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De Lozada Resigns and Mesa Becomes President

by LADB Staff

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Unable to halt protests that had convulsed Bolivia since mid-September, Gonzalo Sanchez de Lozada sent a letter to Congress resigning as president on Oct. 17.

Fourteen months into his second term when he resigned, Sanchez de Lozada was succeeded by his vice president, Carlos Mesa. In a last-ditch attempt to stay in power, on Oct. 15, Sanchez de Lozada said he would agree to a referendum on a controversial gas-export project, and he offered to renegotiate the contracts with the oil companies to increase the share of revenues and royalties that go to the Bolivian state. In addition, he agreed to the creation of a Constituent Assembly to rewrite the Constitution (see NotiSur, 2003-10-17). But it was too late for a compromise, and the opposition insisted that the president step down.

More than 70 people were killed and hundreds more wounded in the police and military crackdown ordered by the president. As the situation in Bolivia deteriorated, Argentina and Brazil sent a joint mission to try to bring an end to the violence. International relations advisor Marco Aurelio Garcia of Brazil and undersecretary of Latin American affairs Eduardo Sguiglia of Argentina arrived in La Paz on Oct. 17 and immediately met with Sanchez de Lozada. The same day, Manfred Reyes Villa, a key Sanchez de Lozada supporter in Congress, told the president he would no longer back the government.

"I've come to tell him, 'No more,'" Reyes Villa said. "The people don't believe in this government anymore, and there is no other option but for him to resign." The resignation came late on Oct. 17. In his resignation letter, Sanchez de Lozada blamed everyone but himself, saying, "Democracy is under siege by cooperative groups, political groups, and unions that don't believe in it."

Sanchez de Lozada left the presidential palace in La Paz, and flew by helicopter to Santa Cruz de la Sierra. From there he flew to Miami and went on to Washington the following day. "I don't know what I'm going to do," he told The Miami Herald in an interview on Saturday. "I'm here in Miami trying to recover from the shock and shame." He said he feared leftist groups and coca growers could form a "narco-labor government that could lead to the disintegration of the country."

Mesa named to replace Sanchez de Lozada

In accordance with provisions in the Constitution, Congress named Carlos Mesa, the vice president and a political independent, to serve out Sanchez de Lozada's term, due to end in 2007. But the new leader, a respected journalist and historian, called for early elections, saying he saw himself as heading a "transitional government." Mesa is married and has two children. He owns a small television network, Periodistas Asociados Television (PAT).

Speaking in front of his house, Mesa said, "I want God's blessing to confront this challenge. We need all of the strength in our hearts and in our souls and in our spirits because we have a very, very important task before us." The new president faces enormous problems, including a newly militant indigenous majority demanding economic policies that will benefit them. He also has no formal political-party support to push his legislative proposals through Congress.

Mesa immediately proposed a binding referendum on the gas project, whose opponents say it will only benefit neighboring Chile, the US, and foreign investors. He also promised to reform the energy law (*Ley de Hidrocarburos*), which provides foreign firms with profits critics say are too high. Mesa promised to address the needs of Bolivia's Indian majority, saying, "Bolivia is still not a country of equals. We must understand our peoples, our Quechua and Aymara."

"We have to make deep changes," said Aymara leader Felipe Quispe of the Confederacion Sindical Unica de Trabajadores Campesinos de Bolivia (CSUTCB). "The Constitution is like a mirror, but we have never seen our faces reflected on it."

Mesa promised an investigation into the deaths of those killed during the protests. Human rights groups said security forces were to blame for a majority of those deaths. The armed forces, Mesa said, had a difficult task to perform during the demonstrations but the loss of life was unacceptable.

At a ceremony on Oct. 18 in which the military recognized his presidency, Mesa told senior officers that their primary obligation was "to defend constitutional order, in a rational way, and to respect human rights." Mesa said that the military must acknowledge partial responsibility for the violence. He called for justice for the families of the riot victims and urged Bolivians to act "without hate or vengeance, but also without forgetting."

On Oct. 20, Mesa met with congressional leaders to begin work on his political agenda. Indians give conditional support to Mesa After Mesa took office, Movimiento al Socialismo (MAS) Deputy Evo Morales, leader of the coca growers and a key player in the demonstrations that led to Sanchez de Lozada's resignation, called on his followers to give the new leader time to organize his Cabinet and lay out a plan of government. He said the "honeymoon" for the new president would also allow the social movements involved in the protests to formulate some concrete proposals for the new government.

"Let's hope that the political class now learns to respect the people, let's hope that they stop stealing the people's money through corruption, because a lesson's been given to those who permanently hurt the Bolivian people," said Morales.

In an interview with Newsweek, Morales was asked what his priorities were. He said they were "urgent social policies to improve the conditions of the [indigenous] populations, the change of the economic model, and to call a National Assembly to urgently reform the Constitution [within six to 10 months]." Morales said Bolivia needs "a new development model a model that respects the sovereignty of our natural resources in particular regarding the hydrocarbons, the gas reserves. We need to protect the most basic civil, political and social rights of every Bolivian. We also need to protect the traditional coca-growers."

The new government cannot afford to ignore the indigenous leaders. Most political observers say the next presidential election could be won by Morales, who came in an extremely close second last time (see NotiSur, 2002-08-09). And Bolivia's Indian-based political parties won a record 26% of the seats in Congress during last year's elections.

Newsweek asked Morales what his approach to the gas- export controversy would be. "I am not saying that we must not export Bolivian gas in the future," said Morales. "What I say is that we must sell our gas under much better conditions. Today the Bolivian gas is controlled by the multinationals....We say that it is necessary to nationalize our gas. If we are going to sell our gas we must not sell it as rough material....I have talked with many Bolivian economists and they have stated that, selling unprocessed gas, Bolivia gets just US\$50 million a year, and if we recover the natural gas and we industrialize it we could have an income of US\$1.3 billion."

Indigenous majority gains strength

This was Bolivia's third major uprising over economic policies and globalization in as many years. In 2000, the people of Cochabamba forced the multinational Bechtel to leave after it took over the city's water system and dramatically increased water rates (see NotiSur, 2000-02-25).

In February, protests (see NotiSur, 2003-02-07) forced the government to back down on an austerity package pushed by the International Monetary Fund (IMF). Although the latest protests began to oppose the gas- export project that would go through Chile, they soon broadened to include opposition to the free-market policies imposed by the IMF and World Bank and to oppose the deep-rooted corruption and clientelist political practices.

Other demands included higher wages, better pensions, comprehensive land reform, and Bolivia's withdrawal from the planned Free Trade Area of the Americas (FTAA). As for Bolivia's gas reserves, protesters were calling for them to be nationalized and made available first to the Bolivian people. They were unconvinced by economists who said it would take no more than 1% of Bolivia's reserves to satisfy the country's entire market in gas.

As he begins his presidency, Mesa will have to contend with the demands of the Bolivian majority for a greater share of the national wealth. But many economists say there will be no national wealth to share unless the controversial US\$5 billion gas-export plan is allowed to go ahead. The plan has the backing of the IMF, which believes it could increase Bolivia's growth rate by a whole percentage point during the next five years.

"A good many average Bolivians, however, aren't buying the argument that those benefits will ever trickle down to them," said Jim Shultz, executive director of The Democracy Center, based in California and Bolivia. Bolivians also resent US pressure to end coca growing in the country. They say that if authorities persist in the program of forced eradication, without offering coca growers a viable alternative or substitute crops, more campesinos will not be able to survive and protests will increase.

Mesa may follow more independent course

Bolivia embraced neoliberalism two decades ago after its return to democracy. State-owned companies were sold off, foreign investment was courted, and government regulation was reduced, all in the name of a new era of growth and prosperity. The policies stemmed the nation's runaway inflation, but the average Bolivian has seen little benefit from either democracy or neoliberalism and globalization. Export levels have declined compared with 25 years ago. Growth has been stalled for five years. Unemployment has soared, and Bolivia remains the poorest country in South America, with a per capita income of less than US\$950 a year.

"After 21 years, the economic model in place has not solved the problems of poverty and social exclusion," said Carlos Toranzo of the Instituto Latinoamericano de Investigaciones Sociales (ILDIS). For most Bolivians, the economic model has meant higher prices for essential utilities, while their children remain unschooled and they live and die in poverty. And when they protest, they have found that an elected government will shoot them just as the dictatorships used to. While Mesa backed Sanchez de Lozada's free-market policies as vice president, there are some indications that he may now move in a different direction.

When Mesa addressed the UN General Assembly in September, he warned that democracy was in danger in Bolivia "as the result of legitimate pressures from the poor." He added, "We cannot generate economic growth and well-being for a few and then expect that the large majorities that are excluded will watch silently and patiently," and he urged rich nations to give greater assistance to the developing world. He said that rich nations should drop protectionist barriers to international trade and recognize the need to help fight poverty around the world. "We poor countries demand that our products be admitted into the markets of rich countries under adequate conditions," he added.

Cabinet with no professional politicians

Mesa's 14-member Cabinet is mainly independents and technocrats with no apparent connections to Bolivia's main political parties. As he announced the appointments, Mesa called on the new Cabinet members to exercise "absolute transparency in your work." The Cabinet includes two new posts, minister for indigenous people and minister for popular participation.

An Indian from eastern Bolivia, Justo Seoane Parapaino, was named minister for indigenous and ethnic people. Mesa said he hoped Seoane's appointment would help tackle the problem of the Indians' social exclusion. The other Indian minister is Donato Ayma Rojas, minister of education. The other ministers are: Juan Ignacio Siles del Valle - foreign minister Roberto Barbery Anaya - popular participation Retired Gen. Gonzalo Arredondo Millan - defense Jose Antonio Galino - presidency Alfonso Ferrufino Valderrama - government Javier Gonzalo Cuevas Argote - interior Jorge Cortes Rodriguez - sustainable development Javier Nogales Iturri - economic development Jorge Urquidi Barrau - services and public works Fernando Atenzana Aranibar - health and sports Luis Fernandez Fagalde - labor Diego Montenegro Ernest - campesino, Indian, and agriculture affairs Alvaro Rios Roca was appointed to the sensitive post of minister of mining and hydrocarbons.

Mesa also appointed a special delegate charged with fighting corruption, Guadalupe Cajias De la Vega. The president urged the new Cabinet ministers to watch every step. "The abyss is still close at hand, and any mistake, any lack of perspective, any stinginess could push us into that abyss," he said.

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