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Has Bolivia Won the War?

Lessons from Plan Dignidad

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Introduction

For years the target of widespread criticism, in the last four years no other drug producing country had received such extensive international praise as Bolivia.

Beginning in 1998, this country's Plan Dignidad (Dignity Plan) led to the almost complete eradication of coca production in the Chapare Valley, once known as the world's second largest coca producing region. The premise that underlies Plan Dignidad is rather simple and worked mainly as a result of three factors: one, a fundamental conceptual shift occurred in Bolivia's anti-narcotics strategy. Bolivia began to forcefully eradicate leaf; it targeted precursor chemicals, suspended compensated eradication, and militarized the Chapare; [1] two, the shoot down of airplanes carrying coca paste from Bolivia and Peru into Colombia effectively ended the division of production that once spanned the entire Andean region; and, three, the concentration of production of cocaine in Colombia, in some measure facilitated by the establishment of a large "zona de despeje" for the Fuerzas Armadas Revolucionarias de Colombia (FARC).[2] The latter may no longer apply owing to: the suspension of the shoot down policy the following tragic incident in which a small plane flown by a missionary family was mistakenly targeted resulting in the death of an American citizen and her infant daughter; and, the end of the peace process in Colombia.

Nevertheless before March 2002, Bolivia's Plan Dignidad enjoyed an enormously supportive round of international attention that lasted until the early part of 2002. The most ecstatic response came from a variety of US government circles ranging from the Office of National Drug Control Policy, to the DEA, and the US Embassy.^[3] International agencies such as the UNDCP, CICAD/OAS and others bestowed praise on the Bolivian effort and all claimed some share of the responsibility for the success.^[4]

The results were indeed impressive. In three years, one less than the Plan anticipated, Bolivia eradicated over 30,000 hectares of coca and all but eliminated the Chapare's role in the drug industry. In June 2001 the Bolivian government claimed it had achieved the elusive goal of "coca cero by 2002." ^[5] Given the success in the Chapare, the government temporarily shifted its attention to the 14,000 hectares left in the Yungas region of La Paz.^[6] This accomplishment was indeed noteworthy in a country that until very recently was the world's second largest producer of cocaine hydrochloride (after Colombia) and which appeared headed toward fulfilling a larger role in the entire illicit narcotics industry.

Bolivia's success, however, must be tempered by a dose of reality. As has been the case in every instance where policy success is claimed, the unintended consequences are large and the concerns over the long-term impact are significant. Clearly policy design and political will were important factors in the achievements of Plan Dignidad. After dramatic confrontations between coca growers and the government it is clear that any eradication campaign must be conducted taking into account the unions, its leaders, and their political significance in Bolivia. At the same time, however, it is also clear that developments elsewhere were significant to the Bolivian success story.

This article attempts to both analyze the impact of Plan Dignidad on Bolivia's narcotics industry and to examine the unintended consequences that have been neglected by those who enthusiastically embraced the results of the eradication program. Human rights concerns are the most cited concerns by critics of Plan Dignidad. Others have manifested worries over the long-term sustainability of the program; in particular, concern has been expressed over the alternative

development prospects in the Chapare. Finally, the population of the Chapare, which has long been mobilized around the coca issue, now faces the prospect of unemployment and a political leadership that refuses to admit that all coca produced in the Chapare is for the illicit drugs market.

Moreover, the Bolivian success story needs to be placed within the general Andean context of the drug war. While Bolivia eliminated coca production in the Chapare, Colombian production surpassed the all time cultivation high mark of leaf production for the entire region. Bolivia's success is probably linked to the displacement of production towards Colombia where in 2000 approximately 163,000 hectares of coca and nearly xx metric tons of cocaine were produced. Plan Dignidad was also somewhat related to the overall impact of the Peruvian and Colombian policy to shoot down planes considered to be transporting drugs to Colombian drug labs. The lines of causality are difficult to draw; these situations appear to have simply occurred at the same time and were not causally related. Nevertheless, Rennsler Lee's notion that small successes in one region can lead to huge failures elsewhere provides great explanatory power.

El Plan Dignidad

The Bolivian government long argued that the Plan Dignidad was the result of a National Dialogue convened in October 1997 to seek consensus on a four point National Action Plan that included the following categories: Opportunity (employment and income); Equity (poverty alleviation); Institutionalality (judicial reform and fight against corruption); and, Dignity (drug control). The National Dialogue became an important tool to legitimate the government's strategy. Presided by then Vice President Jorge "Tuto" Quiroga, political party representatives, members of labor unions and the private sector, academics, and the church participated in the Dialogue.^[7] In the government's view, an agreement was reached on the basic elements of what was to become the National Action Plan 1997-2002, also known as "For better Living Conditions."

Claiming that consensus was the basis of the National Action Plan, in December 1997, the Banzer government unveiled the "Strategy for the Fight against Drug Trafficking 1998-2002" (Plan

Dignidad) which called for the complete and total eradication of 38,000 hectares of coca by the year 2002, to provide an alternative to the 35,000 families dependent on the coca-cocaine cycle, to carry out a strong interdiction effort, and to implement an aggressive prevention and rehabilitation strategy within a five-year period.

The strategy's introductory paragraph states:

The narco trafficking phenomenon in Bolivia has reached a crucial point: either it is destroyed immediately and definitively or Bolivian society must forever live with it side by side and face all the internal and external consequences that situation implies.^[8]

The strategy's total cost in five years was projected to be \$952 million: \$108 million for eradication; \$700 million for alternative development; \$129 million for interdiction; and, \$15 million for prevention and rehabilitation. The Bolivian government pledged to finance at least 15 percent of the cost. To finance the rest, the government embarked on an international strategy to obtain support from the US and multilateral agencies.^[9]

Conceptually, the Plan Dignidad targeted the interaction among alternative development, eradication, and law enforcement measures. One of the more significant dimensions of the plan was to also target the diversion of precursors chemicals. Equally significant was the phasing-out of the coca compensation policy that paid up to \$2,500 per hectare of coca eradicated voluntarily. Finally, showing the influence of then vice President Quiroga, the Plan established links to a national anti-corruption plan that also received extensive international praise.

Implementing Plan Dignidad

Bolivia's young and charismatic president Quiroga likes to tell a story that he claims prompted him and a group of advisers to design Plan Dignidad.^[10] Quiroga relates the embarrassment he felt in Texas during his college days, and later as an employee of IBM, when Americans inevitably linked Bolivia with cocaine.^[11] He pledged to eradicate coca to restore dignity to Bolivia so that his daughters would never have to experience his embarrassment. Quiroga also tells of being harassed at airports in Europe because of his Bolivian passport. This story says a lot about the

name of the Plan and the motivations of the president. It states a lot about the political will required to carry out a controversial plan. While no reason exists to doubt Quiroga's sincerity, these explanations also cloud a fundamental political reality that gave rise to the Plan Dignidad.

The MIR's Troubled Past

To understand the origins of the policy, it is perhaps equally accurate to examine the circumstances surrounding the coming to office of former General Hugo Banzer Suárez in 1997. Key to the emergence of the Plan was the severe US embassy scrutiny of Banzer's party Acción Democrática Nacionalista (ADN) and its relationship with the Movimiento de Izquierda Revolucionaria (MIR). In 1994 accusations surfaced that between 1985 and 1993, the MIR and its leader and former president Jaime Paz Zamora, in particular, had developed a significant relationship with Isaac "Oso" Chavarria, one of Bolivia's most important drug traffickers. Chavarria provided in kind and cash payments as a contribution to the MIR's quest for the presidency. These linkages allegedly strengthened while Paz Zamora governed Bolivia between 1989 and 1993.^[12] The accusations were given so much credibility by the US embassy that in 1996, Paz Zamora's visa to the US was cancelled in a very public manner. Along with Colombia's president Ernesto Samper, Paz Zamora became an international and national pariah. More important, it appeared that his political career had come to an abrupt end. When former General Banzer announced that ADN would not break its coalition with the MIR to contest the 1997 elections, then Ambassador Curtis Kamman reportedly told him that he "had chosen the most difficult route." Kamman repeatedly stated that the issue was not the MIR, but individuals questioned by the US government. In many ways then, Banzer faced the difficult task of proving that despite the reputation of his governmental allies, his new government would be able to carry out a credible counter narcotics campaign.^[13]

Following the inauguration of General Banzer in August 1997 and more expressly after the implementation of the Plan Dignidad, the MIR embarked on an expensive, extensive, and successful strategy to secure the restoration of the visa to Jaime Paz Zamora and other prominent members of the party. The details of the operation are still one of Bolivia's most highly guarded

secrets. Interviews with US ambassador Rocha in Bolivia proved insufficient to explain why the US in 2001 did an about face on this issue and restored Paz Zamora's visa. Former ambassador Robert Gelbard, who is now retired and in the private sector, claims that he, disagrees with the decision to restore the visa.^[14] Other former INL officials told the author that the return of the visa was the product of the efforts of a Washington based law firm and the propitious arrival of the Bush administration. The details will become public one day. For the moment, this incongruous US policy shift is difficult to explain considering that it had become the corner stone of Washington's Andean counternarcotics strategy.

Banzer's Own Troubled Past

A second factor forcing former General Banzer to demonstrate his government's commitment to fighting drugs was his own previous dictatorial past and allegations about his family's linkages to the narcotics industry and to a series of other networks of corruption. US ambassadors interviewed over the past decade have repeatedly denied these ties or even that the DEA possessed information about these alleged linkages.^[15] On the contrary, ambassadors have generally lavished praise on Banzer for his role in the drug war. The statements of law enforcement officials interviewed during the same time period provide a notable contrast. In the view of DEA and other agencies, credible evidence linked Banzer, members of his family and of ADN to the narcotics industry not only in the 1970s but also during the post 1985 democratic period.^[16] These agents also note that no political party in Bolivia was free of some degree of penetration by the drug industry.

Quiroga's Role

A third factor involved the move on the part of the incoming Banzer administration to turn over the conduct of the Drug War to Vice President Jorge Quiroga, the only person in government who did not have a questionable past.^[17] Quiroga quickly became a type of de facto prime minister charged not only with the conduct of Bolivia-US policy but with conducting the National Dialogue and directing the government's economic policy. The vice president also became the

government's international poster boy. General Barry McCaffrey took up quoting Quiroga, World Bank president Wolfensohn embraced Quiroga's anti-corruption initiatives, and journalists loved to quote him. Members of the US Congress were also swayed by Quiroga's style and his ease at communicating Bolivia's message.

It is not hard to be swayed by Quiroga, who speaks perfect US English, commands one liners in the best US tradition, and delivers impressive power point speeches. "Tuto," as he is known, is as comfortable addressing members of the US House of Representatives as he is speaking to reporters. As effective as he was internationally, Quiroga's effectiveness at home was reduced. During his reign as vice president, Quiroga maintained his international reputation but was accused of everything ranging from attempting to topple former General Banzer in a so-called constitutional coup, to failing to conduct the government's economic strategy. More important for the purposes of this paper, Quiroga was correctly perceived as the author of the Plan Dignidad and was often the target of angry Chapare coccaleros.^[18]

In his first few months as president, Quiroga was forced to make some critical decisions regarding the continuity of the Plan Dignidad. First, he was forced to publicly recognize that in fact coca cero had not been attained in June and that a satellite error was responsible for the premature declaration of victory. Second, and most important, facing an inevitable mobilization of the coca growers federations in the Chapare, Quiroga secretly ordered the entry of 4,000 military and police troops into the Chapare. The militarization of the Chapare, may have averted massive roadblocks and the like that were scheduled to occur beginning November 6, 2001. The latter decision is the most significant in the sense that it will now be difficult for the government to relinquish control of the Chapare. This also means that the long-term success of Plan Dignidad is related specifically to the long-term presence of security forces in the Chapare.

The Political System and the Narcotics Industry

Unlike other democracies in the Andes, Bolivia has always been a long way from becoming a "narco democracy." But while the degree of influence on the political system may not be as

prevalent, it is also accurate to note that for at least two decades, the Bolivian political system has been severely affected by the proliferation of national and international trafficking organizations. Fewer two decades ago, one of the most significant worries was the extent to which Bolivian and Colombian narcotics trafficking organizations had penetrated the political system and its institutions. During the García Meza period (1980-1982), under the most extreme set of circumstances, these organizations were said to have bought themselves a government. Under democracy, trafficking organizations in Bolivia have been able to corrupt judges, policemen, senators, and ministers of state.

Since 1982, every civilian democratically elected government has faced at least one major "narco scandal" that tainted otherwise laudable efforts in other areas, such as economic and social reform or the continuation of the democratization process. In Table 1, a list of the most significant narco scandals is provided. As can be seen from the list every democratic government has faced major accusations of involvement with the most prominent drug trafficking organizations.

As is the case in Colombia, trafficking organizations in Bolivia have sought to influence both the course of broader policy by providing funds for electoral campaigns. All major parties have been suspected of receiving illicit funding from drug trafficking organizations. The most notorious case involved the aforementioned case against the MIR and former President Paz Zamora, although accusations were not made until after he left office in 1994. While the MIR took the rap, including a four-year jail term for party leader Oscar Eid, other parties have gone unpunished. In 1988, for example, ADN was accused of receiving funding from the Roberto Suárez organization for its 1985 campaign. If the charges against these parties are true, the flexibility of trafficking organizations is also noteworthy. In their efforts to finance several presidential campaigns in 1985, 1987 and 1989 these organizations did not bet on a single candidate; instead they made sure that all likely winners got some contribution. This pattern is not unlike the behavior of prominent lobby groups in the United States.

A second major strategy of trafficking organizations was to circumvent ongoing law enforcement and military campaigns aimed at dismantling their illicit business. While numerous examples of this

type of activity exist, two are noteworthy. In 1986 then MNR minister of interior, Fernando Barthelemy was accused of delaying law enforcement activities against trafficking organizations in the Huanchaca area even after a prominent scientist was murdered when he and his team mistakenly ran into a drug lab.^[19] In 1991, the United States temporarily halted economic assistance when then MIR Minister of Interior Guillermo Capobianco named a suspected trafficker as the head of the Fuerza Especial de Lucha Contra el Narcotráfico (Special Counter Narcotics Force-FELCN) in an alleged scheme to provide cover for trafficking organizations.^[20] These schemes generally also involved suborning law enforcement and military officials. As a result of the prevalence of these corrupt ties, many US funded activities were carried out without prior knowledge of Bolivian government officials.^[21]

Table 1 Democracy and Drug Related Corruption

Administration	Narcotics Related Scandal
Hernán Siles Zuazo (1982-1985)	<p>Negotiations with the RobertoSuárez organization.</p> <p>Accusations against Minister of Interior of involvement with trafficking organizations</p>
Víctor Paz Estenssoro (1985-1989)	<p>Huanchaca Affair, murder of scientist Noel Kempf Mercado</p> <p>Accusations against Minister of Interior and other civilian law enforcement officials</p> <p>Narco video scandal</p> <p>Accusations against commander of police</p>
Jaime Paz Zamora (1989-1993)	<p>Narcovínculos Scandal involving accusations against President Paz Zamora and the MIR of illicit involvement with the Isaac "Oso" Chavarría trafficking organization.</p> <p>Accusations against two of administrations' ministers of interior of involvement in trafficking or laundering</p>

organizations.

Accusations against other cabinet, subcabinet and law enforcement officials of involvement with trafficking organizations.

Gonzalo Sanchez de Lozada
(1993-1997)

Accusations against Minister of Interior of involvement with the Amado Pacheco trafficking organization.[22]

Accusations against the Fuerza Especial de Lucha Contra el Narcotráfico of involvement with the Amado Pacheco organization

Accusations of illicit involvement against prominent members of the MNR.

Hugo Banzer Suárez (1997 - present)

Accusations of links to the Marino Diodato crime family by prominent members of the government including family ties to Banzer's family.

The very process of democratization had the paradoxical effect of democratizing the structure of organized crime making democratic governments more vulnerable. As the military and police connections of the important organization's such as that of Roberto Suárez suffered important setbacks in the early 1980s, smaller and bolder competitors proliferated. In some measure, this proliferation increased the challenges for law enforcement and military institutions to combat drug trafficking. Democratization allowed trafficking organizations to restructure, retool, and accommodate to changing circumstances dictated by the changing nature of the marketplace, more effective law enforcement efforts, or transformations in the domestic political scene. In contrast to the authoritarian period when corrupt military governments were intertwined with a single large trafficking organization, democratic governments have had to face multiple organizations with significant transnational connections.[23] In the final analysis, in 1997 Plan Dignidad had the difficult task of dealing with this entirely revamped structure of organized crime in Bolivia where Colombians were not as important and where at least 15 Bolivian organizations

dominated the industry.[24]

Bolivia's Poor Performance in Drug War Indicators

A fifth factor that led to the launching of Plan Dignidad was the poor performance of Bolivia in terms of eradication and seizures between 1993 and 1997. (See table 2.) Former president Gonzalo Sánchez de Lozada gave the drug war little attention focusing most of his efforts on the implementation of an ambitious state reform agenda. As a result, in March 1995, for the first time, Bolivia was decertified but was granted a national interest waiver because of its poor showing on eradication. Furthermore, then Ambassador Kamman issued a confidential ultimatum -- threatening to decertify the country by June 30, 1995 if coca eradication targets were not met-- that moved the Bolivian government in two significant directions that would pave the road for the Plan Dignidad.

Table 2. Eradication and Seizures Under the Sánchez de Lozada Administration

	1997	1996	1995	1994	1993
Net Cultivation	45,800	48,100	48,600	48,100	47,200
(ha)*					
Eradication (ha)	7,026	7,512	5,493	1,058	2,397
Cultivation (ha)	52,826	55,612	54,093	49,158	49,597
Seizures					
Coca Leaf (mt)	50.60	76.40	110.09	202.13	201.25
Coca Paste (mt)	0.008	-	0.05	0.02	0.01
Cocaine Base (mt)	6.57	6.78	4.60	6.44	5.30
Cocaine HCL (mt)	3.82	3.17	3.59	1.02	0.31
Cocaine HCl and Base (mt)	10.39	9.95	8.19	7.46	5.61
Agua Rica** (ltrs)	1,149	2,275	16,874	16,874	14,255
Arrests/Detentions	1,766	955	600	1,469	1,045
Labs Destroyed					
Cocaine HCl	1	7	18	32	10
Base	1,022	2,033	2,226	1,891	1,300

*Includes Apolo, Chapare, and Yungas.

**Suspension of cocaine base in a weak acid solution. 37 liters equal one kg of cocaine base

Source: INSCR 2000.

In fact, Sánchez de Lozada presided over the escalation of military involvement in the Drug War owing primarily to US threats to decertify Bolivia. Faced with this inevitable fate, the Bolivian

government crossed an important threshold. It not only initiated the forceful eradication of coca fields in the Chapare but the government admitted for the first time that the coca grown in the Chapare was exclusively for use by the cocaine industry.^[25]

A second development under Sánchez de Lozada was the signing of an extradition treaty with the US and the sending of a few Bolivians to US trials and jails.^[26] Extradition had been one of the most significant US demands since the escalation of the War on Drugs in the mid 1980s. The Paz Zamora government (1989-1993) negotiated a treaty, but arguing that it feared the AColumbianization@ of Bolivia, it refused to submit it to the Bolivian Senate for consideration. Sánchez de Lozada=s team negotiated a new treaty and achieved Senate approval. The US Senate approved it shortly thereafter.^[27] The incoming Banzer administration was therefore under severe scrutiny to move forward and on US terms.^[28]

Changes in Public Opinion

A final factor to understand the launching of Plan Dignidad was the general public opinion mood in Bolivia. In many ways the strategy departs from previous Bolivian efforts at comprehensive drug control planning which did not even make the pretense of broad social consultation. Members of the Banzer administration, however, claimed that the Plan Dignidad was developed by a broad spectrum of society stemming from the October 1997 National Dialogue. In the view of these officials, the strategy is firmly grounded in a national consensus that illicit crop cultivation and production actually hurt Bolivia's development prospects and international image.^[29]

The notion of national consensus on the Dignidad Plan is a very difficult factor to grasp for at least two reasons. First, although it varies by class, ethnicity and regions, Bolivians have been largely supportive of a less aggressive approach against coca cultivation. Most have favored negotiations with coca growers and greater funding for alternative development projects.^[30] At the same time, and although the available surveys do not provide an answer, it appears that Bolivians have been largely shifting their views of the Chapare and of the role performed by coca growers and their leadership.

US embassy officials argue that public opinion regarding the coca growers, especially about the periodic marches onto urban centers, has shifted toward greater intolerance of the farmers. Although no survey data is yet available, the key appears to have been to convince urban dwellers that coca growers in the Chapare and narcotraffickers are related. The urban populations of La Paz and Cochabamba, which are the most affected by constant marches, road blockades and the like, have welcomed the end of coca in the Chapare presumably because they believe that the daily disruptions may come to an end.^[31]

Although the evidence is not available, that the Plan Dignidad has generated an awful lot of opposition in the coca growing areas of the Chapare is not surprising. Yet, if one was to examine the available survey data, it would perhaps follow that more nation wide opposition to the Plan would be present. Instead, it appears that the Plan Dignidad enjoys the tacit support of most Bolivians not directly involved in the conflict.^[32]

A Vice-Minister's quote to a UNDCP sponsored 1999 video on the Chapare reflects a common official view. "Bolivia is tired of living under the stigma of narcotraffickers, we're tired of being considered a nation of narcotraffickers. Farmers are now realizing that it is not good to live pressured by repressive forces, pressured by narcotraffickers, pressured by the market and the general socioeconomic conditions of the country." Survey data confirms Bolivia's tiredness with the narco trafficking stigma but only anecdotal evidence supports the view that farmers are themselves tired of the narcotics link.^[33] The sad fact was that coca growers who mobilized against government efforts to enforce eradication agreements with the United States, unwittingly became linked to trafficking organizations, the most nefarious dimensions of the coca-cocaine complex. Moreover, in the mid to late 1990s, it was widely recognized that the bulk of the coca leaf cultivated in the Chapare was for the refinement of cocaine. At the same time, it was also evident that in the 1990s, many coca growers graduated to the production of cocaine.^[34] Once this link was established, anti narcotics policy based on interdiction and force was easier to sell to Bolivian public opinion.

The Results of Plan Dignidad

The early months of the Banzer administration were not easy. Facing the prospect of de-certification from the US, in 1997 the Banzer government set off on a race against time to meet the eradication targets. In mid December 1997, the government announced that owing to its intensive and costly involuntary eradication program it had surpassed the 7,000-hectare goal. It also announced that narcotics related arrests had increased considerably. After the launching of Plan Dignidad, between 1998 and 2000, the government achieved and surpassed even its most ambitious goals. And, as noted earlier, in mid 2001, the government prematurely announced that it had met the goal of "coca zero" because only 600 hectares of coca were left to eradicate in were left in the Chapare.^[35]

The success of the Plan *Dignidad* strategy was well received internationally. The United Nations Drug Control Program in particular lavished praise on the program. And, the US annual certification statements have also praised the strategy in glowing terms. The overall statements praise Bolivia for successes in Alternative Development, in reducing the production and distribution of cocaine, in asset seizures, in extradition, and the like.^[36]

In the 1999 INCSR, Bolivia is praised in the following terms:

An extremely effective eradication program in the Chapare, Bolivia's principal coca-growing region, surpassed last year's record setting results, reducing the number of hectares of coca under cultivation by more than half, and by 43 percent overall. Eventhough Bolivia produced less cocaine hydrochloride (HCl) and cocaine base than in 1998; interdiction forces increased arrests and drug seizures (measured in terms of a percentage of potential production). A highly effective chemical interdiction program has forced Bolivian traffickers to continue to rely on substitutes for scarce and expensive chemicals smuggled in from neighboring countries and an inferior process to streamline base and HCL production. As a consequence, the purity of Bolivian cocaine has been greatly reduced and most foreign traffickers now prefer to purchase base in Bolivia and process it into HCL in Brazil, where essential chemicals are readily available. Alternative development initiatives in the Chapare continue to provide licit alternatives to coca, but demand for alternative development is exceeding the ability of the government of Bolivia to provide it.

And the 2000 INCSR report stated:

Bolivia continues to be the model for the region in coca eradication. An extremely and effective eradication program in the Chapare, previously Bolivia's principal coca growing region has reduced the number of hectares of coca to fewer than 600.

Emboldened by the success in the Chapare, the Banzer government decided to strike also in the Yungas region of the department of La Paz where Bolivia's most traditional coca has been grown. Some government officials claimed that the success in the Chapare had resulted in the displacement of coca growers and their migration into areas such as La Asunta in the southern part of the Yungas region.^[37] Fears were present that the Yungas coca growers were more closely aligned politically with Felipe Quispe (aka Mallku) the controversial leader of the Confederación Sindical Unica de Trabajadores Campesinos de Bolivia, who on at least two occasions had mobilized hundreds of campesinos to blockade access roads to La Paz.

It is still a source of disagreement about who gave the orders to send eradication forces into the Yungas. US embassy officials claim that they did not pressure the Bolivians into pursuing a Yungas strategy so soon after the Chapare, especially in the context of other social tensions in Bolivia.^[38] Bolivian government officials argue that extensive US pressure to take advantage of the momentum gained from the Chapare experience forced them to move decisively in the Yungas. Regardless of who led the charge, the results were almost catastrophic. When eradication forces moved into the Yungas in mid June they were immediately surrounded by coca growers. Government forces held their fire and the coca growers controlled their lot. In end, and much to the disappointment of US embassy officials, an agreement was signed in which the government pledged to never forcefully eradicate coca in the Yungas. In retrospect it is probably true that in signing the agreement, the government averted a bloodbath. At the same time, however, it also signaled a turning of the tide against Plan Dignidad that would have an impact on the Chapare campaign.

Without a doubt, the success of Plan Dignidad was of great international significance in the context of what was essentially a beleaguered government that had failed to effectively deal with Bolivia's economic crisis and which presided over the most dramatic social unrest since the mid 1980s. Plan Dignidad gave the Banzer government great international cache that resulted in the open support of the US embassy. In April 2001, for example, when opposition leader and former president Sánchez de Lozada demanded Banzer's resignation, Ambassador Rocha went out of his way to express US support for the Bolivian president. Correct or not, conventional wisdom in

Bolivia held that the only reason Banzer was able to stay in office was because of the overt support of the US Embassy.

Rocha's support, however, was not enough to keep Banzer at the helm when the Bolivian president was diagnosed with cancer and rushed to the United States for treatment.^[39] In August following all types of maneuvers by those most closely linked to Banzer to prevent a constitutional succession, Vice President Quiroga was sworn in to office. Quiroga's ascension resulted in a three-month hiatus in the pattern of socio-political turmoil that had dominated the country for nearly two years.

The problems facing the government in the economic front and with numerous groups, however, appeared to be insurmountable in the long term. None was more difficult than the conflict with the Chapare coca growers. This conflict intensified when in September 2001, Leopoldo Fernández, the new minister of interior, announced that a satellite error had resulted in the government's earlier claim that only 600 hectares remained to be eradicated in the Chapare. Instead he revealed that 6,000 hectares were in fact still left and that the government would intensify its efforts to eradicate them.

As Bolivian efforts to target the remaining 6,000 hectares intensified so did cocalero resistance. By early October the standoff between cocaleros—who surrounded military stations and alternative development offices—and eradication forces was serious. Evo Morales complained not only that coca production should remain but that alternative development projects had been a complete failure. The Quiroga government appeared to back track on its earlier pledge to abandon compensated eradication programs when it announced a plan to provide \$2,400 in technical assistance to every campesino who abandons coca cultivation. Ambassador Rocha, in turn, warned that US assistance was tied to the political will of the Bolivian government to eradicate coca and that without it, approximately \$120 million in funding would disappear.

In the final analysis, Quiroga faced a very dire scenario in late 2001. In ten months he was to not only resolve all of the social problems inherited from Banzer's four years, he also had to resolve the economic crisis, preside over the 2002 national electoral round, (which was fraught with

problems) and he had to close out the cycle of Plan Dignidad. As 2001 ended, it appeared that the task was too large even for Quiroga; the honeymoon with Washington ended with the release of 2002 INCSR report. Although overall praise for Bolivia's success is noted, serious reservations about the will of the Bolivian government to push ahead with eradication of coca in the Chapare and Yungas regions. In particular, the INCSR notes that the Bolivian government has given in to pressure from coca growers in at least two critical areas: restricting coca leaf markets in the Chapare and the speed of eradication. The INCSR report is also extremely critical of the agreement with coca growers in the Yungas that, in essence, prohibits forceful eradication in that region. The surprise for Quiroga came in March 2002 with the release of the INCSR Report.

Up to June 2001, the GOB seemed committed to implementing the "dignity Plan," President Banzer's five-year initiative to remove Bolivia from the coca-cocaine production circuit by 2002. President Quiroga (who assumed office when ill health forced Banzer to retire one year early in August 2001) said he would continue to support the GOB's eradication, interdiction, alternative development, and demand reduction programs outlined in the Dignity Plan. However, the Quiroga administration has been reluctant to take certain measures, such as closing 15 illicit markets in the Chapare and prosecuting violators who continue to grow and sell illicit coca. In November 2001, the GOB issued a decree which authorized the seizure of illegal coca that is transported or dried in the Chapare and the arrest and prosecution of those involved. The decree came under heavy protest by cocaleros and those detained under the decree were soon released from custody. A series of violent confrontations with cocaleros protestors led to the GOB reversing its policy to pursue forced eradication in the Yungas region, and slowed eradication operations in the Chapare region. Despite the eradication of 9,395 hectares in the Chapare region during 2001, massive illegal replanting led to increased coca cultivation. Yungas coca cultivation above the 12,000 hectares allowed for traditional use also grew in 2001.

The official reasons for Washington's displeasure appear in the INCSR. Embassy officials interviewed for this project, however, noted two other related but non-quantifiable issues.^[40] The first was involved the naming of Leopoldo Fernandez, a prominent ADN politician suspected of ties to the narcotics industry, to the post of Minister of Interior. Although he had served under Banzer, Washington had expected Quiroga to purge him from his cabinet. Fernandez had become an important negotiator with Evo Morales and the Chapare cocaleros and at one point was even considered a possible ADNN presidential candidate. In President Quiroga's view, the US accusation was unfounded and it simply reflects the inability of Washington to understand the domestic constraints facing his interim government.^[41] US officials also argued that Quiroga's

conciliatory policies were responsible for "resurrecting coca grower leader Evo Morales and CSTUCB secretary general Felipe Quispe." According to this view, Morales and Quispe were soundly defeated by the Banzer government and posed no threat to the government. President Quiroga argues that this interpretation ratifies Washington's lack of clear analysis regarding the situation in Bolivia. An even more subjective reason for the falling out between Quiroga and Washington appears to be the recurrent public and confidential statements by embassy officials about the key role played by General Banzer in Plan Dignidad's success. As noted earlier, evidence regarding Banzer's role in the design and/or implementation of the Plan is scant. At the same time however

Table 3 Coca Cultivation and Eradication in Bolivia: 1996-2000

	2000	1999	1998	1997	1996
Chapare	600	7,500	23,500	31,500	33,000
Yungas	13,600	14,000	14,200	14,000	14,400
Apolo	300	300	300	300	700
Total	22,253	38,799	49,621	52,826	55,612
Cultivation					
Total	7,653	16,999	11,621	7,026	7,512
Eradication					
Net Total	14,600	21,800	38,000	45,800	48,100
Cultivation					

Source: INCSR Reports 1996-2000

Table 4 Coca Leaf, Coca Paste, and Cocaine Seizures in Bolivia: 1996-2001

Seizures	20001	2000	1999	1998	1997	1996
Coca Leaf (mt)	65.95	51.85	56.01	93.72	50.60	76.40
Coca Paste (mt)					0.008	
Cocaine Base (mt)	3.95	4.54	5.48	6.20	6.57	6.78
Cocaine HCL (mt)	0.51	0.72	1.43	3.12	3.82	3.17
Combined HCL and Base (mt)	4.46	5.26	6.91	9.32	10.39	9.95
Agua Rica	20,240	15,920	30,120	44,560	1,149	2,275

(*)(ltrs)
 Arrests and Detentions 1,674 2,017 2,050 1,926 1,766 955
 Labs Destroyed
 Cocaine 1 2 1 1 1 7
 Base 877 620 893 1,205 1,022 2,033

(*) Suspension of coca paste in a weak acid solution.
 According to the DEA, 37 liters of agua rica equal one kg of cocaine base.

Source: INCSR 2000 Report

Bolivia:Coca Cultivation and Eradication (1993-2001)

	2001	2000	1999	1998	1997	1996	1995	1994	1993
Coca									
Net Cultivation (ha)(1)	19,900 (2)	14,600	21,800	38,000	45,800	48,100	48,600	48,100	47,200
Eradication (ha)		7,653	16,999	11,621	7,026	7,512	5,493	1,058	2,397
Cultivation (ha)	19,900	22,253	38,799	49,621	52,826	55,612	54,093	49,158	49,597
Leaf: Potential (mt)	20,200	13,400	22,800	52,900	70,100	75,100	85,000	89,800	84,400
HCL: Potential (mt)	60	43	70	150	200	215	240	255	240

Source: INCSR Report 2001

(1) The reported leaf to HCL conversion ratio is estimated to be 370 kg of leaf to one kg of cocaine in the Chapare. In the Yungas, the reported ratio is 315:1

(2) As of 6/01/01

Conclusion: Explaining Plan Dignidad's Success

However one examines the results of Plan Dignidad they are indeed impressive from the standpoint of overall reduction in coca cultivation in the Chapare. The State Department's early praise was well placed from this perspective. A more balanced explanation of the factors that contributed to this success and which might lead to longer term prospects for Bolivia is required.

Several factors appear important to understand the policy's success. Of these some were clearly intended while a few appear even perversely serendipitous, and still others unintended.

Policy design and implementation was an important dimension that contributed to the overall success. In this sense, achieving the political will and capacity to implement the program was a crucial first step. Whether one buys the notion that a national consensus was achieved, or whether one believes the national pride stories of president Quiroga, the government did muster enough political muscle to carry out the strategy. It is also very clear that US pressure was an absolutely significant factor in 1997 that perhaps forced the hand of the incoming Banzer government. Without the pressures of Ambassador Kamman in 1997, perhaps Plan Dignidad would never have come to pass.

With policy design came a number of very significant conceptual changes in Bolivian policy. The following are not mentioned in any rank order of importance, it is clear that all were important to the final outcome

Reclaiming State Control of the Chapare Through Militarization

Accurate or not, for at least two decades the Chapare had become known as an area in control of drug traffickers and coca growers. Past policy failures were in large measure a result of the inability of the Bolivian state to enforce policy there in a sustainable manner. Earlier attempts at eradication, for example, were often routed even before they began as a result of organized coca grower responses. While it would be far fetched to make a comparison to the Colombian situation where the state has surrendered control over a vast sector of its national territory, the Chapare in many ways became a territory where law enforcement activities could be carried out only exceptionally. Plan Dignidad appears to have provided territorial control of the Chapare, a key element of expanding the presence of the state. The problem in the long term is that the presence of the state is directly related to the militarization of the region. This factor must be placed in some context.

Until 1995, the notion that the armed forces could enter the Chapare was one of the most controversial subjects in Bolivia. Most analysts argued that militarizing the Chapare would inevitably lead to armed conflict in the region. The fact is that the presence of the armed forces and the police have led to increased tensions and to a number of shootings and deaths, but the doomsday predictions of some have not come to pass. The most serious occurred in October and November 2000 when farmers kidnapped, tortured and murdered four policemen and the wife of one of the officers.^[42] In the government's view, these attacks were the result of an alliance between coca growers and narcotraffickers bent on preventing the elimination of coca production. At the same time, accusations of human rights violations against members of the security forces became widespread.

In October 2001 tension in the Chapare intensified as the new Quiroga government intensified its efforts to end all production in that region. The result was the death of two peasants and over a dozen wounded, including four soldiers. As the government attempts to destroy the remaining 6,000 hectares, it is likely that greater casualties will result. Organized resistance by coca growers has added to the confrontation, especially after they surrounded military forts and alternative development offices.

The social tensions of 2000 and 2001 are illustrative of the unintended consequences of Plan Dignidad. In October, peasants surrounded the capital city of La Paz and the central city of Cochabamba among others in an attempt to force the government to revert certain policies and to give in to a series of economic demands. As one Bolivian politician described it, the country was on the brink of a racially based civil war between those who believed that the country was the shining example of democracy and economic reform and the vast majority who felt excluded completely from the benefits.

The Banzer government was correct in noting that Bolivia was deeply affected by the economic downturn of its neighbors, especially Brazil, and that the country was also affected by the significant increase in the price of hydrocarbons. But by far the most serious issue was the dramatic success of Plan Dignidad in curbing the cultivation of coca leaf.

According to then Minister of Planning Ronald MacLean, this success resulted in the sudden disappearance of \$500-700 million (one percentage point of GDP) from the Bolivian economy.^[43] This figure is high for any country, but it is especially significant in a country like Bolivia where the long-term benefits of neo liberal reform will not be felt for several more years. It is also especially significant in a country where 70 percent of the population is poor, indigenous, and depends mainly on informal market mechanisms.

The problem was that while the US and the Bolivian government basked in the success of crop eradication, neither was capable of providing significant alternatives for farmers nor could they inject economic resources to make up for the shortfall. Farmers in the coca growing Chapare blocked roads and engaged in violent confrontations with government troops demanding that the government give up its eradication campaign and halt the construction of three US financed military bases. Moreover, they demanded the resignation of president Banzer.

Banzer's government was also trapped by the legacy of his past: he was the de facto military ruler of the 1970s whose murky human rights record was tainted by a bloody 1974 crackdown on striking peasants in the Cochabamba valley. Although he was democratically elected in 1997, some even give him great credit for the country's 19-year old democracy; few were willing to forget his authoritarian past. He also severely mishandled the April revolt and has been hesitant to crack down on the rebels, although he has had little control over poorly trained soldiers eager to fire rounds at rock throwing peasants. The government's principal source of support at one stage appeared to be coming from Mr. Manuel Rocha, the recently arrived US ambassador who is charged with enforcing the terms of US counter narcotics policy and for whom former General Banzer and Vice President Quiroga deserve to be recognized as the current Latin American heroes of the War on Drugs. ^[44]

In any event, the role of the armed forces in the success of Plan Dignidad is unquestionable. Sustaining the success of Plan Dignidad will also depend on the presence of the armed forces and the police in the Chapare for years to come. This is a role that may define the future long-term role of Bolivian security forces. More important to the long-term success of the policy will the capacity

to establish greater state presence in coca growing regions beyond the armed forces. Generally referred to as nation and state building, the fact is that the long-term sustainability of Plan Dignidad is directly linked to the presence on non military state services for a population that now lacks the ability to support itself.

The Elimination of Cash Compensation for Voluntary Eradication

A second significant factor in Plan Dignidad's success was the phased out elimination of compensated voluntary eradication that paid farmers up to \$2,500 per hectare. As numerous studies have shown, this compensated payment provided an incentive for peasants to plant more coca rather than to accelerate eradication. As the 1999 INCSR states, coca eradication efforts were largely aided by field abandonment. Faced with no compensation for voluntarily eradicating crops and with no buyers for the excess production, farmers simply abandoned their fields.

Compensation for communities and then not in the form of cash payments but in technical assistance has been a significant improvement over the previous method. It is clear that this form of compensation has many supporters who believe that this is a way to secure community ownership of alternative development programs and an acceptance of forceful eradication efforts. Again, this form of compensation will depend greatly on the health of the Bolivian economy and the presence of foreign funding for the program.

• *Alternative Development Programs*

This is not the place for an overall analysis of Bolivia's alternative development programs.^[45] Suffice it to say that this dimension of the Plan Dignidad appears to have worked well despite serious limitations in funding and problems with the way in which the program has been implemented. The success of Plan Dignidad has led to a significant increase in funding levels for Bolivia in 2001 with approximately \$110 million committed by the US Congress and President GW Bush's recently unveiled Andean Initiative. ^[46]

The results of alternative development are important although according to the ministry of

agriculture Bolivia exports only 7 percent of the alternative crops, which result in an annual income of only \$5.6 million. Significantly the Bolivian market for palm hearts, pineapple, banana, passion fruit and orange crops planted to replace coca brought in a total of \$ 73 million. In the Chapare's 116,000 hectares are said to be cultivated with bananas, pepper, yucca, orange, pineapple, mandarin oranges, rice and hay. The government believes that in the future the area dedicated to non-coca crops could be expanded to 550,000 hectares.^[47]

Other international donors have also become an important dimension of alternative development in Bolivia. The Spanish International Cooperation Agency (AECI), for example, is involved in a hearts-of-palm project, in Chimoré deep within the Chapare. The Spanish project includes building and donating a processing plant and setting up a project to train workers to grow the palms and to marketing and selling the finished product.

Bolivia's experience with Alternative Development is important and many lessons could be derived from the last four years of the Plan Dignidad. It is clear that these programs have provided some relief for former cocalers; but it is also clear that they may be insufficient to deal with the huge demand that massive eradication in such a short period of time has signified. Without significant international funding and without the opening of international markets for Bolivian products, this Alternative Development success could prove to be a temporary diversion for unemployed coca growers in the Chapare.

- ***Controlling Chemical Precursors***

In 1999 Bolivian law enforcement officials claimed that as a result of Plan Dignidad the most profitable business in Bolivia was the smuggling of precursor chemicals.^[48] It is perhaps most noteworthy that between 1996 and 2000, the entry of chemical precursors into Bolivia came to a dramatic end. As a result, the illicit drugs industry resorted to precursors such as cement to produce low quality cocaine, which must inevitably be cleansed or whitened with traditional chemicals. Law enforcement officials in Bolivia believe that this dimension of Plan Dignidad was as important to the policy's success as was the forceful eradication of the leaf in the Chapare.

An analysis of CICAD data regarding precursor chemicals, however, reveals an important trend. The most significant year in precursor chemical interdiction appears to have been 1995, at least two years before the launching of Plan Dignidad. A more careful reading reveals the downward trend of traditional chemicals such as acetone, and sulfuric acid and the increasing use of non-traditional chemicals such as gasoline and kerosene. Lime, an important component of cement, remains fairly constant throughout this period. In short, while the Banzer government boasts that its precursor interdiction policy was a key dimension of the Plan, the data reveals that more chemicals were actually confiscated during the previous Sánchez de Lozada period.

Table 5: Confiscated Precursor Chemicals: 1995-1999

Precursor	1995	1996	1997	1998	1999
Acetone (lt)	8,592	24,546	5,438	623	5,945
Hydrochloric Acid (lt)	2,770	3,477	9,946	1,408	5,001
Sulfuric Acid (lt)	15,242	33,793	9,881	8,970	7,583
Ethyl Alcohol (lt)	13,355	--	--	--	2,008
Ammonia	5,063	4,775	623	4,412	263
Sodium Bicarbonate (kg)	19,768	15,040	11,406	13,659	5,931
Lime (kg)	213,711	307,522	106,722	286,345	56,609
Diesel (lt)	230,854	350,383	159,832	481,826	171,855
Sulfuric Ether (lt)	8,830	24,619	3,152	28	3,484
Gasoline (lt)	10,652	9,764	12,371	46,839	110,858
Kerosene (lt)	42,331	72,843	16,074	10,815	7,499
Potassium Permanganate (kg)	22,137	740	128	36	82

Source: CICAD, Statistical Summary on Drugs, (Washington, 2000)

• **External Factors and Plan Dignidad**

As noted in the previous section policy design, implementation, and political will were important ingredients in the much-lauded Plan Dignidad. Much of the Plan's success, however, had to do with factors completely outside of the control of the Bolivian government and perhaps with a bit of fortuitous timing. By the mid 1990s, several developments in Colombia and Peru were to have an important impact on the development of Bolivia's role in the international narcotics industry.

One of the more significant developments that had an impact on the Plan's implementation was the intensification of Peru and Colombia's policy of shooting down airplanes suspected of carrying illicit coca paste and cocaine to Colombian laboratories. For many US law enforcement officials, shutting down the "air bridge" effectively ended the capacity of drug trafficking organizations to tap into Bolivian and/or Peruvian coca fields for the raw material.^[49] The shoot down policy has also apparently had an impact on the development of land and river routes into Colombia and has converted Ecuador into a player in the trafficking industry. In any case, the point is that Bolivian coca paste has been unable to reach Colombian laboratories, which for many years depended on the raw material produced in the Chapare. The recent accidental shoot down of a missionary plane has led to a serious questioning of this policy, however, it is unlikely that it will be reversed. Thus, the air bridge will be closed for the foreseeable future.

A second crucial external factor appears to be the concentration of all facets of cocaine production in Colombia since at least 1997. The concession of a huge tract of land to the FARC appears to be specifically tied to the concentration of production in Colombian territory. It is debatable whether the concentration of production in Colombia is the result of the effectiveness of the closing down of the air bridge or the effectiveness of Plan Dignidad; the more likely explanation is that the zona de despeje has made this vast zone a virtual free zone for the processing of coca cultivated in the Putumayo region of Colombia. As a result, the assertion that Bolivian cocaine is no longer available in the US markets is probably correct.^[50]

A third international factor in this equation is the role of the United States. On the one hand, it is probably fair to argue that large scale US funding has been significant to the success of Plan Dignidad. It is also true, however, that US funding was difficult to obtain and at certain points in the last three years even declined. Moreover, Bolivia's future US funding will always be dependent not only on policy direction in Colombia but also on competing bureaucratic priorities in Washington.

Consider, for example, the situation that occurred in 1998 when counternarcotics assistance to Bolivia was almost cut by nearly 70 percent. In part, the reduction reflected a lack of

understanding by Bolivian government officials about the budget process, executive legislative relations, and bureaucratic politics in the United States. In 1997, the US Congress ordered the Office of International Narcotics and Law Enforcement Matters to provide the means for Colombia to purchase Black Hawk and Hughes Helicopters. At the same time the US Congress approved a 17 million-dollar increase in INL's budget. To complicate matters, former Assistant Secretary of State and also former ambassador to Bolivia Robert S. Gelbard, who was then serving as President Clinton's Special Envoy to the Dayton Process, essentially raided the INL budget taking \$25 million to provide assistance to the police in Bosnia. Gelbard's request for the same amount from Congress had apparently been denied. The long and the short of it is that to fund Colombia's needs, INL raided the Bolivia budget.

Funds were eventually restored although not at the level that Bolivia would have liked only as a result of Vice President Jorge Quiroga's trip to Washington to plead with Congress to restore funds. Quiroga employed an effective strategy stating during a Washington press conference that Bolivia had adopted the "No thanks strategy." In other words, it would seek international support for its strategy rather than accept the humiliating \$12 million. Moreover, he noted that it appeared that the message being sent by Washington was that a country must seriously misbehave if it is to obtain large doses of support. Quiroga's strategy worked in the long run as is evidenced by the support announced by Washington for this fiscal year.

The unintended international consequence of the success of Plan Dignidad, the concentration of production in Colombia, and the success of the airplane shoot down strategy, has been that Bolivia has become a transit country for coca paste and cocaine produced in Peru. According to Bolivian law enforcement officials, the department of Pando has become a virtual highway for Peruvian cocaine en route to the Brazilian and European market. In Pando laboratories for cleansing cocaine produced by inferior chemicals such as cement appeared in the late 1990s. As a result of the chemical interdiction strategy, these are apparently given way to Brazilian labs which have easy access to chemicals.

The Altiplano region of western Bolivia is also becoming a significant transit zone for Yungas coca

and for Peruvian base. In 2001 the number of labs discovered in the Altiplano are worthy of note. Again, as in the Pando region, these labs are used to cleanse low grade coca paste produced by inferior chemicals used in the production phase. Perhaps the most noteworthy are Bolivian law enforcement officials' claims that some of the cocaine is being processed from Yungas coca. As noted earlier, the 14,000 hectares in the Yungas are sufficiently abundant to satisfy both the internal needs of the traditional market and those of the illicit drug industry.^[51]

To conclude, Bolivia believes it is at the threshold of long-term success. However, the gains are fragile and are perhaps unsustainable unless more thoughtful nation wide policies are pursued to address issues of alternative employment for those who have lost jobs in the Chapare. National level policies need to be pursued and not only those that continue to attract population into the Chapare. In the final analysis, Bolivia's democracy is facing serious challenges and the paradox is that success in the Chapare has contributed to the fragility of the current government and the de-legitimation of state institutions.

Bolivia will elect a new president in late June 2002. The outcome is important in domestic political terms. Evo Morales and Felipe Quispe, the country's most significant indigenous leaders could muster enough electoral support to control up to a couple of dozen seats in the lower house of the National Congress. Internationally the situation has also changed significantly after the September 11, 2001 terrorist events in New York and Washington, D.C. Ambassador Rocha's proclamation that the Plan Dignidad is the equivalent of decree 21060 that led to the stabilization of the Bolivia's economy in 1985, sends a very strong message that no matter who takes office in La Paz, any deviation from the objectives of Plan Dignidad will not be tolerated by the United States. Bolivia's draconian approach to counternarcotics policy may have paid off in short term international praise and in some additional economic assistance. At the same time, however, Plan Dignidad established goals that will be hard to achieve and sustain over the long term. The problem is that the international community, especially the United States, will evaluate Bolivia using Plan Dignidad's own measures.

[1] Bolivia's Dignity Plan has not undergone much academic scrutiny. At this stage only journalists and activists have written analyses of the policy. See for example: George Ann Potter, "Is the War on Drugs Bringing Dignity to Bolivia?," George Ann Potter and Linda Farthing, "Bolivia Eradicating Democracy," *Foreign Policy In Focus* Volume 5, Number 38, October 2000; Albright Praises Bolivia's Drug Control Efforts, Increases U.S. Aid, *CCN.Com*, August 18, 2000; Kevin Hall, "Shedding 'drug state' title: A firm political decision, national pride and \$350 million in U.S. aid are helping Bolivia rid itself of an international scourge," *Knight Ridder Newspapers*; Anthony Faiola, "In Bolivia's Drug War, Success Has Price; Farmers Victimized By Coca Eradication," *The Washington Post* March 04, 2001, A Section; Pg. A01; Vanessa Arrington, "Bolivia declares victory in war against cocaine," *Associated Press*, February 23, 2001.

[2] Rennselaer Lee notes : An iron law of international drug control is that small enforcement successes often mask larger policy failures. The supposed achievements of the Andean drug war , in fact, have spawned an array of unanticipated problems for the United States, Colombia and other countries in this hemisphere" see. "Perversely Harmful Effects of Counternarcotics Policy in the Andes," paper prepared for the Workshop on the Political Economy of the Drug Industry, Utrecht University, June 14 and 15, 2001. A contradictory viewpoint was offered by Luis Fernando Zamora, former minister of defense for Colombia, who argues that the concentration of production in Colombia has more to do with the vertical integration of the drug industry as a business decision of Colombian traffickers and less with the successes of the Bolivian and Peruvian eradication strategies. Comments delivered at the seminar "El Impacto Regional del Conflicto Colombiano," Latin American and Caribbean Center, Florida International University, June 23, 2001.

[3] Author interviews with former US Ambassador Donna Hrinak (La Paz, Bolivia, July 2000) and with current Ambassador Manuel Rocha (October 2000, May 2001 and March 2002).

[4] At the same time, however, some Bolivian officials complained about the lags in US and international funding, especially for alternative development efforts in the Chapare.

[5] In June 2001 the government claimed it had eradicated all but 600 hectares in the Chapare. In September the new government headed by President Jorge Quiroga admitted that a digital satellite error had led Bolivia to claim this early victory. In reality the government claimed, the correct figure was 6,000 hectares remaining to eradicate. Earlier when the Bolivian government had boldly proclaimed that "zero coca" had been achieved, Evo Morales, the head of the coca growers' movement questioned the government's assertion. Still under any measure, the eradication campaign far exceeded any original expectations about the Plan.

[6] According to Bolivian Law 1008, signed in 1988 under very close US scrutiny, the Yungas may legally grow 12,000 hectares for traditional coca consumption. Thus, Bolivia will have to focus only on eradicating 2,000 hectares of Yungas Coca. According to a US study cited in the State Department's annual INCSR, Bolivia needs only 5,000 hectares of coca for traditional consumption. If this is the case, then 9,000 hectares of coca are still available for the illicit drug market.

[7] On August 6, 2001, owing to a severe bout with cancer, President Hugo Banzer Suarez stepped down and was succeeded by Vice President Quiroga. Quiroga was scheduled to serve out Banzer's five year term which ends in August 2002.

[8] República de Bolivia, ¡Por la Dignidad! Estrategia Boliviana de la Lucha Contra el Narcotráfico: 1998-2002.

[9] One of the most arguable assertions of the plan is the idea that "a majority of coca growing peasants have joined the production of cocaine." see page 8 of the Plan.

[10] Interviews with Jorge Quiroga, (July 2000, October 2000, May 2001)

[11] Quiroga delivers the same message nearly every time he is asked to speak in public about the plan. speech. This repetitive theme played out very well in US circles but was not very effective domestically.

[12] These developments are analyzed in Eduardo A. Gamarra, *Entre la Droga y la Democracia*, (La Paz: ILDIS, 1994). For an analysis of the Bolivian drug policy during this period see: Eduardo A. Gamarra, "The United States and Bolivia: Fighting the Drug War," in Victor Bulmer Thomas and James Dunkerley eds., *The United States and Latin America: The New Agenda* (London and Cambridge: Institute for Latin American Studies, University of London, and Harvard University Press, 1999); Eduardo A. Gamarra, "Las relaciones entre Estados Unidos y Bolivia durante el gobierno de Gonzalo Sánchez de Lozada," in Andrés Franco ed., *Estados Unidos y los países andinos, 1993-1997: poder y desintegración* (Bogotá: Pontificia Universidad Javeriana, 1998)

[13] In April 2001, the US announced that it had restored Jaime Paz Zamora's visa. Paz Zamora promptly flew to New York. When asked about the factors that prompted the US reversal on Paz Zamora's visa, Ambassador Rocha explained that access to the declassified cables that prompted the reversal would be available in 30 years or so. (Personal conversation, May 2001). In returning the visa to Jaime Paz Zamora, many in Bolivia believe that the US anointed the next president and also guaranteed a very cooperative future presidency from the formerly anti-American social democratic political leader. Off the record conversations with US State Department officials, however, suggest that rumors that circulated in Bolivia about the personal intervention of George Bush senior—whom Jaime Paz Zamora met during the Cartagena Summit—may have some credibility. According to a senior official who served in the Bureau of International Narcotics and Law Enforcement Matters (INL) at the time of the suspension of the visa, Bush senior developed a personal liking for Paz Zamora that prompted him to intercede on his behalf. It is also true, however, that the Bolivian government embarked on a lobbying effort with the new George W. Bush administration on Paz Zamora's behalf. In Bolivia speculation had it that Marlene Fernandez, Bolivia's ambassador to the US, had earned the vice presidential slot on the MIR's ticket as a result of her intense lobbying effort on behalf of Paz Zamora. Fernandez in fact became the vice presidential candidate of the Unidad Civica Solidaridad (UCS) to contest the 2002 elections.

[14] Telephone conversation, April 19, 2002.

[15] Interviews with Robert S. Gelbard, Charles Bowers, Donna Hrinak, and Manuel Rocha.

[16] Confidential interviews with current and former DEA agents in Bolivia and Miami. The most recent accusation surfaced in 1998 following the arrest of Marino Diodato, a member of the Santa Paola Sicilian crime organization. Vice President Quiroga often stressed in interviews that the Santa Paola crime family was one of the US most wanted criminal organizations. According to Diodato's own sworn court room testimony, ADN's 1997 campaign had received money from organized crime. This is not the place to analyze the Diodato case. It is very clear, however, that arresting and convicting Marino Diodato played a huge role in the US government's support for the Bolivian government. It is also clear, that former ambassador Hrinak chose to work with Quiroga because he was the only person in the government not tainted by the Diodato scandal. The Diodato case was so significant for the US that once he was convicted, Secretary of State altered her South American itinerary to visit La Paz and bestow praise on the Bolivian government.

[17] US Embassy officials in the Narcotics Assistance Unit (NAU) disagree with this interpretation. In their view it was General Banzer's decisive support and leadership that gave the policy its strength. A review of the record over the course of the implementation of the Dignity Plan reveals that Banzer was at best peripherally involved in the design and/or implementation of the policy.

[18] The director of the NAS unit in the US embassy in La Paz disagreed with this interpretation of Quiroga's role. In his view, the Plan Dignidad's success was solely due to General Banzer's role. He argued in late 2001 that after Banzer's resignation, coca was once again being planted and that the new Quiroga government lacked the will to press ahead with the goals of the Plan. This interpretation would subsequently appear in the State Department's INCSR March 20002 report.

[19] See Jorge Malamud Goti, *Smoke and Mirrors* (Boulder: Westview Press, 1990) and Eduardo A. Gamarra *Entre la Droga y la Democracia* (La Paz: ILDIS, 1994) for a discussion of this event.

[20] See Clare Hargraves, *Snow Fields* (New York: Holmes and Meier, 1992) for accounts of this incident.

[21] In interviews with DEA and US embassy officials in Bolivia since 1988, this theme has been recurrent.

[22] In the mid 1990s a few organizations existed in Bolivia capable of moving large amounts of refined cocaine directly into Mexico and the United States. The most noteworthy case was Amado "Barbas Chocas" Pacheco who, for at least one decade, smuggled cocaine into Mexico. Pacheco was arrested in September 1995 when his DC-6 loaded with 4.1 tons of cocaine was stopped at the Jorge Chavez airport in Lima, Peru. In contrast to the early days of the Roberto Suárez organization, which boasted that it could deliver 1,000 kg per month, the contemporary shipments are massive. For an interesting account of the Pacheco organization see, Gerardo Irueta Medrano, *De Huanchaca al narcoavión* (La Paz: Editorial Gráfica Latina, 1995).

[23] On this point see Eduardo A. Gamarra "Transnational Criminal Organizations in Bolivia," in Thomas Farer and Michael Shifter ed., *Transnational Criminal Enterprise in the Americas* (Praeger Press, 1999).

[24] This section has dealt mainly with sins of past governments. The most significant problem facing the government

of former General Banzer are allegations of family and other linkages with Marino Diodato, who was sentenced to 12 years in prison for narcotics trafficking in September 2000. Diodato became an important case not only because of the alleged linkages to the current government but also because of his presumed links to the Santa Paola crime family which, according to Bolivian government officials, was so important that it was given the Rubicon priority security status in the United States.

[25] According to Law 1008, in 1995 the Bolivian government had to initiate the forceful eradication of coca in the so-called transition zones.

[26] See Gamarra "The United States and Bolivia: Fighting the Drug War," (op. cit.); and, Gamarra, "Las relaciones entre Estados Unidos y Bolivia durante el gobierno de Gonzalo Sánchez de Lozada," (op. cit.).

[27] United States Congress, Extradition Treaty with Bolivia: Message from the President of the United States (104th Congress 1st Sesión, October 10, 1995.

[28] Shortly after the 1997 elections, Acting Assistant Secretary of State Jane Becker warned that, if it did not meet its eradication targets, Bolivia faced almost certain decertification. See State of Jane Becker, Acting Assistant Secretary of State Office of International Narcotics and Law Enforcement Matters, July 16, 1997.

[29] Interviews with Vice President Jorge Quiroga (July 2000, October 2000 and May 2001).

[30] Public opinion polls in Bolivia have consistently demonstrated that drugs and narcotics trafficking are at best third on the scale of priorities of most Bolivians. Support for interdiction has rarely surpassed fourth place, well behind education, prevention, and alternative development. Moreover, Bolivians believe that campesinos have a right to defend the cultivation of coca, but they also believe that the government should do more to fight narcotics trafficking. See Roberto Laserna, Natalia Camacho, and Eduardo Córdova, eds., *Empujando la Concertación: Marchas campesinas, opinión pública, y coca*, (Cochabamba: CERES y PIEB, 1999). In more recent surveys, see Marketing SRL, PAT survey results broadcast on June 21, 2001) urban opinion about eradication of coca in the Yungas region largely favors the governments efforts to eradicate. Nevertheless, in a written accord the government reversed its decision to pursue compensated eradication in the Yungas on June 22, 2000.

[31] Interviews with US Ambassador Manuel Rocha.

[32] The decision by President Quiroga to order the military and police into the Chapare in October 2001, for example, appears to have been widely supported.

[33] In casual conversations with coca growers they argued that they were willing to exchange piece and tranquility for the relatively higher income coca has provided. In other words, cocaleros are tired of the environment of repression that prevails in the Chapare with the presence of the armed forces and police.

[34] See Roberto Laserna, *20 Misconceptions on Coca and Cocaine*, (Partners of Novib, 1998)

[35] Evo Morales, the leader of the Chapare coca growers and a congressional deputy claimed that the government figures were incorrect and that in fact over 10,000 hectares were still available. In negotiations with the government Morales insisted on allowing every cocalero family the right to keep one "cato" (800 square mts) of coca. Government officials noted that if 35,000 families were allowed a cato each this would result in another 6,000 hectares and the production of 60 tons per year of cocaine. The admission of a satellite error in mid 2001 proved Morales correct. Estimates in April 2002 placed the total hectareage under cultivation at 9000.

[36] According to the 1998 INCSR report, [alternative development] "has yielded significant results. Prior to 1992, coca was the principal crop grown in the Chapare. The hectareage in licit crops in the Chapare is now three times greater than coca cultivation, and 127 percent greater than 1986. Licit agricultural production in the Chapare now represents 1.5 percent of Bolivia's gross domestic product. The success of this program has enabled the Government of Bolivia to effectively counter arguments that coca eradication impoverishes poor farmers and makes the goal of total coca eradication political unfeasible. See *International Counternarcotics Strategy Report* (INCSR) 1998 Report, Office of International Narcotics and Law Enforcement Matters, February 28, 1998.

[37] One sustainable development official told me that as many as 70 coca growers per day were leaving the Chapare

and were showing up in the Yungas. No other source, however, confirmed this report. In fact, it appears that some displacement occurred but not to the extent that government officials feared.

[38] Personal conversation with Ambassador Manuel Rocha August 2001.

[39] Apart from the historic ties that bound the Bolivian president to the US military, Banzer's cancer treatment at Walter Reed Hospital was another sign of just how grateful the United States was for the results of Plan Dignidad.

[40] Confidential interview March 2002.

[41] Interview with President Quiroga, La Paz, Bolivia, April 19, 2002.

[42] See Theo Roncken, "The Conflicts Behind the Dignity," *Drugs and Development* Volume 24 November 2000

[43] Interview with author October 2000.

[44] For ambassador Rocha, Plan Dignidad represents the third most significant event in the history of Bolivia in the second half of the 20th Century. The other two are the 1952 Revolution and the 1985 New Economic Policy that ended hyperinflation and set in motion the current market oriented development strategy. Interviews with author October 2000 and May 2001. While there is no denying the success of eradication in the Chapare, to place it with the previous events reflects more the ambassador's enthusiasm than the real historical impact of the Dignity Plan.

[45] Among the most cited concerns regarding alternative development programs in Bolivia are the lack of funds, the magnet effect of alternative development for rural populations throughout Bolivia, the absence of markets for products, the unsuitability of soils for large scale agriculture, the unfeasibility of small scale agriculture, and the conceptual links of alternative development to interdiction strategy.

[46] According to the Bolivian government the US money and a considerable Bolivian investment will be used to prevent the sowing of new coca fields in Chapare. The Bolivian government claimed it would invest \$ 91 million dollars in the region's development benefiting 10,000 rural families. The agriculture ministry also launched a so-called "Progress Plan" for the region aimed at improving roads, promoting alternative crops and training farmers. Along with the \$ 91 million dollars from Bolivia's government, the Chapare development project will receive \$ 40 million of the \$ 110 million dollars contributed by the United States. The government also announced that \$ 20 million dollars would be invested in the region of Yungas to eradicate 2,500 hectares of illegal coca fields. (Interviews with Minister of Agriculture Hugo Carvajal)

[47] Interview with Minister Carvajal, La Paz, Bolivia October 2000.

[48] Interviews with Guido Nayar, former minister of interior and Fernando Kieffer, former minister of defense July 1999.

[49] Interviews with US Southern Command officials and with DEA officials (Miami July 2000).

[50] This is Ambassador Rocha's claim. Interview May 2001.

[51] Interview with FELCN officials, La Paz and Miami, July 2000.