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Bolivia at the Crossroads: Interpreting the December 2005 Election

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Introduction

On December 18, 2005, Evo Morales won 54 percent of the vote in Bolivia's presidential election, outpacing his closest rival by twenty-five percentage points. For a number of reasons, the outcome of this closely-watched election was stunning.

First, the victory of Morales meant that he would become Bolivia's first ever indigenous president. Though the country has the largest indigenous population in South America, with approximately 67 percent of Bolivians identifying as indigenous, its political life has long been dominated by white and mestizo minorities.^[1] Bolivia has experienced countless regime changes in its nearly two centuries as an independent republic, shifting back and forth between constitutional and authoritarian rule, but until now all presidents—democratic and *de facto* alike—have come from an ethnic group other than that of the majority of Bolivians.

The victory of an indigenous candidate in 2005 did not materialize out of thin air. Over the course of the 1990s, indigenous groups in Bolivia mobilized to claim political roles that have traditionally been denied to them. For example, numerous indigenous leaders were elected as mayors in the late 1990s after Bolivia enacted a municipal decentralization law in 1994, and the country inaugurated its first indigenous vice-president, Victor Hugo Cárdenas, in 1993. These gains are certainly important; indeed the municipal victories of Morales' party helped pave the way for its national victory in 2005. But the concentration of power in the executive branch in Bolivia means that Morales' presidential victory marks a truly historic juncture.

Second, Morales stunned the world not just because he won the election, but because he won it so handily. In the months and weeks preceding the election, virtually every poll indicated that Morales would come in first, but only in the range of three to seven percentage points ahead of his closest rival. For example, the most widely-cited poll predicted that 36 percent of the vote would go to Morales and that 30 percent would go to center-right candidate and former President Jorge "Tuto" Quiroga.^[2] According to the electoral rules established in the Bolivian constitution, such an outcome would have thrown the decision to Congress, which is authorized to select the president from among the top two vote-getters when no candidate wins an absolute majority.

Thanks to the fragmentation of Bolivia's traditional party system, every president since the transition to democracy in 1982 has been selected by the legislature, subsequent to the post-electoral negotiation of pacts between parties that are more common in parliamentary regimes. Morales' convincing victory rendered moot the months of pre-electoral speculation about how Congress—one of the country's most discredited institutions—would behave if given the chance to choose between Evo and Tuto. Would Congress choose not to pick the first-place finisher as president, as it had often done in the past? If so, how would the social movements and civil society organizations identified with Morales respond? In the event, so many Bolivians voted for Morales that Congress played no role in the selection of the president. For this reason, it was not just the fact of Morales' victory that was remarkable but the form that his victory took, which enabled the new president to claim a greater mandate than any of his predecessors in the democratic period initiated in 1982.

In addition to these reasons, the results of the Bolivian election were particularly significant for the United States because of Morales' well-known opposition to U.S.-supported policies in the areas of drug eradication and economic liberalization. In response, some commentators in the United States have argued that the election of Morales is reason enough to suspend aid to Bolivia, to consider economic sanctions against his government, and to offer support for neighboring countries that might feel threatened by a Morales regime.^[3] Other observers conclude that the most important aspect of the December election is the additional proof it provides of Hugo Chávez's growing and pernicious influence in the region. In the campaign, Morales expressed his admiration for both Chávez and Fidel Castro.^[4] Still others see the Bolivian election largely through the lens of Latin America's shift to the left in recent years, which fails to appreciate some of the uniquely Bolivian features of Morales' upset and often reflects an inaccurately monolithic view of leftist leaders in the region.^[5]

While the Morales presidency will certainly pose several challenges to the United States, this essay attempts to offer a more balanced view by paying closer attention to the domestic logic of his electoral victory. Putting the December election in historical context suggests that the Morales presidency represents opportunities as well as challenges, both of which the U.S. government must keep in mind as it seeks ways to promote its twin overarching goals for Bolivia: democratic consolidation and broad-based economic development.

Why Evo Won: The Road to the 2005 Election

In order to understand Morales' strong performance in the December 2005 election, some of the major political and economic transformations that Bolivia experienced in the preceding two decades deserve special attention. Many of these changes were positive, including the deepening of a culture of compromise between political parties that enhanced governability, and the successful maintenance of macroeconomic stability beginning in 1985. Several developments in this period, however, were negative—including the breach that widened between the country's traditional political parties and its increasingly vigorous civil society, and the reality that few Bolivians benefited much from the adoption of neoliberal economic policies. The decidedly mixed record of the 1985-2005 period helps explain Morales' appeal, but it also challenges the misleading view that Morales threatens a political and economic order that was mostly advantageous. Closer attention to the two decades before 2005 forces us to question both those who see Evo as a savior and the victory of his party as a panacea for Bolivia's ills, and those who believe that his victory represents either the "end of Bolivia" or its "last days."^[6]

On the political front, the victory of Evo's Movement Toward Socialism party (*Movimiento al socialismo* or MAS) is more accurately understood as a rejection of Bolivia's bankrupt political establishment than as evidence of the influence of foreign leaders, whether Cuban or Venezuelan. After the disastrous administration of leftist President Hernán Siles Suazo between 1982 and 1985, three main political parties dominated politics in the two decades that followed: the Nationalist Revolutionary Movement (*Movimiento Nacionalista Revolucionario* or MNR), the

Movement of the Revolutionary Left (*Movimiento de la Izquierda Revolucionaria* or MIR), and Nationalist Democratic Action (*Acción Democrática Nacionalista* or ADN). Despite their misleading names, each of these parties was in reality a rightist or center-right party dominated by a handful of national leaders who shifted in and out of the presidency. In the absence of a majority winner, the Congressional selection of the president in 1985, 1989, 1993, 1997, and 2002 meant that each president owed his presidency to the inter-party pacts that had been negotiated in Congress. While defenders of these pacts argue that they produced smoother executive-legislative relations in Bolivia than in other presidential democracies in the region, critics noted that these pacts tended to reinforce clientelism, corruption, and personalism within political parties.^[7]

The dependence on patronage politics made Bolivia governable in the 1990s, but the obsession of political parties with the division of spoils ultimately hindered their ability to react to widespread changes in the country's civil society. The thickening of civil society was particularly pronounced in indigenous communities, where neoliberal state reforms and the collapse of the mineral economy sparked new forms of organization and protest.^[8] Adopted as part of the region-wide trend of decentralization in 1994, Bolivia's Law of Popular Participation gave indigenous civil society organizations new opportunities to participate in municipal politics and a degree of independence from established political parties that they had never enjoyed.^[9] Many of these new organizations formed the building blocks that would enable Evo Morales to transform the MAS into a party with national reach, rather than one confined to his home base in the coca-growing region of Cochabamba. In this respect, decentralization deserves to be considered an important factor in Morales' emergence, in addition to the deeply unpopular coca eradication policies that were aggressively pursued by President Hugo Banzer (1997-2001) and aggressively opposed by the MAS.

Bolivia's 2002 election brought into sharp relief the growing disconnect between the country's established political parties and the indigenous groups who were increasingly mobilized and yet still locked out of key decision-making institutions at the national level. In the 2002 presidential and legislative elections, voters repudiated Banzer's ADN and gave the MAS more votes than any other party except the MNR, a surprisingly strong showing for such a new party.^[10] In the days following the election, however, MNR candidate and former President Gonzalo Sánchez de Losada (1993-1997) engineered an alliance with two minor parties in Congress in order to secure his return to the presidency. In the 15 months that his second presidential administration lasted (July 2002- October 2003), Sánchez de Losada sidelined MAS legislators from the policymaking process within Congress and demonstrated little interest in dialogue with the democratic opposition.^[11]

Its access blocked within the political system, the MAS participated in a series of protests, blockades and hunger strikes in February and October 2003 that paralyzed the country and its economy. Over sixty Bolivians died when the president called in the military to end these protests, which deepened the opposition to his continued rule by an even broader set of civil society organizations and eventually forced his resignation and exile. The further discrediting of the country's traditional parties under Sánchez de Losada, combined with the unwillingness of these parties to grant the MAS institutionalized access to decision making channels, are critical in understanding why so many voters threw their support behind Morales in the 2005 elections. Many believed that only an overwhelming victory at the polls would guarantee his party meaningful access to national political institutions.

On the economic front, Morales' electoral victory reflects his ability to harness growing opposition to one of the most radical liberalization programs to be introduced in Latin America. Neoliberal policies were consistently adopted and defended by the three established political parties that governed between 1985 and 2003, none of which was able to respond effectively to demands among average Bolivians for a less doctrinaire implementation of market-oriented economics. While the reaction against neoliberalism can be seen in countries across Latin America, in Bolivia

the anti-market backlash has focused intensely on policies toward the country's natural resources—oil and natural gas in particular. In his first administration, Sánchez de Losada signed a new Hydrocarbons Law in 1994 that dramatically reduced the role of the state-owned oil company relative to transnational corporations, and that substantially lowered taxes on profits from new oil and gas fields. In response to these incentives for exploration, foreign oil companies discovered extensive new gas deposits in Bolivia and proceeded to exploit these reserves on terms that were some of the most generous in the world.[12]

Upon his return to the presidency in 2002, Sánchez de Losada proposed the construction of a new gas pipeline through Chile in order to increase much-needed export revenues. In addition to growing resentment about the handsome profits that foreign companies were earning from Bolivian gas, Chile's role in this project alienated Bolivians because it was to that country that Bolivia had lost its coastal access in the 19th century War of the Pacific. When Morales took up the mantle of those who wanted greater benefits for Bolivians from Bolivian gas, what ensued was the so-called Gas War (*guerra del gas*), that precipitated the ouster of Sánchez de Losada. In the subsequent, interim administration of Carlos Mesa (October 2003-June 2005), Bolivia's Constitutional Tribunal ruled that most of the contracts signed under the 1994 law had not been approved by Congress and were consequently invalid, after which Congress passed a new Hydrocarbons Law that increased taxes on oil and gas from new fields. While the ruling and the new law in 2005 infuriated the oil transnationals, the MAS opposed the new law for not going far enough in asserting the state's rights vis-à-vis natural resources.

Thus, Morales was able to position himself in the December 2005 election as a defender of national interests relative to transnational interests, a stance that substantially contributed to his victory. Considering that Bolivia absolutely needs foreign capital in order to exploit its natural resources and that it desperately needs revenues from these resources in order to develop, Morales' highly combative stance has undeniably and profoundly complicated the future of this important industry.[13] At the same time, the questionable legality and excessively generous terms of the contracts that Morales' predecessors signed with gas companies—together with the non-renewable nature of the resource in question—make it easier to understand why so many Bolivians supported his more nationalist and recalcitrant position.

Where Evo Won: Regional Polarization within Bolivia

According to the analysis presented above, the election of Morales was the culmination of a deep rejection of Bolivia's established political parties, which became increasingly divorced from civil society in the 1990s and unable to offer meaningful economic policy alternatives. While this rejection of Bolivia's political establishment was a genuinely national phenomenon, it did not translate into equal levels of support for Morales across Bolivia's nine subnational regions. Instead, the presidential vote revealed a pronounced geographic split in Bolivia, with Morales winning in the five western and Andean departments and Quiroga taking first place in the four lowland departments that curve around the foothills of the Andes in the eastern half of the country.[14] In other words, while Bolivia's traditional parties performed poorly throughout the country, in the east more voters preferred not Morales' MAS but the new center-right political party created by Quiroga (PODEMOS or *Poder Democrático Social*). A closer look reveals that Morales' strong showing overall masks a worrisome and worsening process of regional polarization within Bolivia, which rightfully deserves to be considered one of the most important forces at play not just in the 2005 election but in the country's ongoing political crisis.

There is nothing new about conflict between regions in Bolivia; these are as old as the republic itself. Over the course of the nineteenth century, for instance, the country experienced a series of boom and bust cycles in different commodity exports that generated sharply different consequences for emerging and declining regions. When, at the end of that century, the decline of silver and the rise of tin led to a civil war between Chuquisaca and La Paz departments, La Paz proceeded to use its victory in the conflict as the basis for the construction of a highly

centralized state. After 1900, conflict between subnational regions took a back seat to a series of other, nationally-articulated conflicts that dominated Bolivian politics for the rest of the 20th century—conflicts between classes, between civilians and generals, and between nationally-organized political parties. In the 1950s and '60s, the La Paz-based central government used revenues derived from the mineral wealth of Andean departments in the west, and channeled these resources into development projects in the sparsely-populated, lowland department of Santa Cruz in the east. Assisted by the U.S. Agency for International Development, the central government's "March to the East" resulted in large investments in Santa Cruz's infrastructure, including the critical highway and railway projects that helped produce a sustained regional economic boom beginning in the 1970s.

The phenomenal rise of Santa Cruz, now home to the country's most efficient and lucrative export activities, has generated deep conflict between what many see as two different Bolivias: the poorer, more indigenous, less economically productive departments of the mountainous west and the richer, whiter and more economically vibrant departments in the lowlands to the east. Bolivians in the east and west disagree about many things, including even how to explain Santa Cruz' success. Residents of western departments remind Santa Cruz of the role that eastern mineral wealth played in its growth, and demand that eastern departments now share the proceeds of their newly-discovered natural gas deposits with the west.^[15] Meanwhile, residents of Santa Cruz argue that it is the absence of the central state and its overweening bureaucracy that enabled the department to grow faster than the national average, rather than any favors from La Paz.

Tensions between east and west noticeably worsened in the aftermath of Sánchez de Losada's disastrous second administration. In the October 2003 Gas War, when indigenous groups in the west besieged the president in La Paz, pro-market business and political leaders in the east responded by inviting the president to transfer the national capital to Santa Cruz.^[16] When this proposal failed, and the following administration of Carlos Mesa began to negotiate directly with Evo Morales, the Santa Cruz leadership proceeded to organize a series of rallies, protests, and signature-gathering campaigns to demand greater autonomy from the central government.^[17] Demands for regional autonomy certainly pre-date Morales' national emergence, but they have escalated sharply in response to the growing political turbulence in La Paz.

In the two years that elapsed between the ouster of Sánchez de Losada and the election of Evo Morales, political actors in different parts of Bolivia polarized around two sets of rival electoral demands. Having succeeded in removing Sánchez de Losada, groups in the west prioritized elections for a constituent assembly that would enable them to leverage their newfound political power into constitutional changes in electoral rules (e.g. reserved congressional seats for indigenous Bolivians) and economic policy (e.g. the nationalization of the oil and gas industry). In contrast, the Santa Cruz leadership opposed a constituent assembly and favored instead the holding of a referendum on departmental autonomy that would be binding at the departmental level. In the end, neither group achieved its preferred outcome—the vote that was held in December 2005 was for executive and legislative offices, with the election of a constituent assembly and the vote on departmental autonomy tentatively scheduled to take place on the same day in July 2006. For those in Santa Cruz who are concerned about Morales' anti-market positions and who want local control over natural resources, this electoral sequencing is significant. December 18, 2005 demonstrated that Morales could easily win a national election without winning in any of the four lowland departments, an outcome that may well increase support in those departments for the autonomy referendum if and when it is held.

What Evo's Victory Means: Implications for Bolivian Democracy

When Evo Morales won the December election in a landslide, the U.S. State Department responded by stating that the future relationship between Bolivia and the United States will depend on the policies that his government pursues.^[18] Critical here are the choices that

Morales makes in the coming months about how to use the tremendous political capital that his victory has generated. The new president comes to the office with greater popular support than any of his seven democratic predecessors. This unavoidable political reality could generate either positive or negative consequences for his governing style and policy choices, and hence for the quality of the U.S.-Bolivia relationship.

On the one hand, there are reasons to be optimistic about what the particularly strong showing of Morales' MAS party means for his administration. In the past, the absence of a majority winner in the presidential race meant that the individual eventually selected as president owed his very job to the extensive horse-trading and pork-barreling agreements that were cobbled together in Congress. This practice placed intense pressure on the national budget and severely compromised the quality of the bureaucracy since top bureaucrats were typically picked for political reasons. Bolivians refer to this practice derisively as the "political quota" system (*cuoteo político*), the repudiation of which contributed significantly to the virtual disappearance of the country's traditional parties in the period since 2000. The manner of Morales' election represents an historic opportunity to break with this tradition, precisely because his authority as president does not derive from opaque deals with opposition parties in Congress. Furthermore, in the past the use of party pacts—and the successive inclusion and exclusion of specific parties in these pacts at different points in time—made it difficult for voters to determine which party should be held accountable for inferior performance. In contrast, the 2005 election results may enhance the prospects for accountability in Bolivia because Morales and the MAS know that they alone will be held responsible for the quality of governance in the next five years. It will be hard for the MAS to play the same blame game that has obscured responsibility in the past.

Apart from the strength of his showing in the election, the "mere" act of governing is likely to produce a fair amount of moderation in Morales' program of government. In fact, one of the clearest patterns in the last two decades of electoral democracy in Latin America is that the often extremist views of opposition leaders almost always become substantially more pragmatic once these leaders swear the oath as president. Even on the campaign trail, there were signs of a moderation in the MAS platform, as reflected in Morales' attacks on cocaine traffickers and in his assurances that he would leave the oil and gas transnationals alone, despite talk of nationalization.^[19] It is also the case that Morales' huge victory at the polls gives him significant authority within the MAS that he can use to rein in the party's more radical elements, including those who disparaged his willingness to sustain a dialogue in 2004 and 2005 with President Carlos Mesa, former vice-president to Sánchez de Losada.

On the other hand, while the overwhelming popular support for the MAS means that it will not have to engage in traditional and costly patronage politics in Congress, it may also create incentives for dangerously majoritarian politics. Presidentialism as a form of government routinely produces winner-take-all outcomes, but this outcome is particularly hazardous when a traditionally fragmented party system suddenly produces a majority winner.^[20] Morales is free not only from the patronage deals that had to precede the passage of every major piece of legislation in earlier administrations, he is also free from the type of substantive policy compromises that would be best for Bolivia's fragile democracy. The parallel here with Salvador Allende, who sought a major transformation of Chile's political economy in the early 1970s with only 36 percent of the vote, is technically inaccurate given the much higher level of electoral support that has swept Morales into the presidency.^[21] Yet many of the same lessons distilled from the Chilean case apply to Bolivia, particularly since Bolivian political institutions are too weak to offer much in the way of checks and balances vis-à-vis a triumphalist president.

Furthermore, whereas Allende headed a party that had a separate existence and a well-developed organizational structure, Morales personally dominates the more fluid MAS to a far greater extent. The real fear is not that the MAS will come under the thumb of either Fidel Castro or Hugo Chávez, but less sensationally that it will replicate the highly personalist patterns of Bolivia's discredited traditional parties. Continued personalism would be especially problematic if

it is combined with the marginalization of the legislature—together with the center-right democratic opposition that it now houses—from the policy making process.

Finally, the possibility of majoritarian behavior by Morales is dangerous because it would likely produce a dramatic reaction from the powerhouse department of Santa Cruz. In effect, one of the few real checks on the new president comes not from a political institution, but rather from the entire eastern half of the country. The movement in Santa Cruz to separate from Bolivia will grow if the central government, now under Morales' control, balks at holding the nation-wide referendum on regional autonomy that was agreed to by his predecessor.^[22] A key concern in 2006 is whether the new president will seek to cancel this referendum or, perhaps just as troubling to Santa Cruz leaders, to postpone it until after the election of a new constituent assembly that is likely to be dominated by the MAS.

Though the Bolivian armed forces have repeatedly warned Santa Cruz that they will act to protect the country's current borders and territorial integrity, failure to hold the autonomy referendum as scheduled is likely to swell the ranks of the separatist movement. Considering that Bolivia remains one of the continent's most centralized polities, the new MAS government can contemplate the granting of additional powers to the regions without compromising the goals that it has set for the country. The hope is that Morales' indisputable electoral strength—together with the fact that he still won 33 percent of the vote in Santa Cruz even though he lost the department to Quiroga—will remind him in the years to come that he is president of all of Bolivia, and of all Bolivians.

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