

## CHAPTER I

### **BOLIVIA'S FRAGILE DEMOCRACY**

After two decades of remarkable political stability, Bolivia's democratic future became uncertain after 17 October 2003, when Gonzalo Sánchez de Lozada resigned the presidency amid social unrest—known as the *guerra del gas*—that left at least 59 dead.<sup>1</sup> During the next three years, Bolivia lurched from one crisis to the next. While the *guerra del gas* encompassed a wide array of social movements—many with divergent and contradictory goals—the common denominator was opposition to neoliberal policies.<sup>2</sup> Still, the protests were substantially regional in character, drawing strength primarily from the Andean departments of La Paz, Cochabamba, and Oruro. In contrast, regional movements in the hydrocarbons-rich lowland departments of Santa Cruz and Tarija defended neoliberal policies while also demanding greater regional political autonomy. After October 2003, Bolivia's government struggled to balance these antagonistic demands: greater political (and economic) autonomy from the wealthiest departments on the one hand, against calls for a stronger state role in the economy on the other. In the last two years, many wondered not only whether Bolivia could reestablish some sort of political stability, but even whether the

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<sup>1</sup> This commonly accepted figure comes from Bolivia's Asamblea Permanente de Derechos Humanos (APDH), an independent human rights organization. The Amnesty International investigative report lists 68 dead, based on available media reports. The events are known as the *guerra del gas* (or “gas war”) because among the protests' central demands was a call for greater state control over hydrocarbon (specifically, natural gas) resources, stemming from the argument that international agreements did not adequately benefit Bolivians.

<sup>2</sup> I assign no normative value (pejorative or otherwise) to the terms “neoliberal” or “neoliberalism.” I merely mean the free market economic policies that became dominant beginning in the 1970s and which endorse limited state involvement in economic affairs as a formula for economic growth. In the literature on Latin America, this is also sometimes referred to as “the Washington Consensus.” In the Bolivian context, the adoption of neoliberal policies meant an economic structural adjustment that included (among other things) transferring state-owned industries into private ownership. For discussions of neoliberalism in Bolivia see Conaghan and Malloy 1995, Gamarra 1994, and Sachs and Morales 1988.

country's basic territorial integrity would survive the sharp regional antagonists that had burst to the surface.

### **Democracy on Stilts**

To illustrate the previous period of remarkable political stability and the recent instability I suggest the image of “democracy on stilts.” Bolivian representative democracy—so long as it rested on elite pacts—was in many ways “suspended” and distant from most of the polity's citizens. Like stilt-walkers, Bolivian political elites attempted to maintain their balance upon a delicate set of institutions (their “stilts”) that were not deeply rooted in civil society. And even if their policies were well intentioned, Bolivian political elites—and the democracy they represented and served—remained, like stilt walkers, elevated above the easy reach of ordinary citizens. Yet attempts by citizens to “climb” up the political stilts destabilized the political system (much as if a passerby tried to climb up on the shoulders of a stilt-walker). Thus, the image of democracy on stilts suggests a disconnect between elites and voters, the precarious balance of such a relationship, and the dilemma of changing this relationship without simultaneously bringing the whole structure (democracy) crashing down. Efforts by various social movements—and traditional political elites themselves—to change the nature of this relationship and to improve the quality of Bolivian democracy, ironically further weakened the relationship between the Bolivian state and civil society. The long-standing tensions and frustrations with Bolivian democracy were readily apparent during the October 2003 *guerra del gas* and the ensuing on-going political crisis.

While the *guerra del gas* was more widely covered in the international media, the *autonomista* (pro-autonomy) movements of the eastern lowlands are equally important. Two rallies, one on 23 June 2004 and another on 28 January 2005, organized by the department's

Comité Cívico turned out over a hundred thousand pro-autonomy supporters in the city of Santa Cruz.<sup>3</sup> Joined by movements from other lowland (and hydrocarbon-rich) departments, they raised the possibility of secession. These *autonomista* demands were significant (if not the only factors) in driving Carlos Mesa (who assumed the presidency after Sánchez de Lozada's resignation) to resign his own presidency on 9 June 2005. Agreements to hold a referendum on regional autonomy—similar to the 18 July 2004 hydrocarbons referendum—were consistently delayed until late 2005, in large part because of opposition from many of the social movements that had spearheaded the *guerra del gas*. But when Eduardo Rodríguez, the last in the presidential line of succession, assumed the office, his announcement of prefect elections in the 18 December 2005 general elections amounted to something of a compromise.<sup>4</sup> Nevertheless, both the *guerra del gas* and *autonomista* protests demonstrate a new and deep polarization in Bolivian politics, one that has regional, ideological, and ethnic cleavages converging in a way that fundamentally alter the country's political climate.

In contrast, the two decades immediately following Bolivia's transition to democracy highlighted a new period of exceptionalism. Rather than a perennial South American basket case, Bolivia was an unexpected success story. At the very least, the country stood in stark contrast to its Andean neighbors.<sup>5</sup> During the 1990s, some scholars even argued that Bolivia

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<sup>3</sup> The highest estimate, by the Santa Cruz newspaper *El Deber*, put the January 2005 rally numbers at 350,000. That rally, especially, was organized well ahead of time, and included participants from the department's countryside, as well as from other eastern lowland departments.

<sup>4</sup> The 2005 prefect elections would be the first in Bolivia's history; previously, presidents appointed prefects to the nine departments. Constitutionally, Rodríguez (head of the Supreme Court) was charged with calling for general elections within 90 days of assuming the presidential office; because of political conflict over legislative seat apportionment, covered in Chapter 7, the elections were delayed until 18 December.

<sup>5</sup> Both Ecuador and Peru began their transitions to democracy about the same time as Bolivia (1978-1979). Yet Peru suffered an authoritarian relapse in 1992, after Alberto Fujimori's *autogolpe* (self-coup). Ecuador has limped from one political crisis to the next, with the forced removal of three presidents and several military interventions (including kidnapping a president). While Colombia and Venezuela both were established democracies, Colombia's democracy has been besieged since the 1970s by significant left-wing guerrilla insurgencies, right-wing paramilitaries, and drug cartels that control as much as half the national territory. Venezuela, like Peru, has reverted to a form of authoritarianism under the populist Hugo Chavez since 1998.

was a case of successful democratic consolidation (see especially R. Mayorga 1992, Linz 1994, and Whitehead 2001). During this period of optimism, René Antonio Mayorga (1997) lauded what he called Bolivia's "silent revolution," built around the institutions of "parliamentarized presidentialism." Other analysts also looked to its unique quasi-parliamentary institutional design to explain Bolivia's nearly two decades of democratic political stability (see especially Shugart and Carey 1992, Conaghan and Malloy 1995, and Gamarra 1997).

Beyond mere political stability, Bolivia was also noted for a remarkable degree of governability not found in other countries in the region. Catherine Conaghan and James Malloy (1995) point out that of the three Central Andean republics, only Bolivia successfully implemented neoliberal economic reforms in the 1980s. In large part, they argue, because coalition governments provided executives with the necessary legislative majorities. René Antonio Mayorga (1992; 1997), Eduardo Gamarra (1994), and Grace Ivana Deheza (1997) made similar arguments, emphasizing the role of successful multiparty coalition governments. Unlike many of their neighbors, Bolivian presidents governed with support of majoritarian, multiparty coalitions. Conventional wisdom suggested that the country's institutional design was, in large measure, responsible for both the country's striking political stability and its governability by consistently producing majoritarian coalition governments. A multinational study by Mark Jones (1995) found that a dummy variable "Bolivia" was correlated at highly significant levels with majoritarian presidents (presidents supported by a legislative majority coalition). In short, support for centripetal coalition politics seemed to come from a shared elite consensus on key political and economic issues (most notably, support for neoliberalism), as well as agreement on the basic question (what I call "the national question") of what the Bolivian polity, the political community, should look like.

The dramatic collapse of an institutionally and democratically elected government marked a clear turning point in Bolivia's political history. The inability of both the Sánchez de Lozada and the later Mesa administrations to successfully manage social unrest made it glaringly obvious that something had failed in the Bolivian polity. Previous mechanisms of moderated bargaining and stable majoritarian coalition politics were no longer able to channel, address, or restrain social demands. While I do not believe that Bolivia's democracy has completely broken down, it seems clear that the system has undergone a process of "deconsolidation" (that is, the weakening of support for established democratic institutions and processes). The December 2005 elections offered an opportunity for a new political transformation that could reinvigorate the democratization process. The election of Evo Morales was dramatic for two reasons: First, Morales was the first president elected by a popular majority (53.7% of the vote) rather than by the legislature. Second, the 2005 election swept away the established multiparty system, producing a nascent two-party system centered around two parties: MAS (Movimiento al Socialismo) and Podemos (Poder Democrático y Social). As of this writing, it is not yet clear what the Morales government will mean for the future of Bolivia.

### **The Paradox of Democratization**

Ironically, the process of democratization and the adoption of a new liberal-pluralist discourse by political elites have put the Bolivian state—and, subsequently, Bolivian democracy—in jeopardy. On the one hand, the embracing of the polity's cultural pluralism legitimized pre-existing ethnic or regionalist claims against the central state's authority. On the other hand, the turning away from the 1952 national state model (particularly the state's economic functions) were resisted by those who least benefited from neoliberal policies and,

hence, cling to the previous national imaginary. In short, the very success of the democratic transition weakened the state's claim to sovereign authority. This is what I call the paradox of democratization.<sup>6</sup> The very process of a transition to democracy asks citizens to imagine for themselves a better political community, to imagine a democratic polity markedly different from the one they experience. A democratic transition is, then, a process of political imagining. But because democracy is (in large measure) a method of open political contestation, this form of political imagining takes on a more fluid and chaotic character. Different visions of a "new Bolivia" emerge and compete against each other in the political arena. And as with any political competition, there are winners and losers.

One way to understand the current Bolivian political crises is as struggles between different competing national imaginaries. I identify three different competing discourses. The first is the older national-corporatist discourse inherited from 1952, with its emphasis on a single national community and state control over natural resources. Another is the new liberal-pluralist discourse that emphasizes a multicultural, diverse society based on individual (not collective) rights and a *laissez faire* state. The third encompasses various sectarian community discourses based on smaller, more local attachments based on shared cultural identity. This discourse has two broad manifestations in Bolivia. One is the set of various indigenous discourses that challenges the "neocolonial" Bolivian state and calls for political autonomy for indigenous communities. The other includes the regionalist discourses coming from places like Santa Cruz and Tarija, which similarly challenge the "centralist" Bolivian state and demand regional political autonomy and self-government.

As these competing discourses clash, the continued existence of a single polity can come into open question. And if democratization emphasizes rights of self-determination

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<sup>6</sup> This "paradox" is also similar to the "dilemma" of pluralist democracy identified by Robert Dahl (see Dahl 1982), which pits the competing claims of a need for political authority and individual autonomy.

and popular sovereignty, how can a democratic state legitimately prevent a Balkanization of politics? If democracy is consolidated when it becomes “the only game in town” as Linz and Stepan (1996) argue, what prevents the political players from taking their ball and going home? Even if democracy is the only game in town, does it have to be played on one field? Or can it be played on two or more fields? At the heart of this democratization paradox is the problem of democracy in societies that are culturally divided—and particularly when those divisions coincide with socioeconomic cleavages. In the Bolivian case, with hydrocarbons heavily concentrated in one region of the country, the availability of competing political discourses means that disaffected regional leaders who become “losers” in the national arena have powerful incentives to simply adopt a different, regional discourse and claim that they are, in fact, a different political community altogether. This is as true for indigenous proponents of a Kollasuyu as it is for regionalist proponents of a Nación Camba.

The October 2003 protests marked a return to a national discourse reminiscent of 1952. Evo Morales and his supporters are less part of a “new” wave of socialist governments in the region than a return to the principles of the Bolivian national revolution. It is perhaps a historical irony that the core principal demand of the *guerra del gas* protest involved the loss of national control over the very resource Bolivians fought to defend in the 1932-1935 Chaco War with Paraguay. Similarly, calls by regional leaders in Santa Cruz and Tarija for secession in defense the right to exploit and export “their” resources as they wish were met by counter-claims by Andean Bolivians that “their” blood had been spilled in defense of this “national” resource. The current conflict over natural gas exports is thus transported into “homogeneous, empty time” through a process of collective imagining and the mythos of the collective suffering and struggle in the trenches of the Chaco is made present.<sup>7</sup> It is no

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<sup>7</sup> For a discussion of “homogenous, empty time” see Anderson 1991.

surprise that Morales' discourse is less socialist than nationalist—when he speaks of “recovering” of the nation’s resources he echoes the founding fathers of post-Chaco Bolivian nationalism.

In contrast, a growing number of Bolivians (particularly in Santa Cruz and Tarija) have begun embracing a new communal identity. Often, this identity is referenced in opposition to an “Andean” Bolivian identity.<sup>8</sup> This new identity is supported by a competing national imaginary constructed in much the way as described in Anderson’s model. In the past ten years, a series of monuments to regional heroes have gone up throughout Santa Cruz, along with a renaissance of regional folk culture in public festivals, and even in history museums and other academic establishments such as literature.<sup>9</sup> It should come as no surprise, then, that regionalist calls for secession to establish a “Camba Nation” resonate with much of the region’s population. Ironically, the sectarian discourses are further reinforced by the liberal-pluralist discourse, which consciously emphasizes and celebrates the country’s cultural differences.

In large measure, the quest to establish a new Bolivian political stability depends on the acceptance by an increasingly fractured population that they do in fact comprise one single political community, and not two or more such communities, while still respecting their plurality. In short, Bolivia is dealing with the central questions raised by Robert Dahl in *Dilemmas of Pluralist Democracy* (1982)—that is, the struggle of a democratic state to exercise effective central state authority and control in midst of legitimate calls for greater civic, political, and associational autonomy. Similarly, the Bolivian case illustrates the tension in

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<sup>8</sup> This “anti-Andean” discourse is remarkably similar to the “anti-colonial” indigenous discourse. Like the latter, the regionalist discourse denounces the “exploitation” of some “outsider” privileged political group (in La Paz) and its attempt to “impose” its culture (the image of Bolivia as an “Andean nation”).

<sup>9</sup> In recent years, television newscasts in Santa Cruz have consciously chosen to use regional dialect, rather than “standard” Spanish. There is also a dictionary of the regional *camba* dialect. All this closely resembles the process of nation-building described by Anderson 1991.



modern political life outlined by Benjamin Barber, who argued in *McWorld vs. Jihad* (1996) that modern states were undermined by pressures from both globalization and sectarian factionalism. If democracy requires viable, institutionalized states as Juan Linz and Alfred Stepan (1996) argue, then the erosion of modern states is a problem for young democracies. The challenge for Bolivian democrats—if Bolivia is to remain a single democratic state—is to find a new balance that keeps democracy from breaking down while managing the problems of accommodating the legitimate claims from different elements of civil society.

### **From Democratic Stability to Crisis of Legitimacy**

This dissertation seeks to explain how Bolivia’s nearly two decades of political stability gave way to a period of instability followed by a radical break that fundamentally altered the status quo. My model mirrors the model presented by David Held (1996) for explaining the social unrest in post-industrial liberal democracies in the 1960s (see pp. 233-253). While the Bolivian case is clearly different, many of the features described by theorists of “overloaded government” and theorists of “legitimation crisis” apply to the Bolivian case as well.<sup>10</sup> In the place of the erosion of confidence in a post-industrial welfare state, my model looks at the erosion of confidence in a newly democratized regime consistent with the paradox of democratization. As such, I accept many of the pluralist arguments of the overloaded government theorists, as well as the more radical critiques of liberal democracy’s ability to manage social and economic conflicts presented by the legitimation crisis theorists.

The key features of my argument are spelled out in Figure 1.1 and are briefly discussed below.

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<sup>10</sup> For “overloaded government” arguments see Brittan 1975, Huntington 1975, Nordhaus 1975, King 1976, and Rose and Peters 1977. For “legitimation crisis” arguments see Habermas 1976 and Offe 1984.

1a. Political power is fragmented among a plurality of groups (class, ethnic, regional, etc.) but is exercised by political parties. Though parties compete in the formal electoral arena, their power is constrained by economic realities. Still, the transition to democracy makes government more responsive to social demands.

1b. The economy is characterized by neoliberal policies, which involve dismantling the state's previous role in economic affairs and significant structural adjustments. Neoliberal reforms are at first successful in stabilizing the economy.

2. Expectation increase. Politically, individuals and groups begin to expect an increase in freedoms and greater autonomy. Economically, citizens expect greater prosperity to follow the transition to a free market economy.

3. Rising expectations are reinforced by a "decline in deference" consistent with a transition from authoritarianism to democracy.

4. A combination of increased expectations and declining deference leads groups to increasingly press the new democratic government to meet various sectoral (and often contradictory) demands.

5. In order to maximize their vote-winning potential, political elites adopt short-term strategies and promise more than they are able to deliver to their constituents. Electoral competition drives parties to continuously increase their promises. Populist parties also emerge, capitalizing on unmet expectations.

6. Thus, aspirations increase as voters continue to seek political alternatives that promise to meet their expectations. This leads groups to continue to press sectoral demands. This loop (steps 4-6) continues until the political system becomes overloaded.

7. Once demands increase beyond a certain point, political elites follow policies of "appeasement" as they try to incorporate as many different sectoral groups under their

banner to maximize their vote-winning potential. Similarly, the state ceases to exercise its authority but instead engages in negotiations with sectoral groups under increasing which channel their demands into direct action, rather than the representative political process. Meanwhile, a “rationality crisis” ensues as the state becomes increasingly used as a means to distribute patronage (in efforts by elites to secure political support and governability).

8. The combination of an ineffective state and unmet (but increasing) expectations leads to decline in confidence in the state and political system—especially political parties.

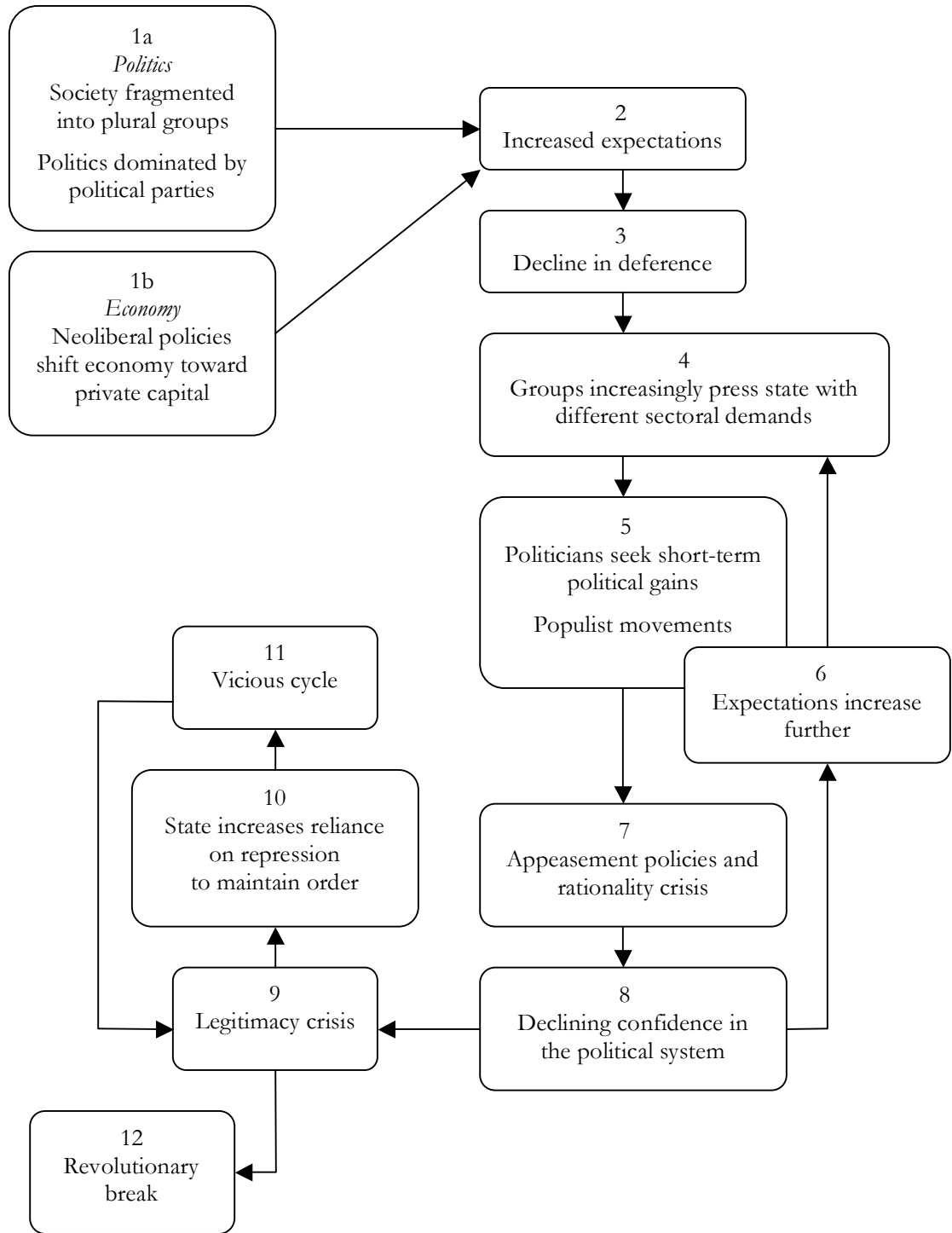
9. If increasing demands are not met by available alternatives, the political party system soon faces a crisis of legitimacy as calls for reform are replaced by calls for revolutionary change.

10. Increasingly under siege and facing a loss of public legitimacy among much of the population, the state eventually responds with repressive force in efforts to maintain political and economic stability.

11. This initiates a vicious cycle: The state continuously relies on repression to maintain public order in the face of increasingly aggressive public manifestations. This only heightens the legitimacy crisis.

12. The combination of continued decline in public confidence in the political system, continuously increasing demands, growing social unrest, and the state’s reliance on repression may lead to a revolutionary break. This is what happened in October 2003. During two decades, public confidence in the political system slowly eroded even as political elites continued to engage in short-term electoral calculations. Increasingly frequent violent social unrest and state repression—for example, the April 2000 Cochabamba “water war” and the 2003 *impuestazo* revolt—demonstrated a legitimacy crisis from 2000 onward.

Figure 1.1  
From Stability to Crisis



## **Plan of the Study**

The remainder of this dissertation charts the progress of Bolivia's recent democratic experience and explores the relationship between the ongoing democratization process and the political crisis of the last three years. Chapter 2 provides a theoretical framework that grounds the discussion of the Bolivian case into three distinct theoretical literatures: 1) the literature on democracy and democratic consolidation, 2) the literature on nationalism and political imaginaries, and 3) the literature on political institutions. The remainder of the chapter also details the dissertation's methodological framework.

Chapter 3 is devoted to an exploration of the legacies of the 1952 National Revolution. Keeping with the "historical institutionalist" tradition, this chapter outlines the continued impact on formal and informal political institutions carried over from the early twentieth century. This chapter tackles two specific "legacies" inherited from the pre-transition period: 1) a nationalist-corporatist political discourse and "integrationist" national imaginary and 2) the tradition of populist political organization and weakly institutionalized political parties. Chapter 4 gives a description of Bolivia's political institutions—particularly the "parliamentary presidential" model.

Chapters 5-7 provide descriptive qualitative and quantitative analysis of Bolivia's three electoral periods (outlined in Chapter 4). Chapter 5 looks at the 1985, 1989, and 1993 elections. Chapter 6 analyzes at the 1997 and 2002 elections. Chapter 7 tackles the most recent presidential and prefectural elections. Each chapter is preceded by a brief discussion that highlights the break between this period and the one that preceded it, as well as the effects of the previous period on the one that followed. Each election is considered separately, with descriptions of the political parties, electoral process and campaigns, and the ensuing coalition-building process.

Chapter 8 offers a set of statistical tests to a series of research hypotheses concerning the nature of the political crisis. Namely, that the current political polarization is driven in large measure by regional political cleavages and that this regional polarization is serially correlated with changes to the electoral system. The purpose of this chapter is to present evidence in support of the dissertation's main argument—that the recent Bolivian political crisis is a product of the two-decades-long democratization process.

Finally, Chapter 9 merely offers some concluding remarks, though with an eye to the most recent developments in Bolivia following the election of Evo Morales in December 2005. Most especially, the conclusion offers some speculation about the upcoming 2 July 2006 constituent assembly election, placing it within the theoretical argument presented in this dissertation. The constituent assembly is self-consciously aimed at “re-imagining” the Bolivian polity. Thus, the process is a crucial moment which could deepen Bolivian democracy, transcending the current crisis of legitimacy—or the assembly could devolve into another populist plebiscite meant only to strengthen a sitting president.