# Stones on the Road: The Politics of Participation and the Generation of Crisis in Bolivia

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This paper demonstrates that recent protests in Bolivia must be linked to the failure of efforts to improve democratic participation in the country. It argues that such failures can be traced to a history of prejudices in national development and society and persistent biases and contradictions within international development policy and institutions. Despite these obstacles, the paper concludes that ideas for appropriate development and realistic alternatives for change to government and democracy are visible in recent critical development thinking and amongst the different social and cultural groupings involved in the demonstrations.

Keywords: Bolivia, participation, poverty, politics, democracy, development policy.

After almost five years of protest the highways of Bolivia remain littered with the stones of demonstration and protest. Throughout these years, considerable efforts have been made by governments, with the support of social and political movements, the Catholic Church and the international community, to end the enduring political crisis. However, until now all efforts to restore communications between protesters and government through participation and dialogue have failed to reduce tensions. For much of 2005, roads in the country were blocked and demonstrations filled the streets of La Paz, Cochabamba and Santa Cruz.

Drawing on continued research in the country since 1997 and a range of secondary media and academic sources, I argue that the failure of attempts to end the conflict can be explained by the way in which political participation and political discourse in the country are managed. As such the paper refers back to key events in a longer political history in Bolivia that starts at the beginning of the 1990s. This is a history in which, in contrast to Bolivia's contemporary image as overwhelmed by conflict, the country was characterised by the World Bank and other international organisations as one of the world's 'good practice' examples of participatory democratic reform and pro-poor policy. In looking more closely at this history we see the introduction of reforms that transformed the economy and political structures and that ostensibly sought to secure social justice in the country. At the same time we also see a rising gap between rich and poor and an increasing number of people and civil society organisations that are not only dissatisfied

with their level of political representation but also lack the opportunity to take part in and directly influence key aspects of political and economic decision-making.

I highlight here the conditions responsible for creating such a gap between policy and practice, and between rhetoric and reality. I argue that whilst this situation can be explained as a result of structural incapacities and internal prejudices in national politics, its persistence must also be connected to a series of prejudices and contradictions within international development policy and institutions. A key aim of this paper, then, is to underline the role of conservative policy thinking in generating the frustrations that spilled over in the form of protest. I argue that it is because of the conservatism of thinking at both the national and the international levels that, whilst many voices and alternatives can be heard in contemporary political debates in Bolivia, all too few of them are listened to. Indeed, I suggest that the conservatism of political discourses represents a more lasting blockage to peace and prosperity than those that already physically litter the roads of Bolivia as the remains of protest.

In making these observations, I seek to echo the cosmopolitan warning that 'we cannot both want democracy, on the one hand, and yet, on the other, rule out certain choices, on traditionalist grounds, because of their "foreignness" (Sen, 2004: 53). In fact, although the blockages to Bolivian democracy are intelligible in the light of recent events and history, they no longer make sense, given the possibilities that now exist for meaningful change. Despite the gloom of an international climate that upholds prejudice and undermines claims for rights, the co-existence and spread of influential and radical discourses on development and deliberative democracy suggest that there are realistic alternatives that could open up Bolivian democratic culture.

#### Referendum 2004

In July 2004 a national referendum was held in Bolivia in which voters were asked to decide on the future of the country's vast oil and natural gas reserves. The national government hoped that the referendum would end the unease that had continued in the country since the violent uprising of October 2003. With the majority support it secured from the referendum for its policy proposals, the Bolivian government seemed to have recovered the legitimacy needed both to retain power and to continue with its plans to liberalise the export and sale of natural gas. Indeed, with the government having apparently recovered legitimacy through the referendum, Bolivia once again seemed to be setting an example as a country of radical political reform and one which international organisations as well as the international media were, as in the past, quick to applaud (*International Herald Tribune*, 19 July 2004).

The backing conferred by the referendum was, however, to be short lived. In the first place, a large proportion of the country's population (the majority according to some reports) did not even take part in the referendum (*La Razón*, 20 July 2004). Indeed, large sectors of the highland rural and urban population as well as important civil society organisations including union, ethnic and political organisations had long

<sup>1</sup> The Movement for Socialism (MAS) was one of the principal ones.

made clear their open opposition. Whilst a minority of those opposed the use of a referendum because they were unsure of its democratic value, the majority opposed it because of the way in which it was carefully controlled by the government. Rather than representing the full span and extent of the protesters' demands the questions of the referendum were carefully tailored to consult the public on a limited set of policies for the liberalisation of export and sale of natural gas (Arze, 2004).<sup>2</sup> As such the referendum did not live up to its claim to be a free, open and participatory discussion of the future management of these resources.

Although the public were asked their opinion about the return of gas wells to state ownership, the wording of the referendum questions steered voters away from the solutions proposed by more radical sectors of Bolivian politics. This setting of limits to the debate left many, including many who cast their votes, unsatisfied with the results. Indeed, this dissatisfaction was set to grow as a result of the government's failure to negotiate access to the sea with Chile<sup>3</sup> or renegotiate the terms of the Hydrocarbons Law. Although the referendum granted the government space to continue with plans to liberalise the sale of oil and gas, it also committed them to negotiate with the petrol companies a new 50 per cent rate of return on revenues. Even though the MAS (Movement for Socialism, Movimiento al Socialismo) and the oil company Petrobras were willing to agree on this, the new government of Carlos Mesa was convinced that the step-up from eighteen per cent, the previous rate of return, would prejudice further foreign investments in the oil sector. As a result, the government dragged its heels on pushing the ratification of the new law, thereby frustrating opposition hopes for rapid change. The response of opposition movements was to step up the pressure on government by adopting a more radical demand: full nationalisation of the oil industry.

In sum, serious questions need to be asked about the democratic character of the 2004 referendum and how far it provided the government with a basis for policy-making and legislation. Just as importantly, however, the governments' failure to manage the event effectively reflects the poor results of national development policy over the last decade, and has contributed to the public's loss of faith in the political elite.

<sup>2</sup> The precise questions were: Are you in agreement with the reform of the Hydrocarbons Law No.1689 introduced by Gonzalo Sánchez de Lozada? Are you in agreement with the recovery of the hydro-carbon well-holes as the property of the Bolivian State? Are you in agreement that YPFB should be refunded for the Bolivian state's decision to recover property from the petrol concessions, such that they can continue to participate throughout the productive chain of hydro-carbons? Are you in agreement with President Carlo Mesa that gas should be used as a strategic resource in order to secure practical and sovereign access to the Pacific Ocean? Are you in agreement with the export of gas as part of the national policy that involves its consumption by Bolivians, helps to develop the industrialisation of gas in the nation, and the charging of taxes and revenues from the petrol companies up to a level of 50 per cent of the productive value of the gas, to be used principally for education, health, roads and employment? My translation based on report in *La Razón* 20 July 2004.

<sup>3</sup> Re-negotiation of access to the sea has been a major bone of diplomatic contention with Chile ever since its loss during the War of the Pacific (1879-1884).

## Pro-Poor Policy in Bolivia

In the 1990s a new series of government policies was introduced, specifically targeted at the reduction of poverty in response to a set of growing internal and external pressures. The strategies adopted aimed not only at creating new development and market opportunities, but equally importantly, were supposed to open up political spaces for marginalised sectors of the population. Changes to the national constitution recognised the pluri-cultural nature of the country's population for the first time. International agreements on human and indigenous rights were also ratified by Congress. In addition, the Bolivian government introduced a number of important changes to the ways local political decisions are made. In terms of their social impact, the Laws of Popular Participation (1995) and the Administrative Decentralisation (1996) have been widely recognised as the most important of these changes (Booth, Clisby and Widmark, 1996, 1997; UDAPE, 2000). Taken together, these reforms had the goal of decentralising decision-making and finances in favour of previously impoverished local municipalities. At the same time, they also introduced a new system of local government that promised to be accountable and transparent to the local population, and to create a marriage between local liberal democratic government and traditional leadership and organisational structures.

Other important social policy initiatives taken by the Sánchez de Losada administration included the introduction of a new Agrarian Reform Law (INRA) designed to guarantee and regulate existing private and communal land titles, reform of the schooling system, including an attempt to introduce bilingual education, and a new system of pensions (BONOSOL). Micro-credit and micro-financing schemes were also set up during this period and continued with state and international support (Rivera Cusicanqui, 1996).

Although the next elected president was a former military dictator, General Hugo Banzer, the Bolivian government retained a commitment to democratic measures as a means of combating poverty. In fact the share of public investment outlays directed at poverty reduction rose from eighteen per cent of all public sector investment in 1990 to 60 per cent in 1999 (UDAPE, 2000). Indeed, Banzer's campaign slogan 'Bread, Roof and Work' appealed directly to the poor's interests in basic needs. Despite the fact that the military actions against the coca growers in the Valleys of the Chapare continued, the Banzer government also continued municipal and national level administrative reform as well as electing a commission to look into the upholding of human rights.

Following the World Bank's introduction of the Poverty Reducing Strategy guidelines in 1999, Bolivia became the only country in South America to join the World Bank's Highly Indebted Poor Countries (HIPC) initiative. As well as the creation of a more favourable debt repayment climate and the capital investment this was to afford, the initiative involved the government in the creation of a Poverty Reducing Strategy Paper (PRSP) in 2003. The PRSPs are the World Bank's response to the UNDP's Millennium Development Goals (MDGs) through which extreme poverty and hunger

<sup>4</sup> Of course this meant a reduction in the total funds available for other sectors of government investment.

are to be halved by 2015. The rules governing the PRSPs ensure that debt relief money is directed to poverty reduction, and respond to the criticisms of previous reforms for what came to be termed 'weaknesses in ownership', by involving broad-based participation by national governments and local civil society in all operational steps. In order to qualify for debt relief, the PRSP must clearly state how governments intend to target poverty in national development, as well as respond to the needs and interests of the national population (Bendana, 2002). In Bolivia the local version of the global initiative is the Bolivian Poverty Reduction Strategy (EBRP, Estrategia Boliviana de Reducción de la Pobreza).

The PRSP process encourages the use of qualitative consultative methods to gauge the interests and opinions of social actors or 'civil society'. In Bolivia these regulations have created the basis of a 'National Dialogue' whereby the population was to be consulted about national economic policy, the allocation of HIPC resources and public interests in development (UDAPE, 2000). The first phase of this process produced various positive outcomes, principally an agreement to foster a programme to reduce poverty and boost economic growth. The Operational Plan of Action taken over by the second Sánchez de Losada administration (from 2002), which had been designed by the Bolivian government's Social and Economic Policy Analysis Unit (UDAPE) for 1997–2002, was based on the four pillars identified by this process, i.e. opportunity, equity, dignity and institutional reform. With these pillars and its lengthening record of pro-poor reform, Bolivia appeared to most external analysts to be moving promisingly towards achieving international standards of development and democratisation.

#### Forced Coherence

As a result of its record in taking the pro-poor agenda seriously, Bolivia was hailed by leading figures in the World Bank and the international community as a 'good practice' example of development and democratic government reform.<sup>5</sup> However, despite the exuberant backing for the Bolivian model of democratisation and poverty reduction by the international community, there was now growing recognition amongst both researchers and development practitioners alike that the positive impacts of the measures had been exaggerated.

Even though questions might be asked about the quality and validity of some of the available quantitative data on the country, by any estimates Bolivia remains one of the poorest countries in Latin America. Indeed, only Haiti, Honduras and Nicaragua are ranked above it in the Human Development Index (UNDP, 2004). Although the UNDP claims that a better infrastructure for dealing with poverty has been created as a result of the recent rise in social investments, it admits that little progress has been made in welfare measured by income and levels of consumption (UNDP, 2002). Indeed UDAPE

<sup>5</sup> Comments made by Dr Deepa Narayan, editor of the World Bank's 'Voices of the Poor'. NORAD Conference. Oslo. Norway: October 2002. Similar comments have also been repeated in recent research findings focused on government and economic reforms in the country, e.g. Faguet (2003).

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report that between 1999 and 2002 a further 382,000 people were forced below the official poverty line (measured as income below US\$2 a day) (UDAPE, 2000). As a result, poverty rose from 62 to 65 per cent of the population, and in some rural areas in the highlands of the country is estimated to be as high as 82 per cent (Hernani, 2002; Landa, 2002). Furthermore, in the years 1999 to 2002 the gap between rich and poor has also increased. The median income of 90 per cent of the population is now fifteen times larger than the poorest ten per cent, and the Gini index co-efficient is 0.56. The Bolivian economy continues to grow by 2.8 per cent. However, economic expansion has absorbed only ten per cent of the work force, because most of the growth has occurred in areas of high productivity (principally the finance sector). It is now estimated that 67 per cent of the Bolivian work force is employed in the informal sector (UDAPE, 2000).

There also seems to have been little improvement in terms of deepening the country's democratic development. Despite its promising record of 'pro-poor' reforms, the outbreak of social struggle in Bolivia indicated that large numbers of people were still marginalised, or at least unsatisfied by the terms and conditions of these developments. Indeed, the frequently violent public reaction to their introduction demonstrated that rather than being seen to open up new possibilities for development, the statesponsored reforms of the last decade were experienced as an attempt to establish control over the population. Indeed, evidence of what might be called a 'forced coherence' (Ferguson, 1990) was picked up in recent studies of the PRSP process (Mayorga, 2003). The first phase of the Bolivian 'National Dialogue' attracted significant criticism because of the strict limitations placed on its formation. Although representatives from civil society participated in this process their role was limited to commenting on strictly social issues, i.e. gender, generational and cultural issues (CEDLA, 2003). Analysis of the process has revealed that little, or no, opportunity was given to civil society actors to discuss and debate the national macroeconomic policy.<sup>6</sup> In addition, 'a basic fault of the National Dialogue 2000 was the lack of participation of rural and urban workers' unions and the limited treatment of the concerns and demands of society, above all of the impoverished sectors of the country' (Aguirre and Espada, 2001; CEDLA, 2003: 20). Nevertheless, the joint assessment of the process by the government, the IMF and World Bank in May 2001 did not mention these academic criticisms, the heated press debates or the demonstrations held during the Dialogue process. Although continuing to support the idea of the National Dialogue, the Sánchez de Losada government's decision to siphon off c. US\$30,000 from funds originally designated by the World Bank to the Bolivian PRSP (Decree 26878) was also taken as a sign of its inability or lack of willingness to respond to the interests of civil society (Los Tiempos, 15 April 2003).

Despite the rhetoric of participation, the unwillingness of government and its international backers to open genuine spaces for dialogue is unfortunately a feature

<sup>6</sup> In its assessment of the Dialogue, the European Network on Debt and Development (EURODAD) reported that the 'IMF emphasised that the impact of the National Dialogue would be limited to social spending and would not impinge on the macroeconomic model' (EURODAD, 2000).

of other aspects of policy-making and indeed reflects the recent, and not so recent, history of social and political development across the country. As Laurie and Marvin (1999) and Assies (2003) make clear in their studies of the Cochabamba War, the roots of conflict in Bolivia must be understood in the context of neo-liberal economic reform, and the widening credibility gap between economic reforms on the one hand, where most effort was concentrated, and the efforts to introduce a social development platform that stressed participation in and autonomy for local government on the other. Prior to the capitalisation reforms introduced in 1993–1997 regional taxes paid by local industries generated important funds for regional infrastructure and social investment. This revenue was raised and managed regionally and locally and was, therefore, outside the direct control of the government in La Paz. However, with the sale of public utilities under capitalisation this revenue was lost. Moreover, the money earned from capitalisation was seen by central government as largely a national rather than as a regional resource. Opponents to capitalisation in the COB (the Central Bolivian Union, Central Obrera Boliviana), the CSUTCB (Bolivian Peasant Workers Union, Congreso Sindical Unica de Trabajadores Campesinos de Bolivia) and provincial municipalities questioned this loss of revenue from the regions to the central government, and also questioned the investment agreements written into different concessions. Despite the government's promise that gas revenue would bolster the weak national economy, opponents highlighted the fact that as a result of the agreement with the consortium only eighteen per cent of future profits would remain in the country.

The loss of income through capitalisation was not its only problem. With the introduction of Law 2029 on Potable Water and Sewage the legal framework was changed so that concessions and licenses could be granted to any institution with legal status (Assies, 2003). However, the conditions for granting concessions clearly favoured the formation of large enterprises that functioned according to market criteria (Assies, 2003: 17). The law further stipulated that concessionaires would have exclusive rights over the concession area, which meant that existing local organisations such as cooperatives or neighbourhood associations would be forced to enter into contracts with the concessionaires (Assies, 2003: 17).

This removal of local resources and control clashed entirely with Popular Participation's decentralisation of fiscal and political power to local municipalities and smaller institutions. These are known as Grassroots Territorial Organisations and comprise various social groups including those based on class as well as indigenous forms of organisation. As a result the perception grew amongst the local population that while Popular Participation may have set out to promote regional autonomy the process of capitalisation was taking away regional and local control.

This perception grew as local people realised that their participation in local planning processes as legislated for by the reforms was actually limited. This is something detailed in my own PhD research (McNeish, 2001, 2002). In the course of studying the local impact of Popular Participation and Decentralisation I discovered that local

<sup>7</sup> Capitalisación is the specifically Bolivian version of privatisation introduced by Sánchez de Lozada in which the state retains partial ownership of public utilities and national industries.

consultation and participation could only take place within the prescribed parameters of a state methodology (see also Calla Ortega and Peres Arenas, 1995; Blackburn and Holland, 1998; Gray Molina, 1999; Lee Van Cott, 2000). Contrary to the pervading rhetoric of responsiveness and openness, my research showed that the formulation of municipal development plans was heavily influenced by the external consultants belonging to the Regional Development Corporation (CORDES). These consultants' duties included facilitation and training in participatory methodologies to help local people articulate needs, perceptions and priorities. However, the same consultants were also required by the government to fit local priorities into a standard format to be presented to departmental authorities (cf. Blackburn and Holland, 1998). Rather than provide a real sphere for democratic deliberation on public policy, then, decentralisation and popular participation allowed only certain groups to participate in public policy-making on the state's own terms.

Moreover, there were also clear signs of conflicts based on differences in culture and tradition. Although the Laws promised a marriage of liberal representative democracy and ethnic community-based structures, local traditions and forms of organisation often clashed with the requirements of state law and office (McNeish, 2002). In public planning meetings, state technicians shook their heads when local leaders and inhabitants asked to prioritise the rebuilding of the central square, to build accommodation for the pilgrims that flocked to the town for the festival in September, or to renovate religious shrines and add to the sponsorship of local festivals. The technicians did not understand the importance local people placed on the festivals as religious events, celebrations of the importance of their community, and major contributors to the local economy. Indeed, there were no criteria in the planning regulations which would allow them to incorporate such priorities. They considered these suggestions to be an unacceptable waste of money and out of line with the infrastructural and productive goals demanded by central government. It was proof that a tight rein needed to be kept on municipal spending, a sentiment reflected in a comment made by one of the technicians at the time:

Nobody wants to hear about tax, look take Quillacas for example. A person only has to pay twenty, twenty-five Bolivianos in tax under the new system. However, this same person who has long resisted the payment of their twenty Bolivianos will go to a fiesta and spend two hundred Bolivianos on beer ... they can't pay their twenty Bolivianos, huh! (McNeish, 2001: 233)

#### Checks and Balances

The contradiction between the Bolivian government's rhetoric of participation and its strict controls on decision-making contributed to a growing disillusionment with the government and as such represents one of the motivations for confrontation in October 2003. As pointed out by Ton Salman, 'people lost all confidence in democracy as a possible mechanism to reverse a persistent socioeconomic cleft, because the polity's

attitude was simply one of keeping the electorate *out* of the sort of decisions that decisively affect it' (2004: 7). Sánchez de Lozada's administration was categorical in its refusal to take into account, let alone consult, society on his governmental programme. Oscar Olivera (2004), one of the main leaders of the Cochabamba Water War protests, agreed: 'Political participation and decision-making is limited to spaces designed by the parties and lacking in content, which they then attempt to pass off as deliberation and dialogues. The Bolivian state – the new state that has been taking shape since 1985 – is a state that listens only to itself'. In the long run, such a situation completely disqualifies democratic channels in the eyes of those excluded from influence and suffering the consequences of policies decided in this way.

Explanations for the ongoing control of political space and political decisionmaking in Bolivia can be drawn from Bolivia's well-known history of corruption and homogeneous nationalism. As such it is correct to highlight the contradiction of governmental logic and systemic failure as the cause of protest (Salman, 2004). However, I think it is also important to stress deeper motives, principal amongst them the fact that the Bolivian state lacks respect for poor Bolivians. In 1997 a local mayor gave me a cynical characterisation of Popular Participation. He said 'central government always seems to have a different perspective to us. They seem to have real problems integrating our ideas with the Departmental Development Plan'. His perception of the hollowness of participation in local politics and development was repeated by many people throughout my period of research in Santuario de Quillacas in 1997 and 1998. Indeed, the literature on popular participation frequently makes this kind of commentary (Cooke and Kothari, 2001). Regardless of their content the opinions of the poor are neither trusted nor respected (Hickey and Mohan, 2004). As well as everyday exclusion, the lack of trust indicates the often hidden, but nonetheless potent structural violence of class, racial and gender prejudice that many Bolivian social scientists highlight (Albó and Barrios, 1993).

In raising our focus a little it is also quite evident that these kinds of structural prejudices are not limited to the local level. In an ever more globalised world we must ask why blockages to participation are rarely of any concern to the international system, despite the formation of growing number of regulations on governance, planning and rights. Some responsibility must lie at the international level. Indeed, it can be argued that contradictions with international development policy and shared prejudices mean that there is considerable complicity at this higher level.

Some indication of this complicity can be observed in some of the policy documents and actions of international organisations. For example, the United Nations Development Programme (UNDP) recently published a report called *Democracy in Latin America: Towards a Citizen's Democracy* (2004). The report aims to stimulate debate on constructive strategies for tackling the region's economic and political problems, and ultimately to reinvigorate democracy (Gibbs, 2004). In its brief to the UN General Secretary, the report suggests extending the definition and practice of democracy to include citizen participation in determining the economic model: 'Debate on the economy, and on diverse ways on which markets can be regulated, should be brought into a public agenda and made subject to citizens' preferences' (Gibbs, 2004). However, even though it states that such a shift is essential, the report uses an

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'Indicator of Economic Reform' (which measures moves towards market-oriented reforms) as indicative of overall economic and democratic development, alongside an 'Indicator of Electoral Democracy'. The use of these two indicators suggests that market reforms (and electoral reform) are an unproblematic and necessary aspect of development rather than a highly contested area of policy-making. Yet the report also claims that '70 per cent of those surveyed support state intervention in the economy and only 26.7 per cent prefer the market' (Gibbs, 2004). It also suggests that 'progress towards democracy and towards the establishment of clear and legitimate macroeconomic norms must be seen as mutually reinforcing' (Gibbs, 2004).

In the current context of neo-liberalism we can assume that 'legitimate macroeconomic reforms' are consistent with the economic reform agenda supported by international financial institutions such as the World Bank and the IMF. The UNDP agenda calls for 'poverty alleviation' in the context of reform, but does not identify poverty as a possible consequence of those same reforms. Indeed, in mainstream development circles the basic parameters of economic policy-making are already agreed upon as a rule; it is only after the fact that poverty and inequality can be discussed. As Tony Gibbs has suggested we are caught in a paradox: 'How can the agenda of neo-liberal reform - macroeconomic stability and liberalising markets - be up for public discussion when the outcome of that discussion must be that the neoliberal reforms are essential?' (2004: 22). The maintenance of healthy macroeconomic indicators requires neoliberal reform, and carrying out such reform is therefore essential for a country to maintain credit with the international financial institutions and to retain (or gain) investor confidence in its economy. Yet this process also requires a government to ignore the wishes of many, if not most, of its citizens. When alternative wishes are expressed, the weight of agreement on the existing economic agenda means that people such as Nestor Kirchner, Lula, Hugo Chavez, Evo Morales and Felipe Quispe are branded and ignored by the system as radical, inexperienced, problematic, unrealistic and dangerous.8

As well as contradictions there are signs of conservatism similar to that identified in Bolivia lurking within the international system, something that is reflected in its persistent paranoia about the mentality and possible political actions of the poor. For example, returning to the UNDP's report on democracy in Latin America, particular note is given to the growing disenchantment of national populations in the region with the fact that poverty in the region is worsening, because elected political leaders are perceived as ineffective. Latin Americans are less and less confident about the ability of electoral regimes to seriously address poverty, provide adequate healthcare and education and to re-distribute wealth. However, instead of seeing the crisis of confidence in democracy as connected to neoliberal policies, the authors of the UNDP report

<sup>8</sup> A series of statements by the US and European governments as well as leading Latin American academics and politicians have raised these concerns. See for example Mario Vargas Llosa's comments about the protests in the Ecuadorian daily newspaper *El Universo*, 11 November 2003. These comments were reproduced in the editorial and debate columns of many Latin American national papers.

<sup>9</sup> http://www.clacso.org/wwwclacso/espanol/html/fprincipal.html

emphasise a supposed Latin American predilection towards authoritarianism. Although the statistic has now been toned down because of complaints by Chilean poll researchers over its methodology (Graham, 2004), the UNDP maintain that 43 per cent of Latin Americans would prefer an authoritarian leader who could improve their economic situation over a democratic one who could not (UNDP, 2004). This is a worrying observation, but it is notable that the authors of the report are more concerned about the instability caused by Latin Americans contesting neoliberal policies than they are about authoritarians who are able to improve the economic situation of their countries. In the desire for stability at all cost, international support is granted to states and elites to maintain a common agenda that retains economic and political hegemony at the expense of political choice for ordinary people.

The application of a common agenda at the expense of political choice has also been observed in several recent studies of the World Bank's now global PRSP agenda. Analysts of the application of PRSPs in different parts of the world argue that their understanding of ownership and participation of the policy-making agenda is inadequate and does not represent a true broad-based process for enhancing the national ownership of the development agenda (Jubilee, 2000). They point to a growing body of research that demonstrates the extent to which the PRSP conclusions remain governed by international policy and technocratic interests. For example, reports from Nicaragua, Uganda, Sri Lanka, Bangladesh, Pakistan and Cambodia all demonstrate the extent to which citizens' participation in the PRSPs was purposely limited (Bendana, 2002; Gariyo, 2002; NGO Forum Cambodia, 2002; Bretton Woods Project, 2003; McNeish, 2003). In all these examples peasant groups, trade unions and some religious groups were not given a place within the consultation process. Moreover, some analysts draw attention to the fact that although they claim to be responsive to local needs and interests, there is an undeniable similarity between different nations' 'tailor-made' plans (Bendana, 2002). Whilst researchers point to an improvement in participatory language and practice as a result of the PRSPs, they agree that macro-economic policy and poverty reduction remain two unconnected goals, each with their own contradictory policies and targets (May, 2003). Indeed, some critics now argue that the PRSPs may well be best understood as 'old wine in new bottles' (Cling, Razafindrakoto and Rouband, 2000), the re-discovery of poverty being used as a way to disguise an economic model that produces poverty and corruption (Bendana, 2002).

In short, there are indications that the international system does not trust Latin Americans or 'third world' nations in general to make their own economic choices, largely because of what it considers to be flawed political values. In fact external judgements of flawed political values are rather common in development policy, debate and practice. In this sense I argue that academics and development practitioners are also complicit in creating blockages to participation in development, albeit often unwittingly. Development writing often links flawed political values and what are considered to be weaknesses of culture and morality (O'Connor, 2001). Development studies and poverty research are premised upon a social critique of the society of the poor, rather than the society that produces the poor (Escobar, 1995). Indeed, the whole notion of development is premised upon an explicit desire to transform societies

deemed to be poor and thus somehow dysfunctional. A moral judgement implying social failure is constantly present.

Although small-scale sanitation and latrine projects may seem very different on the surface from the recent drive to foster strong social capital through civil society support programmes, both kinds of interventions rely on a shared assumption about the unsuitability or inappropriateness of existing social organisations and practices, or about the association between poverty and particular social and institutional forms (Adair, 2001). As a further example, there is no doubt that the idea of giving cash as opposed to food aid in famine situations is still widely resisted because of the belief that this would benefit the undeserving poor, despite the evidence that this would be cheaper and more effective in supporting grain markets and empowering local people (De Waal, 1989). Although with roots going back before the 1960s discourse on a 'culture of poverty' (O'Connor, 2001), the notion that certain individuals and social groups are undeserving of assistance because they somehow cause their own poverty has become pervasive in both US and British welfare policy, where it often informs racist discourses on non-white low income groups (Adair, 2001).

We now have some idea of how political reforms in Bolivia acted to undermine local people's trust in their government, but the question remains whether Bolivian civil society has realistic alternatives to propose.

## Agents of Change?

In a context in which participation is considered an essential norm of development there should be room for visions of change and prosperity that differ from those of existing elites. However, this is difficult not only because of the blockages of access discussed above, but because of an intellectual tradition of perceiving poverty in ways which obscure the social processes that make people either poor or prosperous through making poverty itself the focus of analysis. Such a tradition also abstracts poverty from people and thus obliterates the agency of social actors in creating and transcending limitations of resources and entitlements (Rabinow, 1989). Taking poverty as a given, or as a set of indicators to which standard measures can be applied, misses the contextual and cultural complexity of the terms 'poverty' and 'poor', and the abilities and desires of people to transform their situation remain invisible. As a result we end up with an abstract picture of something both static and inevitable. For example, where focus has been given to the opinions and thoughts of poor individuals, as in the World Bank's 'Voices of the Poor' survey (2002), they remain characterised as the victims of severe conditions, with little attention given to their struggle for personal survival or abilities to be the motors of endogenous social change. In an article written for the World Bank supported 'Culture and Public Action' project, Debray Ray (2003: 1) tells us that 'poverty stifles dreams, or at least the process of attaining dreams', a perspective that reinforces the perception that poor people are psychologically incapable of initiative because of their poverty.

Returning to Bolivia we might find some support for an argument that considers the poor to be lacking in initiative, or the victims of their own inabilities to conceive of a

better future. In the current volume, Salman rightly highlights that '... protests against Mesa's policies have increased ... but, most actions and manifestations do not reveal a coordinated or even cognate cluster of views and proposals on the part of the protesters. Many incidents are *ad hoc* and isolated, triggered by contingencies. They have an opportunistic countenance and are not geared to one another'. This description clearly demonstrates the fragmented nature of the protesters and their demands. However, I would not be satisfied should it be interpreted as evidence of a lack of sufficient 'social capital' in the sense that Bolivians lack the networks and vision sufficient for change. Indeed, although as a result of regional, class, ethnic and political differences the protesters have been unable to form a singular political movement, the protesters' formation of Coordinadoras (or coordinating bodies) demonstrates the will and innovation of people to overcome sectoral differences and channel common interests through a new political entity.

As Assies (2003) and Crabtree (2005) describe in the case of the Cochabamba Water War, the Coordinadora emerged as a loosely organised movement that from 1999 managed to gain broad sympathy amongst the population. Although based on neighbourhood associations and civic committees, the Cochabamba Coordinadora was expanded across traditional class lines and beyond city limits through strategic alliances with producers' organisations. In the heat of the mobilisation, the Coordinadora brought together rural farmers, industrial proletariats, disillusioned recent in-migrants, largely invisible members of a growing informal economy, environmentalists, retirees, left-leaning economists and technocrats, as well as sympathetic foreigners in provincial towns, peripheral shanty towns and the urban streets in an ultimately successful and spectacular demonstration of popular consensus (Albro, 2005).

Although it started as a single-issue movement and retains a network-like structure, the Coordinadora then expanded to include a range of different and at times conflicting interests. Indeed it not only inspired the protests that resulted in the removal of the Aguas de Tunari water concession in Cochabamba and a review of Bolivian Water Law, but continued in use to review other issues such as electricity rates and the recovery of privatised state enterprises. It did so through its promotion of direct democracy in town meetings, referendums and media debate. In the course of 2000 to 2005 the idea of the Coordinadora spread and made an impact on the formation of political demand making elsewhere in the country. There, similar network-like structures have been developed in order to mobilise specific, but shared demands. Although the Movement for Socialism (MAS) and the Central Bolivian Union (COB) had a central role in the protests of 2003 it was not until other sectors joined in a Coordinadora that demonstrations reached the sufficient critical mass needed to topple the government. The National Coordination for the Defence of Gas mobilised 30,000 people in the Departments of Cochabamba and 50,000 in La Paz to demonstrate against the planned pipeline on 19 September 2003.

Through the formation of Coordinadora Bolivian civil society made very clear that there were common development interests at stake. These took two main lines. First, there were and are widespread demands for a national debate on the nationalisation of natural gas resources and in opposition to proposals for Bolivian membership of the Free Trade Agreement for the Americas (ALCA). The proposals channelled by the

National Coordinadora asked for a rise in concessionary profits rates from eighteen to 50 per cent. Although considered unrealistic by the government and international community, MAS, the National Coordinadora and a growing number of neighbourhood associations have argued that Bolivia is surrounded by potentially big gas consumers. Argentina, which uses gas to generate about half its electricity, is short of it and eager to import more. Brazil, the region's industrial powerhouse, wants to reduce its reliance on hydropower. Oil prices are high and the current tax regime is not oppressive, so there is room for a greater government share. Second, there is also widespread support for the formation of a Constitutional Assembly in the country. According to Olivera the Constitutional Assembly should be understood as 'a sovereign meeting of citizen representatives elected by their neighbourhood organisations, their urban and rural associations, their unions, their communes. These citizen representatives would bring with them ideas and projects concerning how to organise political life in the country' (2004: 136–137).

The actions of the Coordinadoras indicate both the interest of large numbers of Bolivians in engaging in political life and the innovative manner in which differences have and continue to be overcome. Indeed, as a result of their emphasis on heterogeneity the Coordinadoras are different from political constructions in the country's past and require us to rethink existing definitions of old (class, material) and new (single issue, rights based) social movements in Latin America and elsewhere. Moreover, the maintenance of different identities in the protests should make us aware that a plurality of alternative development proposals are both valued and sustained by the Bolivian public.

## Alternatives for Prosperity?

Throughout my stay in Bolivia in December 2004 the academics I spoke to repeatedly referred to the problems they faced in the country as a conflict of 'dreams'. Although these dreams might in our opinion be unrealistic, or are considered by members of Bolivian and foreign governments to be dangerous, they are nonetheless forcefully made and clearly crave some kind of response, if not resolution.

As well as controls on and profits from the export of gas, these dreams include the coca farmers' demands for the right to continue growing a half hectare of coca per family, and the suspension of the military build-up in the Chapare. In a 2004 interview with the Latin American Social Science Council (CLACSO) the cocalero leader Evo Morales stated that his movement was 'the synthesis of poverty in Bolivia', i.e. the movement that had become the focal point of diverse interests in its engagement with the state and international system. These diverse interests include peasant farmers and indigenous people's opposition to the Agrarian Reform Law (INRA) and the recent Mining Law, because of their threat to land titles and the natural environment. They include the demands of the growing lowland membership of the Bolivian MST (Movimiento Sin Tierra) for access to land. They include teachers' demands for wage increases, taxi drivers' opposition to raised road taxes, protests against the rising costs and privatisation of local water supplies, municipal citizens' calls for the prosecution of

corrupt municipal officials, demands for technical and infrastructural support by peasant and indigenous communities, elderly people's demands for state support, teachers' and students' calls for more university funding, and property owners' dissatisfaction with the raised costs of land transfers introduced by the new national property law.

The dreams also include the calls of regional business interests, both large and small, for increased governmental autonomy. Although there have long been demands for regional autonomy in different parts of Bolivia, the growth of economic power in Santa Cruz<sup>10</sup> over the last ten years has led to the formation of a separatist movement that calls itself the Nación Camba, i.e. the Camba Nation.<sup>11</sup>

Unfortunately, they also include the racist statements of Felipe Quispe (see Canessa in this volume) and local peoples' vigilante actions of physical punishment and summary execution of petty-criminals. In recent years there has been a rising tendency for people to take the law into their own hands. The rich build their gated communities and hire private security guards. The poor hang straw dummies by their neck at the entrance to their streets to warn of their response to real and suspected criminality. These acts of violence and fear are spectacular events that demonstrate serious conditions of insecurity in the country, and local people's growing lack of faith in existing forces for public law and justice (Goldstein, 2004).

At a more localised level, people also have very clear agendas of their own. As well as ideas of what might contribute to the formation of a 'good' life in normative terms, there is also a series of studies that show Andean peoples to have a keen cultural understanding of prosperity and poverty. Indeed, there are indications both from the stress of the Coordinadoras on a politics of 'usos y costumbres' and Canessa's comments (in this volume) on the formation of a more inclusive notion of indigeneity that these cultural understandings are expanding in social significance.

In a recent paper on local Andean ideas about the good life, Komadina (2005) comments that: 'Amongst the inhabitants of Huancani, and particularly between people on their own, the networks of reciprocity are a necessary feature of the different daily activities as well as ceremonial, as in the interior of the family economy and written in the logic of the ancestral system. Something that is permanently revalorising what is called the economy of solidarity'. Komadina's example plays out in a demonstrable form the argument of Polanyi (1971) and Andean scholars working on markets and exchange (Larsen, Harris and Tandeter, 1995) that economy is embedded in non-economic as well as economic institutions. Komadina highlights that people who are ch'ulla, waqcha, waqcha migrante, i.e. loosely translated as orphans, widows (or single adults) or migrants with local families, are considered vulnerable because of their lack of strong reciprocal relations of exchange. This perspective is further supported by the work of Widmark where she states that in Quechua and Aymara, the definition of being poor is 'to be without kin and social relations' (Widmark, 2003). Xavier Albó,

<sup>10</sup> Santa Cruz generates 30 per cent of the nation's revenue. It is a region where over 50 per cent of foreign investment is concentrated.

<sup>11 &#</sup>x27;Camba' is the slang word for residents of the eastern part of Bolivia. The equivalent term for highland people is 'colla'.

Libermann, Godinez and Pifarré (1989) maintains that ultimately all people's efforts should lead to suma qamaña – to living well or harmony. The central idea is that balance and reciprocity should be maintained through the union of contraries. This applies to the natural environment, social relations at the level of households, couples, family and community; and ultimately, in a cosmological sense, in relation to the supernatural world. There exists then a notion of, and an agenda for, prosperity common in the Andean region that crucially combines the material equally with the social and the spiritual.

#### The Inaction of Government

What these demands, or dreams, show is that alternative visions of prosperity and the future do exist. They also demonstrate that recent conflicts have nothing to do with a lack of abilities to aspire to something better. Instead, what is indicated is perhaps a lack of capacity and will in the country to deal with such a range of interests democratically. Given the breadth of demands and the depth of cultural understanding required to make an adequate response to poverty, it is perhaps not surprising that it is easier to continue with existing logics of government. The sheer range and scale of these forces means that whilst Bolivia has democracy, it is unable to do democracy. Indeed, the fact that some of the cultural interests are expressed in violent and illegal ways that are beyond state control makes any desired dialogue even more difficult.

This seems to be where the government in Bolivia finds itself today. The referendum in 2004 bought it some time, but it very quickly found itself in a position of stalemate: caught between its own desires, the promises it had made to the IMF and World Bank to uphold existing trade agreements, leftist forces in the Congress continuing to push for nationalisation, and others on the left and right pushing for negotiation on the limits of national control so that the nation and the gas-producing regions would gain more from its revenues.

The explanation of incapacity and stalemate certainly has some value. However, given the longer history of development in the country, it is only a partial explanation of current conditions. What this longer history makes clear is the unwillingness on the part of Bolivian elites to question their own positions in government. It also makes clear that the international system has had little more than a rhetorical interest in questioning existing social structures, as illustrated by its continuing defence of the equation that economic growth equals development and its persistent fear of civil society in the region. From this point of view the current state of conflict is not only to do with a political stalemate, but a lack of political will and excess of caution in the creation of real political openings.

The slowness with which the Mesa government acted following the referendum demonstrated this excessive caution, and subsequent events highlighted the political and social costs of inaction. On 5 May 2005 Carlos Mesa finally introduced a new Hydrocarbons Law, committing the state to its referendum pledges and the recovery of 50 per cent of the revenues generated from the sale of oil and gas. However, because of his obvious foot-dragging and the bias shown towards international business in the

discussion of taxation levels, opposition movements in the country had already agreed to reject the reform. Although Mesa managed to get the bill passed using his Presidential powers, the law's introduction sparked off a new round of protests, now focused on the complete nationalisation of the country's oil and gas reserves. Whilst publicly committed to the proposal of a new Constitutional Assembly, indecision by the government on this issue further encouraged protest. In theory the Assembly would create a new democratic space for all sections of the population to express their demands and to take part in constitutional reform. It is also a proposal for which the Catholic Church, non-governmental organisations and the military repeatedly announced their support over 2004-2005. On 3 June 2005 Carlos Mesa announced that he was now willing to hold elections for the Assembly and a referendum to address the issue of regional autonomy. However, because of their delay and the government's obvious reluctance to address these issues in previous months, the leaders of the different opposition movements in the country refused to end their protests, seeing instead that it was only through force that the government has been convinced to act in the past. Mesa's resignation was the result of this stand off.

## A Climate Change in Development Policy?

The lack of will and excess of caution contradicts earlier state policy that expressed a concern for participation, transparency and dialogue. It is a position that, whilst intelligible in a post-rights, post-9/11 world that confuses human security with security against terrorism, is inexcusable given the alternative possibilities raised by recent academic analysis and developmental policy proposals. The global policy prescriptions recently made by the UNDP and the World Bank break with their otherwise schematic and econometric faith and practice, and now argue for the recognition of both cosmopolitan cultural liberty (UNDP, 2004) and a recognition of the capacity (Rao and Walton, 2004) and capabilities (Sen, 1999) of the poor. None of the documents questions existing prejudices and the hegemony of market models in development directly, and it is here that questions of intentionality in their adoption need to be asked. 12 However, they do appear to assist the foundation of an international policy agenda in which privilege is no longer given to purely econometric ideas of prosperity. Indeed, the addition of culture and the capacities of the marginalised should have an impact on who decides and what is decided in development policy. It would be naïve to presume that opposition leaders and protesters in Bolivia are unaware of these possibilities, given the capacity-building activities of non-governmental organisations and the global linkages that now exist between both indigenous and anti-globalisation movements.

<sup>12</sup> Here I am thinking of Charles Hale's (2004) recent comments about the 'indio permitido' - a term borrowed from Silvia Rivera Cusicanqui to refer to the way in which governments and the international system use cultural rights to divide and domesticate indigenous movements. Hale's comments make clear the possibly double-sided nature of recent multi-cultural politics, i.e. an emphasis of cultural rights at the expense of political and economic rights.

In academic writing there have also been significant developments, in which understandings of the importance of civil society have moved from static to active, from limited to expansive and from consensual to confrontational, e.g. from social capital (Putnam, Leonardi and Nanetti, 1993) to the multitude (Hardt and Negri, 2004). This is a shift in meaning that helps to explain both the divisions and the common goals of recent social movements. Renewed, and now more clearly stated, support has also been given by development scholars to ideas of participation. In a recent publication Amartya Sen stresses the need for participatory decision-making 'based on open discussion, with adequate opportunity for the expression of minority positions' (Sen, 2004: 53). Indeed, while examples of the failure of participatory development abound (McNeish, 2001, 2005; Cooke and Kothari, 2001), there are now clear examples from Brazil, the US and India in which participatory budgeting and planning have succeeded in addressing the diverse needs of the poor, it appears (Fung and Olin Wright, 2003). These examples demonstrate that participation can lead to a process of local democratisation that is very different from the now recognised harmful results and limitations of neoliberal-inspired policy regimes.

Linked to these academic discussions there has also been a growing interest within the international development policy debates in development ethics and 'deliberative' democracy. Drawing on the work of Rawls, Gargarella (2003) argues that democracy should be seen as a deliberative forum where we all have the opportunity to re-evaluate, clarify and/or change our established views. Further support for a 'deliberative' approach has also been forcefully made by Pogge (1994), a key figure in UNESCO's current efforts aimed at the creation of an international convention in which poverty is recognised as a violation of human rights. Pogge makes a critique of Rawls' ideas of deliberative justice by questioning his loyalty to *liberal* ideals premised only on the individual citizen and the failure to account for the impact of international structures. He makes a clear case for a deliberative democracy which rests on tolerance and recognition that other communities may autonomously and reasonably decide not to follow some of our most fundamental recommendations (1994: 216). This is a proposal that should have more than philosophical value to a country where serious discussions about the formation of a Constituent Assembly are underway.

#### **Conclusions**

Taking the recent referendum in Bolivia as my starting point, I have argued that despite a decade of democratic reform and pro-poor policy in which popular participation has been a key mechanism for gaining government legitimacy, in practice decision-making on the future of the country has been strictly limited. This has resulted in the failure of policies to reduce poverty and laid the foundations for recent political conflict in the country. Whilst this situation has arisen as a result of the history of prejudices and social divisions within the country, a series of contradictions in international development policy and practice is equally responsible for its persistence. As a result of the national and international blockages, open debate on the country's development future has been stifled and kept to existing economic formulas.

Whilst local Bolivians are fragmented along class and ethnic lines, they nonetheless have a series of clear demands and interests. Indeed, through the Coordinadoras they have also found an innovative means to express a common desire for the rethinking of state and natural resource ownership. Contrary to earlier 'culture of poverty' assumptions, local Bolivians have the capability to aspire to a better future, as do the poor everywhere. Whilst these capabilities are at times difficult to 'voice' because of their embeddedness in cultural practice and because of the competing positions of elites, they constitute a source of serious alternatives for national development. Their main thrust is to point to a need for official acceptance of the connection between economics and the social, and between development and culture. These alternatives should chime to some extent with the changing terms of recent development policy discourse.

These proposals and debates are likely to be ignored by conservative sectors of government and business, just as they will by conservative sectors of academia, but taken seriously they represent a resource of allies and ideas that are not only possible, but that now have vital support in both academic and international policy-making circles. As such they also underline the responsibility of the Bolivian government to take action, to take the idea of a Constitutional Assembly seriously and to structure a response to the diverse class, ethnic, generational and gender interests that now consider participation in government a natural right after more than a decade of development rhetoric. Indeed, given the way in which these proposals make both the international system and government equally responsible for such a response, they underline the fact that any future denial of the public and the poor's capacities to aspire to something better may not only cost the Bolivian government further protest and stones on the road, but may also lead to violent action that stretches well beyond the limits of any current democratic stand-off.

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