

Bolivia: Another Uncompleted Revolution

Robert R. Barr

ABSTRACT

Since 1999, growing citizen dissatisfaction in Bolivia has been manifest in a cycle of often violent protests. Citizens believe that they have no means of expressing themselves except demonstrations. The public has grown weary of neoliberalism, which is perceived as benefiting only the elite. A recent economic downturn provided the catalyst for the unrest. Underlying these economic concerns, however, are fundamental problems with representation. The second Bolivian “revolution” involved not only the shift from state-led economic development to neoliberalism but also a shift from corporatism to pluralism. Representative institutions have not fully responded to the new pluralistic landscape, despite a range of political reforms. Many Bolivians find that their voice in government has weakened even as their needs have grown. The Bolivian case thereby highlights the obstacles young democracies face in winning over decreasingly tolerant citizens.

Bolivia’s political establishment recently arrived at a turning point. In October 2003, mounting violence forced President Gonzalo Sánchez de Lozada to step down and turn over the government to his vice president, political independent Carlos Mesa. The new president, who faced similar difficulties and threatened to resign in March 2005, was the first since Bolivia’s democratic transition to come from outside the three main political parties. The writing was on the wall, however. In the 2002 elections, Sánchez de Lozada, of the Movimiento Nacionalista Revolucionario (MNR), had narrowly taken the presidency with only 22.5 percent of the popular vote. Collectively, the three main parties received less than half the total votes cast. Second place went to Evo Morales, the leftist leader of the country’s powerful coca growers’ association, the small farmers who produce the raw material for cocaine. Morales, who was kicked out of Congress early in 2002 for leading violent protests against the government’s eradication policies, lost to Sánchez de Lozada in the run-off. He received 20.94 percent of the popular vote, just ahead of Manfred Reyes Villa with 20.92 percent. Both Reyes and Morales campaigned against the neoliberal economic policies supported by the traditional parties.

Although the traditional parties have withstood previous electoral challenges from political outsiders and populists, their grip on power has steadily and significantly waned. Political competition increasingly takes place between the beleaguered political establishment and the outside

challengers, rather than among the three traditional parties (Van Cott 2002a, 1). With Sánchez de Lozada's fall from grace, it seems likely that Bolivia's party system will undergo further fragmentation and perhaps collapse, as experienced by the party systems in Venezuela and Peru.

This electoral trend is but one manifestation of mounting societal discontent in Bolivia. Another is the virtually continuous cycle of protest. Despite their dramatic conclusion, the October protests were only part of a far broader trend of dissension dating to 1999 and involving an equally broad array of social groups. The year 2003 just happened to be one of the more violent periods—probably the most violent year since the 1952 revolution. In February 2003, two days of conflicts in the capital, La Paz, left about 30 people dead, government buildings burned, stores looted, and Sánchez de Lozada's grip on power substantially weakened. The conflicts that brought down the president in October resulted in 59 deaths. Comparable events since the end of the 1990s have also left an array of casualties, disrupted the economy, and obstructed governance. The demands of farmers, teachers, miners, police, retirees, and other protesters have not been of an ideological or esoteric sort, but have reflected very concrete concerns about economic issues and living conditions. The difficult economic circumstances are part of the lingering costs of economic restructuring and recent macro-economic difficulties.

Citizens have clearly placed the blame for those problems on the political establishment. Considering the variety of groups and the number of people involved in the protests, a wide swath of society apparently believes that political parties have failed or are incapable of representing its interests and meeting its demands. Despite a range of reforms over the past decade to strengthen the ties between government and society, the credibility of political parties is so weak that expression of societal interests takes place outside formal political channels. The paradox is that Bolivia has been the locus of some of the most radical and innovative political reforms in Latin America. Implementing those reforms, however, raised popular expectations beyond the state's ability to meet them.¹

The imbalance between social demands and state capacity has been exacerbated by the very attempt to correct it. Compounding the problem are poor public sector management and muddled responsibilities among the levels of government. Many groups therefore believe that they lack any recourse other than protest aimed primarily at national authorities. As a result, societal demands become social crises, even over local or regional issues.

Although the immediate causes of the societal discontent are largely economic (including the government's coca eradication policies), on a more fundamental level the origin is the failure of effective interest inter-

mediation. In a sense, Bolivia's political system has yet to adapt to the increased complexity of the socioeconomic landscape. Beginning in 1985, the country underwent a revolution of sorts, with pluralism replacing the former system of corporatism and neoliberalism supplanting import substitution industrialization. Under the previous state-centered "sociopolitical matrix" (Garretón et al. 2003), many Bolivians had enjoyed some, albeit collective, voice in government through the peak labor confederation, as well as some employment stability and benefits.² Since the implementation of neoliberalism, the political influence of the peak organizations has vanished, and employment is more likely to be found in the informal sector, where it lacks benefits and security. Political representation in today's liberal sociopolitical matrix, however, has not fully responded to the new pluralistic landscape; the transformation is not complete. The state seems ineffective at both representing and responding to societal interests. From the perspective of many citizens, their voice in government has weakened even as their needs have grown. Bolivia's second "revolution" therefore remains uncompleted.³

Although the shortcomings of interest intermediation are not unique to Bolivia (see, for example, Hagopian 1998), the country's recent turmoil provides an excellent opportunity to examine the sources of a trend that has important regional implications. This article seeks to illuminate this broader phenomenon by explaining the specific reasons for the failure of interest intermediation in the Bolivian case. It begins with an examination of societal discontent itself.

SOCIETAL DISCONTENT

There are three clear indicators of societal discontent in Bolivia: social unrest, electoral results, and public attitudes.

Social Unrest

Demonstrations, strikes, marches, and blockades have become an almost daily occurrence in recent years, affecting governance for three different presidents.⁴ Many are harmless events that do little more than temporarily disrupt traffic in La Paz. Others, however, affect the national economy through blockades of the major roads, and at times the clashes between security forces and protesters result in deaths.

The conflicts, taken together, involve a broad array of groups. There are rural as well as urban groups, indigenous Aymara as well as mestizos, poor and middle-class groups. Even if most of the participants are rural and poor, they are not alone. Discontent is not confined to a single demographic group but is a widespread phenomenon. Most of the demands are economic. Police and teachers demand higher salaries;

cocaleros want the right to earn a living from coca production; retirees want higher pensions; citizens in general want lower water prices and higher wages. Some of the conflicts, moreover, have an ethnic or racial dimension. For instance, Felipe Quispe, an Aymara leader and 2002 presidential candidate, has denounced the country's white elite and even the Spanish language.⁵

It is also interesting to note that the protests often have a snowball effect, in which one demonstration will spark additional, unrelated rallies. This tendency seems to bolster the strength of what might be isolated and relatively minor demonstrations. Because of the frequency of demonstrations, moreover, protesting groups must resort to increasingly dramatic methods to gain attention. A simple work stoppage is not newsworthy, but blockading roads is. The escalation of tactics increases the difficulty of managing the conflict. The government finds itself facing an issue of immediacy and high public attention, the outcome of which will affect the likelihood of similar conflicts in the future; and thus disputes become crises.

The most prominent social conflict involves the nation's *cocaleros*. After taking office in 1997, President Hugo Banzer (1997–2001) enacted the *Plan Dignidad* (Dignity Plan) to eliminate illegal coca production in five years. (Some coca is legally grown for traditional uses, such as chewing and brewing tea). He pursued eradication more vigorously and forcefully than did his predecessors, thereby stirring the conflicts. In September 2000, for instance, the *cocaleros* demanded that they each be allowed to produce a *cato* (1,600 square meters) of coca and that the government abandon its plans to build three military bases in the main coca-producing region. Their protests left the Department of Cochabamba frozen by blockades for a total of 26 days. The agreement eventually reached was little more than a stopgap measure, as the government continued to insist on its zero coca policy and the *cocaleros* on their *cato*.

The issue boiled over again in late 2001. President Jorge Quiroga (2001–2) tried further to limit the drying, transport, and sale of coca. This resulted in a number of clashes, deaths among both protestors and security forces, and Morales's expulsion from Congress. Peace talks resulted in a temporary suspension of some of the government's policies, but the core issue of eradication was not resolved. In January 2003, during Sánchez de Lozada's second administration (1993–97, 2002–3), more than a dozen people died in clashes between security forces and protesters, who had once again blockaded a number of roads. Meanwhile, the government lost effective control over the Chapare region, where much of the coca is grown, despite increasing the military presence there (Ledebuhr 2002).

When the *cocaleros* initiate a protest, other groups follow suit (or vice versa), expressing their own, unrelated demands. The September

2000 protests also involved teachers, farmers, university students, informal sector workers, and transport workers. Although the different clashes were uncoordinated, the protesters closed off virtually all ground transportation, forcing the government to airlift food into the major cities to prevent food shortages. In another instance, the so-called water war of April 2000, civic groups protested plans for an international consortium to build a water pipeline; the move would have increased water prices for those in the city of Cochabamba by 35 percent. Local police took advantage of the situation by declaring their own strike for higher salaries, and similar protests quickly spread throughout the country.⁶

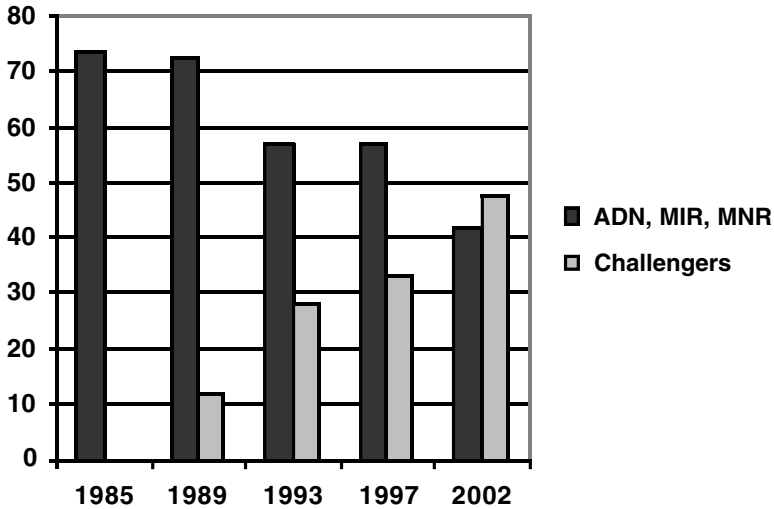
More recently, in late 2002, the Sánchez de Lozada administration proposed a rule that would allow owners of mining concessions to sell water to neighboring Chile, sparking another round of protests. The February 2003 events were sparked by a proposed tax increase, which prompted groups to demand the president's resignation. Farmers, teachers, students, and even the police joined the fray, so that the military had to be called in to control the situation. In October of that year, weeks of protests began in reaction to a proposal to export natural gas. An embattled Sánchez de Lozada finally succumbed to the pressure and resigned his post on October 17. His successor, Carlos Mesa, has faced a variety of groups demanding regional autonomy, a more inclusive constitution, reductions in fuel prices, and changes in hydrocarbon laws. He threatened to resign as a ploy to generate congressional support, which he lacks because of his political independence, and then proposed early elections, citing the country's ungovernable status.

Electoral Results

Electoral results also reflect the growing societal disquietude. Three main parties constitute the core of Bolivia's party system: Movimiento Nacionalista Revolucionario (MNR), Acción Democrática Nacionalista (ADN), and Movimiento de la Izquierda Revolucionaria (MIR). Although they originally occupied very different points on the political spectrum, they have converged around a general neoliberal consensus. Until recently, competition had primarily taken place among the three parties, with minor parties occasionally serving as coalition partners. Each of the three has held the presidency at least once since the transition to democracy in the early 1980s. From 1985 to 1997, they collectively received between 57 percent and 74 percent of the national vote (see figure 1).

Cracks in their public support appeared in the early 1990s with the rise of Max Fernández and Carlos Palenque, both political outsiders and populists (Gamarra 1998, 27–32). These two politicians appeared on the scene at the end of the 1980s, reflecting the demands of the informal and marginal sectors hit hardest by the economic adjustment (Mayorga

Figure 1. Bolivia's General Election Results
(percent of vote)



Source: Corte Nacional Electoral

1995, 86). They quickly captured support from significant portions of the electorate, and did so in a personalistic style that had, at best, a tentative relationship with democracy (Lazarte 1993, 606). Fernández, for instance, had an interesting view of political parties: “For the happiness, unity and honesty of all Bolivians, it would be much better if political parties didn’t exist. . . . I would like the political parties to disappear from our country” (quoted in Mayorga 1995, 120).

The ascendance of the two outsiders distressed the leadership of the established parties, who worried about their continued electoral competitiveness (Barr 2002).⁷ The two populists’ parties reached an electoral high point in 1997, together winning a third of the vote. However, both leaders fell victim to tragic accidents, cutting their careers short. Lacking their charismatic leaders, the parties fell into disarray and internal squabbling, which has been reflected in weakened electoral results. Nevertheless, new populist parties have emerged to take their place, drawing their support from the public’s increasing willingness to endorse political alternatives.

This trend was most evident in 2002, when the three main parties earned less than half of the votes cast. Some 80 percent of the Bolivian Congress is now composed of political newcomers (*Economist* 2002). The election was particularly hard on the outgoing ADN, which received a scant 3.4 percent. By contrast, Felipe Quispe’s Movimiento Indígena Pachakutik (MIP) earned 6.1 percent, despite, or perhaps because of, its

radical Aymara nationalism. (While announcing his new party, Quispe simultaneously denounced the Bolivian Constitution and the nation's white elite.) The MNR very narrowly beat Evo Morales, the deposed congress member, and Manfred Reyes Villa, a populist former mayor of Cochabamba, Bolivia's third-largest city and site of numerous protests. Their parties, Movimiento Al Socialismo (MAS) and Nueva Fuerza Republicana (NFR), respectively, each received almost 21 percent of the vote. These were the best results for populist parties since Bolivia's transition to democracy. Morales, Reyes, and Quispe all campaigned against the neoliberal consensus of the political establishment. Collectively, the results demonstrate how a growing segment of the population no longer accepts the direction chosen by the traditional parties, or even the parties themselves.

According to the country's electoral procedures, if no candidate receives a majority of the popular vote, the congress must decide between the top two candidates. This provision sets off a scramble to build electoral coalitions in Congress. In 2002, Sánchez de Lozada beat Morales in the congressional round by putting together a coalition with Jaime Paz Zamora's MIR. Paz Zamora, one-time president (1989–93) and 2002 contender, had been a bitter rival to Sánchez de Lozada. Yet despite their personal antagonism, the two came together in order to prevent an outsider from taking office, forming what they labeled the "Co-government of National Responsibility" (Van Cott 2002a, 1). This defensive coalitionmaking reflects how the traditional parties consider the populists to be a systemic threat. Increasingly, in other words, political competition takes place between the beleaguered political establishment and the extrasystemic (or antisystemic) challengers, rather than among the three traditional parties (Van Cott 2002a, 1).

Public Attitudes

Public opinion data also reveal the high levels of discontent. Bolivians' confidence in their political parties in 2003 was 6 percent (Latino-barómetro 2003), falling from 9 percent the previous year (Latino-barómetro 2002). The average for 1996–2001 was slightly better at 16 percent (Latinobarómetro, cited in Payne et al. 2002, 38). Bolivians tend to view politicians with suspicion, if not outright contempt: 42 percent feel that politics is a corrupt activity, and only 1.4 percent think it is honorable (República de Bolivia 1999). For each of the three years 1999–2001, furthermore, at least 81 percent of respondents believed that corruption had increased "a lot" over the previous 12 months (Latino-barómetro, cited in Transparency International 2001).

This perception is not without basis; the press contains a daily parade of reports detailing government corruption. Transparency Inter-

national verifies the perception in its 2001 corruption index, ranking Bolivia 84th of the 91 countries surveyed. Members of the press are similarly dissatisfied with representation in Bolivia: 54.1 percent of respondents in a recent survey held a negative opinion of Congress, noting that corruption and immunity contributed to the institution's lack of credibility and legitimacy (Eyzaguirre 1999, 86). During the September 2000 conflicts, moreover, newspapers were filled with editorials commenting on the absence of Congress and even "state anomie." Perhaps as a result of these negative attitudes, citizens' preference for democracy has also weakened, falling to under half (45 percent of respondents (Latinobarómetro 2004, 5). Similarly, only 16 percent of Bolivians are satisfied with their democracy, down from 25 percent in 1996 (Latinobarómetro 2004, 23).

These data indicate that citizens have lost faith in their system of representation. Many Bolivians share the perception that political parties and Congress have failed to represent them adequately.⁸ The lack of confidence in national institutions means that the public is more likely to use informal than formal means of representation. As a result, protest replaces lobbying, and the expression of interests leads to conflicts.

SOURCES OF DISCONTENT

The catalyst for Bolivia's surging social discontent was economic decline. The country's healthy GDP growth rate of 5 percent in both 1997 and 1998 fell to 0 percent the following year, sparking the first round of protests during the Banzer administration. Although GDP growth has since improved—it rose 2 percent in 2000, followed by 1 percent, 2.8 percent, and 2.5 percent in the subsequent years—the impact has been largely nullified by the 1.9 percent annual population growth rate (World Bank 2005). The 1998 Brazilian financial crisis contributed to the downturn, as did the Banzer administration's "zero coca" policy. The administration came close to eliminating the illegal production of coca through the U.S.-backed Dignity Plan, but the plan's success meant a loss of an estimated \$500 million in foreign exchange annually. In an economy with a GDP of less than \$8 billion and exports of roughly \$1.5 billion, coca had been the largest single source of foreign exchange. Nothing yet has fully replaced it as an export.

Although the economic difficulties hardly amount to a crisis by regional standards, the downturn comes on top of 15 years of economic restructuring. For many, the promise of restructuring has not been realized, and the social costs are taking their toll. Many social indicators remain at low levels. Life expectancy is just over 64 years, and the under 5 infant mortality rate is 66 per 1,000 births; both figures are the worst in the hemisphere except for Haiti. Per capita gross national income is

only \$900 (World Bank 2005). The Human Development Index ranks 114, fourth from the bottom in the hemisphere (UNDP 2004).⁹

Although the public may have welcomed the dramatic imposition of neoliberalism in 1985, which quickly brought the 26,000 percent inflation rate down to double digits, the attitude seems to have changed over time.¹⁰ Public support for the antineoliberal presidential candidates in 2002 confirms this view. With an average annual per capita GDP growth of -0.26 percent from 1980 to 2000 (ECLAC, cited in Payne et al. 2002, 9), declining faith in the market economy is understandable.

The timing of the cycle of protests certainly reveals a level of dissatisfaction citizens have with their economic circumstances. However, the source of the problem is deeper than economics and predates the recession. Voter participation, for instance, has been steadily deteriorating (Payne et al. 2002, 59), even during the same period that economic growth was accelerating.¹¹ The same is true for voter support of the traditional parties: their electoral results began declining in the late 1980s. Perhaps more telling, confidence in political parties began a period of decline in 1995, steadily dropping from the already low score of 3.2 (on a 1 to 7 scale) to just 2 by 1999 despite the economic growth during this time (Encuestas & Estudios, multiple years).

More fundamentally, then, Bolivia's societal discontent reveals a failure of interest intermediation. The proliferation of protests strongly suggests that political institutions are not effectively channeling societal demands.¹² As Whitehead explains with respect to the water war, "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" (2001, 12).

Currently in Bolivia, the institutional arrangements do not encourage effective constituent representation by the political parties in Congress, nor do they encourage efficient government management. The electoral system, the internal management of the parties, the insufficient oversight and excessive discretion of some government positions, and the confused relations among the levels of government contribute to the state's problem. Although there have been improvements to the institutional arrangements, they have been insufficient to overcome the institutional deficits, at least in the eyes of the public. These deficits, in turn, contribute to both the tendency of society to go outside formal channels of representation and to the government's difficulty in handling social conflicts.

THE INCOMPLETE TRANSFORMATION

What accounts for this failure of interest intermediation, where state and society are effectively isolated from one another? It is the result of an

incomplete transformation from one sociopolitical matrix to another. Hagoian's description of Latin America as a whole nicely fits the Bolivian case: "societal interests have become disorganized and disjoined from the networks of political representation that buttressed populist democracies and hybrid regimes in the past" (1998, 109). Under the previous sociopolitical matrix, heavy state involvement in the economy supported stable means of interest intermediation. Its collapse atomized society and undermined the role of labor unions and other functional groups. The simultaneous breakdown of once-dominant forms of representation and employment stability have left citizens politically and economically exposed, and thus subject for populist mobilization. The impact has been particularly acute in countries with weak party systems, where the means of representation remain underdeveloped.

In the Bolivian case, this phenomenon may be described as the result of a second uncompleted revolution. The first revolution was in 1952, led by Víctor Paz Estenssoro of the MNR and backed by an uprising of peasants and miners. In its first years, the revolutionary government stripped the power of the traditional elite and pursued its egalitarian ideals, implementing, for example, universal suffrage and extensive agrarian reform. Within a few years, however, the MNR retreated from its radicalism and reshaped capitalism in a way that gave a strong role to the state but also encouraged private business in strategic economic sectors. As a result, the revolution produced not a socialist system but a state-led form of capitalism that replaced the old elite with a new one (Conaghan and Malloy 1994, 40–42).

The Separation of Parties

While it may not have achieved all its objectives, the first revolution did establish a centralized and corporatist state. Representation was conducted largely through the federation of unions, the Centro Obrero Boliviano (COB). The COB was enormously powerful, deriving its strength from the leading economic sector, tin mining, and the employees of the state-owned mining company, COMIBOL. Although tin miners were the principal beneficiaries of the COB's efforts, the union represented all workers. There was a formal power-sharing agreement between the COB and the hegemonic MNR.

With popular representation (however limited) in the hands of the COB, the MNR devoted itself primarily to state management. The parties never needed to open themselves to increased participation; representation and responsiveness were not required of them. Instead, these were the responsibilities of the COB (Gamarra 1994, 66). Moreover, the electoral system virtually guaranteed the parties' separation from society. It was a closed list and single-ticket system that gave party leaders discre-

tion over who would take each party's allotment of congressional seats. This system remained virtually untouched until 1990, and half the lower seats of Congress still are selected in this manner. The MNR, however, enjoyed some electoral stability because of its role in the 1952 revolution. Universal suffrage and land reform earned the party a substantial following, despite its minimal actual connection to its constituents.

Although it worked for a time, the system proved ephemeral when the goals of the MNR and COB began to clash. Their conflict was eventually solved, or more accurately, postponed, by the military in a 1964 coup. Subsequent governments largely maintained the status quo, and so the system persisted until 1985, a few years after the transition to democracy, the year inflation reached 26,000 percent. The resulting crisis of governability caused the administration to hold elections a year earlier than scheduled.

Economic and Electoral Reforms

To solve the economic problem, the new president, Paz Estenssoro (ironically enough, the same man who had led the 1952 revolution) initiated a second revolution, this time toward neoliberalism. He immediately floated the exchange rate (for a single-day depreciation of 1,600 percent), froze public sector wages, increased public sector prices, and reduced spending on public investment. Soon he established new controls on labor, allowed the market to determine prices and wages, fired thousands of state employees, and sent labor leaders into internal exile.

The new development model, which every administration since 1985 has followed, replaced the emphasis on high employment with an emphasis on efficiency and ended the monopoly role of state enterprises as a source of economic growth. Union power was crushed and its influence in government eliminated; the COB had ceased to be a means of channeling the interests of the working class. Neoliberalism ended the virtual guarantee of stable employment for Bolivian workers as well as their means of corporatist representation in government.

As Yashar explains, "neoliberal citizenship regimes [set] out to shatter corporatism's class-based integration and replace it with a more atomized or individuated set of state-society relations" (1999, 81). The conceptualization of rights and representation changed from one based on the collectivity to one based on the individual (Roberts 2002, 27; Yashar 1999). In practice, however, this transformation has been incomplete. Although the corporatist means of channeling societal interests to the halls of government have been broken, some elements of the old system remain in place. In addition, the efficient, streamlined state envisioned by neoliberalism has not yet been realized. As a result, the state in Bolivia remains weak and unable to handle the proliferation of societal demands.¹³

This outcome is paradoxical, because the list of modernizing reforms in the 1990s (under multiple administrations) is impressive. To name a few, there was a public administration reform in 1990, electoral reforms in 1990 and 1993, reform of the executive ministries in 1993, decentralization reforms in 1994 and 1995, reform to the penal code in 1997, and municipal code reform in 1999. In 1994 Congress approved a slate of constitutional changes that created an independent human rights ombudsman, constitutional tribunal, and judicial council; introduced single-member district elections for half of the lower house; and proclaimed Bolivia a multicultural and multilingual country.¹⁴

Despite some important modifications, however, state institutions and patterns of behavior retain some of the features established after the 1952 revolution and have yet to fulfill the promise of the recent transition. These aspects hinder the state's capacity both to represent and respond to society. For example, the electoral system has undergone only partial change, leaving significant control with the party elite rather than the electorate. The president, upper house, and half the lower house are elected on the old closed list system, which dates back to 1956. Under this system, the voter may not split the ticket and does not cast a vote for individual party members.¹⁵ The voter casts a single vote indicating party preference for both president and Congress. The congressional seats are divided according to their percentage of votes, and party leadership decides who will occupy those seats. Such a system gives more influence to the party leadership and reduces that of the voters (Taagepera and Shugart 1989, 24). Since 1997 the remaining congressional seats have been elected from single-member districts, where voters choose specific candidates for their representatives. As a result, only half the representatives must campaign in their districts; the others have no allegiance whatsoever to the electorate.¹⁶

The parties themselves, moreover, with the exception of the MNR, lack full internal democratization. As before the 1990s reforms, even the few party faithful have very limited voice in the decisions and direction of their parties (Gamarra and Malloy 1995, 419). Thus the lingering elements of centralization provide few means for connecting government to society.¹⁷ Instead, and despite the important changes in the mid-1990s, the electoral system generally maintains the orientation associated with the prior system of top-down, corporatist representation.¹⁸

State Management Problems

Patronage is another lingering feature. Although neoliberalism was thought to limit the opportunities for rent-seeking and patronage-based politics (Geddes 1994), patronage continues to be widely used throughout the region (Roberts 2002), and Bolivia is no exception. In Bolivia's

multiparty system, no presidential candidate has been able to garner a majority and, under the constitution, the runoff vote goes to Congress. This feature leads to the use of congressional coalitions in the selection of the president, giving the system a distinct parliamentary element.¹⁹ Patronage, of course, is the glue that holds this system together.²⁰ “As in other Latin American nations, in Bolivia *empleomanía* (the pursuit of patronage) drives the logic of political party competition and is crucial to the survival of presidents” (Gamarra 1997, 376).

State employment has been a standard source of patronage. As is often the case in Latin American countries, most staff members in the executive ministries are political appointees. As a result, turnover of administrative staff is very high. Political jostling and the resultant modifications to the governing coalition bring about frequent changes to huge portions of the national bureaucracy. Without a merit-based civil service system, considerations of professionalism and efficiency do not necessarily hold the same significance as party loyalty in the operation of the bureaucracy. International donors, such as the World Bank and the U.S. Agency for International Development, frequently complain about the futility of training programs and the impossibility of developing lasting professional relationships because of the high rate of turnover. This system leaves neither institutional memory nor opportunities for improvements in efficiency.

Corruption and frequent staff turnover likewise affect public sector management, and thus the strength of the state. Bolivia’s insertion into the interconnected and competitive global economy makes effective management increasingly important. However, the neoliberal demand of an efficient state goes unmet. Because of the aforementioned factors as well as financial shortcomings, Bolivian state institutions are weak. This is not a new phenomenon, but rather the continuation of a historical problem. Nevertheless, an important implication is that the state is poorly equipped to handle or respond to society’s demands. In what has become a pattern, the government fails to preempt conflicts and finds itself besieged by a number of demands. Seeking a solution to the immediate crisis and lacking any other recourse, it gives in to the demands with promises of improvements. Then, lacking the means and resources to respond fully, it lets promises go unfulfilled, and the stage is set for protests.

A recent but often-cited example of state weakness is the failure of the Banzer administration to preempt the September 2000 crisis. The protesters’ plans to blockade the major roads were well known, but the administration failed to take action until well after the blockades were already in place.²¹ Likewise, the silence from Congress during one cycle of protests was so noticeable it generated a standard phrase in the press: “the parliamentary absence.” In another telling example, a survey of

actors involved in the April 2000 water war, including representatives of government agencies and civil society groups, showed that the most important cause of the conflict was “governmental incapacity.” Respondents characterized incapacity as arbitrary decisions, internal communication problems, and lack of technical knowledge to solve the problem (Camacho 2000, 25). The country’s departmental prefects had a budget execution rate of less than 50 percent in 1999, their best year to date (World Bank 2000, 7). In addition, the current president has complained that the promises of his predecessors have placed his administration in a difficult position. In short, as an official with one of the major international donors bluntly noted, “there is no state in Bolivia” (Confidential interview, La Paz, September 14, 2000).

In theory, many of the institutional reforms of the 1990s should have helped the state adapt to the new political context. However, with its lingering elements of corporatism, the state seems insufficiently equipped to handle the challenges of political pluralism. Paradoxically, some of the very reforms designed to alleviate these pressures may have exacerbated them. The 1994 Popular Participation law, part of Sánchez de Lozada’s much-touted “Plan for Everyone” during his first term, may have raised expectations beyond reason. The most ambitious decentralization program in the hemisphere, it reorganized Bolivia’s municipal structure, giving vast areas local-level government coverage for the first time (see Barr 2002; Grindle 2000). It provided municipal governments with directly elected local officials, and it guaranteed daily transfers of national revenues, significant control of local resources and decision-making, and, most notable, a direct role for civic organizations in municipal government to bolster local representation. Despite its complexity, the law was fully implemented and operational (in terms of the new municipal governments receiving daily financial transfers) less than a year after Sánchez de Lozada took office. Unfortunately, a second decentralization law, passed under pressure from certain vocal elements of civil society, muddled the roles and responsibilities of regional and local governments and gave excessive discretionary powers to the presidentially appointed departmental prefects.

The April 2000 water war underscores the blurred division of authority among the three levels of government. The water pipeline was a national government contract, even though it only affected a single city, Cochabamba. Thus, despite the decentralization efforts, the central government continues to have a large role in local affairs. The effect is that local problems escalate to the national level, and the executive finds itself bombarded with demands that other state institutions are unwilling or unable to handle. In October 2000, the Banzer administration acknowledged this point, arguing that increased local government capacity and citizen control would be necessary to prevent future social

crises, and so it proposed to build on the earlier Popular Participation law.²² Although many citizens have tangibly benefited from decentralization, the reforms have not alleviated public pressure on the state by providing citizens with a voice, but have instead multiplied the reasons for complaint. As Whitehead explains, large numbers of citizens “believe that the reform process has closed off, rather than opened up, their opportunities for self-improvement” (2001, 14).

The Spread of Civil Society

At the same time, civil society has grown more complicated. The return to democracy in the early 1980s witnessed an outpouring of pent-up demands, particularly from the workers’ movement. The implementation of neoliberalism beginning in 1985, however, largely crippled the workers’ movement. The COB’s loss of influence is consistent with the impact of economic adjustment throughout the region, where the deinstitutionalization of politics has become the norm (Roberts 1995; Weyland 1996). With the loss of corporatist representation and the decline in the power of unions, it became “especially difficult for lower-class citizens to articulate their interests effectively in the political arena, because they have few political resources other than their strength in numbers, and their voice has historically been highly dependent upon their capacity for collective action and expression” (Roberts 2002, 27–28).

However, while Bolivian workers have lost the strength of a unified voice, numerous sectoral organizations and civic groups negatively affected by the market economy have emerged. These include neighborhood associations, unions of informal sector workers, indigenous groups, and the *cocaleros*’ union. Furthermore, Bolivia has not escaped the international explosion of nongovernmental organizations. These international and domestic actors have provided new spaces for the expression of latent social demands.

Through this activity, civil society has fragmented and diversified. Although this is consistent with a transition from corporatism to pluralism, the parties have failed to establish connections with civil society, and civil society sees little benefit in channeling its demands through the parties. The mechanisms required for pluralistic representation therefore are not working. Lacking formal ties with the government or effective relationships with parties, the groups express their unmediated demands through informal channels (Roberts 2002, 24). The multiplicity of actors and grievances complicates matters for the government, which has been forced to carry out multiple sets of negotiations during the recent crises.

One of the more important new voices from civil society has been that of indigenous groups. Demands from such groups for incorporation into the political and economic life of the country have grown in recent

years in several countries, presenting a challenge for the new democracies (Yashar 1999). In Bolivia, a notable expression of this was the Katarist movement, which took the form of new political parties and indigenous workers' organizations (namely, the Sole Union Confederation of Bolivian Campesino Workers, CSUTCB). The movement takes its name from Tupaj Katari, the eighteenth-century indigenous hero who, before his execution, voiced the stirring phrase, "I will return and I will be millions." During his first presidential campaign in 1993, Sánchez de Lozada capitalized on this emerging phenomenon with the selection of his running mate, Víctor Hugo Cárdenas, who would become Bolivia's first indigenous vice president. Sánchez de Lozada also pushed through the constitutional changes that recognized Bolivia as a multiethnic and multilingual country.

Although Katarism was largely an Andean phenomenon, eastern lowland groups also got into the act. In 1990, hundreds of indigenous lowland Bolivians marched seven hundred kilometers toward La Paz, demanding respect and greater control over their homelands. Then-president Jaime Paz Zamora issued a declaration saying that these groups had finally been discovered after 500 years and declared Bolivians after 165 years of national independence (Arias Durán and Molina 1997, 69). More recently, the rise and electoral appeal of Felipe Quispe's Aymara-based MIP and Evo Morales's Quechua-based MAS demonstrate the salience of ethnicity as a political force. Although the indigenous groups are not alone, they are among the more potent expressions of the demand for greater political and economic incorporation, something the nascent pluralist system has yet to provide.

The state's inefficiency and corporatist practices are not lost on the public. These factors help account for the negative confidence rankings of the congress, government, supreme court, national police, armed forces, and particularly the political parties (Encuestas & Estudios 2000, 10). Lack of confidence in state institutions—notably the mechanisms for representation—increases the distance between state and society and augments the negative effects of the electoral system. Under these circumstances, civic groups are more likely to express themselves outside state institutions. There is at least the perception that going through parties and congress will be futile, and thus groups try directly to capture the attention of the president. In addition, social groups appear to be attuned to the weakness of the government, and they exploit the situation to their own advantage, as evident from the quick expansion in number and location of the groups involved in the various conflicts.²³ These demands, in turn, "temporarily overwhelmed the weak institutions of formal government" (Whitehead 2001, 12). In the absence of representative parties, demands become protests. Lacking subnational governments with sufficient capacity, local or regional protests become

national. Without other options, the national government must give in to the demands, and, having insufficient capacity to fulfill its pledges, it has set the stage for future protests.

CONCLUSIONS

Societal discontent has clearly been rising in Bolivia. The violent conflicts between protesters and the authorities provide the most vivid demonstration, but the declining support for the political class and the loss of confidence in representative institutions are no less revealing. Indeed, the latter suggest that ordinary Bolivians have grown increasingly dissatisfied for at least the past decade.

The catalyst for the recent cycle of violence was the economic downturn during the Banzer administration. The brief recession added insult to the perceived injury of neoliberalism; as in several other Latin American countries, citizens have grown weary of the economy's market orientation. Although Bolivia enjoyed significant economic growth in the mid-1990s, neoliberalism has not met the expectations of improved standards of living. The prevalence of corruption, moreover, suggests to many observers that ordinary citizens pay all the costs of neoliberalism while the political class reaps all the benefits. Economic data provide only mixed support for the notion that the economic situation has deteriorated under neoliberalism. Nevertheless, the common perception is that neoliberalism has benefited only the elite, and this sentiment has affected public attitudes toward the political class.

Underlying the discontent sparked by the economic conditions and perceptions thereof is the failure of interest intermediation. Again, the view from below may be based as much on perceptions as reality, but perceptions do matter. Indeed, the belief that the political class is the only group benefiting from the market economy serves as evidence of the gap between governed and governors: those in office do not seem to care about the plight of ordinary citizens. The perception, nevertheless, is not without basis. The change from corporatism to pluralism has not resulted in effective representation or responsiveness. Some elements of the former system of representation persist, as do patterns of behavior, such as centralized control and patronage-based politics. As a result, the masses have few, if any, ties to those in office. With the dissolution of corporatist organizations, a plurality of new voices has emerged. The problem is that the means of pluralist representation are not effective, and institutional weaknesses limit the capacity for responding to the multiplicity of societal demands. "Hence," as Yashar notes for several countries, "despite a discourse of individual civil and political rights, states remain incapable of protecting them" (Yashar 1999, 87).

As a result, Bolivians have grown increasingly cynical toward political parties and politicians and more likely to turn to public protest rather than formal means of representation. While in some cases public expression of interests can be a sign of democratic maturity, in the Bolivian case it reflects the absence of alternative means of expression. Should the trend continue, Bolivia's party system will feel the impact. It has already, over the course of the 1990s, experienced dealignment and a steady increase in fragmentation (Van Cott 2002b). These conditions are highly favorable for the rise of personalistic political figures like Alberto Fujimori or Hugo Chávez (Roberts 1995, 2002). These leaders rose to power by emphasizing their status as political outsiders and lambasting the faults of the political elite (Ellner 2003). Societal discontent in both Peru and Venezuela created the room for these leaders; citizens were willing, if not eager, to support an alternative to the discredited political establishment. Put differently, the failure of representative institutions to channel the interests of society to the state created the opportunity for populists to gain power (Roberts 1996, 113). Recent events suggest that just such a situation may be emerging in Bolivia.

NOTES

1. Malone and Baviskar (2002) show that citizens tend to have higher expectations of government performance in young democracies than in older democracies. By extension, the pursuit of reforms advertised as measures to improve democracy, as in the Bolivian case, may raise popular expectations even further.

2. The term *sociopolitical matrix* refers to "relationships among the state, a structure for representation or a political party system (to aggregate global demands and involve subjects politically), and a socioeconomic base of social actors with cultural orientations and relations . . . all mediated institutionally by the political regime" (Garretón et al. 2003, 2).

3. This metaphor borrows from the title of Malloy's important work about Bolivia's genuine revolution in 1952 (see Malloy 1970).

4. The affected administrations have been those of Hugo Banzer, who resigned early for poor health, Jorge Quiroga, and Sánchez de Lozada.

5. For a discussion of the rise of Bolivia's ethnic parties, see Van Cott 2002b.

6. After some fumbling by government officials at different levels, the consortium withdrew from the contract.

7. The traditional parties astutely brought the outsiders into their governing coalitions, thereby coopting them and undermining the strength of their appeals as outsiders (Barr 2002, 87; Whitehead 2001, 10).

8. Yashar makes a similar point when she discusses the attempt to replace corporatist representation with a more pluralist form. She argues that the new system has largely failed to secure individual civil and political rights, particularly for the region's indigenous citizens, who make up 71 percent of Bolivia's population (Yashar 1999).

9. The Human Development Index is a composite indicator for a country's achievements that includes measures for longevity, education, and standard of living. See UNDP 2004.

10. For a discussion of public support of painful economic reforms, see Weyland 2002.

11. For example, voter absenteeism rose 5.3 percent from 1989 to 1993, while the economy grew at an average rate of 3.7 percent (author's calculations). Also, Payne et al. indicate that voter participation data from 1980 to 1997 (before the recession) demonstrate a "clear, relatively small negative trend" (2002, 59).

12. The same point has been made about Venezuela after the riots of 1989 (Ewell 1993, 121; López-Maya 2003). López-Maya writes, for example, that the *Caracazo* was carried out by a society that "did not have at its disposal adequate channels for making itself heard or heeded by those in the corridors of power . . . it was the weakness of institutions designed in the past to contain and regulate political order and everyday life that explains the extension and violence of the protest" (2003, 135–36).

13. Lazarte (2000, 8) notes that what citizens want is often more than what they can reasonably ask of a democracy.

14. For a discussion of the 1994 constitutional reforms, see Van Cott 2000.

15. This system is sometimes called "closed and blocked" in Latin America.

16. Although it was hoped that the new members would be more representative of their constituents, the general consensus is that so far, they exhibit the same behavior as their closed-list colleagues.

17. Nohlen recommends correctives to the problems associated with closed list systems: reforms that would improve representation "by improving the relationship between voters and elected officials" (1996, 54–55). His proposed solution includes single-member districts within a proportional representation system.

18. The electoral system reforms—namely the creation of the uninominal seats in the lower house—may have improved the chances for small and non-traditional parties. While this may be a positive result from the standpoint of representation, it may be contributing to the dealignment and fragmentation of Bolivia's party system (Van Cott 2002), and thereby to political instability.

19. See Gamarra 1997 for details of this parliamentary aspect of the Bolivian system. Mayorga (1995) argues that this system has prevented the rise of political outsiders and neopopulism, in contrast to some of Bolivia's neighbors.

20. For discussions on the dynamics of patronage in the Bolivian setting, see Gamarra 1994; Malloy 1991.

21. The Banzer administration seemed willing to endure social instability in hopes the problem would disappear. However, the longevity of the blockades simply exacerbated the problem and placed even greater pressure on the administration. The inaction resulted in the loss of hundreds of millions of dollars to the economy, a huge blemish on the country's international reputation, and further decay in the government's legitimacy.

22. Banzer noted the importance of creating an institutional environment in which citizens would not need to take their demands to national authorities but could resolve them at the local and departmental levels. As a result, he

reversed his previous opposition to the decentralization efforts of the Popular Participation Law (Ardaya 2000).

23. Toranzo Roca (2000) makes a similar point and notes the paradox because nobody believes that the government will fulfill its pledges.

REFERENCES

- Ardaya, Rubén. 2000. Former member of the National Secretariat of Popular Participation. Author interview. La Paz, October 4.
- Arias Durán, Iván, and Sergio Molina. 1997. De la nación clandestina a la Participación Popular. In *El pulso de la democracia: participación ciudadana y descentralización en Bolivia*, ed. Republica de Bolivia, Ministerio de Desarrollo Humano. Caracas: Nueva Sociedad. 59–74.
- Barr, Robert R. 2002. Between Success and Survival: Devolution and Concentration in Latin America. Ph.D. diss., University of Texas, Austin.
- Camacho B., N. 2000. El conflicto del agua según sus protagonistas. *Conflictos* (CERES) 3 (May–June).
- Conaghan, Catherine M., and James M. Malloy. 1994. *Unsettling Statecraft: Democracy and Neoliberalism in the Central Andes*. Pittsburgh: University of Pittsburgh Press.
- The Economist*. 2002. Progress or Collapse. August 10: 34.
- Ellner, Steve. 2003. The Contrasting Variants of the Populism of Hugo Chávez and Alberto Fujimori. *Journal of Latin American Studies* 35 (February): 139–62.
- Encuestas & Estudios. Multiple years. *Así piensan los bolivianos*. Annual survey. La Paz: Encuestas & Estudios. February.
- Ewell, Judith. 1993. Venezuela in Crisis. *Current History* 92, 572 (March): 120–25.
- Eyzaguirre Ll., Gloria. 1999. Percepciones de la prensa sobre el parlamento y la corte nacional electoral. In *El derecho a la información y percepciones sobre instituciones*, ed. Juan Cristóbal Soruco Q. and Eyzaguirre Ll. La Paz: ILLDIS. 75–138.
- Gamarra, Eduardo A. 1994. Market-Oriented Reforms and Democratization in Bolivia. In *A Precarious Balance: Democracy and Economic Reform in Latin America*, ed. Joan Nelson. San Francisco: Institute for Contemporary Studies. 21–94.
- . 1997. Hybrid Presidentialism and Democratization: The Case of Bolivia. In *Presidentialism and Democracy in Latin America*, ed. Scott Mainwaring and Matthew Soberg Shugart. Cambridge: Cambridge University Press. 363–93.
- . 1998. Municipal Elections in Bolivia. In *Urban Elections in Latin America*, ed. Henry A. Dietz and Gil Shidlo. Wilmington: Scholarly Resources. 21–61.
- Gamarra, Eduardo A., and James M. Malloy. 1995. The Patrimonial Dynamics of Party Politics in Bolivia. In *Building Democratic Institutions: Party Systems in Latin America*, ed. Scott Mainwaring and Timothy R. Scully. Stanford: Stanford University Press. 399–433.
- Garretón, Manuel Antonio, Marcelo Cavarozzi, Peter S. Cleaves, Gary Gereffi, and Jonathan Hartlyn. 2003. *Latin America in the 21st Century: Toward a New Sociopolitical Matrix*. Coral Gables: North-South Center Press.

- Geddes, Barbara. 1994. *Politician's Dilemma: Building State Capacity in Latin America*. Berkeley: University of California Press.
- Grindle, Merilee S. 2000. *Audacious Reforms: Institutional Invention and Democracy in Latin America*. Baltimore: Johns Hopkins University Press.
- Hagopian, Frances. 1998. Democracy and Political Representation in Latin America in the 1990s: Pause, Reorganization, or Decline? In *Fault Lines of Democracy in Post-Transition Latin America*, ed. Felipe Agüero and Jeffrey Stark. Coral Gables: North-South Center Press. 99–143.
- Latinobarómetro. Multiple years. Informe de prensa. <www.latinobarometro.org>
- Lazarte R., Jorge. 1993. *Bolivia, certezas e incertidumbres de la democracia*. Cochabamba: ILDIS/Los Amigos del Libro.
- . 2000. *Entre dos mundos: la cultura política y democrática en Bolivia*. La Paz: Plural.
- Ledebuhr, Kathryn. 2002. Coca and Conflict in the Chapare. *WOLA Drug War Monitor* 1 (July): 1–23.
- López-Maya, Margarita. 2003. The Venezuelan *Caracazo* of 1989: Popular Protest and Institutional Weakness. *Journal of Latin American Studies* 35 (February): 117–37.
- Malloy, James M. 1970. *Bolivia: The Uncompleted Revolution*. Pittsburgh: University of Pittsburgh Press.
- . 1991. Democracy, Economic Crisis and the Problem of Governance: The Case of Bolivia. *Studies in Comparative International Development* 26 (Summer): 37–57.
- Malone, Mary Fran T., and Siddhartha Baviskar. 2002. As Good As It Gets? Citizens' Expectations and Support for Democracy. Paper presented at the annual meeting of the American Political Science Association, Boston, August 28–September 1.
- Mayorga, Rene Antonio. 1995. *Antipolítica y neopopulismo*. La Paz: CEBEM.
- Nohlen, Dieter. 1996. Electoral Systems and Electoral Reform in Latin America. In *Institutional Design in New Democracies: Eastern Europe and Latin America*, ed. Arend Lijphart and Carlos H. Waisman. Boulder: Westview Press. 43–57.
- Payne, J. Mark, Daniel Zovatto G., Fernando Carrillo Flórez, and Andrés Allamand Zavala. 2002. *Democracies in Development: Politics and Reform in Latin America*. Washington, DC: Inter-American Development Bank.
- República de Bolivia. Corte Nacional Electoral. 1999. *Democracia y valores democráticos*. La Paz: Encuestas & Estudios. Cited in Lazarte R. 2000, 98.
- Roberts, Kenneth M. 1995. Neoliberalism and the Transformation of Populism in Latin America: The Peruvian Case. *World Politics* 48 (October): 82–116.
- . 2002. Party-Society Linkages and Democratic Representation in Latin America. *Canadian Journal of Latin American and Caribbean Studies* 27, 53 (Spring): 9–34.
- Taagepera, Rein, and Matthew Soberg Shugart. 1989. *Seats and Votes: The Effects and Determinants of Electoral Systems*. New Haven: Yale University Press.
- Toranzo Roca, Carlos. 2000. La crisis de septiembre o el retorno de abril. *La Razon* (La Paz), October 19: 4.
- Transparency International. 2001. *Corruption Perception Index*. <www.global-corruptionreport.org/download/data_and_research.pdf>

- United Nations Development Program (UNDP). 2004. *Human Development Index*. <<http://hdr.undp.org/2004>>
- Van Cott, Donna Lee. 2000. *The Friendly Liquidation of the Past: The Politics of Diversity in Latin America*. Pittsburgh: University of Pittsburgh Press.
- . 2002a. Bolivian Elections. *Focal Point: Spotlight on the Americas* 1 (August): 1–2.
- . 2002b. Party System Change and Ethnic Parties in South America. Paper presented at the annual meeting of the American Political Science Association. Boston, August 29–September 1.
- Weyland, Kurt. 1996. Neopopulism and Neoliberalism in Latin America: Unexpected Affinities. *Studies in Comparative International Development* 31 (Fall): 3–31.
- Whitehead, Laurence. 2001. Bolivia and the Viability of Democracy. *Journal of Democracy* 12 (April): 6–16.
- World Bank. 2000. Project Appraisal Document on a Proposed Adaptable Program Credit to the Republic of Bolivia for a Decentralization Program. Unpublished mss. Washington, DC: World Bank.
- . 2005. World Development Indicators Database. Washington, DC: World Bank. <www.worldbank.org/data/wdi2005>
- Yashar, Deborah J. 1999. Democracy, Indigenous Movements, and the Postliberal Challenge in Latin America. *World Politics* 52 (October): 76–104.