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## **Bolivian President Hugo Banzer Completes 100 Days in Office**

by LADB Staff

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In mid-November, Bolivian President Hugo Banzer, who led a military dictatorship between 1971 and 1978, marked his first 100 days as the democratically elected head of state. Although Banzer still enjoys considerable popularity, he is facing many problems, including major dissatisfaction among workers, who oppose many economic reforms recently announced by the government. Following his election, Banzer guided his National Democratic Action Party into a coalition with the Movimiento de Izquierda Revolucionaria (MIR), headed by former president Jaime Paz Zamora, and two smaller parties. The first month of the administration was then spent with the various parties fighting over political appointments (see NotiSur, 08/08/97 and 08/22/97).

During the past three months, Banzer has used populist tactics to maintain public support, such as walking through the streets to greet people and shake hands. On one recent excursion, Banzer said, "During the last 100 days, we have been primarily concerned with showing the country that this is a new government and that it cares about poor people."

Banzer has boosted his image by initiating a national dialogue in September, and by appealing to nationalist sentiments through strong advocacy at international meetings for a Bolivian outlet to the Pacific Ocean, which was lost in a war with Chile in 1879. "The public approval enjoyed by Banzer is largely because of the success of the national dialogue," said Luis Alberto Quiroga, director of the public opinion firm Surveys and Research. "People believe that this dialogue will help construct a program of government, and that democracy has been strengthened."

However, television commentator Carlos Mesa said that people have yet to see much evidence of a "program." "The basic problem of this government is not related to the president, but rather to his program," said Mesa. "Does the coalition government really have a program?"

### ***Banzer announces austerity measures, anti-poverty programs***

Notwithstanding such comments, on Dec. 1 Banzer announced the implementation of a broad structural adjustment program aimed primarily at reeling in the fiscal deficit. According to the president, Bolivians must tighten their belts, and those who have more will have to pay more. "The fiscal situation is critical and the government must make some adjustments," said Banzer. Although some announced measures may change, the plan will probably include an increase in fuel prices, a wage freeze, higher taxes, and huge cuts in public spending.

According to Banzer, the goal is to redirect scarce public resources into programs that will have greater impact on reducing poverty. Despite a moderate improvement in Bolivia's social indicators in the last few years, the International Monetary Fund (IMF) estimates that 70% of the country's total population and 90% of those in rural areas continue to live in poverty. Among other measures,

Banzer's plan calls for increased spending on construction of highways and access roads throughout the country, loan for small businesses, changes in the system of subsidized housing, and more funds for health and education programs.

Spending on education is considered a special priority by the government, based on recent recommendations from the Inter-American Development Bank (IDB). In early November, the IDB strongly suggested that the government shore up the educational reform plan now underway, which is financed with international funds, to improve quality of life and promote the country's development. According to the IDB, Bolivia could increase its GDP by as much as 2% per year if the necessary reforms were successfully carried out.

### *Austerity measures generate labor, grassroots opposition*

Despite plans to increase social spending, the government's economic reforms are generating broad opposition, especially among the country's labor organizations. In mid- November, the Central Obrera Boliviana (COB) threatened demonstrations around the country to protest any government attempt to freeze salaries and reduce the number of civil servants.

COB leaders said workers had no alternative if the government pushes forward with its new plan of action. "What the government is doing with this announcement is provoking a confrontation with the workers," said Walter Aguilera, executive secretary of the COB. In addition, health workers walked off their jobs twice in November because of massive layoffs by the government. Oil workers as well are threatening to strike to dissuade the government from laying off employees in that sector.

The labor protests will likely mushroom into widespread demonstrations by grassroots organizations if the government carries out its promise to raise fuel prices. Public transportation companies have already announced that, with or without a gasoline price hike, fares will increase in January by 60%. The bus fare hikes are bound to bring strong public protests. Bolivians earn among the lowest salaries in the hemisphere and they have already endured a wave of price increases in public services during the past year. (Source: Spanish news service EFE, 09/15/97, 11/05/97; Inter Press Service, 11/13/97, 11/17/97, 11/18/97; Notimex, 12/01/97)

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