving the "forces of order" with the stark dilemma of whether to repress them or to capitulate. Following the intervention of the Catholic Church, the government chose to withdraw its forces and negotiate—from a position of moral weakness. When it initiated its "national dialogue," the government may have been acting from a position of strength, but now the flow of energy was reversed. Whatever its official line, the government could no longer exercise its full authority. Bolivians have abundant experience with this kind of situation, and thus they prepared themselves for a second round of challenges and demands, which duly arrived six months later.

In October 2000, protesters blocked their country's main roads for

almost a month. This time their range of social demands was much wider: better prices for peasant producers, higher wages for school teachers, no more military garrisons in the coca zones, and so forth. Behind the whole movement lay the conviction that a generation of liberalizing reforms had failed to deliver tangible benefits to the majority of the people; that political parties of all stripes had become self-serving cliques incapable of tackling national problems; that only direct action in defiance of public authority could deliver any worthwhile changes in government policy; that all institutional procedures were devices to delay and frustrate popular demands; and that any who held back from following this logic would lose out to those who acted first. By the end of the year, Bolivia's Permanent Assembly on Human Rights estimated that the protests had resulted in 20 deaths (15 civilians and five soldiers), 335 injuries, 152 arrests, 26 cases of torture, and one disappearance.

Whereas the public authorities had seemed in command and capable of implementing top-down reforms in the 1990s, now longstanding perceptions of state weakness and institutional paralysis resurfaced. At the time of this writing, the blockades have been lifted, and certain key groups have been bought off with concessions. On one issue, *coca cero,* or the eradication of all coca-leaf production in the Chapare, President Bánzer has been inflexible. (This stance, partly a response to U.S. pressure, is producing not a rehabilitation of the Chapare but its depopulation, given the absence of genuine crop-substitution alternatives.) On other fronts, however, the government has promised to negotiate over a long list of outstanding issues, and independent observers anticipate a resurgence of tension in the first half of 2001 as these demands fall due. The CSCUTB, the national peasant confederation, now aligned with El Mallku, has reappeared as an aggressive interlocutor with formidable strategic capabilities and an enthusiastic mass following, and it has articulated demands for social reform and direct democracy that bypass the parties and challenge the prevailing economic model. The most alarmist observers even speculate that President Bánzer may not be able to complete his five-year constitutional term, which expires in 2002. There is also a general expectation that it will be very difficult to preserve strong fiscal controls during the runup to the next election. Certainly, the combination of highway blockades and coca eradication has precipitated a period of intensified economic hardship for much of the population.

Perhaps the current climate of tension and anxiety in Bolivia will soon subside, and the democratic regime will prove capable of absorbing and processing this sudden eruption of demands from below. The prospects of success are indeed more favorable in Bolivia than in the other Andean republics. Yet over the longer run, Bolivia's new democratic regime will only prove viable if it becomes more responsive to the needs of the society in which it must operate. This implies greater

sensitivity to symbolic issues (such as water rights) and to the socio-cultural traditions of the Bolivian people. It involves paying closer attention to the concerns of the vast numbers of ordinary citizens who believe that the reform process has closed off, rather than opened up, their opportunities for self-improvement. (These include Bolivians expelled from formal employment, denied the right to cultivate the only crop that might earn them a livelihood, or priced out of access to drinking water.) Political leaders must also provide convincing answers to the question of who has benefited from the reforms, and what they have given in return.

As stressed above, the impressive reforms introduced in the 1990s constituted an important step forward in tackling these issues. They included a sweeping decentralization measure (the "law of popular participation") and an innovative privatization strategy that offered the promise of using some of the resulting dividends to fund a universal flat-rate pension payment to all Bolivians over the age of 65. Unfortunately, the hopes for a more inclusionary social policy raised by these measures proved short-lived. While Bolivia has substantially restructured its formal institutions of representation and governance to make them more citizen-friendly, neither citizens nor officeholders are yet convinced that these institutions have established a truly consensual framwork for policy making, or become the "only game in town." As President Bánzer himself said in in a February 2001 message to Congress calling for a "citizenship revolution": "Discontented sectors do not feel listened to, attended to, or represented; they conspire against our coexistence and encourage the aims of those sectors that believe that authoritarianism might be an alternative." So here too, much more needs to be done to convert the outward forms of what donors like to call "good governance" into internalized practices. It is doubtful whether President Bánzer's most recent proposals to hold a referendum on constitutional reforms (including the strengthening of Congress) will meet this challenge, particularly since all the details will have to await legislation by the Congress after Bánzer leaves office. Moreover, especially given that Bolivia still has the lowest per-capita income of any South American republic, these adaptations must be combined with sound economic policies that promote stability and growth and alleviate poverty. In view of all these requirements, it is premature to focus upon the *consolidation* of democracy in Bolivia; the real question is its *viability*.

The Role of the "Political Class"

What does the Bolivian case suggest about the problems of democracy in the Andean region as a whole? Instead of focusing on the incentives created by a certain structure of institutional rules and procedures (a

very Anglo-Saxon exercise, which takes the individual propensity to internalize such rules as given), it may be more instructive to invoke an alternative European approach, one that emphasizes the recruitment, composition, and behavior of the "political class." In some countries, it may be difficult to distinguish a political class from other parts of society. In Latin America, however, and especially in the Andean republics, there is a separate category of political operatives, recruited and socialized through certain recognized avenues of selection (in universities, the media, patronage networks, the parties, and so on). Sometimes this specialized political class monopolizes public office, sometimes it competes with outsiders for access to it, and sometimes it is wholly excluded. In Colombia and Venezuela, for example, the traditional political class was more or less excluded by military rulers prior to 1958. Redemocratization led to its return, and restrictive rules of access tended to ensure it a near monopoly on national public office in the 1960s and 1970s. By the 1990s, however, the political class faced increasingly strong competition from outsiders in both republics. The Chávez administration in Venezuela has been quite explicit about its aim of permanently excluding from power all those professional politicians whom it identifies with the corruption of the old party system. In Peru, President Fujimori was almost as systematic in his attempts to exclude his country's political class from office; following his forced resignation, it remains to be seen how successful that class will be in staging a comeback.

On the whole, one can say that members of the political class typically have learned how to operate within complex institutional rules, whereas outsiders often tend to disregard what they view as the inconvenient restrictions of constitutional procedure. There is inevitably a degree of simplification in this stylized schema. Nevertheless, it is worth reviewing the current Bolivian situation from this perspective and then drawing relevant conclusions for the Andean region as a whole. The democratization of Bolivia in the 1980s, followed by the adoption of a series of externally approved economic and political reforms in the 1990s, represented an unusually sustained and successful restoration of a political class. In Bolivia's case, that class had been nurtured during the dominant-party regime of the MNR in the 1950s, but then had been partially excluded from public office by the military between 1964 and 1982. A great deal of institutional know-how and political skill was required to craft a system that could reconcile the conflicting factions, marginalize all outside contenders for power, and restore governmental authority without too great a reliance on extralegal methods of social control. It was necessary not only to seal the breach between such longstanding branches of the political class as the MNR and the MIR but also to create a framework within which other political leaders (like General Bánzer) and outsiders (like Condepa and UCS) could be both accommodated and restrained.

In many ways, this enterprise resembled the efforts made by Venezuelan party leaders after 1958 (in reaction to the harsh lessons they had learned from their internecine warfare during the *trienio* of 1945–48). But just as the Venezuelan *partidocracia* ended up isolated from popular opinion and vulnerable to exclusion by the Chavista movement, it appears that Bolivia's current political class may have reason to fear the same fate. Indeed, many of the Bolivian reforms of the 1990s can be partially understood as preemptive steps to guard against precisely such a backlash from below.

In Latin America, neither the cyclical displacement of democratic regimes nor progress toward democratic consolidation is inevitable. The Bolivian political class has just received a strong warning of what could befall it again, a lesson underscored by the experience of its Andean neighbors. The viability of democracy in Bolivia will depend on how well the country's political class is able to respond to the challenge. The outcome is open, not only in Bolivia, but in the Andean region as a whole.