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Bolivia

Transition on Hold

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"The transnational corporations always provoke conflicts to accumulate capital, and the accumulation of capital in a few hands is no solution for humanity...And so I have arrived at the conclusion that capitalism is the worst enemy of humanity." âEuros" President Evo Morales, Cochabamba Bolivia, May 22, 2007, Associated Press.

"We are going to correct the discourse, suspending that unnecessary rhetoric, because on top of everything it does not correspond with our actual practice... in this year [the first year of the MAS government] there was not a single measure that has affected the middle classes, or even the upper classes of Bolivia... We repeat a thousand times: the government of President Morales respects private property, respects religion, respects healthy business activity, guarantees private participation in education and health." âEuros" Vice-President Ã lvaro GarcÃ-a Linera, March 1, 2007, ClarÃ-n (Argentine Newspaper).

"We want capitalism with a bigger state presence." âEuros" Vice-President Ã lvaro GarcÃ-a Linera, May 20, 2007, ClarÃ-n.

[<https://internationalviewpoint.org/IMG/jpg/Bolcel1.jpg>]

THE 19TH NATIONAL Congress of Factory Workers of Bolivia was held in October 2006, and the proceedings produced a remarkable document that speaks to the unique depth of radical labor traditions in Bolivia. [1] The document situates the contemporary domestic situation within the wider parameters of global capitalism since the fall of "real socialism" in the Soviet Union and the Eastern bloc, the increasing radius of capitalist social relations to a planetary level, the rapid pace of capitalist exploitation in contemporary China, the new reality of mass unemployment as a permanent phenomenon, and the blows suffered by the international working class in different regions of the world since the close of the "golden age of capitalism" and the onset of neoliberalism in the 1970s.

At first glance, the ideological position of this Congress might seem fairly irrelevant given that "the largest share of the workforce âEuros" around 66% âEuros" is engaged in the informal sector, including thousands of micro-businesses, small-scale and often contraband and the illicit coca trade." (Economist Intelligence Unit, Bolivia: Country Profile 2006, 20) Nonetheless, the influence of factory workers' unions, especially in Cochabamba, extends far beyond their formal membership.

Beginning in the late 1990s, the factory workers' union in Cochabamba led them to open the doors of their centrally-located union offices to neighborhood associations, poor people's networks, water rights activists, the unemployed and others. When the Water War erupted in 2000, the union office became the initial home of the Coordinadora, the overarching social movement organization that tied together the rural and urban allies who fought against the privatization of water.

A shoe factory worker, Oscar Olivera, leader of the Federation of Factory Workers in Bolivia, became the lead spokesperson of that movement and one of the most prominent figures on the Bolivian left in the opening years of this decade. (See Oscar Olivera with Tom Lewis, Cochabamba! Water War in Bolivia, South End Press 2004, 121)

The factory workers persuasively argue that the neoliberal model (privatization of resources and services, market dominance and worship of "free trade") has meant the deepening of the neocolonial character of the Bolivian economy as a producer of raw material (with natural gas taking over the role that tin played for much of the 20th century), the profound penetration of international capital into, and therefore control over, the most important productive sectors of the economy, and the creation of unprecedented levels of unemployment. They point out that

over 110,000 factory workers and miners lost their jobs in the 1980s as a consequence of privatization and the closure of "uncompetitive" factories.

The other prominent characteristic of the current period identified by the factory workers is the campaign of permanent war orchestrated by U.S. imperialism and its allies in Afghanistan, Iraq, Palestine, the Balkans and elsewhere since the end of the Cold War. Facing up to this situation, the document suggests there are two options for the working class at the international level: the deepening of barbarism and wars and the worsening of the social conditions of the masses, or the definitive victory of socialist revolution.

The current government of the Movimiento al Socialismo (Movement Towards Socialism, MAS), which took office in January 2006 after Evo Morales was elected President with 53.7% of the vote on December 18, 2005, is not an instrument for such a definitive victory in the Bolivian context, according to these workers. Rather, the Morales government represents the ideological resurgence of populism.

The four strategic guidelines coming out of the congress stressed autonomous, independent, and militant action of the working class: for class unionism; for a revolutionary leadership; for a political instrument of the workers; and for social revolution.

Legacies of Traditions and Contradictions

The revolutionary consciousness which characterizes the document from the factory workers is representative of one of two main insurrectionary traditions which continue to inform contemporary Bolivian radicalism. It is but one example of how the memories of Bolivia's militant trade unionism in the 20th century still live within the novel workplace and community settings of the opening decade of the 21st century.

First forged between 1880 and the 1952 national-populist revolution, the Bolivian workers' movement has been defined by powerful ideologies of revolutionary Marxism, anarcho-syndicalism and anti-imperialism. [2] For much of the 20th century the Bolivian labor movement was unique in Latin America for its militant independence, radical consciousness, and its relative freedom from the shackles of state corporatism.

Led overwhelmingly by the miners, the workers attempted unsuccessfully to steer the 1952 revolution toward revolutionary socialism, fought against a string of military dictatorships between 1964 and the early 1980s, and played a leading role in the recovery of electoral democracy in 1982, even as they sought to transcend liberal democracy and provoke a transition to socialism.

Despite the fact that the Bolivian working class, and the miners in particular, suffered an incredible series of defeats between 1985 and 2000, their revolutionary Marxist traditions were carried with them into the very new organizing contexts of the major urban slums "Euros" especially El Alto, on the edge of the capital city of La Paz "Euros" and to the coca-growing region of the Chapare, in the department of Cochabamba.

In 2005 and 2006 I attended innumerable meetings in El Alto, a place many in Latin America refer to as the most revolutionary city in the Western hemisphere, an urban shantytown of 800,000 residents, 82% of whom self-identify as indigenous. I was endlessly impressed by the way in which ex-miners, forced to relocate to El Alto in the mid-1980s in search of survival and still dressed in their mining fatigues, would intervene in popular meetings with penetrating and lucid Marxist analyses of the current conjuncture of global capitalism and the balance of social forces in the Bolivian national context.

The ex-miners would then present what they thought to be the best course of militant action for the popular movement in El Alto in order to push forward the struggle for indigenous liberation and socialist emancipation. The ex-miners, moreover, were never merely pundits on podiums. They were often the first to arrive and the last to leave the front-line clashes with police and military forces.

I am convinced that the radical cultural legacy of militant workers' struggle from below has endured, even if it was temporarily debilitated by the terrible, distorting onslaught of neoliberal economic adjustments. Working-class struggle has had to adapt and recompose itself in the face of the new realities and the tremendous obstacles in the way of forging working class solidarity.

The other major tradition which underlies current Bolivian radicalism runs even more deeply into the history of Bolivia, in fact to pre-republican patterns of anti-colonial resistance. This tradition is one of indigenous radicalism and insurrection against colonialism stretching back centuries, and against internally colonial race relations since the founding of the Bolivian republic in 1825. [3]

As historian Brooke Larson writes, "stories of [the Aymara indigenous hero] Tupac Catari's six-month 1781 siege of La Paz still haunt the nightmares of its upper-class inhabitants." [4] She might have added that, on the other side of the racialized class divide, these same stories have inspired contemporary indigenous radicals in their urban repertoires of insurrection and rural road blockading for much of the current decade. Before Catari was drawn and quartered for his role in the 1781 revolt he warned the colonialists that he would "return as millions," and the protagonists of recent rebellions see themselves as part of this return.

While there were certainly periods over the last two centuries when revolutionary Marxist and insurrectionary indigenous movements coalesced in their resistance to capitalism and racial oppression, the relationship between the two traditions was not infrequently fraught with tension and rivalry.

The complementary nature of the anti-capitalist, anti-imperialist and indigenous-liberationist wave of left-indigenous struggle between 2000 and 2005, then, was a particularly compelling illustration of the force that such solidarity can engender. [5] Together, left-indigenous popular forces struggled against the privatization of natural resources, put their bodies on the line as the military callously repressed unarmed civilian demonstrators, and managed to overthrow two neoliberal presidents: Gonzalo Sánchez de Lozada in October 2003 and Carlos Mesa in June 2005. All of this laid the basis for the contradictory and complex electoral victory of Evo Morales and the MAS.

While clearly there were differences within and between the myriad leftist groups and indigenous organizations in this period, a shared commitment to multifaceted liberation was widespread. The strength of their unified collective action was palpable during the peaks of rebellion âEuros" October 2003 and June 2005 âEuros" when hundreds of thousands of indigenous peasants, laborers in the informal economy, miners, pensioners, unemployed, teachers, students, health care workers and so many others literally took over the streets of La Paz and demanded fundamental change to the organization of the economy, state and society.

Unfortunately, a third tradition influencing Bolivian radicalism has repeatedly circumvented the realization of these first two emancipatory projects. This is nationalist populism, which has manifested itself in various forms and in different contexts over the years, but is most closely associated with the 1952 National Revolution, and the party of that revolution, the Movimiento Nacionalista Revolucionario (Revolutionary Nationalist Movement, MNR).

The revolution achieved the nationalization of the mines, the breaking up of the haciendas (large land holdings) through wide-scale agrarian reform, and the abolition of the hated pongueaje, a system through which indigenous rural laborers had been obliged to provide personal service to the landowner, his family, and his overseers in

exchange for the ability to sew small sections of land on the hacienda. The labor movement, led by the miners, demanded the full-scale socialization of property relations and the institutionalization of workers' control in the mines and elsewhere during the opening years of the revolutionary process.

However, after the initial period in which the MNR was forced to enact major reforms due to pressure from popular movements, the MNR quickly turned on the workers with the assistance of US imperialism. In alliance with co-opted peasant organizations "placated by the recent land reforms" the MNR began reversing the gains of the revolution and rebuilding the army as a means of repressing the miners.

In 1956, an IMF-backed economic stabilization program was introduced, and by the arrival of the 1964 right-wing military coup the state had developed an elaborate system of divide-and-rule tactics to deal with rural and urban popular sectors, repressing the most radical and integrating those who could be integrated through cooptation and the divvying out of selective benefits from the state's purse.

While the main currents of the insurrectionary wave of left-indigenous struggles between 2000 and 2005 seemed to have freed themselves of much of this nationalist-populist baggage, they were nonetheless unable to form a collective revolutionary project capable of taking power and driving forward a program of socialist and indigenous liberation. The MAS filled this vacuum as the only political party with cross-regional and inter-ethnic networks of alliance and an early history of solidarity with extra-parliamentary activism in the rural road blockades and street protests.

Since 2002, however, the MAS had been steadily transformed into a moderately reformist party bent on winning elections through the courting of the urban middle class. This was evidenced most obviously by the minimal role played by the party in the October 2003 and May-June 2005 rebellions, and in the MAS's temporary alliance with the neoliberal government of Carlos Mesa between 2004 and 2005.

Today it is increasingly apparent that the MAS has recreated the legacy of nationalist-populism in a new melange fit for the 21st century. The government has incorporated some of the language of indigenous liberation developed by the earlier popular struggles but has separated its indigenous focus from the material reality facing indigenous people.

In spite of the fact that indigenous people in Bolivia "who also constitute the vast majority of the rural and urban working class" experience racial oppression and class exploitation in a profoundly interpenetrating fashion in their everyday lives, the MAS government has concluded that a transition to socialism is impossible in the country for between 50 to 100 years.

As a parallel component of this government thesis "known as "Andean-Amazonian Capitalism" indigenous liberation has come to represent an impoverished version of its former self. In the worldview of Vice-President García Linera, indigenous liberation has come to mean simply the creation of an indigenous national bourgeoisie, or an "Andean-Amazonian" capitalist class. Disturbing parallels with South Africa's post-apartheid trajectory under the African National Congress (ANC) spring easily to mind.

García Linera's conception rests on the assumption that Bolivia must go through a 50-100 year stage of development in which the productive forces of capitalism will be nurtured to maturity. This is "Andean-Amazonian" capitalism in the sense that petty-bourgeois sectors of the indigenous majority today will be the national bourgeoisie of tomorrow...a capitalism, in other words, that will be nice to indigenous people.

The Vice-President's theory is heavily indebted to the economic, evolutionist Marxism of the early 20th century

Second International, filtered through the tired line of the old Bolivian Communist Party. On this view, the national productive forces are not yet conducive to socialism; the formation of an indigenous capitalist class will be this revolution's achievement.

Thus the new nationalist-populism incorporates a diluted ideology of indigenous liberation while foreclosing the possibility of a transition to socialism. The MAS has also borrowed from the MNR's strategy of the 1950s in terms of seeking to divide the popular movements, control the most important social movement organizations, contain rank-and-file activism that exceeds the strict parameters of moderate reform, and even repress workers and peasants who are unwilling to submit to the limits of populism and subordination to the state.

A brief overview of the main policy developments since January 2006, the dynamics of right-wing autonomist forces in the departments of the media luna (half moon) "Pando, Beni, Santa Cruz and Tarija" and popular struggles on the ground still unfolding will provide a clearer picture into this new Bolivian reality under the Morales government.

Nationalizing Everything, Nationalizing Nothing

Undoubtedly the most anticipated policy measure of the MAS government was announced on May 1, 2006: the "nationalization" of natural gas and oil. Bolivia has the second largest reserves of natural gas in South America, trailing only Venezuela in proven and probable deposits. Within weeks of the May Day events it was tragically obvious that presidential decree 28701, through which the nationalization was declared, did not actually signify the nationalization of anything.

The Morales government led the public to believe that the decree established a new regime of royalties and taxes whereby 82% of profits would now go to the state, and only 18% to private companies. In fact the 82/18 measure was only a transitory strategy which forced transnational corporations to enter into new contracts with the government within a period of 180 days, or to abandon the vast riches under Bolivian soil. The new contracts would be negotiable such that it was always understood that the maintenance of the transitory 82/18 relationship would be an exceedingly unlikely outcome in the long term, and that the petroleum multinationals would more likely come out doing much better under the new contracts. [\[6\]](#)

After seemingly interminable delays, and charges from the right-wing opposition of MAS corruption, incompetence and inefficiency, the Morales government signed 44 new contracts with 12 foreign petroleum companies for a period of 30 years in October 2006. The government also managed to solidify new deals for exporting gas to the most important markets of Brazil and Argentina at higher prices than those secured by preceding neoliberal administrations.

Between 1998 and 2002 natural gas exports generated roughly \$232 million annually for the Bolivian state. In 2006, as a result of the transitory high tax period and the new contracts, the Morales government took in \$1.65 billion, and expects that annual figure to rise to \$2 billion in 2007, and \$4 billion by 2010. [\[7\]](#)

Thus the period of purified looting and unmitigated robbery of Bolivia's natural resources by transnational corporations may be over, at least for the moment. The larger state cut of the natural gas pie "the medium- to long-term size of which is contingent on the unstable price of natural gas on the world market" has freed up revenue for the Bolivian state to reinvest in social programs, although it has not yet done so on any significant scale.

But the more acceptable tax arrangement does not mean nationalization, and in this respect even the reformist measures of the Morales government fall well short of those enacted in the years immediately following the 1952

revolution. The transnational petroleum companies remain in control of the industry; the state oil company, YPFB, continues to be underfinanced and therefore incapable of exploration or production; and Bolivia continues to be trapped in the export of a primary commodity with no value-added, the price of which is currently high but will inevitably drop at some indeterminate future time.

As Raúl Zibechi points out:

"The problem with not nationalizing hydrocarbons is that the reformulation of the state-owned YPFB ... is not real. The new contracts require that YPFB not make investments or assume risks or responsibilities, but rather, act as an overseer for hydrocarbon companies The agreement signed with Argentina, which raises the price of gas supplied to this country, as well as the supply to Brazil, which makes up 30% of the energy used by the powerful São Paulo industrial belt, will provide a considerable boost to state revenue, but consolidate gas exports without industrialization. In practice, it will render large profits in the short term but create problems in the long run."

Whatever the serious limitations to the gas policies of the Morales administration, the new government's policy in the mining sector is far worse. In the leadup to the December 2005 elections, Morales promised to rehabilitate the Bolivian Mining Corporation (COMIBOL), which had been devastated during the privatization of the mining industry in the mid- to late-1980s. In practice, in the western mining zones of the Andes the Morales government has instead promoted new "shared risk" contracts between transnational companies and the privileged sectors of the petty-bourgeois mining cooperatives (cooperativistas).

Bolivia is also home to Mutún, the largest iron deposit in the world, located in the eastern lowland department of Santa Cruz. The Morales government reached a deal with the Indian giant Jindal Steel & Power to exploit the mine beginning in September 2007. Morales emphasizes the fact that the new project will bring in roughly \$200 million annually in tax revenue, but a number of economists say that the terms of the deal constitute a veritable robbery of Bolivian resources and a missed opportunity to rebuild COMIBOL. [8]

All this is occurring in the midst of a commodities boom driven to a significant degree by the extraordinary expansion of China's economy. The prices of nickel and tin skyrocketed 18% in 2006, for example, while China forecasts 8% GDP growth for 2007, following on 10.7% growth in 2006. [9]

The strength of metal commodities prices has led to intensified struggle between state-employed miners in the western altiplano (high plateau) and the cooperativistas. The former group, drawing on the revolutionary traditions described above, want to re-nationalize the mining industry and place it under workers' control. The latter want to align with transnational capital and further privatize the enclaves of the mining industry still controlled by COMIBOL.

In early October 2006, tensions spilled over in a tin mine in Posokoni, near the community of Huanuni, in the department of Oruro. Cooperativistas attacked state-employed miners and two days of bloody battle ensued between the two groups, both armed with dynamite and other weapons. Between October 5 and 6, at least 17 people were killed and many more were injured. The government was widely criticized for not sending in the army to keep the peace.

In the wake of these events it came to light just how closely aligned the MAS government was with the cooperativistas. This is expressed most clearly by the fact that the Minister of Mines and Metallurgy, Walter Villarroel, was a former leader of the peak federation of the cooperativistas, and continued to be a registered member of a cooperative even as he was Minister of Mines.

In the wake of the 17 deaths, the government was forced to replace Villarroel and upped the ante in its rhetoric

regarding its intentions for the mining industry. Morales again suggested that the industry would be nationalized. However, apart from the isolated case of the Empresa Metalúrgica Vinto tin smelter, nothing else has been nationalized.

Unfortunately, The Economist is probably correct when it argues, "In October [Morales] said it was the turn of mining [to be nationalized]. Yet with Mr. Morales, whose rallying cry is 'Bolivian resources for the Bolivian people', sometimes the symbolism and the rhetoric is more ambitious than the reality." [10] Indeed, the Economist Intelligence Unit recently reported on a predominant atmosphere of investor calm:

"In the face of the expropriation and its complexities, investors in Bolivia's mining sector are less perturbed than might have been expected. The sector is on the brink of a substantial privately led investment boom, thanks to firm prices for all of Bolivia's mineral products. Increased mine capacity produced a marked jump in mineral export earnings and volume growth in the first nine months of 2006. Firmer prices and output increases for the main minerals - zinc, gold, silver and tin - acted to raise the overall value of total mineral production by 92.9% year on year to US\$816.5m.... The government has quietly given assurances that whatever it may say in public it will not act against companies operating legally and in good faith. Foreign mining investors believe that mining code revisions to be announced by the government will be neither draconian nor confiscatory in terms of a higher tax burden and are therefore pressing ahead with their projects." [11]

The Morales government has also announced its intention of buying 51% of an Italian telecommunications multinational in order to reestablish ENTEL as a state company, but so far this is just that, an announcement. No definitive action has been taken.

While there is no space to comment on them here, there are similarly profound limitations to MAS economic policy in terms of its commitment to central bank autonomy, fiscal austerity, a guaranteed miniscule rate of inflation, tight caps on the minimum wage and public sector salary increases, the limited parameters of agrarian reform, and so on and so forth. What all of this signals is a deep imprint of the old neoliberal model on the new moderately reformist, indigenous populist Morales government.

The Autonomist Right of the Media Luna

Apart from the nationalization of natural gas, there was no demand more clearly articulated by the popular left-indigenous movements between 2000 and 2005 than the need to establish a revolutionary Constituent Assembly to fundamentally rebuild the foundations of the Bolivian state, economy and society in such a way that racism and capitalist exploitation would be challenged profoundly.

The MAS instead began its Constituent Assembly with election rules that guaranteed the capacity of the right-wing autonomist forces of the natural gas-rich media luna departments to veto any revolutionary or even deep reform content that the new constitution draft might have contained.

In seeking to appease the capitalist class of the media luna departments, the MAS underestimated the strength of the popular forces in January 2006 and the comparative weakness of the right-wing autonomists. However, because the MAS has sought with some success to contain the rank-and-file mobilizations of the Bolivian popular sectors, and because it has not challenged the underlying economic power of the capitalist class, the right has been gradually reconstituting its political strength.

The new boldness of the right is most vividly apparent in the fiasco that the Constituent Assembly has become. The right simply abstained from participation for the first six months of a process that was supposed to take a year in its entirety (August 2006 to August 2007), bringing the whole assembly to a grinding halt. To legitimize its boycott of the assembly process, the right accused the MAS government of authoritarian pretensions and held mass rallies at various times in the city of Santa Cruz calling for the autonomy of the media luna departments "Euros" meaning of course bourgeois control over the natural resource and agricultural wealth based in those departments.

While the leading peak organizations of the Santa Cruz right speak of "democracy" and the "rule of law," they have much in common with the far right in Venezuela which seeks in fact to destabilize democracy and the rule of law in favor of the interests of a tiny elite. In Bolivia, the autonomist right includes in its social base the Unión Juvenil Cruceñista (Cruceño Youth Union, UJC), a group of violent, white, fascist youth who mobilize the racist sentiments of the upper classes of the media luna and frequently attack indigenous peasant and labour mobilizations in those departments with impunity.

The crisis over the Constituent Assembly grew to such proportions that the Argentine embassy in La Paz, worried about a possible flow of refugees to Buenos Aires in the event of civil war, commissioned a study on the probability of the conflict turning violent. The study argued that there was a 58% probability of civil war in Bolivia.

The International Crisis Group also published a report in January 2007 on the danger of rising conflicts in the country, while the U.S. Council on Foreign Relations commissioned a report on Bolivia's increasing instability. [\[12\]](#) The report of the Council on Foreign Relations was adorned with a title seemingly indebted to the alliterative flourish of Fox News reporting on the terrible toll of toxic terrorism: Bolivia on the Brink! [\[13\]](#)

In January 2007, the Constituent Assembly conflict intensified when the right-wing government Prefect (governor) of the department of Cochabamba, Manfred Reyes Villa, called for a new referendum on autonomy so that his department could join the media luna autonomist forces. However, a referendum on that precise issue had been held just a few months earlier, and the population of Cochabamba had decisively squashed the idea of joining with the media luna bloc for departmental autonomies.

The MAS mobilized some of its rank and file in the cocalero movement and urban unions in Cochabamba to pressure Reyes Villa into renouncing his call for a new referendum. Roads in the department were blocked and mass vigils were held in the central plaza of the city of Cochabamba. The rank and file quickly grew out of control of the MAS administration, however, as they confronted the arrogance of the far right Prefect and a serious intensification of the everyday racism of urban life in Cochabamba.

Street fights erupted between new fascist youth organizations, modeled on the UJC of Santa Cruz, and the popular sectors. Racist youth groups and upper-class bands of men attacked cocaleros and the urban indigenous poor while screaming racist epithets. The popular movements fought back vigorously and their demands grew to include the immediate resignation of Reyes Villa, something which MAS officials denounced as anti-democratic, calling for their social bases to retreat, lift road blockades, and end all violence.

The city was eventually pacified through military occupation after one person on each side of the conflict was killed in street clashes. A brief move by far left groups to form a parallel revolutionary departmental government in Cochabamba, led by and large by Trotskyist university students, failed to read accurately the balance of social forces. The parallel government died almost as soon as it was declared. The MAS had successfully pulled the cocaleros and urban unions out of the conflict by the time the parallel government was declared, and while there may have been a basis for such a radical measure at the height of the conflict, the attempt was made at the tail end of the mobilizations and confrontations when all such possibility had disappeared.

Traditional U.S. power in Bolivia has been eroded considerably by a combination of factors. For one, the U.S. state is currently suffering from imperial overreach in Iraq and Afghanistan. Even with domestic political-military elite and popular rejection of the war in Iraq, there is still no end to that war in sight, while Bush's eyes are seemingly still set on Iran. A further decline of U.S. power stems from the declining leverage of the World Bank and International Monetary Fund in Latin America and elsewhere.

U.S. Imperialism

The United States exercised massive influence in Latin America in the 1980s and 1990s through its decisive role in both financial institutions. [14] The possibilities of anti-imperialist cooperation between Latin American states have generally improved with Cuba, Venezuela and Bolivia slowly pushing forward the Bolivarian Alternative for the Americas (ALBA).

ALBA is meant to act as a counter, and eventually an alternative, to the U.S. grand project of the Free Trade Area of the Americas (FTAA), and smaller projects of bilateral trade agreements, the Central American Free Trade Agreement (CAFTA), and the North American Free Trade Agreement (NAFTA). Tremendous obstacles remain with regard to building effective anti-imperialist cooperation, but a significant decline in U.S. imperial strength in the region is discernible.

In Bolivia, all these general factors have influenced the country's particular experience with U.S. imperialism. The fact that Venezuela has astronomical, if ultimately tenuous, revenue flow from oil has opened up an alternative line of credit for Bolivia. This has afforded the poorest country in South America unusual room for maneuver in terms of autonomous economic policy making, although as we have seen there has been minimal actual movement on this front.

The current price of natural gas and the metals commodities boom is presently boosting the Bolivian economy, which also provides the current administration with more space for designing better social policy. The declining importance of the United States as a Bolivian trading partner is critical, as well, in terms of decreasing Bolivia's vulnerability to the Empire's inclinations.

Nonetheless, the U.S. imperial project continues through multifaceted "democracy promotion" activities in Bolivia and by exercising its diminished but nonetheless real leverage in the old domains of the drug war, military bases and informal and formal military training and influence, aid provisions, conditional access to the U.S. market, and dominance in the international and regional financial institutions.

The above mentioned report solicited by the Council on Foreign Relations provides some further clues into the U.S. state's perception of the Morales administration. The general recommendation of the report is to adopt a policy similar to that taken by the United States with respect to the MNR revolutionary government in the 1950s. The MNR was seen as potentially dangerous, but ultimately controllable through engagement, and perhaps even an effective means through which to co-opt and control the real danger of radical social movements and workers' challenges from below. Maintaining stability seems to be the reigning objective at the moment.

Eduardo Gamarra, the author of the report, writes, "As long as crisis persists, the United States will find it difficult to make progress on its traditional policy agenda. Indeed, should any of these tensions reach a boiling point, sparking widespread social unrest or violence, U.S. commercial, energy, security, and political interests in Bolivia and in the Andean rim subregion may be threatened." [15]

Besides, if one looks beyond Morales' rhetoric, Gamarra reassuringly contends there is less to worry about than one

might think:

"These events suggest that Morales, despite the persona he has tried to cultivate, is in many ways a traditional Bolivian political actor who doles out patronage to major supporters while simultaneously condemning those who came before him for doing the same. [16] ... In fact, a World Bank official interviewed for this project claimed that his organization's relations with the Morales government are far better than with any recent previous government, despite Morales' repeated anti-World Bank rhetoric." [17])

Perhaps most astonishing, given that Morales rose to political prominence through his leadership in the anti-imperialist coca-growers' unions of the Chapare, Gamarra reports that the U.S. War on Drugs is relatively secure:

"Remarkably, the Morales administration has permitted U.S. Drug Enforcement Agency (DEA) officials to continue exercising significant control over interdiction efforts in Bolivia under its new policies, and U.S. diplomats have forged a successful, if somewhat tenuous, working relationship with their Bolivian counterparts. In September 2006, the State Department's Bureau of International Narcotics and Law Enforcement announced that the United States has established 'Euros benchmarks' that Bolivia had to meet over the next six months in order to continue to receive U.S. counternarcotics assistance. By meeting its 2006 goal of eradicating 5,000 hectares of coca fields, one benchmark was met. Furthermore, U.S. authorities agreed that there has been a significant increase in interdiction efforts since Morales came to power." [18]

Gamarra ultimately recommends that Washington continue its "democracy promotion" tactics, revive military assistance, and court the regional powers of Argentina, Chile, and Brazil to pressure Bolivia to maintain stability in the mutual interests of imperialism and sub-imperialism. [19] Meanwhile, "... the Morales government must quickly find a formula to co-opt dissent, much of which now revolves around organized labour groups historically supportive of the MAS." [20]

Popular Struggle

The first year and four months of the MAS administration has witnessed relatively little autonomous pressure from popular left-indigenous organizations seeking to push the MAS decisively to the left. The complicated coalition of groups that constitute the MAS have become increasingly concentrated around the Vice-President, Garc a Linera, the most conservative of the leading personalities in the party. Actual policy initiatives and strategic economic planning documents issued by the government thus far closely conform to his vision of Andean Amazonian Capitalism.

Thus far, however, most popular organizations, especially rural indigenous ones, see the government of Evo Morales as their government. His indigenous origins in the largely Aymara altiplano, and then in the largely Quechua Chapare, provide him with impeccable cultural credentials in the eyes of large sections of the popular classes and oppressed indigenous nations.

It should be remembered that Morales is the first indigenous president in a republic where 62% of the population self-identified as indigenous in the last census of 2001. When the popular organizations have mobilized, therefore, it has generally been to defend the government against the right-wing autonomist forces of the media luna.

The right has become bolder and is increasing its political capacities by the day. In Santa Cruz, right-wing forces are capable of mobilizing hundreds of thousands of people to demonstrations against the government and in favour of departmental autonomy.

The Morales government has taken an overwhelmingly conciliatory position in its negotiations with the bourgeois forces of the media luna departments, a strategic error in my view that has allowed for the slow rearticulation of right-wing political power to match their economic power. There is no telling what the outcome of elections will be if a new Constitution is eventually passed, and legislative and presidential elections are held in 2008, as the Morales administration apparently desires.

While many rural indigenous organizations seem to continue to back the government solidly, as do the armed forces, there are increasing expressions of organized discontent in the urban labor movement and social movement organizations, and in the mines. Such underlying tension led to the bloody results of the October 2006 mining conflict and the urban clashes in Cochabamba in January 2007.

In April 2007, the Bolivian Workers Central (COB) announced that it would be forming a new political party (or political instrument, *instrumento pol tico*) of workers because the organization believes the MAS is not taking steps to defeat neoliberalism. The COB argues that the weaknesses of the government provides space for the growth of right-wing movements and parties such as PODEMOS, led by former President Jorge Quiroga. [21] It is far too early to tell what will become of this new *instrumento pol tico*.

In May 2007, teachers and health care workers struck and protested in La Paz, and university students from the Public University of El Alto (UPEA) mobilized behind a series of demands. [22] The state-employed miners of the altiplano and their indigenous peasant allies in Oruro are likely to be an important catalyst to any independent class politics and struggle for socialism and indigenous emancipation outside of the MAS government. The events of October 2006 show that they are increasingly well-organized, even as the cooperativistas retain substantial influence on the government and an impressive capacity to mobilize their rank and file.

In El Alto, the center of popular insurrection in the massive protests of October 2003 and May-June 2005, the situation is mixed. The two principal popular organizations in 2003 and 2005 were the United Federation of Neighbourhood Councils of El Alto (FEJUVE-El Alto), and the Regional Workers Central of El Alto (COR-El Alto).

There has been insufficient investigation into rank-and-file sentiments within FEJUVE as of late, but it is clearer that the leadership at least has become closely integrated with the MAS government. FEJUVE is therefore incapable, at the moment, of representing an independent radical politics in El Alto, as it had done for much of the 2000 to 2005 period.

COR-El Alto's leadership was, until very recently, in a similar situation in terms of its relationship with the Evo Morales government. But on May 22, 2007 an important turn occurred within COR-El Alto at the organization's Sixth Congress. The workers approved as their political declaration a document called *Octubre se ala el camino*, or October Shows the Road, referring to the October 2003 rebellion.

COR-El Alto is now calling for a socialist and communitarian society which will necessarily come about through a social revolution, substituting private capitalist property with social collective property. The declaration argues that the government's strategy of "democratic cultural revolution," or Andean Amazonian capitalism, will lead Bolivians to failure in the face of transnational corporations and the oligarchy.

Octubre se ala el camino goes on to argue that El Alto will continue being the vanguard and general headquarters of the Bolivian Revolution of the 21st century, as it demonstrated in October 2003 and May-June 2005. The oppressed from El Alto, from this perspective, will lead the process of social liberation. The document argues that the so-called democratic cultural revolution of the MAS government will not allow for Bolivia's liberation from the tyranny of imperialism, nor the end of the exploitation of Bolivian workers. Instead it will ensure that the apparatus of the

Bolivian state, its body of laws and democratic system, will continue to service capitalists and large landowners.

Reminiscent of the early 20th-century insights of revolutionary Rosa Luxemburg, one reporter summarizes the Octubre as saying, "To occupy the presidential office and to obtain a parliamentary majority does not serve the interests of the exploited in any way if the power of the bourgeoisie and the regime of big private property continue intact." [23] It calls for a struggle for political independence of the workers, peasants, and popular indigenous forces in the face of the state and the government.

Again, to what extent this rhetorical position will be played out in practice it is too soon to determine. Nonetheless, nascent stirrings to the left of the MAS government are visible, just as the autonomist right is accumulating power in the media luna departments.

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[1] XIX Congreso Nacional de los Trabajadores Fabriles de Bolivia, available on-line at: http://cedla.org/obess/docs/docs_esp.php?filtrar_tipo=5.

[2] See Steven S. Volk, 1975, "Class, Union, Party: The Development of a Revolutionary Union Movement in Bolivia (1905-1952), Part I: Historical Background," *Science and Society*, Vol. 39, No. 1 (Spring): 26- 43; Steven S. Volk, 1975, "Class, Union, Party: The Development of a Revolutionary Movement in Bolivia (1905-1952), Part II: From the Chaco War to 1952," *Science and Society* Vol. 39, No. 2 (Summer): 180- 198; and Guillermo Lora, 1977, *A History of the Bolivian Labour Movement: 1848-1971*, Cambridge: Cambridge University Press.

[3] See Forrest Hylton, Felix Patzi, Sergio Serulnikov, and Sinclair Thomson, eds., 2005, *Ya es otro tiempo el presente: Cuatro momentos de insurgencia indígena*, segunda edición, La Paz: Muela del Diablo editores; Silvia Rivera Cusicanqui, 2003 [1984], *Oprimidos pero no vencidos: luchas del campesinado aymara y quechua 1900-1980*, La Paz: Aruwayiri/Ediciones Yachaywasi; and Forrest Hylton and Sinclair Thomson, 2005, "The Chequered Rainbow," *New Left Review*, II, 35 (September-October): 40-64.

[4] Brooke Larson, 2004, *Trials of Nation Making: Liberalism, Race, and Ethnicity in the Andes, 1810-1910*, Cambridge: Cambridge University Press, 204.

[5] I discuss this in more depth in Jeffery R. Webber, 2005, "Left-Indigenous Struggles in Bolivia: Searching for Revolutionary Democracy," *Monthly Review* Vol. 57, No. 4 (September): 34-48.

[6] For a detailed review of the decree and the theatrics of nationalization process see Jeffery R. Webber, 2006, "The First 100 Days of Evo Morales: Image and Reality in Bolivia," *Against the Current* 123 (July/August): 11-20.

[7] See Andean Information Network, "Bolivian May Day Brings Higher Hydrocarbons Revenues and Higher Expectations," May 04, 2007, available at: http://ain-bolivia.org/index.php?option=com_content&task=view&id=87&Itemid=32; Raúl Zibechi, "Evo Morales' First Year", *America's Program Report*, Washington, D.C: Americas Program Report: IRC Americas, February 1, 2007, available at: <http://americas.irc-online.org/am/3960>; and Aaron Luoma and Gretchen Gordon, 2006, "Turning Gas into Development in Bolivia: Will Evo Morales' Attempt at Re-Nationalization Bring Real Change," *Dollars & Sense* (November-December), available at: <http://www.dollarsandsense.org/archives/2006/1106luomagordon.html>.

[8] CEDLA, 2006, "La entrega del Mut n:   qui n festejar ," *Alerta Laboral*, septiembre, Centro de estudios para el desarrollo laboral y agrario.

[9] Pham-Duy Nguyen and Feiwen Rong, 2007, "Commodities Defy Greenspan Recession Odds," *The Globe And Mail*, March 13, 2007; and "Pushing Tin: Indonesian Mining," *The Economist*, March 3, 2007, 80.

[10] "Bolivia: Tin Soldiers," The Economist, February 15, 2007.

[11] EIU, "Bolivia's Industry," Economist Intelligence Unit Briefing, February 19, 2007.

[12] International Crisis Group, 2007, Bolivia's Reforms: The Danger of New Conflicts, Latin America Briefing No. 13, January 8, 2007, available at: <http://www.crisisgroup.org/home/index.cfm?id=4778&l=1>.

[13] International Crisis Group, 2007, Bolivia's Reforms: The Danger of New Conflicts, Latin America Briefing No. 13, January 8, 2007, available at: <http://www.crisisgroup.org/home/index.cfm?id=4778&l=1>.

[14] See Mark Weisbrot and Luis Sandoval, Bolivia's Challenges, Washington, D.C.: Center for Economic and Policy Research, March 2006; and Weisbrot, Bolivia's Economy: The First Year, Washington, D.C.: Center for Economic and Policy Research, January 2007. Among the many articles on the decline of the World Bank and the IMF in the business press, see Barrie McKena, "Private Capital Moves in on the Turf of the World Bank, IMF," The Globe and Mail, May 29, 2007: B13.

[15] Gamarra, Bolivia on the Brink, 4-5.

[16] Gamarra, Bolivia on the Brink, 24.

[17] Gamarra, Bolivia on the Brink, 43.

[18] Gamarra, Bolivia on the Brink, 29.

[19] Gamarra obviously does not use these terms, referring instead to multilateralism. For an important investigative report on U.S. "democracy promotion" in Bolivia see Reed Lindsay, 2005, "Exporting Gas and Importing Democracy in Bolivia," NACLA Report on the Americas, Vol. 39, No. 3 (November-December), available at: http://www.nacla.org/art_display.php?art=2603#. For the seminal work on U.S. democracy promotion as US imperial strategy see William I. Robinson, 1996, Promoting Polyarchy: Globalization, US Intervention, and Hegemony. Cambridge: Cambridge University Press.

[20] Gamarra, Bolivia on the Brink, 23.

[21] Miguel Lamas, "La COB formará un instrumento polí-tico de los trabajadores," Bolpress, 4 de abril de 2007, available at: <http://www.bolpress.com/art.php?Cod=2007040425>.

[22] "Tres sectores se radicalizan: hay paros y marchas," La Razón 7 de mayo de 2007; "Evo desafía-a a salubristas y a maestros," La Razón, 5 de mayo de 2007; "El conflicto salarial sube, no hay clases ni atención médica," La Razón, 3 de mayo de 2007; and "Vuelven los paros y las marchas: Maestros, salubristas, ropavejeros, microempresarios y mineros en las calles," Bolpress, 2 de mayo de 2007.

[23] APA, "Trabajadores alteños apuestan por una sociedad socialista y comunitaria: Afirman que la Agenda de Octubre no se cumplió," Agencia de Prensa de El Alto, 22 de mayo de 2007, available at: <http://www.bolpress.com/art.php?Cod=2007052306>.