3-25-2011

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Dramatic Drop in Support for Bolivian President Evo Morales

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Category/Department: Bolivia

Published: Friday, March 25, 2011

Indigenous people, campesinos, and workers, the three social sectors whose support was largely responsible for Bolivian President Evo Morales' election, are now on the path of confrontation and, at least for now, no longer feel that the president is their legitimate representative. As the head of the Movimiento al Socialismo (MAS), the party founded in the late 1990s, Morales was elected president in 2005 (NotiSur, Jan. 6, 2006) with 54% of the votes. In December 2009, he was re-elected, with the backing of 64% of society (NotiSur, Dec. 18, 2009). Polls taken in November 2010 indicated that Morales still enjoyed extraordinary popular support.

Just three months later, however, in a mid-February public-opinion poll by the Catholic group Fides, only 17.3% of respondents said they would vote for him again. At this time, the only president in the history of the country to have freely traveled through the streets of all cities, spoken at open meetings, and been taken for one of the people in soccer games, popular fiestas, or on public transportation vehicles, can no longer appear in public without being heckled and hearing the worst insults as he passes—"cabrón" (bastard), "traitor"—especially strong words that were always hurled at the country's dictators or rightist leaders.

The abrupt political change in Bolivians began on Dec. 26, 2010, when the government issued a decree eliminating some high subsidies on hydrocarbons, in place since the administration of Gen. Hugo Banzer (1997-2001). Gasoline prices immediately jumped 82% and, with them, public-transportation fares and basic-food prices.

Subsidy removal sets off protests

Although the measure was rescinded five days later, returning fuel prices to the previous level, prices for essential goods have not dropped. Protests began in early January and continue in the form of strikes, riots, looting, and even destroying and burning government buildings.

"What's new—and what really raises a question regarding the future—is that this time it's not the right that's unhappy but rather Morales' very support bases," wrote Pablo Stefanoni, editor of the Bolivian edition of NotiSur. "It is the first popular uprising against a leftist government in the region and shows Bolivia's difficulties in implementing a truly alternative development model as well as its problems with fostering the desired 'industrial leap' that the Morales administration was betting on for the country to move beyond an extractive economy."

The protests began in El Alto, a densely populated satellite city of the capital La Paz that is a symbolic enclave for MAS and for Morales. In 2003, El Alto, at an altitude of 4,000 meters, was the site of the first popular demonstrations that ended the neoliberal economic policies and the government (NotiSur, Oct. 24, 2008) of former President Gonzalo Sánchez de Lozada (2002-2003). It has provided much of Morales' political and electoral power base.

From El Alto, thousands of demonstrators "descended" to La Paz to express their opposition in front of the Casa de Gobierno. The marches spread to the rest of the country, especially to the most
important bastions of the governing party's support: Chapare, the major coca-producing region and cradle of Morales' union leadership; the indigenous altiplano, overwhelmingly Aymara—the ethnic group Morales belongs to; and the campesino areas of the departments of Potosí (southeast), Cochabamba (central), and Santa Cruz (eastern).

The first serious disturbances occurred in Llallagua, a town on the border with Chile and Argentina, where miners and indigenous groups looted businesses and burned a police station. On Jan. 24, an Erbol radio network reporter gave a dramatic account from there, saying that the mayor had asked the government to send Army troops to quell the protest and that, in a real clash of poor against poor, neighbors were arming to avoid more looting.

Union calls for huge wage increases

As the days passed, the break between Morales and his former followers deepened. "There is no basic guide, the government has shown that it has no serious, long-term economic plan to ensure a solution to the problems we are suffering. The government doesn't know how to stop the wave of speculation and increased prices of essential products," said the powerful Confederación Obrera Boliviana (COB), the workers central in which the miners exert a strong influence.

During the brief five days in which the decree that increased fuel prices was in effect, business owners and merchants imposed unjustified and abusive increases of up to 100% for public transportation, bread, sugar, dairy products, chicken, and beef. The COB is directing its criticism at the government's lack of tools to force a reversal of the price hikes.

A study by the Catholic Fundación Jubileo, published by the Spanish news agency EFE, shows that, in the poorest households, 60% of income goes to buy basic foodstuffs, and a report by the UN Food and Agriculture Organization (FAO), also quoted by EFE, says that 26% of the population suffers from "extreme hunger."

The COB is demanding that the government pass a general wage increase and, although it failed to achieve its goal, in recent weeks it called two general strikes. It asked Morales to personally sit down and negotiate the minimum-wage increase, demanding it go from US$100 a month to US$1,100, an elevenfold increase. "Get serious," replied Morales.

Taking advantage of popular discontent, business owners jumped into the fray, incorporating their own demands. They summarized their demands with the term "legal security," which, in the language of the Confederación de Empresarios Privados de Bolivia (CEPB), means eliminating existing export quotas on certain products (limited to protect the domestic market), implementing a policy to favor investment, and imposing a labor reform that will make contracts flexible and grant tax breaks to businesses willing to create new jobs.

"Among other things, the idea is to offer greater certainty to those who come to do business in Bolivia," said economist Gonzalo Chávez, closely linked to the private sector.

Given the potentially favorable situation for their interests, both the opposition leadership and the Catholic Church—traditional allies—are remaining cautiously silent. Analysts say this provides eloquent proof of the political right's lack of leaders and programs.

Government spokespersons point out that the decision to eliminate the fuel subsidy remains legitimate. They add that the Bolivian people, who in the end pay for the subsidies, cannot afford
to provide low-priced fuel to unscrupulous business people who do not look out for the public good. And they note that domestic prices must be brought into line with international oil prices because the low cost has given rise to a lucrative and persistent stream of contraband gasoline into neighboring countries. In the weeks before the controversial decree was signed, government officials offered these arguments but they were either unconvincing or did not know how to communicate their message effectively to society.

Poor communication common in region

Various analysts agree that poor communication is a widespread problem among the governments of the region. And, they give examples.

In March 2008, Argentine President Cristina Fernández de Kirchner decided to increase export taxes on soy. She did not explain that the money collected would be used to build schools, hospitals, and roads. Thus, those affected were able to win public support presenting the measure as the first phase in a wider confiscatory policy, when in reality it was a way to redistribute wealth in favor of the neediest sectors of society. As a result, she lost support and the majority in both houses of Congress in the 2009 legislative elections (NotiSur, April 11, 2008) and (July 10, 2009).

More recently, the Uruguayan government raised the possibility of transferring military personnel to the security forces to stop a crime wave. It did not explain that they would cease being soldiers when they joined the police and that the move would allow a reduction in the size of the Army. The lack of accurate information allowed the large national and regional media outlets on the right to say that President José Mujica had decided to send the military into the streets, a reality hated by South Americans who in the last decades of the 20th century lived under bloody military dictatorships. Today Mujica is paying the political price of a poorly communicated policy.

The painful Bolivian experience will be useful for other countries of the region, say various analysts quoted by the media. Various Latin American governments will face complex situations in coming years as they try to end subsidy policies, points out the Uruguayan weekly.

In times of social upheaval such as Bolivia experienced in the early 2000s, stability is won at the price of increasing state spending through subsidies, food programs, and a wide array of poverty-reduction policies. The great external demand for food and the cycle of rising commodity prices allowed governments this increased spending. Now, however, more and more economists believe that that cycle seems to be in decline and, sooner or later, because of a lack of resources, governments will have to resort to eliminating subsidies.

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