

# **Bolivia ten years after: Evo Morales and the limits of 21<sup>st</sup> century socialism**

Wednesday 16 March 2016, by [McNELLY Angus](#) (Date first published: 2 March 2016).

**Last week's constitutional referendum has exposed the contradictions and tensions at the heart of Bolivian politics after ten years of MAS leadership.**

## Contents

- [THE INITIAL PROMISE OF EVO](#)
- [BOLIVIA'S "NEW" POLITICAL](#)
- [INDIGENOUS PRINCIPLES AND 21ST](#)
- [A "GOVERNMENT OF SOCIAL \(...\)](#)
- [A STEP IN THE RIGHT DIRECTION?](#)

On February 21, Bolivia held a constitutional referendum to decide whether president Evo Morales and vice-president Álvaro García Linera could run for another term in office.

The proposal to modify article 168 of the constitution that would allow the president and the vice-president to run for three consecutive terms was rejected with 51.3 percent of the vote [[1](#)]. Now that the dust from the long and feisty campaigns slowly starts to settle, it is important to reflect on the lessons learned from the constitutional referendum. The outcome is a clear expression of some of the contradictions that lie at the heart of Evo Morales' presidency.

The referendum has highlighted the tensions within Bolivia's political economy between indigenous ways of life — *buen vivir* — and the neo-extractivist model of the state on the one hand, and between the government of social movements and the movements themselves on the other.

The Movimiento al Socialismo (the MAS) government is characterized more by continuity than by rupture with previous governments — it seems unable to break with the logic of the past neoliberal period. The economy remains dependent on primary exports, and informality and precarity is a persistent reality for many Bolivians. The state had an opportunity to radically alter the nature of Bolivia's political economy, but instead close to plaster over the cracks in the prevailing economy system.

## **THE INITIAL PROMISE OF EVO MORALES**

For many on the left, Bolivia is a place of hope. It is an example of the power of the movements, of what happens when the oppressed and excluded rise up and fight against the seemingly monolithic and dominant political narratives and economic models.

During the first years after its electoral victory, the MAS enjoyed the residual good will from the social movement victories of 2000-'05. This had been a period that saw mass protests curtailing attempts at privatization, the toppling of neoliberal governments and the proliferation and

articulation of radical ideas in a highly mobilized society.

The apogees of these movements were without doubt the so-called “Gas Wars” [2] of October 2003 and June 2005, where hundreds of thousands of people mobilized to demand the re-nationalization of hydrocarbons and the resignation of the president. Evo Morales was the expression of this moment within the state, supposedly heading a government of social movements. Although initially the MAS garnered significant support from the majority of popular sectors, the tensions of this configuration could not be contained for long.

One of the central features of the conjuncture from which this immense social mobilization emerged was a fiscal crisis of the state. The privatization of the state’s main source of revenue — the state hydrocarbons company Yacimientos Petrolíferos Fiscales Bolivianos, YFPB — and the slowing of GDP growth during the late-1990s due to the contractions of neoliberal capitalism severely limited the state’s ability to function properly in a number of ways.

First, the hydrocarbons revenue that filtered down to the local municipal level disappeared, leading to widespread discontent, especially in poor rural municipalities. Second, a rising debt placed Bolivia increasingly under the control of international financial institutions — including the World Bank and the International Monetary Fund (IMF) — curtailing the state’s ability to respond to the crisis. The IMF demanded that the budget-shortfall — in a large part the result of IMF-supported privatization programs — be made up by slashing social spending and regressive taxation.

Social movements therefore demanded a restructuring of Bolivia’s neoliberal political economy. They rejected regressive taxation in the violent clashes of the *impuestazo* of February 2003, and demanded the re-nationalization of hydrocarbons and the end to neoliberalism in Bolivia during the popular expressions of the two Gas Wars.

Evo Morales was carried to the presidential palace upon a wave of optimism, upon the back of these movements. Not only was he Bolivia’s first indigenous president, he represented a challenge to the neoliberal order that had dominated Bolivia since 1985. Evo brought a new period of hope, and an expectation that Bolivia’s political economy was going to be reorganized along radically different principles, to the benefit of the majority of Bolivians. But in recent years, *el proceso de cambio* (the process of change) seems to have lost its way, the hope that radiated from Morales’ government in early years being replaced by the increasingly visible contradictions within the state.

The government has been wracked by a number of corruption scandals in recent months, with even Morales not coming away unscathed. The constitutional referendum is but the latest expression of the tensions at the heart of 21<sup>st</sup> century socialism.

## **BOLIVIA’S “NEW” POLITICAL ECONOMY?**

Contrary to what the results of the February 21 referendum indicate, Evo Morales remains popular among the Bolivian population. In January, his approval rate was still between 60-70 percent.

Evo and his party the MAS, were the first party to win a majority in presidential elections since the return to democracy in 1982, and they were the first incumbent government to be re-elected – something that they have now achieved twice. Behind this electoral success has been a growing economy and an image of the government as driving redistribution and poverty reduction; an image that was rustled up for the “yes” campaign, with slogans stressing the changes that Bolivia has undergone under the MAS government.

However, there are visible cracks within Bolivia's political economy, problems that were highlighted by the protagonists of the "no" campaign.

For one, the government has been keen to foster an image of state-led redistribution, introducing conditional cash transfer programs directed towards pensioners, children and young mothers. The dramatic military operation to re-seize the hydrocarbon fields that once belonged to YPFB in 2006 was designed to the same effect. However, this was only for show — a clever piece of PR that depicted the government as acting upon the demands of the social movements.

In reality, rather than nationalizing the industry, the government signed 44 new contracts with the twelve largest petroleum companies. It also agreed export contracts with Argentina and Brazil, which in conjunction with a global commodities boom between 2008 and 2013 increased the average GDP growth rate from 3.3 percent per year between 1996 and 2006 to 5.0 percent in the 2006-'14 period.

The state has focused its efforts not on the redistribution of this wealth, but on a program of what *The Washington Post* has labeled "fiscal prudence" [3], building up foreign reserves to ensure macroeconomic stability. Nevertheless, even with a paltry 1.6 percent of GDP spent on conditional cash transfer programs, the global commodities boom has helped reduce poverty significantly under the MAS. Poverty fell from 59.6 percent in 2005 to 39.1 percent in 2013, and extreme poverty has been reduced from 36.7 percent to 18.8 percent over the same period.

However, the centers of capital accumulation in Bolivia remain unchanged, as the MAS have been unable — or unwilling — to transform the structure of Bolivia's political economy. The decisions made by the government during the MAS' first term had a large impact on Bolivia's recent trajectory. Morales had a clear mandate to nationalize hydrocarbons, a mandate he seemingly ignored. Multinational capital in lowland agribusiness, hydrocarbons and mining; complemented by the incipient bourgeoisie in cooperative mining, commercial trading, contraband and narcotics are still the main sectors of capitalist accumulation.

Bolivia has up to now managed to maintain its GDP growth rate, averaging 5.2 percent in January and February of this year, but continuous low primary commodities prices — especially those of hydrocarbons — is particularly worrying in the context of their continued salience to Bolivia's economy.

Although the bilateral contract to supply Brazil with natural gas lasts until 2019, the contract with Argentina is in the process of being renewed [4], and the price of Bolivian gas has fallen by 43 percent in Argentina and 53 percent in Brazil over the past year. With poor forecasts for global GDP growth in 2016 and the price of oil showing no signs of increasing in the near future, Bolivia's neo-extractivist economic model is going to be placed under an increasing amount of stress.

Even with the recent gas discoveries [5] in Boicobo, Ipaguazu and Boyuy that have increased Bolivia's known reserves by 40 percent, the government will have to contend with weak economic performance, and may encourage new modes of accumulation to maintain Bolivia's recent GDP growth rates. Indeed, we have already seen signs of this, with Morales hosting an investment fair [6] sponsored by the *Financial Times* in New York in October last year.

## INDIGENOUS PRINCIPLES AND 21ST CENTURY SOCIALISM

The tensions within Morales' regime are far from constrained to political economy. The model of neo-extractivism described above is entirely at odds with the indigenous principle of **buen vivir** that

Evo Morales supposedly champions.

At the heart of this principle is respect for *pachamama* — Mother Earth — and an understanding that humans and the natural world exist in a state of harmony; a delicate balance where humans are a part of a larger ecosystem and spiritual world. This cosmology is characterized by a cyclical conception of time and the presence of the past in the present: the topology of the Andes tells tales of events from past eras. Indigenous communities believe protagonists of these stories — their ancestors — are the colorful foothills and snow-capped peaks of the Andes.

This stands in stark contrast to the ideas that underpin extractivism: the domination of the natural world through the use of technology and machinery. Humans can conquer the vicissitudes of the natural world — its extreme weather and climates, its seasonal change and annual cycles — through the burning of Mother Earth itself, which exists for humans to exploit.

Humans are thus placed outside and above the ecosystems of the natural world, with modern capitalist societies and natural ecosystems as discrete, rather than inseparable, spheres. The lifespan of resource extraction is teleological, a linear progression leading to a definite end as the finite resource is exhausted — something that is quite at odds with the cyclical conceptions of time held by indigenous communities.

The recent scandal that has engulfed Evo Morales [7] nicely captures these contradictions at the heart of the MAS. In 2007 Evo Morales sired a child with Gabriela Zapata, a white *cruceña* who works for the Chinese company CAMC, negotiating contracts with the Bolivia state.

Under Morales' government, CAMC have been awarded over \$500 million in state development contracts [8]; the multinational firm responsible for constructing infrastructure — including an electric train — that will further boost Bolivia's extractive economy. It has not escaped the notice of some that the interests of a light-skinned woman of European descent have, along with those of multinational capital, been placed above the interests of Bolivia's indigenous majority.

It is not surprising, then, that the emergence of this scandal in early February most likely tipped the balance in favor of the "no" vote ("yes" were, according to some pollsters, ahead by five percentage points just a month before the referendum). Not only is Morales' government looking more and more like its predecessors, unable to stop the corruption that has been omnipresent in the Bolivian state in its various guises, but the scandal also highlights the continued subordination of indigenous interests to those of capital.

There is another serious contradiction that lies at the heart of the MAS, a tension that was contained in the very essence of the constitutional referendum.

The Aymara social unit of the *ayllu* is organized not along the liberal ideals of "rights" and "responsibilities", but through the principles of "rotation" and "obligation". Everyone within a community is expected to perform certain tasks at certain times, and then relinquish the responsibility to their successor. The social movements borrowed these principles — especially in El Alto, where the population is largely Aymara — and families were obligated to send one member to roadblocks, meetings or marches.

"Obligation" is supplemented with "rotation" in the *ayllu*: once a member of the community has performed their role, it is then the turn of someone else. By asking for a fourth term, Evo Morales came directly into conflict with the "rotation" of leadership, an ideal that he supposedly represents.

Many of the central proponents of the "no" campaign, including governor of La Paz Felix Patzi, have noticed this schism between the rhetoric of indigenous principles and the actions of the government.

The constitutional referendum represents a turn away from indigenous principles and tradition, and brings into sharp contrast the gap between the state and the indigenous majority that form the MAS' support base.

## **A "GOVERNMENT OF SOCIAL MOVEMENTS"?**

The MAS are, according to vice-president García Linera, a government of social movements [9]. Evo Morales is the leader of the six coca-growers federations of the Chapare, and was a social activist before he became president. The consequences of being a government of social movements have been somewhat unexpected. Many protagonists of the struggles of 2000-'05 were given positions within the government, decapitating local civil society leadership and cementing the government's official channels as the legitimate route for change.

This closed off alternative avenues to enact change from below. Social movements outside the state's control were labeled as counter-revolutionary actions led by selfish leaders who were putting their needs of those of the nation. It is interesting to note that this polemic — which was especially directed towards the leaders of Confederation of Indigenous Peoples of Bolivia in the conflict which began in 2011 over the construction of a road in the TIPNIS national park — contradicts the plurinationalism that is supposed to underpin the Bolivian state.

Placing the needs of the nation above those of a particular group is impossible in true plurinationalism, as the needs of all groups — all in their own right "nations" — are considered equal. The violent repression of social movements outside state control challenges this picture of a government of social movements.

Moreover, the process of integration into the state has offered some communities and leaders access to state resources, improving individuals' statuses and helping some communities develop over others. This has had a number of effects on Bolivian society. First, it has created inter-community strife, with the lowland groups struggling in the TIPNIS highly suspicious of the indigenous nations of the *altiplano* and vice-versa, whilst the ayllus of Potosí staged a massive protest in 2011, feeling aggrieved that the state had not directed resources to their department.

Second, and perhaps more seriously, it has created intra-community conflict between those with access to the official channels of the state, and those who want to radicalize the process of change. Indeed, some of the leaders of the ayllus view Morales' regime as worse than the neoliberal governments of the 1980s and 1990s, having watched their communities become increasingly divided over the past ten-years. The constitutional referendum brought these intra-communities tensions to the fore, with communities — and even families — split along the lines of "yes" and "no".

## **A STEP IN THE RIGHT DIRECTION?**

The constitutional referendum has taught us a lot about the state of play in Bolivia: about the political economy of Bolivia under Morales; about the relationship between indigenous communities, the state and capital accumulation; and about the impact of the MAS attempting to be a "government of social movements."

The conclusion that we can reach is that there is a problem at the heart of 21<sup>st</sup> century socialism. There has been too much continuity and not enough rupture, and the old institutions of the state and capital accumulation have not been challenged and transformed. Transnational capital still

dominates the economic landscape, often at the expense of the indigenous communities and social movements that form the support base of Morales' government.

The constitutional referendum merely highlights the plethora of contradictions that this continuity with the old political forms and political economy contains. It is a reminder not of how far Bolivia has come, but of how far it still has to go. It is an opportunity to reflect on the mistakes of the past, and to contemplate what could have been in the wake of a moment of radical opportunity.

The victory for the "no" camp offers a new opportunity, but if the regime of Evo Morales has taught us anything, it is that serious social transformation can only come about through a radical break with the past.

**Angus McNelly**

---

---

**P.S.**

\* "Evo Morales and the limits of 21<sup>st</sup> century socialism". Roar Mag. March 2, 2016:

<https://roarmag.org/essays/bolivia-referendum-morales-lost/>

\* Angus McNelly is a PhD candidate in the school of Politics and International Relations at Queen Mary University of London. He is currently living in La Paz, Bolivia, doing his PhD fieldwork. His research interests are critical political economy, the state and gender.

---

## Footnotes

[1] <http://52.4.18.201:55>

[2] <http://upsidedownworld.org/gaswar.htm>

[3] <https://www.washingtonpost.com/news/worldviews/wp/2016/01/07/leftists-are-wobbling-in-south-america-heres-why-bolivias-evo-morales-may-be-the-last-socialist-standing/>

[4] <http://www.hidrocarburosbolivia.com/bolivia-mainmenu-117/energia/72137-bolivia-presentara-su-oferta-de-energia-disponible-a-argentina.html>

[5] <http://www.hidrocarburosbolivia.com/bolivia-mainmenu-117/downstream/72141-precio-de-exportacion-del-gas-boliviano-bajo-en-43-a-brasil-y-53-a-argentina.html>

[6] <https://live.ft.com/Events/2015/Investing-in-the-New-Bolivia-Summit>

[7] <http://www.paginasiete.bo/nacional/2016/2/6/mundo-gabriela-zapata-montano-exnovia-puso-aprietos-85950.html>

[8] <http://www.paginasiete.bo/sociedad/2016/2/5/gobierno-admite-ejecutiva-camc-pareja-presidente-85786.html>

[9] <http://www.rebelion.org/docs/134332.pdf>