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The large eastern departments of Bolivia sought autonomy from the central government in a reaction against plans to reform hydrocarbons extraction laws. Bolivia's largest and wealthiest department, Santa Cruz, led the separatist drive, with support also coming from its northern neighbors, the departments of Tarija and Beni. Civic leaders in the departments threatened strikes if the federal government did not consider establishing autonomy for departmental governments. Government officials in La Paz described the calls for autonomy as acts of "destabilization," although they denied that a coup was underway.

Rich departments threaten separatist movement

The Asamblea de la Crucenidad, which leads the Comite Pro Santa Cruz and groups together the district's main institutions, presented an ultimatum to President Carlos Mesa that he stop debate on a new hydrocarbons law. Resolutions sought also to hold a Dec. 5 referendum to declare the country a confederation of autonomous regions and call for resistance to centralist governance. The resolution for autonomy called for a civic strike, a strike that Santa Cruz and Tarija agreed to begin on Nov. 11. The gas-rich regions of Santa Cruz and Tarija are demanding a slowdown of debate toward reform of Bolivia's laws regulating the hydrocarbons industry.

President Mesa received a popular mandate in a national referendum this summer to radically increase royalties charged to companies seeking to extract and export the country's massive natural-gas reserves (see NotiSur, 2004-07-30). Congress is currently debating the final form the law will take, a debate the separatist leaders want to see delayed. Crucenos fear that 50% royalty rates will discourage investment in the region. The department, numbering 1.1 million people, has led Bolivian economic activity for two decades as the main exporter in the country.

Its business leaders have also cultivated an image for the region as being ethnically white, in a country with a majority indigenous population. Civic and political leaders in the wealthy regions sought to have total strikes in the capitals of their departments and had already caused President Mesa to suspend a meeting planned in La Paz with Argentine President Nestor Kirchner.

"There is an absolute conviction that centralism has to be modified in this country, and a process of departmental autonomy must be entered into," said Mario Calderon, head of the Comite Civico Pro La Paz. Leaders called for acts of "civil resistance" to the mandates of La Paz and resolved to "build a regional model as the form of organization of the Bolivian state."

Hydrocarbons royalties at root of revolt

With demands that range from building a highway to Brazil to protecting foreign investment, along with promoting trade and industry, the Comite Pro Santa Cruz challenged authorities to apply
a system of regional autonomy as the only way to achieve stable national growth. Among these demands is the approval of a new hydrocarbons law that guarantees the exploitation of natural-gas reserves and that respects contracts currently in place with some twenty transnational corporations.

The government project proposes changing contracts with petroleum corporations and creating a complementary tax of up to 32%, while parliament insists on obligating firms to sign new contracts in 180 days and raising royalty rates from 18% to 50%. Petroleum companies consider both changes to be a change in the rules of the game and have left open the option of going to international tribunals if a law that hurts their investments passes.

**Government concerned for "destabilizing " elements**

Representatives of the executive branch expressed concerns about the events in the east of Bolivia. "We see destabilizing elements in the actions of some people or sectors," Government Minister Saul Lara said of the autonomist movement, though he would not go so far as to say there were dictatorial intentions. "I have no reason to think and there is no element whatsoever indicating that there is a coup d'etat." A coup would not be unusual in Bolivia, where the longest period of continuous rule was the seven-year dictatorship of Hugo Banzer (1971-1978). Lara, however, did say that the appropriate institutions were on alert for any reports. "We are attentive, the attorney general already said that all demands for action from any leader should fall within the law," said Lara.

Santa Cruz and Tarija join Beni and Pando in their demands for autonomous decision-making power. This puts them in opposition to the country's five western departments: Oruro, Potosí, Cochabamba, Chuquisaca, and La Paz. President Mesa has in the past said he is sympathetic toward regional demands, but he has handed the matter over for consideration by the Asamblea Constituyente, set for 2005, where he thinks a new "social contract" for the country will be defined.

Members of indigenous political groups alleged that the separatist movement was receiving funds from ex-President Gonzalo Sanchez de Lozada (1993-1997, 2002-2003) in an effort to destabilize the government. Congress recently approved beginning prosecution efforts against Lozada, a wealthy businessman living in self-imposed exile in the US (see NotiSur, 2004-10-29).

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