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CONFLICT VULNERABILITY ASSESSMENT BOLIVIA

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The views and recommendations expressed in this report are solely of the author and are not necessarily those of USAID or the U.S. Government.

INTRODUCTION

In January 2003 a research team directed by Professor Eduardo A. Gamarra of Florida International University's Latin American and Caribbean Center (LACC), which included professors Ivana Deheza (Universidad Mayor de San Andrés), and Robert Albro (Wheaton College) presented the first version of the *Conflict Vulnerability Assessment* (CVA) to MSI, a Washington based consulting firm contracted by USAID. The CVA was designed to assist USAID/Bolivia identify and rank both current and potential sources and areas of conflict and analyze them in terms of their implications for the new (2004-2008) Country Strategic Plan currently in development. The CVA team was also asked to propose additions or modifications to USAID assistance that can prevent or mitigate conflict, or effectively channel conflict to address its causes in a positive, nonviolent manner.

More specifically, the CVA's objective was to attempt an explanation of the root sources of conflict in Bolivia and to analyze the impact of existing and proposed USAID programs in terms of their effectiveness in preventing, mitigating or managing conflict. The CVA team was asked to delineate the boundaries of what could be done realistically to achieve conflict prevention, mitigation, and management. Furthermore the basic framework employed by the CVA sought to identify windows of vulnerability, including particular events or types of events that could trigger the outbreak of violence. It also aimed to identify windows of opportunity involving types of conflict that could be precursors to positive change or facilitate violent conflict prevention or mitigation

Data for the CVA included over 100 interviews with key informants including three former presidents and a wide array of leading political figures. Additionally, a series of focus groups were conducted in the cities of La Paz, El Alto, Cochabamba, and Santa Cruz. Of note were three such groups with a heterogeneous mix of members of the police. These groups were significant mainly because of the protagonist role that the Bolivian National Police would come to play after February 2003. The qualitative data collected for the CVA was supplemented by a quantitative data analysis that allowed the team to develop a Map of social conflicts in Bolivia.

The CVA provided an assessment of the situation in Bolivia in late 2002 and highlighted possible future scenarios of potential conflict. The data collected enabled the CVA team to group conflict vulnerability into five overarching and interrelated categories. These included:

- Political institutional matters, such as the profound crisis of political institutions and the overall apparent end of the pattern of "pacted democracy" between the country's principal political parties;
- Problems of economic development stemming from the collapse of Bolivia's so called Neoliberal development strategy launched in 1985 under the rubric of the New Economic Policy;
- The pattern of land use and tenure that has led to increasingly intense calls for a new land reform and for an end to land reconcentration;

- Concern for increasing public insecurity nationally, as increased violence and criminality spread throughout the country; and,
- An entire array of issues related to the coca and cocaine industry ranging from the increasing power and political prominence of coca growers to the apparent lack of alternatives to US crop eradication policy.

Five underlying assumptions (or transversal themes) frame the study. First, Bolivia represents an extreme case of vulnerability to international factors. These factors affect directly or condition the pattern of decision making and, as a result, often pit government officials bent on defending policy choices against a wide array of social actors. Second, Bolivia's extreme poverty increases the country's vulnerability to conflict. This pattern of vulnerability to conflict is further exacerbated by one of the worst patterns of wealth distribution in the Western Hemisphere. Third, the profundity of social exclusion in Bolivia despite attempts since the 1952 Revolution and the entire process of reform during the democratization experience to make Bolivia a more inclusive society and polity. Social exclusion in Bolivia takes many forms but for the purposes of this study it basically includes race, ethnicity, age, and gender. Fourth, the culture of mobilization that exists in Bolivia makes for a peculiar set of interactions between state and society. The culture of mobilization has contributed to the consolidation of a pattern in which social actors avoid weak or undeveloped institutional channels to redress grievances and search for more direct action to extract concessions from the government. The fifth and final assumption has to do with the overwhelming weakness of the Bolivia state, which is reflected not only in the institutional structures but its inability to control national territory, collect taxes and fees from the citizenry, and simply to enact policy.

As 2003 got under way, a number of the scenarios developed by the CVA team lamentably came to fruition and Bolivia appeared to be headed in a downward spiral that threatened the core of the political system. As a result of the events that triggered violence and turmoil in January and February 2003, USAID hired Professor Gamarra to provide an update of the CVA and to disseminate the results of the study. Research for this update was conducted between the months of March and June 2003. The research phase included a battery of 30 in depth interviews with analysts, policymakers, political party leaders and other key informants. Additionally, this update benefited greatly from ongoing work conducted by Gamarra in collaboration with Fernando Calderón of the United Nations Development Program. In particular this study has benefited from an additional batch of 25 interviews with political party leaders, nine focus groups conducted in La Paz in the aftermath of the February 2003 riots, and recent survey data.[1] Suffice it to say that the interpretation and analysis presented herein does not reflect the point of view of the UNDP or USAID and is solely the responsibility of the author.

[1] The focus groups included the following socioeconomic sectors: women from the Mercado Rodriguez, middle class entrepreneurs, working class men and women from El Alto, entrepreneurs from El Alto, students from the Colegio Ayacucho, university students from El Alto, workers at the beer factory, and upper class men and women from the southern neighborhoods of La Paz. The study also relies on Mitchell Seligson's "" and several monthly surveys performed by Apoyo.

BACKGROUND TO THE CVA UPDATE

The original CVA reports a more detailed analysis is provided about the background leading to the crisis of 2003 that led to the writing of this update. For purposes of this update only a brief description of the background will be provided.[2] The June 30, 2002 elections have generally been described as a threshold moment in Bolivian history because of the emergence of so called anti-systemic or "social" parties such as the Movimiento al Socialismo (MAS) and the Movimiento Indio Pachacuti (MIP). This study's key assumption is that threshold moments are not distinguishable events but processes that often end as silently as they began. In Bolivia's case, the threshold moment defined as a significant period in which the essence of political relations changed, probably peaked in the year 2000. The 2002 elections merely capped a longer process that is ongoing and which could culminate a very different Bolivia than the one prior to 2000.

Be that as it may, the 2002 elections were a non-conclusive electoral round characterized by a virtual three-way tie among the MAS, the Nationalist Revolutionary Movement (MNR) and the Nueva Fuerza Republicana (NFR). The extremity of the positions among these three principal political actors produced a very fragmented and weak ruling coalition among the MNR, the Movimiento Izquierda Revolucionaria and the Unidad Cívica Solidaridad (UCS). In this context the poor electoral performance of traditional parties such as the MIR and Acción Democrática Nacionalista (ADN) was of particular note because they had been since 1985 the pillar of Bolivia's "pacted" democracy. The fragmented nature of the ruling coalition also exacerbated the need to rely on traditional mechanisms of patronage and clientelism. Thus the new government spent much of its time in office during the first 10 months handing out jobs to members of the coalition.

While the ruling coalition fought over posts, Bolivia became mired in a vast web of social conflicts which were strengthened by a new congressionally based opposition headed by the MAS but that also included to a greater or lesser extent parties such as the MIP and even the NFR. In the words of Evo Morales, the leader of the MAS, this coalition would take to governing from the streets because together they represented the majority of Bolivians who had voted in the June elections.

In this particular array of forces, the key question for this study was whether the five areas of conflict identified above (institutional, economic, land, coca/cocaine, and citizen and public security) would be resolved, minimized or exacerbated. Given the pattern of interaction between the MNR-led government and the MAS-led opposition, Bolivia's overall vulnerability to conflict was high from the beginning and the probability that conflict would break out immediately was also high. At the same time, however, the 2002 national elections presented a curious blend of vulnerability to conflict and a window of opportunity for conflict mitigation.

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[2]This background is based on a daily monitoring of the following newspapers: La Razon and La Prensa from La Paz, Los Tiempos from Cochabamba, El Deber and El Mundo from Santa Cruz, and El Correo del Sur from Sucre. It is also derived from interviews with key political actors, analysts, and officials from foreign assistance missions. Any errors of interpretation are solely the responsibility of the author.

Bolivia's vulnerability to conflict in 2002-2003 is dependent on the degree to which the strategies of the government and the MAS are successful. In a nutshell, the government's strategy was to isolate sources of conflict and to deal with each social sector individually. This conflict management strategy presupposes that addressing each conflict on its own terms (the equivalent of stamping out small brush fires) will prevent the emergence of a national and uncontrolled, though organized, process of social mobilization. The MAS in contrast has conducted a *"concurso de acreedores"* as President Sánchez de Lozada has described the strategy. In other words, the MAS attempted to incorporate every possible source of opposition to the government into a nationwide movement. While these strategies appeared headed toward an inevitable collision, the first six months suggested that the most likely pattern over the next few years would be a continuation of the precarious ritual of negotiations leading to temporary ways out of crisis.

The two sides of the conflict represented by the MAS and the government are also severely impacted by at least three other important forces. The outcome of the confrontation between them will depend on how much influence these forces can exert on the decision-making process. The most significant source of external pressure is the role of international financial institutions (IFIs) such as the International Monetary Fund, the World Bank, and that of the United States. In the case of the former, IMF pressures to pursue a specific policy direction will inevitably have an impact on the ability of the government to manage conflict and the opposition's capacity to mobilize nationally. Pressures from the U.S. are tied specifically to the eradication of coca. As will be discussed in the scenarios outlined, this is an area of grave risk as conflict has often been violent.

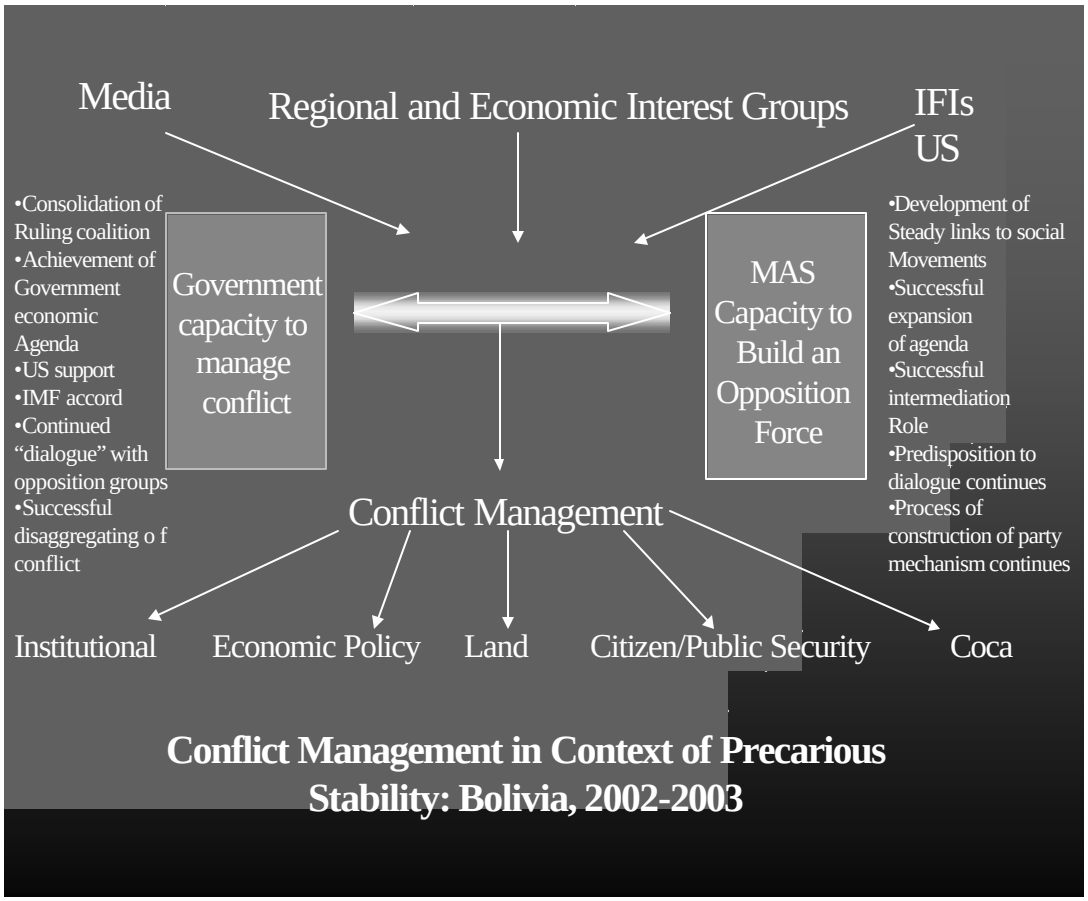
Regional and economic interest groups present a second source of tensions. Regional groups include movements such as the Santa Cruz and Tarija civic committees, and "nationalistic" forces such as *Nación Camba* and others, which promote the defense of their specific departmental economic interests. A few promote troubling, racially-tinged messages aimed at the indigenous groups in western Bolivia. While they appear relatively autonomous, these sectors are closer to the government. Many individuals interviewed by the CVA team claimed that these sectors had managed to establish a "colony inside of the cabinet." Economic interest groups include business associations, which would like to see the government implement economic policies that protect their interests. These groups, including the *Confederación de Empresarios Privados de Bolivia* (CEPB), are classic pressure groups with significant influence over the government.

A final source of pressure comes from the media, which includes print, radio, and television. A recurrent theme among politicians interviewed by the CVA team was that an autonomous media-based opposition (*oposición mediática*) exerted an unusual degree of influence and was a significant source of conflict. The media have indeed been extremely active and critical of government policy and also of the MAS and other opposition groups. The more difficult issue has to do with the emergence of media conglomerates controlled by individuals with key economic interests. In any event, the

media have become major foci of demands that can either deepen or help reduce conflict in Bolivia.

This pattern is presented graphically in Figure 1

Figure 1



During the six months analyzed in the original CVA, the government successfully delayed the outbreak of conflict. At the same time, however, government officials realized that the strategy to separate potential sources of conflict was difficult to sustain and one that would inevitably explode. This inevitability exploded first on January 13, when the government predictably squared off against the MAS and the cocaleros in the Chapare region over the eradication issue. The confrontation was predictable, as Evo Morales and the MAS had been announcing road blockades, strikes, and overall mobilization since November 2002. Thus the surprise was not that the cocaleros challenged the government; it was the intensity of the confrontation and the tragic results of two weeks of violence between government forces and the MAS led cocaleros. It also became somewhat clear that the MAS was closer to achieving its aim of forging a national movement that expanded the conflict areas than the government was to successfully dividing the opposition. This new national movement came to be embodied in the so-called *Estado Mayor del Pueblo*, a play on the command structure of the Bolivian armed forces. Evo Morales, of course, appeared as the commander in chief of the *Estado Mayor*, which aimed to give structure to the national movement spearheaded by the MAS.

The January government-cocalero confrontation led to yet another Church and *Defensoría del Pueblo* mediated agreement. The substance of the agreement involved promises to conduct a study on legal coca, to pause eradication programs, and to conduct only voluntary eradication programs in the Yungas, among others. The agreements came only after long and difficult negotiations that further backed the government into a corner and restricted its ability to design policy in this area.

If coca policy was the first conflict area that exploded, it was also clear that as soon as the government announced a major economic plan, opposition forces writ large would mobilize against the government. Thus, when the government announced that it had sent to Congress a bill introducing a 12.5% income tax program that vast sectors, especially the working class, demonstrated against the plan. The overwhelming popular rejection of the government's economic program in February 2003 is the most tangible expression of this crisis. The unrest, however, did not come from the working class per se or even from the MAS. Instead, the National Police mutinied and launched an unprecedented assault on the presidential palace on February 12. The armed forces responded setting off a firefight between the two institutions charged with the legitimate use of force in Bolivia. For the next two days, the cities of La Paz and to a lesser extent Cochabamba, were engulfed in violence. In the end, over thirty people were dead and the government was left barely hanging onto power.

In the aftermath of the crisis a search began for those who provoked the violence. Most cast the blame on the government's proposed economic plan, or on its reliance on the military to restore order. The government argued that a coup had in fact occurred, although the president's own spokesperson gave little credence to these claims. The police, who had started the confrontation by shooting at the presidential palace, emerged as the principal victim because over a dozen officers died in the skirmish with the

military.[3] The government called on the Organization of American States (OAS) to examine the incident. At the same time, it also called on FBI ballistics experts to help with the investigation. The OAS presented its conclusions in April, casting all blame on the police for starting the fight and noting that the military had fulfilled its constitutional duty to defend democracy.

In early 2003, conflict appeared to focus solely on coca and the economy, two of the five areas analyzed by the CVA. The remaining conflicts appeared simply to be dimensions of these two broad themes. The institutional area, for example, was serious and in large measure the single most important reason why economic reforms never really took hold in Bolivia. Questions of land tenure and use were still significant and possibly the principal detonating factors for major conflict in Bolivia. Perhaps the most visible conflict area was the public security area. The February 12-13 riots revealed the overwhelming presence of what appeared to be urban youth gangs bent on vandalizing any private property in sight. It also gave credence to the assumption that social mobilization in Bolivia appears to be closely linked to the explosion of crime waves.

The January coca confrontation and the February riots convinced the government that there were only two issues--coca policy and the economy-- which it had to address in the short term. The government recognized the remaining conflict areas but its capacity to respond to the land question, the criminality issue, and the institutional problems was limited at best. This was the reality of Bolivia in mid 2003; thus, to expect the government to resolve multiple issues simultaneously was unreasonable. It is also unlikely that even with the best of intentions and the support of the international community, the government can begin to address the coca and economic issues that are at the core of current instability.

In 2003 the most likely scenario for the foreseeable future is of precarious stability rooted in the weakness of the State and the inability of the Bolivian government to exert authority even within its own ostensible coalition. The weakness of the State was made most evident in the severe armed confrontation between the military and the police. To a certain extent the February 12 firefight was evidence that the State had lost its legitimate monopoly over the use of force. In Bolivia's current context, one of the critical challenges faced by the Sánchez de Lozada government is to reclaim legitimate control over the state security institutions, especially the police.

The February crisis also reflected that Bolivia's highly praised "pacted democracy" had run its course. The political parties, especially those in the ruling coalition, played a predictably disappointing role. They disappeared from the political scene and left President Sánchez de Lozada to fend for himself. The principal problem with the crisis of pacted democracy is that in Bolivia's current context, a weak ruling coalition neither controls the legislature effectively nor is it capable of producing a regime-supporting social pact or truce. In contrast to the environment of pacted democracy between 1985

[3] This conclusion follows the OAS report on the February incidents. Interviews with government officials and members of the opposition suggest that this interpretation is essentially correct. Focus group results with students from the Ayacucho school who participated in the riot confirm this version.

and 2000, where control of the legislature was sufficient, governability today also requires control over a highly mobilized civil society. Given this context, there are very clear and defined limits to what the government can do in Bolivia.

The party sentiment in Bolivia became dramatically reflected in the attacks on the headquarters of the ADN, MNR, and MIR, the parties that governed Bolivia since 1985. These assaults gave credence to those who claimed that the whole thing was orchestrated by the MAS and other opposition groups. While the attacks were perhaps not as spontaneous as some would have it, the fact is that the symbolism of burning down these headquarters was huge. Focus-group results reveal a deep-seated sentiment that the traditional parties and their corrupt ways were responsible for Bolivia's problems and they simply had to go.

Figure 2

Chronology of Events 12-13 February, 2003

06.00 HRS.	10.16 HRS.	12.06 HRS.
The demands • Alberto Gasser, Minister of Government, Edgar Pardo, the commander of the Police, and José Luis Harb, the vice minister of the Interior, met with mutinied members of the police at the *Grupo Especial de Seguridad* building. The police representatives submitted 30 demands to the government. At 09.00 President Sánchez de Lozada convoked his cabinet to analyze the social situation in country.	**The protest** • Around 100 persons protested at the plaza Murillo. Near noon, students from the colegio Ayacucho stoned the government palace. A large number of military men attempted to disperse the demonstrators using tear gas and pellets. The police also mutinied in Tarija and Cochabamba. Oruro waited but was alert.	**The clash** • Personnel at the Parliament was evacuated fearing that demonstrators would overrun the building. The battle between police and the military intensified. At 13.30 the Minister of the Presidency justifies the presence of the military and assures that a dialogue is underway. Outside gunfire erupts.
14.00 HRS.	**16.30 HRS.**	**17.53 HRS.**
Cross fire • The first death is confirmed as a result of the battle between the army and the police. An hour later, the military forces retreat to the government palace, where the wounded are tended in the main hallway. At that point the wounded numbered more than 30. The Plaza Murillo is declared a military zone. A presidential message is announced for 15.00 hours.	**The message** • Gonzalo Sánchez de Lozada addresses the nation. He announces the revocation of the tax bill or impuestazo. Immediately the leaders of the NFR and MAS parties speak of reducing the president's term. At almost 17:00 hours a horde burns the Ministry of Labor and other public and private buildings.	**The retreat** • The President orders the Armed Forces and the Police, through their respective commanders, to pull back their respective units. The leader of the MAS, Evo Morales, calls for road blockades until the president resigns. The commander of the police arrives at GES headquarters where two dead policemen are lying in wake.

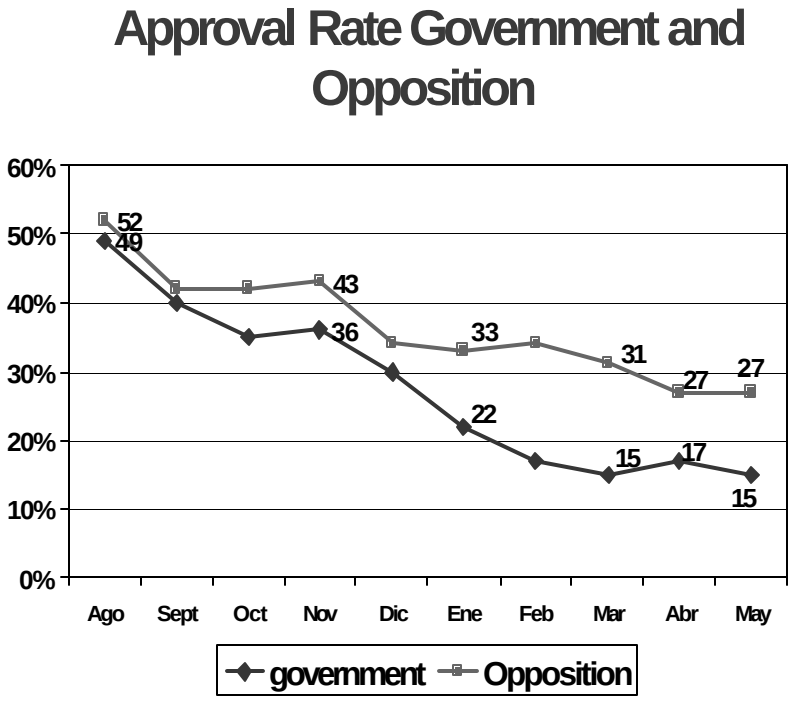
18.30 HRS.	19.22 HRS.	00.30 HRS.
The destruction • Demonstrators overrun the state run television station. The MNR, UCS and MIR houses are burned and ransacked. A throng of people stones the Bolivisión Network. The Armed Forces patrol the streets of La Paz but the anger is uncontainable. Fires and vandalism prevail throughout.	**Mourning •** The Police demands the resignation of Ministers Gasser and Sánchez Berzain owing to the death of six of its members. The Mayor's building in El Alto, Electropaz, Aguas del Illimani, and tollbooth are burned down. Another group takes the beer factory and yet another burns a ministry.	**The calm •** Finally fatigue and the military are able to detain the demonstrations. Some of the most violent riots occurred in Cochabamba. The Commander of the Police resigns but the president ratifies him in the post. The streets of La Paz are almost empty. They appear desolate.

Source: La Razón February 14, 2003.

In the post February 2003 context, it became ever more clear that all social and political actors in Bolivia are redefining strategies and weighing their loyalty to the system. In this sense, the question is not whether the government of President Sánchez de Lozada has popular support. As can be seen in Figure 3, the government has never been popular and it has faced an uphill battle from the outset. The more significant problem in Bolivia is declining support for all political actors. The opposition (in the current context this involves the MAS and the NFR), is also unpopular and its declining popularity appears perversely tied to the dilemmas facing the ruling coalition. It may be premature to state that the average Bolivian may not like the government, but it also fears the turmoil, instability and uncertainty that is offered by the opposition.

The original CVA argued that bringing the MAS into the system, through the elections of June 2002, was one of the most significant accomplishments of Bolivia's democracy because of the message of incorporation that it sent to vast sectors of the country's excluded majorities. At the same time, we argued that the greatest challenge to Bolivia's democracy in the foreseeable future would be to keep the MAS in the system. Following the February events, this challenge has been even more daunting. It is still clear that if anti-systemic forces within the MAS prevail, the situation in Bolivia could dramatically change in the next few years toward greater turmoil and instability. Interviews with party leaders, however, suggest to us that there are significant sectors within the MAS that would like to work within the system and who believe that their party can achieve the presidency and consolidate its grip nationally through electoral means. Like the government, the MAS faces declining popularity and its long-term success depends on the extent to which the strategy of establishing a national base is not undermined by the short term tactics of road blockades, strikes, and other such measures. Focus-group results reveal that Bolivians have already become tired of these tactics and are beginning to lose patience with the opposition as well.

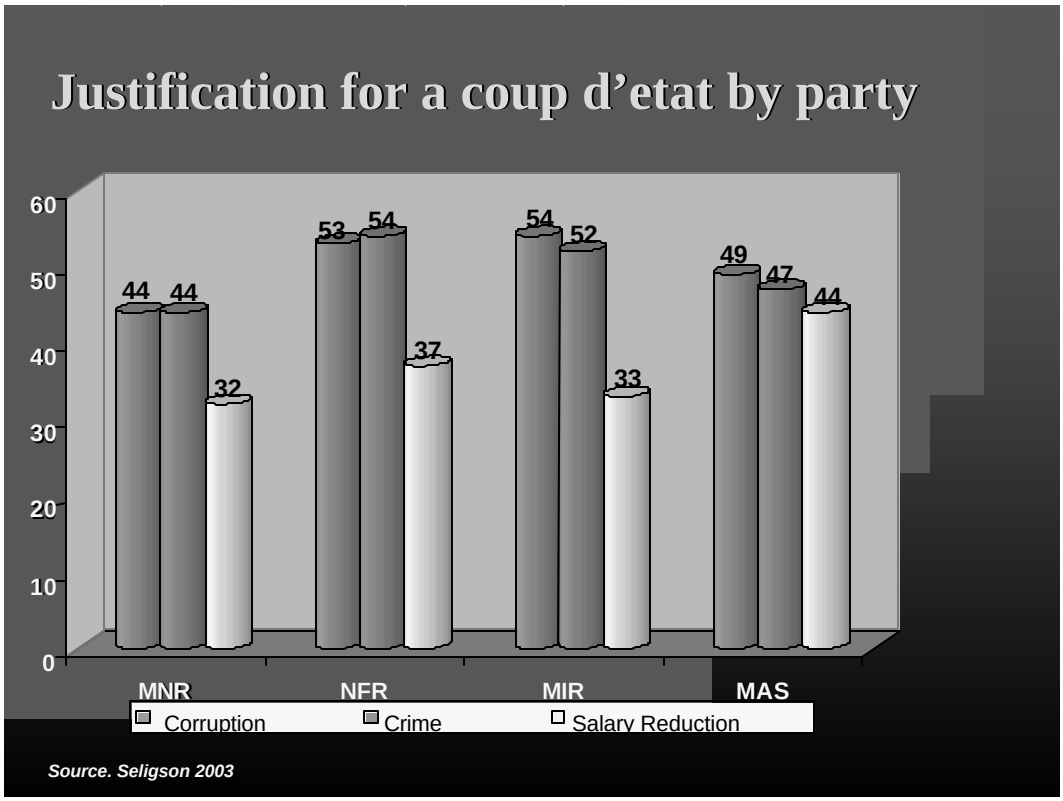
Figure 3



UNDP/PNUD,"Analisis de Coyuntura y Escenarios Prospectivos de Corto Plazo"
30 de mayo 2003

The more difficult issue facing Bolivia has to do with the declining legitimacy of democracy. Loyalty to the system has declined, as evidenced not only by the repeated calls for unconstitutional ways out of the crisis by the opposition, but also by the increasing support for authoritarianism and coups. In other words, the country is trapped between calls for an authoritarian response to end the turmoil and the demands for a profound structural change.

Figure 4



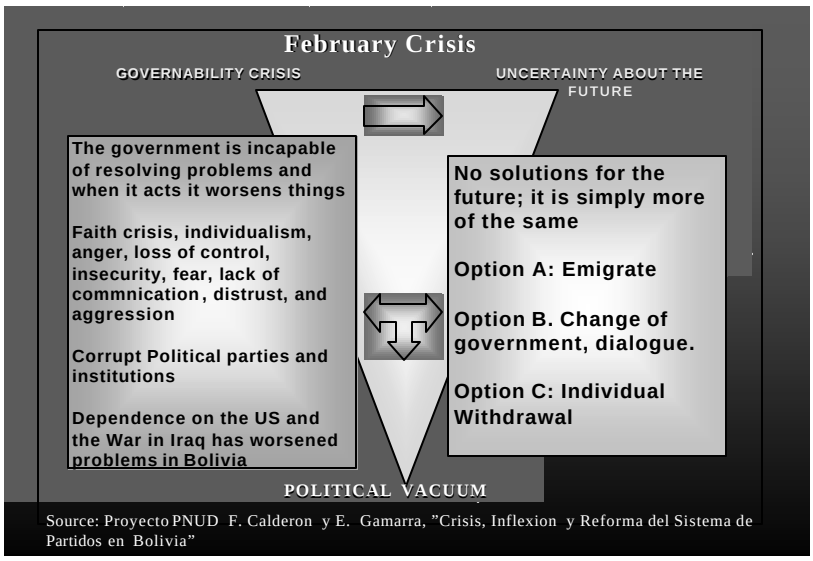
This update has benefited from a series of focus groups conducted by the Human Development Team at the UNDP in La Paz and several nationwide surveys in the aftermath of the February 12-13 riots. The focus group results confirm the overall perception of decay and declining democratic legitimacy. The government is perceived as incapable of resolving the current crisis and is seen as only worsening matters when it does indeed make policy announcements. Politicians and their parties are perceived as corrupt, and distrust of politicians is profound. Residents of La Paz in particular, express a deep sense of distrust and uncertainty about the future. Focus group respondents across a broad range of social classes sensed that no solutions are possible and that the government is simply doing more of the same. In this sense, there is a deep-rooted fear that the future holds no promise. Not surprisingly, individuals believe emigration is the preferred way out of the situation. Like other Latin Americans who are fleeing turmoil and economic uncertainty, Bolivians are emigrating by the thousands in search of better futures.

At the same time, however, respondents expressed a hope that a social pact preceded by the resignation of the current government could help the country overcome the crisis. The view that the president must step aside to give way to a regime saving alternative was expressed repeatedly. President Sánchez de Lozada is widely seen as a man incapable of convoking a national social pact because he is the principal source of tension. Even the most sophisticated analysts in Bolivia simplistically believe that

Sánchez de Lozada's resignation would quickly give way to leadership capable of addressing the severe economic crisis and the coca issue.

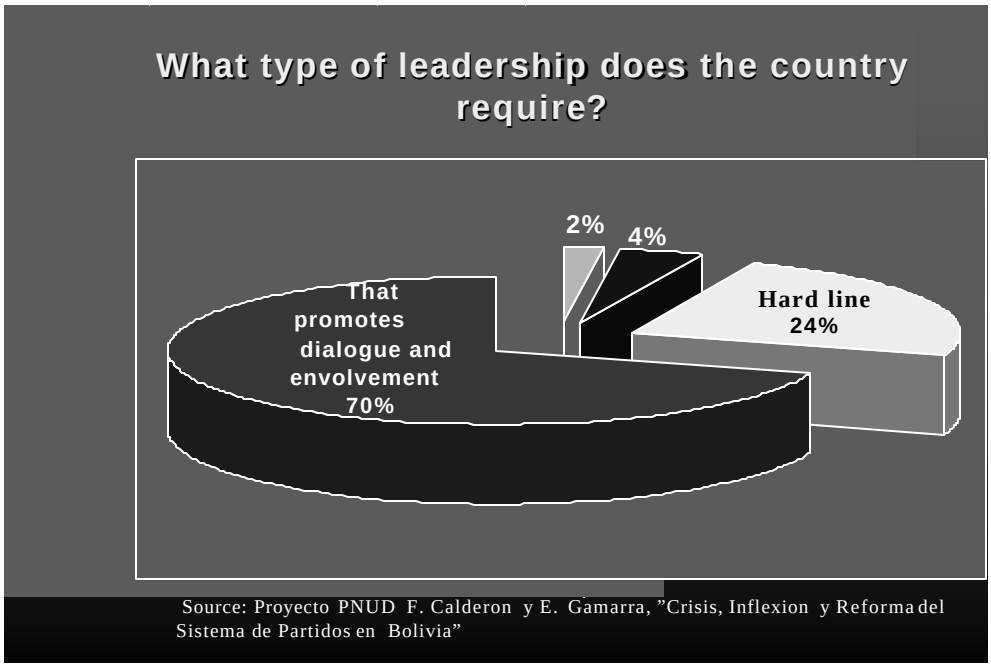
The call for the president's resignation are usually followed by repeated calls for a constituent assembly that would correct flaws in the constitution that are perceived as the root of all problems in Bolivia. A survey of the outcome of similar constituent assemblies around the Andean region reveals that problems were not resolved and may have in contrast been exacerbated. Among the most significant results is the disappearance or weakening of party systems to the point that either too much power became concentrated in the executive branch, such as in Peru and Venezuela, or the parties were so weak that presidents can hardly govern, as in Ecuador and Colombia under Samper and Pastrana. In any event, the mechanisms for constitutional change in Bolivia are fortunately long and complex; unless these are changed, the constitutional convention alternative is unlikely to take place. The cautious mechanisms for constitutional reform in Bolivia, however, have also led to calls for "regime saving" unconstitutional options for change. Like most of the world's presidential systems, Bolivia's lacks mechanisms to overcome severe government crises without rocking the foundations of the democratic regime.

Figure 5



Focus results reveal an important sense of support for democracy. The average Bolivian appears to be especially concerned with the need for leadership capable of orchestrating an uncertainty ending social pact. A majority of Bolivians believes that the only way out of the current situation is to reach such a regime saving pact. They argue that the only way to achieve such a pact is through the president's resignation.
Nearly a third believes that Bolivia requires a strong-armed leader.

Figure 6



Given these perceptions, it is not surprising that the only institution capable of moving the country toward a social pact is the Catholic Church. Between February and June, Church leadership attempted to bring together all sectors. Significant advances were made toward the convocation of a national dialogue, a process that appears repeatedly in surveys and focus groups as necessary to overcome the crisis. Every time it appeared as though a meeting would occur, opposition political parties opted out. In mid 2003, the hope that a national dialogue will occur ha been slowly dissipating. If such a national dialogue does occur, it will likely not be until the latter part of the year.

In mid 2003, the government appears to have survived the worst moments of Bolivian democracy. It has sought to dissipate tensions by supporting calls for a national dialogue. It signed a stand-by agreement with the IMF despite backing down from its February new tax plan. Economic indicators are still very weak, but overall the economy has reached a point where severe downturns are unlikely. Calls for the president's resignation continue but even these have toned down as the opposition parties realize that their own popularity has declined. It also appears that the uncertainty of a rapid and unconstitutional transition has produced fears that the president's resignation would only lead to greater turmoil. In sum, precarious stability is the most likely scenario for the foreseeable future.

CONFLICT SCENARIOS FOR BOLIVIA

SCENARIOS FOR CONFLICT IN THE COUNTER-NARCOTICS ARENA

During its first ten months in office, the Sanchez de Lozada government faced the complex legacy of the combination of the deterioration of political authority left by the previous administration, and the forceful coca eradication efforts under the rubric of Plan Dignidad. Caught in the middle of this logic are USAID's Alternative Development Programs and US policy more generally. Following the 2002 elections, the government was forced to make serious policy decisions to avert the further erosion of stability. The decisions involved a complex negotiation process that the government initiated with Evo Morales and the six coca producers unions or federations in the Chapare region. Given the June 30 results, it is clear that the government had no alternative but to enter into conversations with the MAS and the coca growers.

From the government's perspective, ten basic issues were at the core of the negotiations: 1) the presence of military and police forces in eradication efforts; 2) the number of hectares of coca required for legal consumption of the coca leaf in Bolivia; 3) a pause in eradication; 4) alternative development efforts; 5) the establishment of a special economic zone; 6) marketing and promotion of alternative development products; 7) land titling; 8) the development of basic services in the Chapare; 9) human rights and justice; and 10) the modification of Law 1008.

Progress in three of these areas led many to contemplate the possibility of a peaceful way out of the conflictive dynamic that has characterized the coca/cocaine sector for over two decades. The government was prepared to replace military and police forces with civilians in eradication efforts, although it refused to remove security forces from the Chapare. Coca growers considered this a major victory, as government security forces involved in eradication efforts were seen as human rights violators. They also perceived this concession as a major step away from what they claimed was an ongoing military buildup in the region. If military and police forces were to be removed from the eradication efforts, their role in the broader counter-drug areas, such as the seizure of cocaine labs, precursor chemicals, and the arrest of *campesinos* accused of involvement in the production of cocaine would continue to be the main use.

Government and coca grower negotiators agreed that a new national survey of the use of licit coca was necessary, but disagreed as to which institution would actually carry it out. MAS leaders and the coca producers federation were suspicious of U.S. institutions, including universities. Instead, they proposed that Bolivian universities conduct the study. From the perspective of the coca growers, the study would resolve once and for all the number of hectares required for legal consumption. The current figure of 12,000 hectares required is based on a 1980s calculation by Carter and Mamani, in their seminal study on coca in Bolivia. A U.S.-funded study widely rejected by the coca growers calculated a lower number. Moreover, Law 1008 which established the framework for current eradication policy, was the last time that any such calculation was made. Coca

growers argued that demand for legal coca had grown considerably since the 1980s, including increases in the northern Argentine market and an offer from China to commercialize coca tea.[4]

One of the coca growers principal advisers, historian Silvia Rivera Cusicanqui, argued in interviews with the CVA team that 29,000 hectares were required to meet the fast-growing national and international demand for coca. She rejected previous U.S.-funded studies, which estimated that the demand for the legal use of coca in Bolivia could be met with fewer than 10,000 hectares cultivated annually. The key to understanding the coca growers' position on this issue is that, for the *cocaleros*, a pause in eradication efforts (not in replanting) was a condition sine qua non for the study to be conducted. [5]

Assuming that a study were to be conducted, it is highly unlikely that the results would resolve the situation. If the study finds that far less than the 29,000 hectares are required for legal consumption, *campesino* efforts are unlikely to pursue an aggressive campaign to eradicate the surplus. If, on the other hand, far more hectares were needed for legal consumption, U.S. policy would become problematic. Toward the end of this investigation, it appeared that negotiators for the coca growers would accept an institution such as the UNDP to conduct the study. By mid 2003, however, this possibility was also rejected.

Eradication efforts were at the center of the negotiation, and all other dimensions were dependent on this issue. The coca growers' federations demanded a pause in eradication until the new demand survey could be completed. Conversely, the government raised expectations that such a pause could be achieved. President Sanchez de Lozada's trip to Washington in mid-November 2002, however, confirmed that the U.S. would not look kindly on any reversal of eradication efforts, especially after the dramatic announcements of eradication successes by the previous Bolivian administration. Upon his return to Bolivia, Sanchez de Lozada announced that no pause in eradication would be permitted. In response, the MAS and the coca growers announced that they would remain vigilant and would organize protests.[6] Indeed the MAS, organized protests, marches, and road blockades and conflict ensued in mid January 2003.

If a pause in eradication raised fears of renewed conflict, then the discussion regarding alternative development raised hopes that a U.S.-led counter drug program would tolerate a change in the very concept of alternative development. Coca grower negotiators called for a more participatory alternative development program that would provide assistance to all campesinos in the region, and not exclude those belonging to the MAS and the

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[4] A DIRECO source claimed that around 2 tons of Yungas coca are consumed in northern Argentina.

[5] According to Oscar Coca, the chief negotiator for the coca growers, they proposed the right to grow half a hectare of coca per campesino family or the equivalent of 12,000 hectares. After the study, the figure could be adapted up or down.

[6] Oscar Coca claims that at the beginning of the negotiations the government came in with "a speech that contemplated the real possibility of a pause, and for that reason we broke into commissions." Toward the end of the year, however, Coca claimed that the commissions had been a waste of time, that they had reached their limit and that there was nothing more left to discuss. Nevertheless, conversations with lower-ranking government officials continued.

federations. They also argued for development assistance to be channeled through the municipalities in the Chapare, which together form a joint association or *Mancomunidad*. Finally, the negotiators proposed an alternative development program tied more to industrial job development than the promotion of agricultural exports. Coca growers, however, were not entirely keen on this notion, as they claimed that the tropical zones in the Chapare are not apt for industrial development. Despite the debate about which direction to take, this appeared to be the one area where progress could occur and conflict minimized.

In the first version of the CVA, we correctly predicted that the most likely source of conflict would be in the coca-cocaine area. Almost immediately after the year began, the long announced mobilization by the MAS got under way. The detonating factor, as expected, was the announcement that US financed coca eradication programs would continue apace, although eradication had in fact slowed down but never fully halted. The MAS and cocaleros initiated roadblocks in mid-January that soon led to violent confrontation between the military and police force that were charged with clearing the roads and the cocaleros. In the end, approximately 20 people, mainly coca growers, died as a direct result of the confrontation.

In the midst of this confrontation, Evo Morales launched a new strategy aimed at forging a national basis of support that transcended his cocalero constituency and that would cut across ethnic, racial, regional, and issue specific barriers. To secure this aim, the cocalero leader announced the establishment of a so-called *"Estado Mayor del Pueblo*." However one examines this *Estado Mayor*, the most telling aspect was its attempt to structure a national coalition that challenged the legal framework of Bolivia' fragile democracy. The worrisome dimension of this Estado Mayor was its obvious anti-system overtone that overtly called for the armed resistance to state law enforcement efforts, especially counternarcotics laws.

The January explosion resulted in a significant period of Church-sponsored negotiations. By early February, an agreement was achieved, although it was based on a very tenuous set of principles, including calls for the study on the legal and traditional uses of coca. The agreement, however, proved to be only a temporary cease-fire. From the perspective of the MAS and the cocaleros, their Estado Mayor was still in place and ready to challenge at any given moment the system's military Estado Mayor.

The Estado Mayor in fact consolidated. Moreover, the Chapare moved closer to becoming a type of "zona de despeje" where the presence of the State was precarious and where the MAS effectively dominated the region. As a *de facto zona de despeje*, eradication and alternative development efforts were temporarily halted. Some alternative development posts and *campesinos* involved in them were the target of violent attacks by *cocaleros*.

The January conflict also coincided with the first public pronouncement of a rag tag guerrilla group that called itself the Ejército de Dignidad Nacional (EDN). The EDN is not important; however, it did lead to significant concern about the possibility that an

armed insurgency could occur in the Bolivian coca growing regions. Along these lines, the original CVA noted rumors of FARC presence in the Chapare were widespread but largely unfounded. The presence of other foreign groups became a major source of concern when the police arrested Francisco Cortez, who is a member of the Colombian ELN, and two *cocalero* leaders. Cortez's arrest revealed a direct connection between certain sectors of the *cocalero* movement and Colombian insurgent groups. One should not make too much of the ELN presence in Bolivia, although Cortez had with him a manual for ELN activities in the country. It is probably far fetched to claim, as some US officials have, that his presence is proof that the Colombian conflict has expanded to Bolivia. No other ELN member has been arrested, which suggests that Cortez may have been only a former member of the guerrilla group and not part of an organized strategy for Bolivia. Cortez claims to be a human rights worker in Colombia, although he had trouble explaining why he had eight kilos of cocaine at the time of his arrest. Moreover, the *cocalero* leaders arrested with Cortez had a long record of visiting Colombia. Peñaranda, one of the *cocaleros*, was involved in attacks against alternative development offices in the Chapare.

Evo Morales indeed articulated an international network during this very time period to provide his MAS with a significant amount of symbolic and material support. Morales spent much of the first six months of 2003 traveling around the globe. He visited Japan, Europe, and Venezuela among other countries. In Venezuela, Morales became clearly aligned with the Bolivarian movement. In his speech before an audience of worldwide supporters of President Chavez and his movement, Morales argued that the time had come to change the government in Bolivia. The international support for the MAS and Evo Morales has given the movement resources to expand and consolidate. At the same time, it is not clear to what extent Morales indeed controls the groups he has mobilized. Whenever a booby trap injures or kills a soldier, Morales argues that his "base" has overcome his ability to control its action. In other words, he believes that at times he has no ability to control the more radical elements within his party and within the six-cocalero federations in the Chapare. Despite these claims, however, Evo Morales was re-elected as the principal leader of the Chapare federations in June.

Along with Evo Morales' re-election, certain trends within the structure of the *Estado Mayor del Pueblo* suggest that the government will face increasingly more hostile challenges. In May 2003, for example, the *Estado Mayor del Pueblo* met in the city of Sucre to determine its future stance. The anti-government and anti-regime tone dramatically escalated, as did calls for armed resistance to government policies. It could be argued that the *Estado Mayor del Pueblo* is evidence of the successful establishment of a national movement with broad international sources of support. It is more difficult to make the case, however, that coca has ceased to be the core element of the *Estado Mayor*. Instead, it appears that the coca issue is still the dominant force within the MAS and that it dictates the direction of the *Estado Mayor del Pueblo*. With this updated background, three scenarios appear possible in Bolivia.

Scenario 1.1. Eradication and conflict (High Probability)

Following U.S. directives and international agreements signed by the government, the Sanchez de Lozada administration attempts to pursue eradication policies at the rate of the previous five years under Plan Dignidad. This will result in an extended period of conflict, which will be handled with difficulty by military and police forces, especially after the February 12-13 events. Eradication has already suffered major interruptions, but given the Bolivian government's resolve, U.S. economic assistance will continue and the GOB could ostensibly obtain additional resources to not only pursue Plan Dignidad but also perhaps deepen alternative development strategies.

Under this scenario, the aborted dialogue initiated with the six coca growers' federations in the Chapare would come to a halt, and Evo Morales and the MAS would mobilize a national protest that would test the strength, breadth and depth of his electoral coalition. Morales and his movement have learned important lessons from previous mobilization efforts, and are aware that, to launch a successful campaign, any national effort must take into account important religious holidays and the planting and harvesting seasons. Such a campaign would likely include road blockades, strikes, vigils, and other forms of social protest. The success of this effort would also greatly depend on Morales' ability to expand the scope of the conflict to include other issues and groups. As noted earlier, Morales has already become the most significant anti-globalization spokesperson in Bolivia and has developed a regional reputation. As head of MAS, he has also made the land issue a significant concern of his movement. Because land is such a significant crosscutting issue, it could indeed become the glue that holds together a national coalition against the government's eradication efforts. Finally, the MAS has become the principal force behind efforts to resist natural gas sales to the U.S. through a Chilean port. Morales has become the single most important leader for all of these issues, and he could ostensibly bring them all together into one large anti-government coalition.

The original CVA assumed that the length of the conflict could be assumed to be brief because only about 10,000 hectares remain in the Chapare. At the same time, the CVA noted that the intensity of the conflict would be very high and could escalate to extreme proportions. Conflict of this magnitude could also potentially spread into the Yungas region, despite agreements in place to suspend the forceful eradication of crops in that region. Other differences with the Yungas would not matter, since Morales has worked hard to craft an alliance with farmers there as well. The Yungas alliance appears to be more significant in mid 2003 than in December 2002.

Taking into account the size of the congressional delegation that is made up of groups that favor ending eradication campaigns in the Chapare, it is unlikely that the government would find a sympathetic ear in the legislature. If lives are lost and human rights are violated, then the repercussions of such a confrontation could spill over into other areas. In the current period, the absence of a Human Rights Ombudsman (Defensor del Pueblo) may lead to calls for swifter action against the coca growers. It would not, however, limit the action of international NGOs that are monitoring the situation in Bolivia closely. Under this scenario, even international outcry is unlikely to lead to a mediated solution.

Mediation would inevitably be accompanied by calls for a softening of eradication programs and for greater economic compensation for eliminating illicit crops.

One of the more difficult areas for the government would involve maintaining a stable coalition. With the MIR split into two visible factions and vying for survival, plus a significant electoral space in the 2004 municipal elections and the 2007 presidential elections, this party could well leave the ruling coalition when the going gets rough on this issue. Maintaining support for the ruling coalition if the government embarks on an all out effort to eradicate and control coca growers will be a difficult task. It will be an even harder task to expand the coalition to bring in groups like the NFR, which would most likely initiate actions by the opposition aimed at securing the resignation of the President.

In this scenario of giving priority to stable relations with the U.S., which would be driven mainly by the coca/cocaine issue and the fear of sanctions from Washington, the results would polarize Bolivia and could result in an extensive process of cocalero unrest and mobilization. Rural mobilization would inevitably also seek urban support around the nationalistic anti-U.S. banner. In this context of severe conflict, the government would tend to "demonize" the opposition and social movements, linking coca production with narcotics trafficking and terrorism. This would make for an argument very congruent with current security thinking in the U.S.

With these antecedent conditions, Bolivian leaders might be inclined to follow the same tone and attitude that characterized the previous Banzer-Quiroga period, where few discrepancies with U.S. officials were visible. That pattern of relations, which was effective between 1997 and 2002, may now result in increased conflict and confrontation as it envisions little room for dialogue and negotiation. This scenario presupposes a very high political cost for the GOB, and will test the limits of Bolivian democracy.

Scenario 1.2. *Coca no es Cocaína*: Replanting and violence (Médium Probability)

Considering the political triumph of social organizations in the 2002 electoral round, the negotiations that occurred in early February, the aftermath of the February 12-13 riots, and the establishment of the so-called *Estado Mayor del Pueblo*, the coca growers' unions could seize the present moment to actively oppose eradication efforts through so-called self-defense groups. They would also simultaneously initiate new crop cultivation in a clear challenge to current Bolivian law. These new crops would become the central objective of coca growers' organizations, since alternative development crops have faced serious difficulties recently as far as their external and internal marketing and commercialization are concerned.

For this reason, the Chapare would become a zone without effective state control, and military and police forces would be forced to leave owing to the high cost (even in lives) of facing the coca growers' organizations. This would inevitably lead to a long period of coca grower radicalism with a very strong dose of anti-U.S. rhetoric. The possibility of

conflict and violence in coca growing regions would be extremely high. Cocalero radicalism (coupled with the strength of its congressional delegation) would prevent any government interdiction effort from going forth successfully. This scenario envisions a marked delay or even failure in meeting established eradication targets. As a result, the U.S. would seriously consider imposing sanctions (including de-certification). Developments in Bolivia would be considered a national security threat and would validate claims of a relationship between coca growers, drug traffickers and terrorists.

This is a scenario where rumors of significant international presence could become reality. Evo Morales could, for example, call upon the international connections he has developed over the past few years within the context of the *Foro de Sao Paolo*, his alliance with Venezuela's *Movimiento Boliviariano*, and anti-globalization forces. These groups could provide funding for his activities. Chief among these groups are European NGOs that do not promote violence but identify with the cocalero movements' right to grow coca. In a more extreme version, Morales could seek to strengthen ties with armed groups in Colombia such as the *Fuerzas Armadas Revolucionarias* (FARC) and with the *Ejército de Liberación Nacional* (ELN).[7]

In a scenario of this magnitude, the GOB could lose control of coca growing zones, and might be forced, owing to internal and external pressures, to intervene militarily in the coca growing zones of the Chapare and Yungas. Given the weakness of the armed forces and the National Police, securing control over the Chapare would not be an easy task. Moreover, a chance exists that the conflict could spill over into the Yungas region, making it even more difficult for the government to respond. Cocalero resistance might include a broad coalition of rural and urban groups who would employ tactics such as road blockades, strikes, and other measures. This would inevitably have a dramatic effect on the governability of Bolivian democracy.

Scenario 1.3. Negotiations leading to development, peace, democratic stability and counter-drug efforts (Low Probability)

This scenario assumes that all social actors and the government will be interested in a genuine negotiation process, which is why it represents only an ideal. For the GOB, it would signify achieving greater legitimacy and popular support. It would also pre-suppose an improved ability to negotiate with international actors involved in the counter-narcotics effort.

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[7] This is a scenario where much speculation is possible and where rumors become reality. The CVA team heard many rumors and has treated them as such as it found no evidence to substantiate any of the numerous versions of Colombian or Venezuelan presence. The most recurring version states that a "Colombian presumably from the FARC trained a group of 20 cocaleros in the Chapare." Members of the Comité Pro Santa Cruz claimed that during a visit to a town bordering on the Chapare townsfolk told them that a Colombian in wheel chair was the person in charge of training coca growers. Earlier unsubstantiated rumors appeared in a Washington Times article that claimed that the MAS's campaign had been funded by FARC. In a more recent report based on this article Richard Millet states as fact that the FARC funded Evo Morales. In our view, these rumors have no concrete basis in fact and caution should be used if such claims are to be used as the basis for policy.

The GOB would launch a counter-narcotics strategy that would result from negotiations with these national and international actors. The strategy would involve many of the successful dimensions of the Plan Dignidad, such as precursor control, among others. At the same time, however, it would introduce innovative policies in critical tasks such as reducing the social, political, and economic costs associated with the eradication of coca crops. One particular area where such change might occur would be in alternative development programs, especially if new funding mechanisms are found. One possible route might include working directly through popular participation mechanisms and through municipal governments in the Chapare.[8]

The government would inevitably be forced to explain domestic arrangements to external actors, especially the U.S., the United Nations Drug Control Program, and the European Union. This strategy would rely strongly on the persuasion abilities of Bolivian diplomats and negotiators, who would have to convince foreign governments and funding agencies that Bolivia was pursuing counter-drug efforts, including the eradication of coca, under the umbrella of development and within a climate of peace, dialogue and consensus-building.

In this best-case scenario, the U.S. government and other external actors would recognize the depth of the political changes that have occurred since the electoral emergence of the MAS and the MIP. The continuation of a draconian counter-drug strategy based on interdiction and crop eradication is not viable at a time when social sectors affected by these measures have the capacity to mobilize and perhaps even paralyze economic activity in Bolivia.

In this scenario, the will of the Bolivia government and of social organizations to fight drug trafficking and to eradicate excess coca would be ratified and would send a clear message to the international community. The real basis of internal consensus would be determined by the time required and the procedures necessary to achieve Bolivia's counter-narcotics goals. To minimize conflict, the government might propose the eradication of coca under a more flexible timetable, with greater compensation and under a shared vigilance and control effort with the coca growing organizations themselves. Achieving this kind of effort would require an agreement a priori with international actors who might see promise in such an approach.

The development of consensus among the distinct actors involved in this conflict would allow for the development of prevention mechanisms and the peaceful resolution of conflicts in coca growing zones. At the same time, the presence of the military and the police in these regions would be reduced and the threat of confrontation would be

[8] An alternative and plausible explanation regarding Evo Morales' strategy involves a significant degree of cynicism. Evo and the MAS may not be at all interested in a final resolution to the coca issue as posited in this paragraph. As we noted in the analytical section of this report, Evo's long-term strategy is aimed at taking power by constructing a national movement that would culminate in his election in 2007. Nothing in the interviews with the MAS and with Evo Morales suggested that the strategy might include non-democratic means, although our interviewees claimed that the Sánchez de Lozada government was illegitimate. Events since January 13, 2003, however, suggest that members of the MAS do not discount non-democratic means to achieve their goal.

significantly averted. This more flexible eradication effort with compensation, the establishment of campesino vigilance, and the reduced presence of the military would have to count on the support of unions in coca growing zones to prevent the planting of new coca crops and *almácigos.* It also presupposes that these unions would become decisively involved in the design, implementation, and institutionalization of alternative development programs.

This more flexible strategy would inevitably open a complex negotiating process with the U.S., and serious bilateral tension could result. Given current U.S. government priorities, it is likely that the initial response from Washington would be to threaten punishment and/or increase pressure. The starting points for Bolivian negotiators would be social peace, democratic stability, and sustainable development with respect for human rights, together with the eradication of illegal coca plantations. They would assume that, if the country displayed a united internal front with clear objectives, the U.S. might be inclined to give this strategy a chance to prove itself. The internal benefits of such a strategy would justify the calculated risk of taking on the U.S. While this is the ideal case scenario where social peace and democratic stability appear compatible with counter-drug efforts, it is also the most unlikely, as neither internal nor external actors are willing to accept the assumptions underlying such a strategy.

SCENARIOS FOR POLITICAL INSTITUTIONS

One of Bolivia's principal problems historically is the overall weakness of the state. This is gauged largely by two factors: institutional fragility, and the inability of the state to establish a presence within the bounds of the national territory. With the exception of the central government, which grew disproportionately in size to meet the employment needs of the country's middle class, the state has had virtually no control over its national territory, and has struggled with attempts to impose authority in remote corners of the country. The vastness of the territory, together with the inadequacy of institutions and resources, made it a virtual impossibility for the state to even consider controlling every dimension of the country's geography.

Historically, the country has been plagued by profound regional tensions, pitting the eastern lowlands against the highlands. Separatist aspirations have always been attributed to lowlanders from Santa Cruz, whom many accuse of secretly wishing to be annexed by Brazil. Still others attribute aspirations of an independent republic to the dwellers of the central valleys of Cochabamba. These regional autonomy disputes are no different than those that pit *Quiteños* and *Guayaquileños* in Ecuador or *costeños* and *serranos* in Peru. Some authors have argued that these traits are sufficient to conclude that Bolivia has no effective central state.

Thus, before the crises of 2000, the Bolivian state had no real effective control over its national territory. Carlos Toranzo, a well-known social scientist, noted that as a result of the explosion of simultaneous social confrontations, the state had ceased to aspire to control the country's national territory, even remotely. Moreover, with the declaration by Felipe Quispe, *el Mallku,* leader of the *Confederacion Sindical Unica de Trabajadores*

Campesinos de Bolivia (CSUTCB), that the indigenous people do not recognize the legitimacy of state jurisdiction, the problems of state coherence appear to have become huge in the short-term. Calls for a Constituent Assembly to re-draft the constitution have been made in the past three years in an attempt to redefine the state and establish a new institutional legitimacy.

One of the most salient dimensions of the multiple crises since 2000 was Bolivia's hard-earned efforts at national territorial integration, a basic dimension of state-building, that ran head on into the resistance of indigenous groups and others involved in the strikes, blockades and other measures against the government. This was especially evident in the damage inflicted on the nation's road infrastructure by striking sectors. The GOB estimated in late 2000 that it would cost $70 million to clear and fix the country's roads. In a country that until very recently believed it could become the transportation nerve center of South America, this was perceived as a particularly serious blow.

Another important dimension of Bolivia's contemporary problems has to do with the political situation of women. While they have generally been subsumed by other civil society expressions, women's movements per se have had very little influence in Bolivian politics despite the fact that the country had a female president in 1979-1980 and that a woman is currently the head of the Senate. The situation of women in Bolivia simply exacerbates what is generally perceived as an extreme case of social exclusion. The most dramatic indicators reflecting this reality include: school attendance rates are lower for women; poor health indices (percentage of births attended by a physician and mortality rates); high female unemployment rates; and the overall low presence of women in politics.

Progress has been made, however, toward addressing the low level of participation by women in politics. Under the terms of the current electoral law, for example, a quota mandates that 30 percent of all political party candidates must be women. As a result, the overall percentage of women in the national legislature has increased significantly. The presence of women in the legislature may contribute to improving the overall pattern of social exclusion in the country. A reasonable assumption is that the greater presence of women in the legislature will lead to the introduction of gender-based legislation that may improve the lives of women in Bolivia.

This brief discussion of state weakness in Bolivia serves as a prelude to the real problems of institutional development, especially in the context of the June 30, 2002 electoral results. With the arrival of the MAS and the MIP in the national legislature, the future of Bolivia's representative democracy rests on the behavior of these two social movements, which have invaded the territory of political parties. At the same time, the ruling coalition crafted at the eleventh hour to insure the election of President Sánchez de Lozada has displayed several weaknesses, demonstrated mainly by bickering over the distribution of cabinet posts. The institutional setting that emerged from this particular configuration of forces is complex and will continue to test the limits of Bolivian democracy.

At one level, the performance of the cabinet will be tested by the challenge of finding a workable arrangement among former, bitter political rivals. This will be especially evident in addressing the economic situation. When the government finally agrees on a policy direction, imposing policy will be a difficult task that will demand a united front by all members of the coalition.

At a second level, the new situation provided an interesting relationship between the executive and the legislative branch, where over 40 percent of the membership has no previous experience. Apart from the inexperience of most legislators, language barriers and even problems with basic literacy have already become evident. More importantly, the MAS and the MIP appear uncomfortable with their legislators and have yet to figure out what role they are to play and how they are to report to the party and the unions that constitute the core constituency of at least one of these two parties. The MAS and the MIP are, in essence, the opposition and they have yet to figure out how to employ legislative mechanisms to challenge the initiatives of the executive branch.

In the legislature, the ruling coalition has displayed a certain degree of coherence and discipline, but on occasion members of the MIR and the UCS have publicly expressed their disagreement over MNR initiatives such as the BONOSOL and the SUMI. In the end, both parties went along with the MNR, but it became clear that the cohesion of the legislative wing of the coalition is in question and free lancing deputies and senators could emerge.

A more basic issue in the legislature is the overall inexperience of the legislators for the ruling coalition and the opposition. A casual overview suggests that the problems are graver in the opposition, where a majority has never served in public office. Ongoing efforts by USAID and other donors appear to simply not be enough to guarantee the drafting of good bills or the adequate oversight of executive initiatives. It is anyone's guess as to how quickly training efforts can have an effect on these new legislators. However, without significant training, the legislative branch will confirm its role as a do-nothing institution.

A third level involves the situation with other institutions, such as the judiciary, which has been dealing with the dramatic new reality created by the implementation of the new Code of Criminal Procedure. It is clear that the justice system in Bolivia is still somewhat politicized, but to a much lower degree than in the past. Moreover, justice in Bolivia has speeded up considerably, with cases being adjudicated at an astounding rate. Those involved in the justice sector—judges and lawyers in particular—claim that the new practices will take time to take root.

The more serious issue in the justice sector has to do with the problems associated with the implementation of the Code of Criminal Procedure. Although it has been in place for only two years, the outcry against the CCP has been extensive, spanning groups such as the media, law enforcement, the general public, and even practicing judges and lawyers. Momentum appears to be building toward some sort of modification of the CCP that will,

in the words of individuals interviewed for this assessment, be friendlier to victims of crime.

A fourth level involves the National Electoral Court, an institution that USAID funded in the early 1990s with a modicum of success. Although the NEC survived the unsubstantiated and even frivolous charges of fraud during the June 30 election, it has faced the very serious problem of selecting capable individuals to serve. The first court included a number of "notable" and talented individuals who in the end bickered their way out of a job. The new court elected another coterie of notables. The resignation of its new president, an internationally recognized communications scholar, and more recently of another prominent member of the NEC, suggests that this institution is in serious trouble. Stabilizing the NEC is a pressing issue to restore the credibility of the political system.

A fifth critical level has to do with the overall situation at the municipal level seven years after the implementation of the Popular Participation Law. It is evident that much of the political energy in Bolivia has shifted to the *municipios*, and that participation at the grassroots level has occurred. Criticisms of Popular Participation also abound, ranging from those who argue that corruption is the only thing that has been decentralized, to others who claim that beyond building plazas and paving the central square, the transfer of resources has done little to improve the lot of the average citizen.

USAID's Democratic Development and Citizen Participation (DPCP/DDPC) program enjoys a very favorable reputation in the municipios, where it has worked to promote more effective municipal government and where it has attempted to improve the representational ability of elected officials, including single-member district deputies. Program officers claim success even in the Yungas, where coca growers are sympathetic to the MAS. Bolivia's municipal governments, now organizing themselves into broader *mancomunidades*, are still a ways from becoming effective and productive. Municipios are still plagued by political tensions within the councils, and the all too common attempts to recall mayors after only one year in office continue to rock the stability of local government.

In terms of Bolivia's local government experience, the most significant area is the Chapare. USAID's DDCP program is conspicuously absent from the Chapare where, arguably, the municipios could be strengthened the most. The Chapare presents a very difficult challenge in this particular area. On the one hand, it is true that the six coca-growers' federations and the MAS govern the municipios. It is also true that voter turnout during the national election was particularly low in those districts. At the same time, it is also the case that the MAS won by a rather large proportion. Simply turning over the municipios to the MAS by denying them what other municipios around the country have enjoyed appears to be shortsighted at this stage. The basic problem in the Chapare is the absence of effective and positive state presence to counter the perception that all the state wants in the region is to repress coca growers.

The institutional setting in Bolivia suffered severe setbacks since January 2003. The overall situation deteriorated so much that by late February Bolivian analysts were again claiming that the State had collapsed and that the country was in a condition of total anomie. The central dimensions of the collapse can be divided into the following set of characteristics.

The ruling coalition made strides towards consolidation during its first six months in office, but the internal bickering was still driven by the typical job patronage politics. In this sense, one of the main criticism heard repeatedly was that the government had spent too much time resolving job patronage disputes and not enough on the central business of governing. The aforementioned situation had serious negative consequences on at least two dimensions of governance.

First, the economic team within the cabinet was unable to articulate a political plan for the implementation of any economic recovery plan. As a result, the economic team operated in a political vacuum and failed to understand the fundamental essence of Bolivian political economy that economic plans require significant political support to succeed. In other words, it is not enough to have a good economic plan; the political side must also be firmly in place. Second, the government failed to effectively employ its majority control over the legislative branch. For example, it failed to prepare the political way in Congress before submitting the economic recovery plan that triggered the February riots. A basic reality of executive legislative relations in Bolivia over the past fifteen years has been the timely negotiation of the national budget and economic programs to avert significant showdowns and confrontations with the social sectors affected by the measures.

The weakness of institutions was exacerbated by the February 12-13 La Paz riots. It became patently clear that the frail ruling coalition controlled little more than the patronage posts the parties who comprise it sought. At the same time, it could muster no authority to control the rioting population. This situation was evident by the vacuum left by the Sanchez de Lozada government during the long hours following the onset of the riots. The virtual disappearance of the president, vice president and most members of his cabinet made the vacuum evident. As the coalition vanished, it also apparently ceased to function.

This perception was exacerbated by the fact that the National Police effectively led the rebellion and that the armed forces were the only institution left to protect the presidential palace and by extension Bolivian democracy. The armed forces did not, as might have been expected given their coupist past, orchestrate a grab for power in the context of the vacuum left by the fleeing politicians. Instead they protected the palace, although charges of out of control snipers tarnished what might otherwise have been considered a decorous moment. According to interviews conducted since the February riots with members of the armed forces, only young untrained recruits who had barely entered the forces weeks earlier were present at the Plaza Murillo. The carnage that resulted from the confrontation between the military and the police culminated in several very long hours where neither the police nor the military were around to control looters and other vandals

who ransacked government ministries. During those long hours, it was perhaps correct to argue that the Bolivian state and its principal institutions had in fact ceased to function. Recomposing state authority continues to be the daunting task faced by the severely weakened Sánchez de Lozada government.

The institutional and power vacuum left by the aftermath of the February riots could have in effect been filled by the "non loyal" opposition made up of the MAS and the NFR. As Evo Morales stated, if he had wanted to, the MAS would have moved into the presidential palace. Instead both Evo Morales and Manfred Reyes Villa made repeated calls for President Sánchez de Lozada's resignation. While the differences between Morales and Reyes Villa are great, they became momentary allies armed with the objective of ridding Bolivia of Sánchez de Lozada. Four months after the February riots, both remained committed to the goal to force the president to resign.

Rather than dwelling on the characteristics of the riots, the problems stemming from those dates are of greater concern for the vulnerability of conflict in Bolivia. First, the demand that Sánchez de Lozada and his government resign speaks again to a basic problem of institutional design in presidential systems that lack mechanisms to overcome governance crisis. With no escape valve and the overall perception that there is no way that the Bolivian head of state can resist four more years in office, calls for constitutional reform are seen as the best way out of this particular impasse. This is an ironic twist for many reasons. In the early 1990s, President Sánchez de Lozada had been one of the most ardent advocates of the adoption of a parliamentary system that would allow unpopular leaders to be replaced through recall mechanisms without affecting the overall stability of the system.

Another critical issue since February has been the need to reassert control over the National Police and the armed forces. President Sánchez de Lozada argued that his principal problem was the resolution of the conflict with the police. To do so, the government proceeded along two cautious fronts. It respected the basic terms of the agreement signed during the battle by pursuing international assistance for training and to improve the overall situation of the police. A second strategy was to seek a political truce with the police by essentially resorting to age-old cooptation tactics. Thus in April, the president surprised even his other coalition partners by announcing the entry into the government of VIMA, a party made up of retired police officers who had supported the anti-government riots. VIMA's entry stirred a storm of protest within the MIR and certain groups within the MNR. In the end, the president's invitation to the VIMA prevailed.

At least two possible scenarios are possible, given the reality of Bolivian political life.

Scenario 2.1. MAS and MIP combine parliamentary and street tactics and accept the rules of representative democracy (Medium Probability)

This positive scenario would see the MAS and the MIP transform their social movement unionism into effective mechanisms for the representation of the interests of their respective constituencies. Both groups would develop a serious legislative agenda, including the submission of bills for consideration by committees. The result would be effective and viable policy alternatives sometimes negotiated with the ruling coalition and the executive branch and with other opposition parties. The MAS and the MIP would also embark on responsible oversight activities aimed at holding the government accountable.

This scenario assumes that the health and future of Bolivia's democracy rests largely on the transformation of the MAS and the MIP into political parties on the one hand and into loyal supporters of representative democracy on the other. In this scenario, the MAS and the MIP would be rewarded for delivering "the bacon" to their constituencies.

This scenario had a better chance of occurring before the February 12-13 riots. In mid 2003, the MAS appears less likely to accept the rules of representative democracy, although a few sectors within the party are still willing to play the game. The more radical sectors of the MAS, however, would like to press ahead toward forcing the resignation of President Sanchez de Lozada. Although the MAS is far from the pattern of traditional parties, in which internal divisions plague the party structure, serious divisions exist within the party. This situation favors the radicalization of the party rather than an acceptance of the parliamentary and electoral route toward power.

The situation is much different within the MIP. Felipe Quispe's party is deeply divided and a number of individuals who were once close to him have broken ranks and have become vocal critics of the Mallku. Quispe is accused not only of having been co-opted by the government but also of having engaged in a series of corrupt acts. While the MIP was able to mobilize the Altiplano, it is unlikely that it would be able to do the same or at least with as much force as before. It is also unlikely that the MIP will move in the short term toward some kind of acceptance of the rules of the game, as that would further erode its appeal.

Scenario 2.2. Rejection of the party system by MAS and MIP and return to street and road blockades (Medium Probability)

A second and more likely scenario would have the MAS and the MIP continue to reject the party system they have joined, and seek to undermine the basic tenets of representative democracy from within the legislative branch. In this particular scenario, the MAS and the MIP would use the National Congress as a protest forum and as an additional tool to block government policy from within. Deputies and senators of both parties would abuse the oversight mechanisms of the legislature to block government

initiatives. At the same time, they would submit few viable bills for consideration; instead they would dedicate the core of their efforts to block government initiatives.

Under this scenario, the National Congress is transformed into a loudspeaker that would serve to mobilize popular protest. The MAS and the MIP would use the legislative pulpit not to present policy alternatives, but to mobilize street protests, road blockades, and even general strikes. Given the immunity from prosecution that Bolivian legislators enjoy, deputies and senators from both parties would act with impunity in the name of speaking for the masses that ushered them into office.

If this scenario were played out, the government would have no chance of preventing the MAS and the MIP from leading a conspiracy to bring down the system from within. The resulting executive and legislative impasse could result in the government resorting to rule-by-decree to overcome the blockade imposed by the MAS and the MIP in the streets and in the halls of the National Congress. Because massive protests would likely follow the laws decreed in critical policy areas, the result could, in effect, be an absolute crisis of governance.

During the first six months of 2003, this scenario has indeed become reality with the opposition attempting to use oversight mechanisms to not only block government initiatives but also to investigate the events of February and the role of the armed forces in particular. At the same time, however, this scenario has not worked as well as the MAS, MIP and the NFR might have expected. The government has been able to use its slight congressional majority to render the legislature useless. During the congressional sessions, few bills have been approved and the opposition has been incapable of pressing ahead with its select few pieces of proposed legislation. At one point in late May, the opposition even staged a hunger strike to force the government majority to agree to include proposed legislation. Policymaking is centered in the executive branch and the opposition has been unable to convert the legislature in a significant place either for the treatment of relevant legislation or for a broader discussion about the situation in Bolivia.

Scenario 2.3. Collapse of the ruling coalition and serious crisis of governability (Medium Probability)

The fragile ruling coalition worked well for the first 100 days of the administration, but its role was largely limited to a search for consensus regarding policy and the even distribution of patronage posts between the MNR and the MIR. Overall, the legislative agenda of the coalition has been limited, and only in early November did long-awaited policy announcements appear.

The ruling coalition is a strange and fragile assortment of long-term enemies who have agreed to work together because the prospect of the country's collapse appeared imminent in the aftermath of the 2002 elections. This coalition of last resort managed to

save Bolivian democracy, at least temporarily, and its success will largely be determined by the cohesion these erstwhile political enemies are able to develop.[9]

A possible scenario of coalition collapse is likely, despite the apparent degree of goodwill that has developed between the partners. Basic issues such as the distribution of posts to party militants provoked tensions within the coalition. At times, even the lack of acknowledgement of a party leader also appeared to potentially unravel the coalition. Moreover, expanding the coalition to include other members, such as the NFR, carries with it a serious cost in terms of cabinet posts.

A breakdown in the coalition would have severe consequences for governability in Bolivia, as the president's party would have a very difficult time articulating a new coalition with other members of the opposition. An early transition, which is what many desire, would submerge the country into a long period of uncertainty. No constitutional mechanism for succession exists and the president's resignation alone would not suffice. Assuming Vice President Carlos Mesa assumed the post, he would be expected to call early elections rather than serve out the remaining four years left in the presidential period. If the experience of Ecuador is any indication, transitions are costly experiments with very uncertain outcomes. In contexts as problematic as Bolivia, an untimely transition could send the country into years of turbulence, especially if the opposition is not satisfied with the outcome.

An untimely transition in the current context would not produce a clear-cut outcome. As noted earlier, the 2003 crisis has eroded the popularity of all political actors. Although Evo Morales remains at the helm, his approval rating has also declined. Considering the electoral rules, it is unlikely that any party would emerge as the winner. Several possibilities exist, although they are too speculative to fully develop. One contemplates the return of former president Quiroga leading a new movement that would draw its strength from dissidents from all parties and the reputation of efficiency that he left behind. A second likely coalition would be one headed by Reyes Villa's NFR, which has adopted the constituent assembly call as one of its principal flags. The NFR is unlikely to achieve the 50% plus one required to win without a congressional round. Despite its falling popularity, if elections were held now, the MAS would likely be the principal contender. Like the others, however, it would fail to attain victory and to become government it would have to negotiate with the others. Finally, given their poor performance, the MIR and MNR would appear to have no chance of being major contenders.

At this particular stage, all actors appear poised to contest the municipal elections next year and have in some measure left behind the cacophony of earlier months calling for an early transition. While this is very positive, problems will soon begin to arise with this electoral process. The most serious is an inexperienced national electoral court that has

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[9] As Malloy and Gamarra argued in *Revolution and Reaction: Bolivia 1964-1985*, (New Brunswick: Transaction Books, 1998), that the fundamental driving force for politics in Bolivia is access to jobs. While the current coalition was probably driven first and foremost by the need to save the system, the underlying logic is still driven by job factionalism.

been mired in problems ranging from resignations to sheer incompetence. According to a former member of the court, it is unlikely that it will be able to prepare for the elections and whatever round comes first --municipal or a special presidential election. If this were to be the case, charges of fraud, and incompetence would erode the legitimacy of the outcome.

During the first six months of 2003, the ruling coalition experienced several severe setbacks, including the February 12-13 riots. As a result, the possibility of a coalition breakdown is not remote. At least three reasons could account for a coalition breakdown. First, the entry into the coalition of new parties such as VIMA strained relations between the MNR and MIR almost to the breaking point. VIMA is still in the coalition and the other two parties have simply agreed to a very precarious balance. Second, the coalition has nowhere to expand except to include the NFR, which still refuses to join the government. An NFR entry could make the coalition stronger but its entry is unlikely. The NFR continues to be one of the principal forces calling for the resignation of President Sánchez de Lozada. Third, the MIR and the MNR are experiencing severe internal rifts. In both parties, the senior leadership is facing serious challenges from younger members who are calling for the modernization of their parties and/or who disagree with the line adopted by the coalition. These challenges could result in serious divisions within these two parties that would further serve to weaken the ruling coalition.

SCENARIOS FOR CITIZEN AND PUBLIC SECURITY IN BOLIVIA

In the last few years, surveys in Bolivia have identified a growing sense of public insecurity stemming from a general urban trend of rising criminality and violence. In response to this trend, the former government headed by General Banzer and Jorge Quiroga introduced a plan to guarantee citizen security. In some measure inspired by community policing notions in the U.S., the central idea was that the Bolivian police would be restructured to be evermore present in neighborhoods and to be identified as part of the community in an effort to thwart crime and delinquency. The results of the citizen security program have not been encouraging, as violent crime has dramatically increased over the course of the last few years.

The Banzer government's notion of citizen security referred simply to protecting citizens from crime. In this sense, the concept was improperly applied, as in essence the reference was to the traditional notion of public security. Citizen security refers to a much broader notion of expanding and guaranteeing citizenship rights, including civil liberties. This confusion in the use of these terms has contributed to the sense that protection from crime may necessarily be a function of the reduction of citizen rights. Thus, under the Bolivian notion of citizen security, the agencies involved in protecting citizens included the military and the police. As happened in the counter-drug area, the use of the military in law enforcement activities has led to a significant confusion in roles and missions. In the worst-case scenario, this confusion has led to excesses in dealing with alleged criminals; abuses are not condemned because the security from crime is paramount, not the protection of basic civil liberties. As shall be seen, attempts to promote citizenship have run into basic demands for security from criminals. The

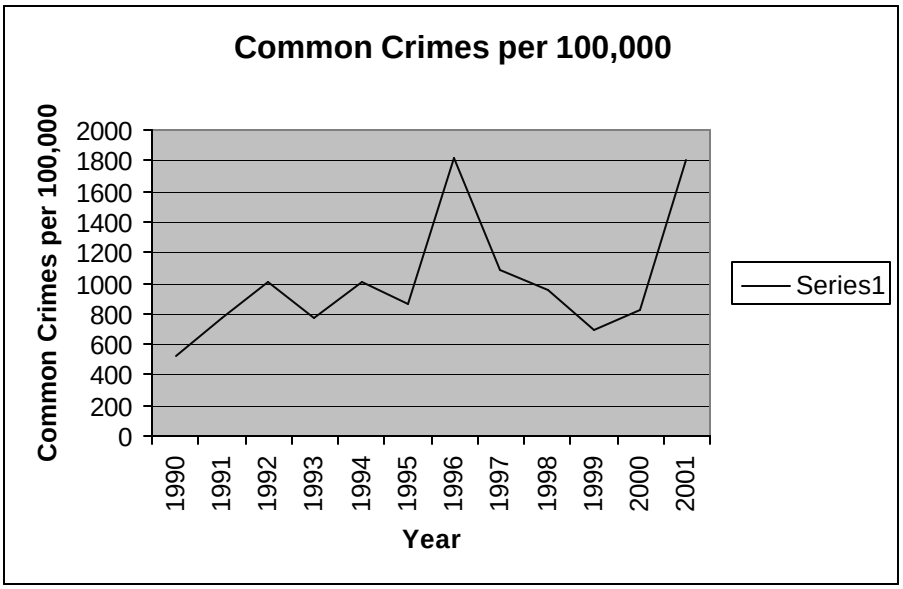
paradox is that demands for greater involvement of these actors in public security matters have come from citizens fearing the breakdown of civil order and not from the military or the police.

This brief introduction allows for a better understanding of the crisis of public and citizen security that urban Bolivia appears to be facing. In this particular scenario, it is important to note that the cross-cutting themes of this assessment are clearly visible. The state is unable to deal effectively with crime as a result of an ineffective law enforcement structure. In this sense, the police force is plagued by corruption, organized crime, and an overall incapacity to deal with crime. At the same time, the entire administration of justice structure has proven to be inadequate to deal with the current explosion of urban crime. The theme of social exclusion is also clearly evident in this discussion, as both victims and victimizers appear to be individuals who are products of a system that has failed to provide opportunities for most of its members. Finally, the mobilized nature of civil society has also produced a perverse response to the explosion of crime. In the context of the weakness of state institutions, lynching, torturing, or beating to death a suspected criminal has gained remarkable legitimacy.

Table 1

Description	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Common Crimes	32,531	48,922	64,972	54,052	74,041	63,529	138,246	84,331	75,944	56,181	67,052	149,663
Change 1990 base	0	50.39	99.72	66.16	127.6	95.29	384.97	159.23	133.45	72.7	106.12	360.06
Population	6,157,449	6,292,889	6,420,792	7,065,211	7,313,939	7,413,834	7,588,392	7,803,317	7,958,492	8,089,494	8,196,324	8,274,325
Common Crimes per 100,000	528	777	1012	765	1012	857	1822	1081	954	698	818	1809

Figure 7


Common Crimes per 100,000
Common Crimes per 100,000
2000
1800
1600
1400
1200
1000
800
600
400
200
0
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
Year
Series1

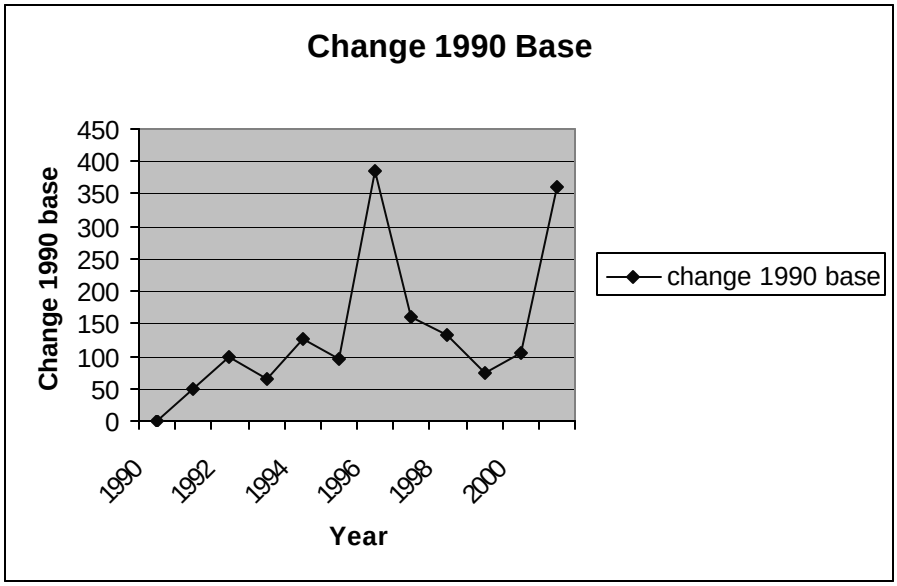

Change 1990 Base
Change 1990 base
450
400
350
300
250
200
150
100
50
0
1990
1992
1994
1996
1998
2000
Year
change 1990 base

Table 1 (previous page) summarizes the evolution of crimes in Bolivia over the last decade. Taking 1990 as a base, the crime rate has expanded nearly 360 percent, especially in 2001. Preliminary data for 2002 suggests similar figures.[10]

Violence in Bolivia has also taken on a gender-based characteristic. In 1995, the Law Against Family and Domestic Violence (LCVFD) was passed to deal with physical, psychological, and sexual violence against women. This established specialized units such as the SLIMS (within municipalities), the Family Protection Brigades (within the Police), and the Children and Adolescent Ombudsman (Defensorías del la Niñez y Adolescencia). Despite this effort, intra-family violence, especially against women, is deeply rooted. The following table shows the rate of intra-family violence between 1997 and 2000.

Table 2 Bolivia: Cases of Intra-Family Violence Attended by Health Units

Geographic area	***Total***				***Inter-Family Violence Against Women***				***Intra-Family Violence Against Men***			
	1997	***1998***	***1999***	***2000***	***1997***	***1998***	***1999***	***2000***	***1997***	***1998***	***1999***	***2000***
Bolivia	2406	2222	3913	2648	1715	1641	2774	1884	691	581	1139	764
Urban	1324	660	1011	937	929	500	839	753	395	160	172	184
Rural	1082	1562	2902	1711	786	1141	1935	1131	296	421	967	580

Source: Based on data from Bolivia: Anuario Estadístico 2000, page 256.

These cases do not reveal a clear pattern in terms of physical aggression against women. In 1998, these cases were down in relation to 1997. In 1999, an increase occurred followed by a decline in the year 2000. The most significant difference is found when comparing urban and rural violence. Only in 1997 was intra-family violence against women greater in urban areas. In all other cases, however, intra-family female violence was much higher in the rural areas.

Numerous factors account for this explosion in criminality. New attempts to provide resources and incentives for rural agricultural sectors, through land-tenure programs and new social services, have not helped rural sectors develop competitive economic alternatives. As a result of the capitalization and privatization of state industries, which produced high levels of unemployment, combined with the steady influx of migrants from rural to urban zones, Bolivia experienced accelerated growth of peri-urban,

[10] These data are taken from the Instituto Nacional de Estadística. A more detailed analysis of this trend can be found in *Defensor del Pueblo, Informe Especial del Defensor del Pueblo Sobre Seguridad Ciudadana en Bolivia* (La Paz, 2002). In our view, while the data reflect a plausible general trend, the dip in the mid-1990s merits careful re-evaluation and interpretation. One interpretation could be that the economy was doing better, so crime rates dropped considerably. Another unlikely explanation is that the Banzer-Quiroga government launched its Citizen Security Plan and that it is responsible for the decrease in crime. In our view, the problem lies with the law enforcement source of the data. Data gathered by the team directly from the police in La Paz, El Alto and Santa Cruz was different from the data provided by the INE and the Defensoría del Pueblo study.

underdeveloped, peripheral *villas miserias* (shantytowns). These communities grew up rapidly in and around major urban areas, such as La Paz, El Alto, Santa Cruz and Cochabamba, with little regulation, often as technically illegal land takeovers, or in the form of migrant "dormitory" communities, and in conflict with the urban planning of local municipalities. These communities became sites for new sweatshops, clandestine factories, and other ventures in the "informal" economy. A recent and significant phenomenon has been the dramatic arrival of other immigrant groups, such as migrants returning from Argentina, who have arrived to swell the ranks of the urban unemployed in Cochabamba, and Peruvians who have become an important group in El Alto.

Peripheral communities organized themselves politically, often on the basis of previous political experience in mining, labor, or peasant unions. These communities petitioned local, provincial, and departmental municipal governments for the extension of basic services to these zones, including water, trash pick up, sewer drainage, paved roads, public bus services, and electricity, as well as for public recognition as "legal" settlements. Despite the continued funneling of funds to municipalities through popular participation or regional NGO support with foreign resources, funding remains woefully inadequate to meet the new pace of accelerated urban growth and to supply basic services to new communities. Regional elites, often filling out the political and civil hierarchies of provincial towns and small cities, operate in the new peripheral zones by establishing political bases built on patronage support (with political favors for votes), engage in graft, and alienate new urban migrants.

The lack of municipal response to the desperate needs of peripheral communities led to growing resentment among "inner-city" urban dwellers toward new undesirable social elements represented by the in-migrating population. A "bribe culture" among public servants who do work in the urban peripheral context—such as schoolteachers, police officers, local officials, lawyers, and judges—caused communities to look to their own means for self-support and communal defense against urban predators like thieves or gangs. Communities began to make "justice with their own hands," organizing vigilante groups, carrying out lynchings, and seeking out other spectacular and unconstitutional means to advertise their evident profound disempowerment. In the process, the value of citizenship as a worthwhile social category promising "rights" was greatly diminished, and popular sectors questioned the incentives to cooperate with government civil society reforms.

In cities such as Santa Cruz and El Alto, this general situation dramatically manifested a sudden increase in violence, assaults, kidnappings, robberies and other crimes. Criminal youth gangs, comprised mainly of the adolescent children of second-generation migrants from rural areas, proliferated, thus creating a general sense of public insecurity. At the same time, drug abuse has become a significant problem among these youth. Moreover, among female adolescents, prostitution has become a viable way to avert the life of poverty and marginality that they encounter in these peri-urban settings.

In this particular setting, the major problem has been the inability of law enforcement to take effective action that might lead to greater public security. In the context of the

implementation of the new Code of Criminal Procedure, which aims to promote basic due process and to minimize human rights abuses, it has been more difficult to simply arrest and detain without due process for individuals accused of criminal behavior. Police complain that sometimes the criminals they detain are released before they can even file the required paperwork because of the CCP's generosity toward criminals. In their view and that of many citizens, the CCP has sided with the criminal and punished the victim.

The public's perception, as evidenced by press coverage throughout Bolivia, is that the CCP is largely responsible for the increase in public insecurity that has occurred over the past two years. A general sense appears to be brewing among the public, law enforcement, judges, and policymakers that, while it is a "nice document," the CCP is a foreign imposition that is not adequate to the social reality of the country. The proliferation of acts of vigilantism in cities such as Cochabamba, Santa Cruz and El Alto in recent months suggests that the complaints by law enforcement officials that they are unable to respond has led the public to accuse them of joining the criminals, and thus has justified their own direct brand of justice.

In the shanty towns that surround Santa Cruz, Cochabamba, El Alto and La Paz, residents have resorted to direct action in the midst of what they perceive as the inaction of state institutions such as the police and the justice system. In other words, the poor take justice into their own hands. According to sociologist Juan Ramón de la Quintana, at least eight cases of urban lynchings were documented in 2002. Another significant trend toward the privatization of justice occurs in the wealthier areas, where private security agencies have proliferated because the police are no longer able to provide security.

Figure 8

The Santa Cruz Situation

- In 2002, the Technical Police registered almost 1,500 cases of aggravated assault, up from only 106 in 2001. Through the end of December 2002, 200 murders were registered in Santa Cruz, up from 69 the previous year. The Technical Police also announced a 233 percent increase in robbery, at a daily average rate of 7.8. These figures do not take into account petty theft, which according to the PTJ reached 9,834 cases.

- According to the Santa Cruz police, the most serious situation is the proliferation of youth gangs. In 2002, 65 such gangs, varying in size from 20 to 100 youths, were said to exist in different neighborhoods of the city. Police claim that these gangs account for the increase in armed robberies, which occasionally have ended with fatalities. Youth gangs in Santa Cruz have adopted names such as Los Satánicos, Los Escorpiones, Los Latin Kings, Los Bagales, and Los Vikingos. Turf battles between these gangs have resulted in large street brawls that produce large numbers of injured teens.

- Santa Cruz presents an interesting example of the trend toward the privatization of security. According to the *Federación de Transportistas* (Transport Federation), between 1999 and 2000, 316 taxi drivers were victims of crime. In 2002 alone, 80 taxi drivers suffered some form of assault; 30 drivers were murdered in the course of the attacks. As a result, with the support of the Civic Committee, taxi drivers organized a protest march on August 10 demanding protection from the government. Subsequently, they announced the establishment of an armed self-defense group. On August 8, a self-described Association of Crime Victims announced the establishment of an armed civilian squadron to fight crime.

- Car theft has also become a significant dimension of organized crime in Santa Cruz. According to the police, car theft rings are run directly by convicts from inside the walls of the Palmasola prison. In 2002, several individuals claimed to have received phone calls from inside the prison demanding ransom payments in exchange for their stolen vehicles. According to the Stolen Vehicle Division of the Santa Cruz Police Department (*Dirección Departamental de Prevención e Investigación de Robo de Vehículos*), 3359 cars were stolen in 2002.

Apart from the accusatory finger pointed at the CCP, police accuse the Human Rights Ombudsman's Office of generating a culture of disrespect for the law. Officers claim that criminals defy officers and threaten to sick the Defensoría on them for violating their human rights. A few citizens groups, egged on by press coverage of the release of individuals accused of crime because evidence was scant or non-existent, have made significant noise against the CCP and the Defensoría for protecting criminals who prey on their victims after they are released.

In the context described above, one of the most significant problems has to do with the police institution, which is the only one that must daily deal with the problem. According to a recent Defensoría del Pueblo study, there are at least ten problems that affect the ability of the police to deal with the proliferation of crime: 1) politicization; 2) the militarization of its structure; 3) inefficient centralization; 4) extensive corruption; 5) extensive impunity; 6) discrimination; 7) inequity; 8) instability in its leadership structure; 9) lack of resources to effectively fight crime; and 10) low levels of professionalism. These problems were confirmed in the city of El Alto by two focus groups the CVA team conducted. The general perception that the police are largely to blame for the proliferation of crime has undermined the legitimacy of the institution. This situation begs for the establishment of foreign donor programs aimed at police reform.

The previous description of the situation was written before the February incidents involving the police. The situation with crime and punishment in Bolivia became more serious after those incidents in large measure because the police force itself became engaged in violence. In late February 2003, the police institution became fifty percent armed union, as Jose Gramunt described it in the aftermath of the riots, and fifty percent organized crime. Not only had it acted like a labor union seeking higher wages by shooting at the government palace, an innumerable number of officers were facing accusations of corruption, armed robbery, theft, and other major crimes. Citizen confidence in the police was at an all time low before February 12.

The perverse paradox of the February riots was that the death of more than a dozen members of the police and the riots that followed the battle between the military and the police, the police emerged as the victim of the military and as the only institution capable of restoring order in Bolivia. At the same time, public support for the military waned. Popular support for the police dropped again in subsequent months, especially as the crime wave ran its course unabated.

In Santa Cruz, a crime wave characterized by murders, carjackings, kidnappings and other such crimes has held the citizens of that city at bay. Calls for greater police presence have been answered, and the police still lack the credibility and the training to make many inroads. At the same time, paramilitary types of citizen defense units, such as Seguridad Ciudadana Camba (SCC) have announced their appearance and have pledged to clean up the city by executing criminals. In rural Bolivia, especially the Altiplano and the Cochabamba region, lynchings or beatings of suspected criminals are on the rise.

The government has sought assistance from Spain to reform the police and to deal with the crime wave that is enveloping the country. US assistance to the police is under review as some units that received training were engaged in the February incidents. With perhaps one exception, officers involved in the riots have essentially been pardoned. In summary, the police will receive additional training from Spain, but the structure of the institution will remain largely the same as before February 12. Given this situation, it

is unlikely that the current police force will be able to make much of a dent into the crime wave that is affecting the country.

Scenario 3.1. Deepening of the trend toward violence and criminality in the context of an accelerated decline in public confidence in the police and a rejection of the new CCP. (High Probability)

Crime and violent activity across the country's four largest cities is likely to increase dramatically in the context of the economic crisis and continued rural migration. Crime rates are likely to continue at their current high level because no measures have been taken to effectively address the explosion of criminal activity. The high level of distrust in the police that prevails, owing mainly to a general perception that they are part of organized criminal bands, will continue to contribute to the problem. Police at all levels of the institution will continue to lack proper training on the CCP, and will join those sectors of society who blame increases in crime on the new code. The problem will be compounded by the simple fact that the Judicial Technical Police (*Policía Técnica Judicial*) will continue to release suspects who are improperly arrested. As an increasing number of suspects are released for lack of evidence or other reasons, the pressure will continue to build for a modification of the code, or even a complete rejection of what is labeled by many as an imported piece of legislation with no applicability to Bolivia.

Scenario 3.2. The trend toward public insecurity will accelerate dramatically, causing the emergence of organized and popular vigilante activity. (High Probability)

The first scenario may simply be a prelude to this second trend, which is already reaching significant levels throughout Bolivia. Citizens will continue to take the law into their own hands at an alarming rate, claiming that the police have joined the criminals and that the only way to guarantee security in the streets is to send a direct message to criminals. Lynching may become a routine way for communities to deal with robbery, assaults, and other such crimes. Law enforcement, fearing retaliation from the citizenry, will continue to be incapable of stepping in to protect those accused of crimes. This particular characteristic is possible in cities such as Santa Cruz, where increases in criminal activity are blamed not only on the CCP, police complicity, and the Defensoría, but also on the presence of Kolla migrants from the highlands. This particular form of vigilantism is already evident in the rural areas of Santa Cruz, where large landholders have organized such groups to fend off so-called land invaders. It is also evident in the middle of the principal cities as well, where several petty criminals have met death as a result of beatings, burnings, or lynchings by angry mobs. While there may be some outcry in the press about this kind of activity, and the Defensoría would likely play a role in condemning such acts, the affected sectors may indeed welcome this kind of public security mechanism.

Scenario 3.3. The overall deterioration in public security will lead to the accelerated presence of private security firms, leading to the overall privatization of security. (High Probability)

The huge increase in crime rates over the past five years or so has resulted in the increased presence of private security firms. In fact, new legislation was approved allowing the presence of these institutions. This form of privatized security is particularly evident in the wealthier neighborhoods of the largest cities, as it appeals to those who can afford the service. In many cases, individual private guards are former police or military officers. Moreover, former military or police are often behind these private security firms. At the same time, a large number of the individuals hired as guards have no formal security training. In this context, one likely situation is that private security guards acting to protect their clients could use unnecessary force leading to death or injury of suspects. This has been a very common trend in other countries where private security firms have proliferated. Untrained security guards with handguns or other weaponry also tend to use these weapons inappropriately.

Scenario 3.4. Increases in crime soon overcome the ability of private security guards and the police. The military takes on a greater role in internal security to control the expansion of criminal activity. (Medium Probability)

Bolivia's police force has already demonstrated that it is incapable of dealing with the proliferation of urban crime. As criminal youth gangs and other organized crime groups grow in size and influence, citizens will demand a much stronger hand to restore peace and tranquility to their neighborhoods. Private security guards provide some relief to the wealthy who can afford to pay for this service. Vigilante activity, including occasional lynchings, proves to not be an effective deterrent to crime. More importantly, in cities such as El Alto and Santa Cruz, citizens complain that crime rates are the result of the actions of foreigners, especially Argentine, Peruvian, or even Brazilian criminals. In this context of apparent urban breakdown and lack of response to citizen demands, the government orders military forces to participate in urban law enforcement activities. The results would be a temporary relief for the affected neighborhood, but no relief to those areas to which criminal activity would be displaced.

SCENARIOS IN THE ECONOMIC ARENA

The Bolivian economy has experienced five straight years of recession, and there is no end in sight. Government economists project a growth rate of about two percent for 2002, which is not enough to resolve the serious problems that the country faces. The most pressing issue is an open unemployment rate of about 12 percent, and a staggering 68-72 percent of the population that survives in the informal sector. Most Bolivians are outside the economic mainstream and survive on what informality gives them. Additionally, Bolivia continues to be one of the most unequal economies in Latin America in terms of income and wealth distribution. Similarly, poverty rates, which

appeared to drop in the 1990s, are now on the rebound.[11] Finally, the impact of the crisis of Bolivia's incipient industrial sector has been huge. At least one of interviewees claimed that 40 percent of the manufacturing industry in Bolivia had closed down in the last four years. If this is the case, Bolivia is undergoing a de-industrialization process similar only to Argentina.

Economic analysts interviewed for this assessment argue that the basic problem with Bolivia's economy is a dramatic drop in aggregate demand. In other words, no one appears to be buying or selling anything. In the first few months of the Sánchez de Lozada government, attempts were made to stir demand, but to no avail. The government's Plan Bolivia aimed to fuse the MNR's and MIR's electoral platforms by linking work and emergency themes in an attempt to deal with the crisis. The three pillars of the strategy include: a so-called enterprise hospital; public works with jobs; and social protection. Overall, the most notable dimension of this plan is the role of the state, which has taken on a protagonist presence to resolve the crisis. Plan Bolivia aims to assist firms that are in crisis through debt relief programs, and launch a massive road and housing construction program that will, according to government officials, generate over 200,000 jobs and result in an investment of over five billion dollars. The government also extended emergency employment programs (PLANE) through the end of 2003. In addition, the government received a $40 million pledge from the IDB to facilitate plans to address these pressing social needs.

As noted earlier, the government's principal economic strategy during its first months in office was to send to Congress the BONOSOL, which established a payment of $bs1,800 (about $250 USD) per year to all Bolivians over the age of 65. This bill created a serious political scuffle, as members of the opposition, presumably on the left, opposed what is in essence an entitlement to one of the most excluded social sectors. At issue was the source of the money, which the opposition claimed would deplete worker contributions to the so-called *Fondo de Capitalización Individual* (FCI), a fund where workers contribute voluntarily to their retirement pensions. At the same time, the government pushed a universal insurance scheme for mothers and children under five (*Seguro Universal Materno Infantil*-SUMI). In essence, the program transfers resources and responsibilities to the 316 municipal governments. Critics are wary of the ability of municipal governments to carry out these tasks. As was the case with the BONOSOL, the SUMI had few supporters in the opposition, which paradoxically appeared to be calling for greater fiscal responsibility despite their populist and leftist leanings.

The principal short-term issue faced by the government is the launching of an economic recovery plan. To be successful, this plan would have to deal with three simultaneous issues. First, the plan would have to count on the blessing of the IMF. Negotiations between the government and the IMF mission to Bolivia have been ongoing for at least

[11] An important discussion regarding poverty rates in Bolivia has taken place over the past few years. The most important data on trends can be found from INE and UDAPE. According to the data, poverty rates dropped considerably in the 1990s. The economic crisis that has afflicted Bolivia, and the continued expansion of the informal sector, has contributed in our view to the rebound of poverty in the early 2000s. Government officials interviewed for this project share this interpretation.

four months, and they have not been pleasant. At times, rumors circulated that the negotiations were about to end, that the cabinet was deeply divided over the IMF recommendations, and that the mission would soon leave Bolivia. Satisfying the IMF involves dealing with the fiscal deficit that exceeded eight percent of GDP, although this includes the deficit acquired as a result of pension reform. In any case, the government had to come up with a way to limit spending or raise revenue to pay for its social programs. Either way, the choices were limited and difficult.

On February 9, 2003, President Sánchez de Lozada launched a major tax reform plan aimed at both generating revenue to carry out the government's "Obras con empleos" program and satisfying the IMF's condition to reduce the size of the fiscal deficit. According to President Sánchez de Lozada, the basic criteria of the new plan was not to harm the poorest Bolivians and to ask middle class Bolivians to assume this sacrifice. Sánchez de Lozada also claimed that unless this plan was approved (it was part of the budget that must be discussed in Congress), the country was headed toward economic collapse. A few government officials claimed that the plan, which involved a 12.5 percent tax increase, was the most significant economic program since the launching of the NPE in 1985. The opposition including the MAS, the COB and even the private sector called for mobilization to resist this plan.

The economic plan did not include anything tangible beyond the BONOSOL and SUMI, which had earned the government the support of at least 300,000 Bolivians, including senior citizens and mothers. New taxes rarely generate any supporters, and the costs of the program appeared to be unevenly distributed. Most predicted street marches and other demonstrations throughout 2003.

The new economic plan included a small dose of symbolism that attempted to signal that the country was moving "beyond neoliberalism" toward a more humane development strategy. How this was to be accomplished in the context of raising taxes to satisfy the IMF was the key question. Just as there was a need in 1985 to redefine the development strategy, this government faced the challenge of inventing a new one that can generate some type of national consensus. The only innovation is renewed state involvement in the economy, and the February 9 plan did not go far enough in this direction. To the contrary, it appeared to reaffirm Neoliberalism.

The riots of February 12-13, spearheaded by the assault on the presidential palace by the police, were in direct response to Sánchez de Lozada's economic plan. This popular perception was so intense that by 4:30 pm of February 12, the president withdrew the proposal hoping that things would calm down. Hours later they did but not before hundreds were injured and several dozen were killed. The government was forced to go back to the beginning, only now it lacked any political basis to pursue a strategy.

Pursuing a new development strategy, even in a symbolic way, will have to take into account the tremendous anti-capitalization sentiment that has emerged in Bolivia in the wake of scandals related to the sale of LAB, the national airline, to VASP, a bankrupt Brazilian airline. The apparent rescue of the airline by Bolivian entrepreneurs failed to

save the airline. Instead it brought to the fore charges of corruption and back-door deals. Even in those industries that have improved service, such as ENTEL, the national telecommunications company, Bolivians have complained of outrageous fees and charged the company with hiding profits.

The anti-capitalization sentiment is particularly sensitive as a result of the impending decision to sell natural gas to the U.S. through Chile. As the leader of the party that launched capitalization, few expect the president to abandon this strategy. At the same time, attempts at deepening capitalization strategies will inevitably stir social unrest. In the aftermath of the February riots, the government indefinitely postponed the gas decision and most analysts believe that the business opportunity to sell to California has been lost.

On a related front is the whole issue of anti-globalization, especially the recent protests against the FTAA/ALCA staged by Evo Morales and the MAS. Social mobilization against free trade has taken on an important dimension in Bolivia, although it is still incipient. Nevertheless, billboards, seminars, workshops, and demonstrations against ALCA have become commonplace in recent months. In early December, even James Petras, the controversial anti-globalization professor from SUNY Binghamton, delivered standing-room-only lectures to MAS supporters. In the first six months of 2003, Evo Morales has significantly expanded the anti-FTAA/ALCA rhetoric and has consolidated international support for his position.

While Bolivia has been involved in the FTAA negotiations since they were launched in 1998, the Banzer/Quiroga and Sánchez de Lozada governments have done very little to develop an understanding of the proposed trade arrangements. Under Quiroga, almost the entire focus was on the U.S. congressional ratification of a new Andean Trade Preference Act with more stringent anti-narcotics provisions. Bolivia under Sánchez de Lozada appears to be waiting mainly for some direction from Brazil's Lula. After visiting Brazil during the Lula inauguration, the Bolivian president noted that there was a need to think about the FTAA and to seriously consider a bilateral agreement with the U.S.

In any case, no real FTAA strategy is likely to emerge, especially after the February riots. At the same time, the anti-FTAA movement appears to be growing beyond the predictable opposition of the MAS and its supporters. The focus group conducted by the CVA team in Santa Cruz, for example, revealed an extraordinary level of anti-FTAA sentiment among the business community in that city, where most of the county's export industry resides. Business people attacked U.S. subsidies, complained of closed borders, and noted that free trade would constitute unfair trade because smaller economies such as Bolivia could not possibly compete with the U.S. In short, their complaints echoed those of the MAS and the traditional anti-imperialist left.

Although free trade appears to be a major catalyst of nationalistic sentiment, it is unlikely to be the great articulator of conflict in Bolivia. Anti-FTAA sentiment will prevail and will likely serve Evo Morales and other individuals such as Oscar Olivera, who will

continue to thrive from multiple invitations around the world to anti-globalization forums. These movements, however, are unlikely on their own to be the cause of major conflict in Bolivia.

If the natural gas issue is placed within the context of the anti-globalization movement, then the situation might change considerably. As many of the dozens of interviewees for this assessment noted, the great articulator of social conflict in Bolivia could be the decision to sell gas to the U.S. through Chile. This decision, which is unlikely to be announced in the aftermath of the February 2003 riots, has the potential of linking the anti-free trade movement with anti-Chilean nationalism and with the anti-privatization (capitalization) sentiment that has swept the country in recent years.

Scenario 4.1. The *Stand by* agreement with the IMF provides sufficient new capital to allow the government to survive through 2003. Growth rates are not met, widespread protests occur nationwide. By late 2003, the government will again have to negotiate an IMF agreement and will face an even greater crisis than the one it faced in February. (High Probability)

The Stand By agreement with the IMF was signed in the wake of the February riots and seeks only to give the government enough support to enable it to survive this year. The most important characteristic of this agreement is that it opens the door for additional funding from agencies such as the World Bank and the Inter American Development Bank. The Stand By agreement presupposes that Bolivia will be able to: increase its hydrocarbons production, double textile exports as a result of the ATPA mechanism that allows these to enter the US duty free; and, expand agricultural production because of improved irrigation and transportation systems.[12]

The Stand By may have bought the government much needed time and may allow it to survive 2003, but it has certainly not resolved Bolivia's serious economic crisis. Hydrocarbons exports over the long term are jeopardized without the sale of natural gas and there is no likely deal in the horizon. Moreover, investment even in the hydrocarbons sector is likely to disappear in the current context of uncertainty. It is also unlikely that the government will pursue a strategy to sell gas through Chile. The most promising sector appears to be the textile sector, but it is still too small to make a major dent on Bolivia's economy and is certainly not going to be the motor behind the economy's recovery. Agricultural growth is also another illusive target, especially if unrest plagues the countryside.

By the end of 2003, the government will have to again come to terms with the economic reality of the country and put forth a plan that deals with cash shortfalls and a budget deficit as high as 10 percent of GDP. This is a worst-case scenario, especially if the government coalition fails to provide the political muscle. In any event, social mobilization against any plan is likely to occur. This economic reality is one that will

[12] See Muller and Associados, El Acuerdo con el Fondo Monetario Internacional y la Coyuntura, Mayo 2003.

affect this government severely, but would be more severe if opposition sectors obtain their goal of an early transition. The possibility that a transition government will fare better is remote or nil because the economic situation would be even worse than under present circumstances.

Scenario 4.2. To avert a repetition of the February events, the government produces an economic package that relies heavily on public spending and foreign assistance. The plan is able to produce a very visible response that receives popular support and allows the government to not only survive 2003 but to also look with greater optimism to finishing its term. (Medium Probability)

The government will attempt to produce an economic package that is heavily oriented toward public relief measures that will reduce unemployment, target poverty, and otherwise produce tangible short term and visible results. This economic package is the government's last best hope that it will restore faith in its ability to govern Bolivia. The government economic team centered in UDAPE and the office of the Ministry of the Presidency has the talent and the president's support to produce such a plan.

This is a long shot scenario, as the Bolivian economy has shown few signs of recovery, the international donor community has seen no real progress toward such a plan, and the government's economic team has no real visible political support. For this reason, it is unlikely that a government-rescuing economic plan will be produced before it again has to face widespread social mobilization and a new round of negotiations with the IMF.

Scenario 4.3. Sale of natural gas fuels nationalism and nationwide protests (Low Probability)

Following the February crisis, this scenario is unlikely to occur for the foreseeable future. Here, the government announces the sale of natural gas to the U.S. The sale involves putting together an international consortium of investors made up of companies from Argentina, Britain, the U.S., and Spain. Responding mainly to the economic logic that the sale would be more profitable through Chilean territory, the government takes the calculated risk to announce a deal that involves the construction of a pipeline to a coastal town in Chile, the construction of a gas-to-liquid plant in Chile, and the purchase of several tankers. The government justifies the sale by stating that the profits from the investment deal would result in the quadrupling of Bolivia's income from exports. To mitigate the possibility of a social explosion, the government announces that it would also construct a system that would deliver natural gas to the homes of most Bolivians at a subsidized price.

Despite unsuccessful or unpopular privatization measures in the past (e.g., Water Wars involving the sale of SEMAPA in Cochabamba), Bolivia agrees to the natural gas deal and fights the generalized perception that the negotiations with private investors were characterized by a weak negotiating position. Opposition groups, including the MAS, MIP, civic committees, and others, argue that the government has increased the

vulnerability of a domestic economy that continues to lack both diversification and favorable trade status. They also argue that different transnational corporations, largely unfamiliar with the questions of social capital "on the ground," will become major economic (and also political) actors in Bolivia overnight. Moreover, they contend that operations are conducted in a nontransparent fashion, fostering a public perception of collusion between foreign investment interests and Bolivian national elites in government.

The government is moving cautiously so as not to stir the wrath of the myriad groups that expressed their opposition to building a pipeline to Chile and exporting Bolivian gas through Chilean ports. While it would appear that the anti-gas-sale coalition would span ideological, generational, and regional lines, civic groups in Tarija and Santa Cruz, the departments where most of the natural gas and hydrocarbon reserves are located, support the government's decision and mobilize to defend it. The potential confrontation between nationalists and regional economic interests is indeed high in this scenario.

SCENARIOS FOR LAND OWNERSHIP AND USE

The February 2003 riots have not fundamentally altered the scenarios developed by the original CVA team. At best, the situation remains the same. In fact, the riots and the uncertainty that resulted from them, has exacerbated the situation as moves toward dealing with the land issue have met with severe political resistance within the ruling coalition to the point that high ranking government officials believed that dealing with this issue could trigger the collapse of the government.

Land ownership and use in Bolivia is the one area where consensus exists that conflict is most likely to occur. Asked by the CVA team what would trigger conflict in Bolivia in the next five years, Evo Morales, the leader of the opposition and coca growers, answered "the land question." When this assessment was originally commissioned, it was widely assumed that the focus would not be on land but on other more pressing issues. As the team conducted interviews in the field, however, it became clear not only that land was one of the main potential sources of conflict but that it touched upon so many of the other areas where conflict was detected. This section draws heavily from the USAID-commissioned study by Rafael Diez and several other documents. Rather than duplicate the findings of these studies, however, this section provides an historical overview of the land issue in Bolivia and develops a set of conflict scenarios.

In 1953, on the heels of the 1952 revolution that brought the MNR party to power for the first time, Bolivia undertook a comprehensive agrarian reform process. While this reform and the creation of a Ministry of Peasant Affairs had an important impact on the redistribution of land, wealth, and social equity, the reform remained incomplete. Between 1954 and 1968, out of a total of 36 million hectares of land under cultivation, only 8 million hectares changed ownership. Similarly, from 1962 to 1983, only 17.4 percent of the available land was distributed. The reform was also unevenly applied, with more land distributed in the Altiplano and Cochabamba valley areas through peasant

agrarian unions. In most cases, lowland landowners in Santa Cruz found ways to hold onto their large holdings while lowland Indians were largely ignored.

The original 1953 reform protected both small and medium plots and large-scale agribusinesses from expropriation. In theory, the goals were to both protect individual family cultivators and to promote modern mechanized farming, with an eye toward developing an export economy. In practice, the results were quite different. Large landowners, particularly in the departments of Tarija, Santa Cruz, and Chuquisaca, resisted the reform and were often able to maintain control of their holdings through redefinitions of their land as medium-sized, or by defining land for livestock rather than agriculture. Thus, large landholders avoided being categorized as *latifundistas*. In other regions, such as rural Chuquisaca, the pre-1953 landed elite was particularly successful in carrying out a counter reform by infiltrating the regional MNR party structure, and creating or co-opting local agrarian union leaders as loyal clients, often through illegal gifts of land.

Utilizing an idealized and unrealistic notion of indigenous or peasant "corporate" or "communal" land holdings, the reform also did not take into account of the diversity of land use practices, including communal holdings among highland ethnic federations, or "ayllus," lowland indigenous groups or potential agribusiness. Land speculators, often also peasant union leaders, used the precedent of "corporate" land grants as reserves for groups of previously landless families, who then farmed their parcels as individual plots. In areas where large amounts of land were distributed to peasants, the distribution of individual family plots (*minifundios*) and the appearance of so-called "new towns" in the countryside accelerated. These also became sites for new agricultural markets. Excessive fragmentation of land through minifundios and divisible inheritance led to the multiplication of land holdings that were not agriculturally or economically viable. This soon forced many families to diversify their domestic economies, to increase their ties to nearby cities, or to leave the countryside altogether.

With the overthrow of the MNR in 1964, the role of land in national politics quickly changed from a concern with social revolution and reform to a key strategy of social control by the military-based authoritarian governments headed by General René Barrientos (1964-1969) and General Hugo Banzer Suárez (1971-1978). This strategy became institutionalized under a so-called Military-Peasant Pact initiated in the early 1960s. By 1974, the agrarian union momentum in Cochabamba, Achacachi, and elsewhere had lost the autonomy it enjoyed during the revolutionary era, and was instead converted into an instrument of control by successive military leaders. In this new relationship, particularly under Barrientos, land, tractors, and money were distributed to loyal campesino "clients." These, in turn, became the local power base for sustaining the dictatorships. This strategy was continued under Banzer's regime, even as Banzer also redirected political attention and economic resources from the highland regions to the agro-industrial, commercial, and financial interests of Santa Cruz. The *Pacto Militar Campesino* came to a dramatic end in the mid 1970s, however, as a result of a violent confrontation in the town of Tolata between peasant protesters and government troops.

The military period (1964-1981) that followed the MNR was also significant in terms of the pattern of land distribution in Bolivia. If the 1952 revolution and the agrarian reform decree of 1953 established the basis for a significant process of land distribution, the military governments that ruled Bolivia between 1964 and 1982 were responsible for an equally important process of reverting land tenure and creating a new and perhaps more predatory landholding class. According to some accounts, the Banzer government alone was responsible for handing out millions of hectares to supporters, especially in the departments of Santa Cruz and the Beni. The corrupt practice of handing out large parcels of land in exchange for support is at the core of contemporary land-based conflict.

A watershed moment in the breakdown of this vertical relation of patronage and clientelism through land distribution was the national emergence of the Katarista movement and the creation of the ***Confederación Unica de Trabajadores Campesinos*** (CSUTCB) in 1978. Katarismo (which took its name from the rebel leader of the 1740s, Tupac Katari) both shifted the axis of control of peasant politics from Cochabamba to the Altiplano, and reestablished a degree of autonomy within the highland peasant movement. Another watershed moment was the 1990 ***Marcha por la Dignidad y la Vida***, organized by the emergent ***Central Indígena de Pueblos Originarios*** (CIDOB), which drew attention to land inequities, particularly the legally unrecognized communal holdings for lowland indigenous people, and began the process of creating common cause between highland and lowland indigenous peoples.

In 1992, the insistent call for a comprehensive reform motivated the government of Jaime Paz Zamora to undertake a revaluation of the moribund National Council for Agrarian Reform. The subsequent review culminated in 1996 with the creation of an ***Instituto Nacional de Reforma Agraria*** and a new agrarian reform: law number 1715 (called the ***Ley INRA***). The INRA law attempts to correct the flaws in the original 1953 reform by shifting the emphasis away from family plots and to communal holdings. It also emphasizes the preexistent claims of *originarios* (highland Indians) and *indígenas* (lowland Indians), in contrast to the previous emphasis of working through "peasant" agrarian unions. Like the earlier reform, however, INRA also places primary emphasis on the titling and distribution of land.

As such, INRA specifies the following categories of titling:

1. An individual family landholding where the family lives on the land, considered non-divisible and not available as collateral (*Solar Campesino*);
2. A small landholding considered the primary source of family income for the landowner and family, also non-divisible and not available as collateral (*Pequeña Propiedad*);
3. Middle-range landholding not for subsistence but for commercial exploitation, which can be sold, used as collateral, and considered a financial asset (*Mediana Propiedad*);
4. An agricultural enterprise using salaried workers, with independent investors and employing industrial techniques (*Empresa Agropecuaria*);
5. Collectively owned and managed communal territories corresponding to the traditional "habitats" occupied by indigenous groups, inalienable,

indivisible and which cannot revert back to the state (*Tierras Comunitarias de Origen* - TCO);

6. Collectively owned communal peasant landholdings.

A notable omission in the construction of potential land "ownership" is that INRA leaves to one side the problem of whether women can be landowners.

In terms of potential land definition, land distribution, and execution of the INRA law, the following three avenues for processing land claims are available:

1. A claim made directly by an individual in areas not protected by existing state claims;
2. A claim made to define limits of existing land holdings owned by individuals;
3. A communal land grant made to resolve potential conflicts of ownership between third parties and indigenous communities, where INRA is required to grant land to indigenous communities in a different but similar location.

The spirit of the INRA law was in keeping with a larger set of reform legislation implemented in Bolivia and aimed at governmental decentralization, in particular the 1995 Popular Participation Law (PPL). The PPL was designed to recognize pre-existing and indigenous forms of local or traditional leadership and social or political organization. These included ayllu, communities, neighborhood committees, unions, and lowland indigenous groups, now classified as *Organizaciones Territoriales de Base* (Territorial Base Communities-OTB).

From 1997-2001, the process of titling land claims included 8,241 cases across all these categories, and involved 5,562,454 hectares under the procedures detailed above. The titling and processing of land claims engaged and created distinct sets of regional actors, leading to different, and often problematic, regional effects. For example, in the lowland areas corresponding to the zones of Santa Cruz, Beni, and Pando, more than 2,500 million hectares were distributed, primarily in the form of TCOs and to cattle and agro-industrial interests, making up more than half of the lands granted in 2001. Particularly favored in these areas were the "pueblos originarios" and "indígenas," who were granted lands in the form of TCOs. In part, the popularity of TCOs reflects the mandates of foreign aid donors, whose money has been consistently required to drive the INRA reform process.

A lack of clarification of the relation between INRA and other legislation, such as the LPP, has introduced several potentially exploitable ambiguities in the application of the INRA law. One source of ambiguity are the potential contradictions between the cross-cutting claims of OTBs and new TCOs, each emphasizing local claims that are differently articulated around "political" and "agricultural" units, but in practice are often overlapping (e.g. ayllu "ethnic federations" which are also geographic units). In some cases, the new definition of TCOs conflicts with existing political units of municipalities and communities, leading to violent border disputes between ethnic political units, such

as the battles between the ayllus of Qaqachaqa and Jucumani in 1999, which led to several deaths.

Achieving gender equality in land tenure is a key area where the goals of the LPP and INRA are at odds. Article 3 of the INRA law calls for gender equality in land tenure and equity in the distribution of land regardless of a woman's civil status. Nevertheless, in Bolivian custom and practice, inheritance rights have determined access to land in rural Bolivia. The principal obstacles to the achievement of gender equality in the Altiplano region have to do with customs, traditions, illiteracy, and the lack of legal knowledge. In the Valley regions, socio-cultural issues (such as illiteracy and lack of knowledge of procedures), not legal problems, are more important in determining land tenure. In the lowlands, the principal problem has to do with the lack of economic resources to complete the legal process. Women also lack identification documents, something that has made attaining land titles even more difficult. Because custom and tradition have become core elements for recognizing indigenous customary law under the LPP, gender equality has been difficult to promote in the distribution of land.

Another potential point of conflict is the ethnic subtext built into the INRA law, with the priority given to distinguishing between "originarios" and "indígenas". This has had a number of problematic outcomes, particularly the formation of new ethnically slanted groups pressing for land rights. The most important and controversial of these is the ***Movimiento Sin Tierra*** (MST) of the Chaco and Santa Cruz regions.[13] With the third *Marcha Indígena Campesina y de Colonizadores* in 2000, this movement was given fast track status, and has received land grants in the Chaco region from the current Sánchez de Lozada government. These grants were not subjected to the process stipulated by the INRA law. The use of a presidential "Supreme Decree" to modify INRA when convenient, as with Supreme Decree 25532 signed by then president Banzer, also undermined INRA's legal force and inhibited a standardized application of the law. The contentiousness of this process is illustrated by the discrepancies in the statistics used to press the case. While the MST estimates their land needs to be approximately 12.5 million hectares for 500,000 people, the GOB, through its Plan Tierra, claims that only up to 900,000 hectares can be granted. These are crucial differences, and they demonstrate the politicization of the use of numbers in what has become a media war over land.

This, and the growing presence of highland migrants to eastern lowland Bolivia, has inflamed the long-term highland/lowland discord articulated around a regional-ethnic discourse on the differences between *Colla* (indigenous highlander) and *Camba* (lowlander). This off-and-on conflict has also come to be articulated around indigenous collective land and minifundio claims on the one hand and large-scale cattle or agro-farming on the other. The ***Cámara Agropecuaria del Oriente*** (CAO) in Santa Cruz has championed the cause of agro-business by questioning the priority status given to different indigenous groups. The CAO has argued that one effect of INRA has been to weaken the legal status of lands owned or managed by agro-business, thereby potentially

[13]In interviews with government officials, the charge was made that the MST has developed significant ties with the Brazilian MST. During the field research phase, however, these linkages could not be substantiated.

damaging the national export economy. In recent years, several publicized cases of violence against new "colonialists" (typically highlanders who have migrated to the lowlands) occurred, such as the recent murders of colonos in Panantí and Yapacaní, apparently by hired guns. Less discussed are reports of violence between neighboring new settlements of colonos, who sometimes encroach on each other's newly established and legally undefined territories.

In the context of the controversy and potential for conflict in settling land disputes, the government has increasing allowed the strategy of *saneamiento interno*.[14] In this case, individual peasant landowners have come together to form apparent "communities," when in fact they function as individual farmers. Similarly, diverse migrant colonists—particularly in the Santa Cruz region—band together and engage in land invasions, often on land previously owned, land for grazing, or forested land unfit for agriculture. There, they quickly establish new "indigenous communities," called *saneamientos humanos*. Despite the fact that INRA stresses only *preexisting* claims, these different groups press their application for TCO status. An important dimension of the question of land invasions is the way human land use dovetails or is at odds with biodiversity. CAO and other organizations have insisted that the best use should be made of Bolivia's land resources, and this might not be agricultural in many cases.

Another problematic dimension of the current INRA law are the regionally conflicting expectations of land tenancy and use. Since 1953, the practice of land reform has been geared to the granting of individual land parcels to be used by specific families. It has also been geared primarily to the title as an end point in the land-granting process. Currently, approximately 87 percent of land owned in Bolivia corresponds to the first and second categories of titling (see above). These assumptions, however, have clashed with deeply held beliefs and practices relating to land in the Altiplano region. Specifically, the CSUTCB, led by Felipe Quispe, has insisted that INRA undermines the collective basis of Aymara indigenous communities, and is tantamount to the potential co-optation of indigenous autonomy by the government, as well as an indirect means to tax these communities. This is a lingering perception that remains from the common practice under the Military Peasant Pact of the co-optation of peasant union leaders through the distribution of land.

The CSUTCB also claims that INRA misconstrues the social and cultural nature of land use in considering the fundamental needs of these communities. It has insisted that INRA does not adequately take into account the social contexts of the traditional equation between Quechua and Aymara people and land. For highland indigenous communities, this includes traditional relations between "people" and "land" (articulated around ideas of *usos y costumbres*), and a broader conception of communal land ownership, or "patrimony," including soil, subsoil, and air resources. This insistence follows a growing

[14] Rafael Diez describes saneamiento interno as "leaving it up to the members of a collective property to internally resolve property disputes and to then ask INRA for support to carry out the technical work associated with titling" (Our translation). See *La Situación Actual de la Propiedad Agraria en Bolivia*, p.4. The government has favored this process because it believes that property disputes are settled before INRA is approached.

pattern of conflicts over land and land-related issues, clearly initiated by Cochabamba's Water War in April of 2000, and the linkage drawn by the ***Federación Departamental Cochabambina de Regantes*** (FEDECOR) between land use and local control over irrigation needs.

Both Quispe's MIP and Morales' MAS have linked the question of land use to other issues, such as mining, coca, petroleum, gas, and forestry interests, claiming that these too should fall under the purview of land granting practices. They have also insisted that land granting alone is insufficient to address long-term colonial-derived questions of social inequalities, and have pushed for a closer linkage between land granting practices and broader questions of "development." This includes access to markets, credit, technical assistance, and mechanization, as well as the construction of roads, irrigation, and electrical systems. The unfulfilled promise of tractors to the Altiplano has been an ongoing, festering issue. For these reasons, INRA grants have been suspended in the northern Altiplano region, and the CSUTCB continues to push for its own *Ley INDIO*, which would supercede INRA and bring about the recomposition of traditional ayllus in the region. These claims have been linked to an insistence that titling be made a part of a broader process of transforming these regions into more productive and autonomous regional agricultural economies.

Across the social spectrum, complaints about both the slow pace and bureaucratic, technical nature of the new reform process abound. As a result, since 1996 relatively little land has actually been distributed through INRA. To a significant degree, this reflects the almost complete reliance on foreign donors to drive the process of reform, since INRA has an inadequate budget. An important dimension of this problem is the absence of the state and the reform apparatus in rural areas, particularly the *Catastro* and *Registro Civil*. Complaints are often heard about the expense of getting individual lands titled, and the need to take a costly trip to the nearest city to get it done. The perception that INRA has favored wealthy lowland landowners and agro-farmers over peasant and indigenous claims, together with its relative invisibility in rural areas, has greatly undermined the legitimacy of the state as a land granting body. This is aggravated by the almost complete divorce between the state's technical land granting apparatus through INRA and local political units or municipalities, which remain uninvolved in managing the reform process. At the same time, the preference among donors that fund the INRA process has consistently privileged the formation of TCOs over other options available through INRA, which has created friction among cattle farmers and other agro industrialists in Santa Cruz and Beni. They believe that TCOs potentially undermine the legal status of their own land claims.

In the most general sense, these sorts of difficulties point to the urgent need for a further sharpening of the definition and application of INRA while recognizing the important regional variations of land tenancy and use. The various potential problems in the application of INRA sketched out here point to the need for both a regional and sub-regional application of the law. First and foremost is the question of exactly who qualifies as a legitimate landowner under INRA, and how collective identity is defined in this new legal context. The Vice-Ministry of Sustainable Development—currently

engaged in trying to make INRA more efficient—has in fact emphasized the vital need to "normatize" INRA to improve the process and speed of its application. To address this issue, a clearer sorting out of the ambiguities between TCOs, OTBs, and pre-existing traditional community "customary law" must occur. It must also sort out the potential multiple contradictions between INRA and existing legislation about natural resources (e.g., forests, preserves, cattle, hydrocarbons, gas, etc.).

Scenario 5.1. The accumulation of conflicts around the question of land (High Probability)

In Bolivia, land has become a catalytic issue around which a nominally unified indigenous and popular movement could take shape. There are several potential windows of opportunity for such a development. These include most obviously the seasonal agricultural and festival cycles in the countryside, which conclude in late February and early March with the end of the celebration of Carnival and the conclusion of the harvest. Only afterward can political and union leaders mobilize enough willing participants to stage large-scale social protest movements in the countryside. Another potentially key window would be the upcoming municipal elections in 2004, which could prove a crucial watershed for oppositional movements, particularly the MAS, to gain more adherents. Currently, MAS is courting other movements, such as the MST, and could enter into such regions as Santa Cruz where it borders the Chapare. Another potential window might be the looming decision on Bolivia's newly discovered gas reserves, due in 2003, where "gas" is considered by both the MIP and the MAS as an extension of subsoil resources of what they consider to be national patrimony. In this way, gas can be subsumed in a larger conflict over land, or vice-versa.

Specifically, this scenario assumes that the current government will fail to adequately address the petitions of MAS in the Chapare and elsewhere regarding greater fiscal control through the "mancomunidades," political autonomy, and possibilities for developing an economic infrastructure in the region. Eventually, the on-again-off-again dialogue is permanently broken off. This political failure could potentially be exacerbated by a similar lack of success in dealing with the MIP in the Altiplano. In this case, the INRA law is never successfully instituted in the region, as the government balks at calls by the MIP and Felipe Quispe to revise INRA or take into account the suggestions of their proposed Ley INDIO. This means that the Altiplano does not receive an adequate investment in further community development, including the promised tractors. At the same time, the discourse of the "recomposition of ayllus" becomes a sticking point that similarly leads to the end of productive exchanges between government representatives and the MIP. These twin failures serve to bring the MAS and the MIP together into a strategic alliance in strong opposition to the continued implementation of INRA and around shared concerns about threats to the autonomy of the indigenous movement in Bolivia.

These events in the highland areas are, in turn, complemented by a breakdown of governability in the lowlands. This is caused by the increase in "Colla" migrant flows to the eastern lowlands, to a spiraling pattern of unchecked land invasions by people

nominally part of the MST, and by increasingly violent clashes between new colonialists and agribusiness in Santa Cruz, which cause deaths. Finally, these trends create momentum for a new national march to the capital by lowland indígenas recently incorporated into the MAS movement, which involves frequent clashes with police forces along the way. Meanwhile, such a march is supported by countrywide road blockades in the Altiplano and Chapare regions, perhaps with a show of support by FEDECOR and other valley "peasant" organizations. Unable to control such a full-scale mobilization, the government declares marshal law.

Scenario 5.2. Relative maintenance of governmental control over the land issue (Medium Probability)

In this scenario, the government successfully matches the strategy of the accumulation of conflicts through land by productively maintaining separate dialogues with each region and social sector involved in the INRA orbit. For the Chapare region and the MAS, this would mean: ceding significant fiscal autonomy at the municipal level; a program to promote the "mancomunidades"; further promises to produce a comprehensive study on the legal market for coca production; investment in the economic viability of the Chapare region; and the continuation and deepening of efforts to identify external markets for the products produced in the Chapare and in the country. In this scenario, the dialogue between MAS and the government is never broken off, and is maintained at a slow boil until at least 2007 and the next presidential election.

In the Altiplano area, the government experiences relative success in co-opting Felipe Quispe through such actions as the delivery of the tractors requested, and by working closely with the CSUTCB and MIP to modify INRA in keeping with regional expectations. This would entail greater involvement in the INRA process by local unions and municipalities, tacit acceptance of the "parallel nation" argument, and a significant economic investment—with the help of foreign donors—in shoring up cooperative agricultural micro-enterprises in the region.[15] This successfully forestalls touching off another round of roadblocks by the CSUTCB, while decreasing the likelihood that the MIP and MAS ever find significant common ground.

Meanwhile, in the eastern lowlands, the government successfully continues the precedent established under the Banzer and Sánchez de Lozada governments of granting land concessions to legitimate participants in the MST, while taking account of potential conflicts with agribusiness in and around Santa Cruz. New land grants do not interfere or overlap with large-scale farming, cattle, forestry, and other, industries in the region. At the same time, the government makes a concerted attempt to reach out to the business community of Santa Cruz, engaging in a constructive exchange to develop incentives for

[15] Since at least the early 1990s, the notion that Bolivia houses two parallel nations—one indigenous and another mestizo and white—has been utilized by intellectuals who have significant influence in parties like the MAS and the MIP. See for example, the works of Alvaro García Linera, Raquel Gutiérrez, Raúl Prada, and Luis Tapia, *Democratizaciones Plebeyas*, (La Paz: Muela del Diablo Editores, 2002). Accepting the parallel nation logic would involve essentially splitting Bolivia along racial and ethnic lines, something that would be tantamount to the declaration of a civil war.

agribusiness in the region. This would include the availability of bank loans, the establishment of external markets (perhaps with the effective implementation of the FTAA by 2005), competitive production levels, and significant investment in mechanized farming equipment. In this way, none of the current vested interests in the land and INRA process are allowed to accumulate to the detriment of the government, and the INRA process—with significant international aid—proceeds relatively apace.

Scenario 5.3. The particular case of the region of Santa Cruz (High Probability)

In this scenario, economic development and social equity are contradictory goals that could result in a potentially disastrous outcome. Today, lowland Indian organizations, particularly CIDOB, are much better organized. In recent years, these organizations have found themselves in a better position to exact concessions, both from the region and from the state. Along with CIDOB, other emergent political movements in the lowlands, most obviously the different branches of the MST, are present in the Santa Cruz and Chaco regions. Influential agribusiness actors in the region that are well represented by such organizations as the CAO, and sister organizations representing the transport sector, the cattle sector, and other business interests, are also present. This second group is, to some degree, unified under the banner of the regionally powerful *Comité Cívico Pro-Santa Cruz*.

In addition to having fundamentally different goals, these two broad groups are divided by social, cultural, and ethnic characteristics. CIDOB and the other groups bring together a series of potentially explosive elements. These include a militant lowland Indian call for autonomous territory, and a possibly developing alliance with the MST, which increasingly represents both "Colla" *and* "Camba" interests within the region in terms of a burgeoning Indigenous movement tied to disparate land issues.[16] They also include increasingly large numbers of economically disenfranchised migrants from other areas. At the same time, the business interests brought together through the *Comité Cívico Pro-Santa Cruz* represent a close-knit, urban, "mestizo" regional elite. These businessmen express an entrenched regional chauvinism (perhaps best illustrated by the creation of ***La Nación Camba***), disdain for government in La Paz, and a siege mentality about perceived current threats to agribusiness in the region.[17] The INRA law adds fuel to this fire, in so far as it justifies and encourages the presence of an increasing number of in-migrants to the region. It also increases the perception among Santa Cruz's business elite that little is being done to adequately develop the region's economy, and that they have been perennial victims of stop-gap and short-sighted government development planning.

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[17] The paradox of this particular view is that since at least the 1970s, the government in La Paz has had a strong pro Santa Cruz bias. This is clearly evident in the development strategies adopted by most governments since at least 1971. One of our interviewees noted, for example, that a "Camba" clique in the cabinet, which is preventing any enlightened solution to the land problem, dominates the current government. In the CVA team's view, La Paz governments have been decidedly pro Santa Cruz.

To avoid major future conflicts in this region, the potentially contradictory goals of building up the economic potential of regional agribusiness in a global marketplace and of comprehensively accounting for the growing presence of in-migrants and INRA-based demands for the recognition of indigenous land rights such as TCOs must be addressed. Several potential triggers for conflict in this arena include: 1) the assassination of migrants associated with the MST, as has recently taken place in Yapacaní and elsewhere; 2) the organization of a symbolic march and media circus or other similar large-scale mobilizations, which force the government to act on behalf of the indigenous groups involved; and 3) NGO-sponsored programs in the region that benefit either of these vested interests to the obvious exclusion of the other. One potentially important window of vulnerability might be the establishment of an FTAA around 2005, and whether Santa Cruz's agribusiness and economic sectors can compete in an open market environment. If a careful balance of regional forces is not maintained in Santa Cruz, the question of land and land use could degenerate into a long-term and divisive contest.

CONCLUSIONS

Bolivia is facing the worst economic, political and social crisis in its 20 year-old democracy. For the foreseeable future, Bolivia will be immersed in an overall scenario of precarious stability where the potential for conflict is great. The risks in such a situation are numerous as any minor incident could serve as the trigger for larger scale conflict. This was indeed the situation in February where what appeared to be a labor dispute with the police, engulfed the nation and almost brought down the current government. In mid 2003, dozens of potential triggers exist that could detonate a major nationwide conflict. For this reason, despite the staying capacity of the current government, the possibility for a repetition of the February situation is great, although it may involve different actors and substantially different triggers.

This assessment updated the analysis around the five principal conflict areas identified in the first CVA. The most obvious conclusion continues to be that the precarious stability that characterizes Bolivia will continue to be the dominant trait. This condition will require careful renegotiation between the government and the major opposition force, along with the social groups the latter has mobilized. The amelioration of conflict will depend greatly on the ability of the Sánchez de Lozada administration to disaggregate conflict and continue to resolve each individual grievance on its own terms. At the same time, conflict mitigation depends on the direction that the MAS-led opposition takes over the course of the next few years.

Despite all that has occurred since February 2003, the MAS has the potential of maturing into a loyal opposition with a degree of commitment to the democratic system. To achieve this end will require a maturing of the MAS as a political party with a clear-cut programmatic base beyond the defense of the cocaleros, who are Evo Morales' key constituency. For this reason, this assessment concludes that any significant breakdown of conversations with Evo Morales, especially if followed by attempts to demonize him, will inevitably lead to conflict beyond the coca growing regions.

This does not mean, however, that Evo Morales can control the more radical sectors of the coca growers federations or that he can reign in groups like the MIP in the Altiplano. Whether major national and international actors accept this reality or not, the fact is that Evo Morales is the only leader in Bolivia capable of mobilizing large sectors of the population. He is also the most popular figure in Bolivian politics today and will be a presidential contender for years to come. Morales has also developed international prominence, which has enabled him to secure significant resources to fund his party and its long term political objectives. As noted in the first CVA, the incorporation of the MAS was a major accomplishment. Keeping it inside the tent will be an even greater victory.

If Morales fails to evolve within the confines of Bolivian democracy, the alternative is indeed catastrophic for Bolivia, as it is likely that all of the conflict areas analyzed in this updated assessment could explode simultaneously. This catastrophic scenario would include a complete economic collapse, major regional confrontation-even a civil war, international isolation, and the end of Bolivian democracy. The conditions for this situation are latent and it will take the best efforts of Bolivian leaders to avert this collapse.

Conflict mitigation in Bolivia also depends on the role that other national actors play and the extent to which they can help preserve the democratic system. In particular, the Catholic Church continues to play a key role, and it is likely that it can forge a national agreement to insure that non-violence prevails. The private sector, the media and other civil society organizations could also help bring some semblance of stability. Without their assistance, the life support given to the current government and to the democratic regime by the loans and donations from the international community will not be enough.

The other opposition forces, especially those found within aspiring political leaders such as Manfred Reyes Villa and former president Jorge "Tuto" Quiroga, also have a major responsibility that they have so far failed to assume. Both aspire to lead Bolivia in the near future or at least in the year 2007. Unless the precarious stability scenario is maintained, they may not have a country to govern.

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