



Bolivia: Eradicating Democracy

By Linda Farthing and George Ann Potter

Coca is not cocaine. The leaf has been consumed for over 2,000 years in the Andes, and, when chewed or taken as a tea, it provides a mild stimulant that decreases hunger, fatigue, and altitude sickness. Responding to rising U.S. demand for cocaine, Bolivia also began producing coca commercially for export for processing into cocaine, making coca Bolivia's largest export crop until recently. Since 1997, the escalated U.S. financing for coca eradication has slowed both Bolivian and Peruvian coca production. But planting in Colombia has skyrocketed, with no net reduction in Andean coca production.

In April 2001, for the third time in a year, Bolivia was rocked by a series of civilian protests. They began with a march under the leadership of Comunal, a coalition of coca growers and water users from a region surrounding the city of Cochabamba that has been economically devastated by the virtual eradication of coca. A second march followed, led by the Bolivian Workers Central, the COB. These trade

unionists, water protestors, teachers, and peasant coca farmers all demanded that the government of the poorest country in South America honor the agreements it made after a series of major uprisings in 2000.

One of the most successful protests took place in 1999-2000, when the Cochabamba-based Coordination in Defense of Water and Life waged a battle against the Bolivian government's sale of the city water system to a private consortium, including a subsidiary of the U.S.-based Bechtel Corporation. After the protestors took over the city of Cochabamba and found support even among the middle

class, who also faced water bills that had doubled or tripled, the consortium withdrew, and the government agreed to reform laws pertaining to water services.

Another more intense and widespread round of conflicts erupted in late 2000, involving coca growers, teachers, and the country's most important campesino federation. The entire country ground to a halt for over three weeks. Private industry lost millions, schools were closed, and the cities were crippled, as food supplies steadily diminished because of road blockades. The protests, which lasted through October, were more violent than earlier ones, largely because of an increase in government repression, portending an escalating level of violence in a relatively peaceful country.

These protests did win some concessions from the government of Hugo Bánzer, including a commitment to halt any additional privatization of public services. The movement's success was limited, however, by the government's well-honed skill in dividing a multisectoral popular movement and negotiating on a sector-by-sector basis. This strategy had been effectively used to isolate the coca growers who live in the Chapare region from other popular sectors. The government also delinked coca growers from the Yungas region directly east of La Paz from their more militant Chapare counterparts, when it delayed plans to begin eradicating Yungas coca. Since its 1997 election, the Bánzer government has been committed to "coca zero," the eradication of all coca directed toward cocaine production.

Deep internal divisions within the country's ethnically and regionally diverse campesino movement have also made a united front extremely difficult. In May 2000, for instance, Aymara leader Felipe Quispe withdrew his support for a national road blockade effort, leading to accusations of bribery, although it is quite probable that his decision reflects a separately negotiated deal with the government.

The almost continuous protests in Bolivia reflect a resurgence of the country's historically powerful popular movement. Beginning in 1985, Bolivia began following the adjustment model promoted by the U.S., World Bank, and International Monetary Fund (IMF). The Bolivian government has been forced to cut subsidies, decimate social welfare and public sector employment, freeze wages, privatize even the most profitable state enterprises, and open the country to foreign private investments. As a result, the middle, working, and indigenous peasant classes are all notably worse off. Indeed, the annual growth rate of GNP per capita fell from 1.8% in 1989 to -2.2% in 1999, according to World Bank figures.

The almost complete eradication of coca in the Chapare region since 1997 has cost the national economy an estimated \$500 million and has led to growing, widespread resistance. Observers predict that the civil strife may deepen unless the U.S. and the repressive Bánzer government end crop eradication efforts and move, more fundamentally, to address the issues of impoverishment and political marginalization.

So far, the U.S., which has funded military and police eradication campaigns and lauded the "victory" against the native coca plant, has been reluctant to commit any significant funding to help the country develop alternatives to its economic dependence on coca exports. For 2002, the Bush administration is proposing a sizeable increase in both military and police support and economic assistance.

Key Points

- Beginning in 1985, Bolivia imposed structural adjustment policies that have slashed government social spending, decimated labor rights and unions, and moved to privatize basic services.
- Bolivia is in the grips of its worst political crisis and social upheaval since the end of the dictatorships in 1983, while U.S.-imposed economic and antidrug policies are principal reasons for the current conflicts.
- Although Bolivia has moved from dictatorships to multiparty elections, its democratic institutions are still weak.

Problems with Current U.S. Policy

The U.S. war on drugs in Latin America has focused on the lowest, most vulnerable rung of the drug ladder: the coca growers and the drug industry workers. Unlike Peru and Colombia, where antidrug efforts have been combined with controlling guerrilla warfare, Bolivia has no guerrilla movement, so the full force of repression has been felt by the 35,000 coca growing families, who justify coca cultivation as part of their cultural heritage.

This misguided strategy—a failure by any measure—has been pursued at an enormous price to Bolivia. Aside from destroying the country's economy without providing alternatives, it has led to a greatly increased military presence in the Chapare coca-growing region and to widespread harassment, torture, and even murder of its indigenous people. The Clinton administration's agreement to provide \$2 million in funding to build three new Bolivian military bases in the region helped spark protests in 2000. Coca growers won a major concession during the October 2000 uprising, when the Bolivian government agreed to shelve plans for the bases.

Ever since President George Bush, Sr. announced the Andean Initiative in 1989, both the U.S. and Bolivian governments have failed to create sustainable economic alternatives for indigenous peasant families. In reality, it is difficult to find crops that can compete in price, durability, and hardiness with coca. However, U.S.-financed alternative crop programs have also been ill-conceived, have failed to work with local coca grower representatives, and have sported fancy demonstration farms but no marketing plans for new crops.

The special \$1.3 billion aid package to the Andean region—mostly aimed at Colombia and passed by Congress in mid-2000—included an additional \$25 million for eradication and interdiction in both the Chapare and Yungas regions. In early 2001, the U.S. allocated another \$85 million for alternative development programs in these two regions, but much of this is going for balance-of-payment support and rural electrification, both of which are of little benefit to impoverished peasant coca growers. And these amounts are paltry compared to the levels of investment that President Bánzer, among others, has repeatedly warned are necessary to keep Bolivian campesinos from replanting coca. Some analysts suggest that, to be effective, development investments must approach coca's contribution to the local economy before eradication began in 1997.

The U.S. bears some of the responsibility, as well, for Bolivia's human rights abuses and legal injustices. Human rights cases are routinely transferred out of civilian courts to military courts, where the likelihood of impunity is much higher. More than a decade ago, the

U.S. promoted the passage of the draconian Bolivian Law 1008, which includes provisions such as denying *habeas corpus* for alleged drug traffickers. Antidrug police are under considerable pressure to make numerous arrests in order to demonstrate success to Washington. As a result, many innocent and mostly poor people are imprisoned, while, as is typical around the world, big-time traffickers and financiers are winked at.

Washington touts Bolivia's eradication program as a success, but embassy officials have brushed aside evidence that forced eradication causes human rights abuses. U.S. officials have consistently failed to carry out investigations into abuses, as obligated by the Leahy Law, which requires the U.S. to cut funds to armed forces committing serious human rights violations.

Bolivia's difficulties have been compounded by the imposition of structural adjustment policies that have, since the mid-1980s, resulted in what writer Susan George calls "financial low-intensity conflict." The effects of these neoliberal economic policies accelerated in the 1990s, as the Clinton administration made free trade a cornerstone of its foreign policy.

In Bolivia, the twin U.S. agendas—economic liberalization and the war on drugs—unite through the annual drug certification process (see FPIF brief "Drug Certification"). This requires drug producing and trafficking countries to show that they are cooperating with the U.S. in the war on drugs or face both a cutoff of all assistance (except antidrug funds) and a U.S. "no" vote on loans from the World Bank and IMF.

Even during Bolivia's recent popular demonstrations, the U.S. State Department declared that U.S. aid would be jeopardized if the war on drugs, and specifically the zero coca option in the Chapare region, were modified. The result is an increasingly violent standoff: more than 100 civilians have been killed or wounded in recent clashes with the police and military. When asked by the *Washington Post* about the social upheavals that U.S. antidrug policies have helped spark, a State Department official condemned the protests as "illegal," adding, "We have full confidence President Bánzer and his government will get through this."

Key Problems

- The U.S. continues to expand the war on drugs in the Andean region, despite the repeated failure and quagmire it represents.
- Washington has failed to publicly criticize Bolivian military operations against civilians for their violations of human rights.
- Economic standards have shown little or no improvement since the imposition of the U.S./World Bank/IMF economic model.

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Toward a New Foreign Policy

The U.S. drug war focuses on repression, both at home and abroad, rather than a demand-side approach emphasizing prevention and rehabilitation in the U.S. and economic alternatives to coca abroad. The current war on drugs is not working, is expensive (about \$20 billion per year), promotes human rights violations at home and abroad, and disproportionately targets the poor at both ends of the drug pipeline—peasant growers in the Andes and small-time, inner-city users and sellers in the United States.

Key Recommendations

- The U.S. should stop demanding forced eradication of coca crops grown by Bolivian peasants.
- Washington should rigorously enforce the Leahy Law and should not fund Bolivian military bases in the Chapare and Yungas regions. The U.S. should support vigorous prosecution of human rights cases in civilian, not military, courts.
- The U.S. and other international lenders should cancel Bolivia's external debt and stop imposing structural adjustment policies as a condition for foreign assistance.

In Bolivia, a wide spectrum of people are not only distrustful of their own government but also view U.S. antidrug, economic, and military policies as interference in their internal affairs. If Washington does not quickly and substantially change its policies in Bolivia, it risks fomenting what it has always sought to repress: a leftist, anti-American revolutionary movement like the one that Ché Guevara attempted to create in Bolivia three decades ago.

To avoid further damage, Washington should drop the

zero coca option and concentrate instead on controlling drug use primarily through education and treatment at home. If the U.S. insists on international antidrug operations, it should target money laundering and trafficking kingpins, not small-time growers and users.

Second, the Leahy Law must be enforced in Bolivia. This law states that no U.S. funding can go to police or military units implicated in violations when those responsible have not been prosecuted.

Third, the U.S. should drop its annual drug certification charade, which forces Bolivia and other drug producing and transit countries to demonstrate, at least in the days before the administration issues its report card, some level of support for the war on drugs. This program is deeply resented by Bolivians and other Latin Americans, who view the process as Washington meddling in their internal affairs.

Fourth, the U.S. should direct substantial resources to developing alternative income sources for peasant

farmers if it wants Bolivia to maintain low coca production. This includes a concerted effort in the Chapare region, where the U.S. must reverse its historic refusal to work with coca growers unions, who are the principal representatives of the people in the area and who control the region's municipalities. The participation of growers unions in the planning and implementation will ensure that projects are not imposed by outside "experts."

In essence, U.S. policies in Bolivia should be geared to the eradication of poverty, not coca. About 70% of Bolivians live below the poverty line, per capita income is only around \$1,000 per year, and social indicators are closer to sub-Saharan African than Latin American levels. Bolivia is weighed down by a \$6.2 billion foreign debt, making it one of the world's most indebted nations. Much of this debt was incurred during the Bánzer military dictatorship in the 1970s, ironically the period when the country first became involved in the international cocaine trade.

The U.S. should use its influence with the international financial institutions to push for full cancellation of foreign debts owed by Bolivia and the other most heavily indebted countries. In April 2000, the U.S. and other most industrialized countries (the G-8) reduced Bolivia's debt servicing by 27%, but this is far from adequate. In addition, the U.S. should stop tying its aid to Bolivia's adherence to structural adjustment policies.

On the political front, the U.S. should support the Bolivian government only if it is upholding democratic processes, respecting human rights, and adhering to the rule of law. Bánzer, who won the 1997 presidential election with only 23% of the popular vote, leads an unwieldy and ineffectual coalition government. Despite Bánzer's unsavory history and current inept and heavy-handed policies, the U.S. has continued to back him, largely because he has implemented Washington's war on drugs. Given the stated U.S. objectives of promoting democracy and human rights in the region, Washington should give serious weight to civilian petitions for new elections and should take a strong stance against human rights violations committed by the Bánzer government.

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