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Strikes Paralyze Bolivia, Threaten President Mesa

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Large-scale, multiweek January strikes in several parts of Bolivia paralyzed the nation's highways and industry, presenting President Carlos Mesa with the most widespread and sustained opposition since he took power in 2003. The combination of fuel-price protests along with separatist actions by eastern departments put the military on alert and forced Mesa to negotiate for a truce with dissenting groups.

Observers closely watched Mesa's reaction, especially since similar protests regarding hydrocarbons-export plans led to the blood-drenched downfall of former President Gonzalo Sanchez de Lozada. Mesa, however, has not used Sanchez de Lozada's fatal tactic of ordering police and soldiers to fire on protestors (see NotiSur, 2003-10-17, 2003-10-24). Road blockades and hunger strikes made parts of Bolivia impassable during protests.

In addition to demands for independence from La Paz from wealthier, eastern departments, coca-grower protests in Los Yungas increased, and business groups sided against the beleaguered president. Eastern provinces began a pro-autonomy movement in late 2004 (see NotiSur, 2004-11-12). The large eastern provinces sought autonomy from the central government in a reaction against plans to reform hydrocarbons-extractions laws.

Bolivia's largest and wealthiest department, Santa Cruz, led the separatist drive, with support also coming from its northern neighbors 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.

"Dieselazo" fuel-price protest builds nationwide

The unpopular decision to cut subsidies for gas thereby increasing its price to consumers has set off two weeks of strikes and road blockades in this Andean nation. The demonstration coincided with the demands for greater autonomy by business leaders in this eastern city of 1.4 million, an area that is the country's economic engine and home to the oil, sugar, and soy businesses.

Thousands of Bolivians took to the streets of Santa Cruz on Jan. 24 in the latest in a series of protests against Mesa's plans to raise gasoline prices in South America's poorest country. About 5,000 demonstrators many bus drivers and other transport workers chanted, "No to the gas hike!" as they marched through downtown Santa Cruz. More than 200 activists were reported to have gone on a hunger strike, and students have been occupying public buildings in Santa Cruz Jan. 19.
The government says the subsidies needed to keep prices low are unsustainable and encourage people to resell fuel abroad illegally. However, the strength of opposition to the price increases has forced President Mesa to review his plans.

The Bolivian paper El Nuevo Dia reported that soldiers fired on protesting university students, injuring at least one student, but it did not report any fatalities. Meanwhile, dialogue broke down between coca growers, or cocaleros, and the government in Los Yungas on the Jan. 23. Some 200 cocaleros roundly rejected the installation of a police checkpoint there and refused to continue dialogue with police.

The combined crises in Santa Cruz, La Paz, El Alto, Los Yungas, and elsewhere leaves Mesa confronting one of the biggest challenges of his 15-month presidency. The Bolivian leader scaled back the gas increases from 23% to 10% after street protests in the capital of La Paz earlier in January. But he has struggled to calm dissenters in Santa Cruz.

"These gas-price increases show the government has no idea what our daily struggle is like," said demonstrator Juan Vargas, 42. "They impose this on us, but forget what we as a city and province represent for this country. We are Bolivia's economic backbone."

**Autonomy movement gains power, resists compromise**

Leaders of a civic group leading the protests in Santa Cruz say they intend to hold a town hall meeting on Jan. 28 to determine if they should move forward with plans to establish a provisional autonomous government. Business and political leaders in Santa Cruz argue they generate nearly a third of the country's GDP, along with a large portion of Bolivia's tax revenue, and insist they pay out more than they receive from the central government.

The head of the Confederacion de Empresarios Privados de Bolivia (CEPB), Roberto Mustafa, expressed solidarity with Santa Cruz, or Cruceno, leaders, deploring "the irrationalities that are occurring in the country." The department's governor and other officials are now appointed by La Paz, a power local officials say they want as part of greater regional control of the finances and government of Santa Cruz. The Bolivian government says autonomy can only be granted by the country's parliament, the National Assembly.

Mesa has kept a shaky hold on power since taking office in October 2003 after the deadly street riots that killed dozens and forced Sanchez de Lozada to flee the country. Since then, Mesa, a political independent and former television news anchor, has struggled to pull Bolivia out of a protracted recession amid simmering social tensions between the country's poor indigenous majority and the ruling elite.

**Church calls for calm**

The Catholic Church in Bolivia has called for calm in the growing conflict over fuel-price increases and regional autonomy. Bolivia's most senior church leader, Cardinal Julio Terrazas, said problems
could not be solved through violence. Cardinal Terrazas made his plea for peace in Santa Cruz Cathedral, during the first mass held there since the autonomy protests began. "Why do we want autonomy?" he asked. "Will it be a privilege for some or daily bread for all?" He added, "Violent acts never resolved problems. We have to start to build peace."

Many analysts have alleged that protests against fuel-price increases are a pretext for achieving autonomy for Santa Cruz. Self-rule in Santa Cruz could have a major impact on Bolivia’s economy, as the Santa Cruz region accounts for 33% of the country’s economic output, according to BBC News.

Officials have urged both sides to settle the dispute in the city, about 900 km southeast of La Paz. Bolivian majority unemployed Massive unemployment in Bolivia has contributed to the social unrest throughout the country. More than 65% of the working-age Bolivian population is jobless or has low-productivity work, according to the International Labor Organization (ILO).

In a report titled "Growth, Competitiveness and Employment," the ILO said that countries can have excellent macroeconomic growth, as in Colombia and Peru, but still show considerable setbacks in the area of microeconomic competitiveness and job creation.