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Bolivian Opposition Mounts Effort to Defeat Morales' Party

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Amid the political tensions created by Bolivian President Evo Morales' trip to Cuba for throat surgery, opposition forces announced that, for the first time in the country's electoral history, they are ready to unite to defeat the ruling Movimiento al Socialismo (MAS). Presidential elections are scheduled for October 2019—29 months from now ([NotiSur, Oct. 24, 2014](#), [June 17, 2016](#), [Feb. 10, 2017](#)).

In a "declaration of principles" published on April 12, two former presidents, a former vice president, and three party leaders stated their willingness to "defend the values of liberty, justice, and democracy." The statement was followed a week later by a strange demand that all future elections be supervised by international observers. In an ironic reference to that declaration, Vice President Álvaro García Linera said he welcomed this "unification of right-wing political forces, because with this concoction that at last has been created, we are able to see its true face and have a valid interlocutor with whom to talk and debate." In contrast, he said, "the government has chosen not to focus on the immediate, on the elections, and [to focus on long-term] actions in favor of a common good with plans for million-dollar investments."

García Linera knows that what he said isn't true. The ruling party has already tried to set the stage for Morales' re-election with an unsuccessful plebiscite in February 2016; the president has already said that he wants to lead the country until 2025, which is the bicentennial of Bolivia's independence; and the last MAS congress proposed four distinct ways to try to avoid constitutional limits regarding presidential re-election.

When on April 14, Morales' vice president confidently stated, "We are not worried about the 2019 elections, rather we worry about Bolivia's strength in 2025, 2040, 2040, and 2050 to then be a powerful nation," what he tried to project was that Morales' surgery was nothing more than very bad news that, nevertheless, did not paralyze the government or impede the advancement of planned projects. He tried to bring to the forefront two important facts: First, the imposition of a tax increase on bank profits that would make it possible to raise US\$11 million per year earmarked for health, education, and infrastructure; and second, the progress of conversations with Germany and Switzerland regarding the financing of an ambitious bi-oceanic railway.

Banking lobby steps up campaign

Following a heated debate during which the Asociación de Bancos Privados (Association of Private Banks, ASOBAN) used its enormous lobbying power, the legislature (Asamblea Legislativa Plurinacional) resisted the pressure and approved a bill to modify the additional levy on the capital gains tax rate for financial firms. By increasing the burden from 22% to 25%, the state will be able to collect an estimated US\$10.8 million more than it has obtained up to now. The law establishes that this increase "will only be applied if the profit coefficient of the return with respect to the assets of the banking institution exceeds 6%." According to official data from the Autoridad de Supervisión del Sistema Financiero (SASFI), the office that supervises the financial system, banks increased investment in the last decade to provide better services and broaden coverage. As of December 2016,

the system had something more than 1.3 million borrowers; in 2010, there were only 850,000; and in 2005, the year before Morales took office, there were only 530,000. An ASOBAN document warned against possible negative effects of the new provision, saying that “changing the rules of the game discourages potential investors, because by being more efficient and increasing profits, banking would face a greater tax burden.”

In the middle of the debate, the bankers tried to discredit the economic model the MAS government has applied since 2006. In order to do so, bankers argued that what exists in Bolivia is not at all like a social capitalism project, “rather this is state capitalism.” The opposition quickly appropriated that argument but had to stay silent after García Linera—a skilled polemicist and highly respected political scientist— issued a response: “Revenues generated by public enterprises serve to industrialize the country and redistribute wealth, and not to enrich a privileged minority ... State capitalism would be if we had public companies designed to generate more money concentrated in a private group with access to that money.”

García Linera insisted that the goal of Bolivia’s public firms “is to generate money to industrialize the country, redistribute wealth, fight poverty, and empower vulnerable sectors.”

Nationalizations and state-owned enterprises

In a March 7 dispatch from La Paz, the Spanish news agency EFE reported that since MAS came to power 11 years ago, there has been a series of nationalizations of strategic companies in the fields of hydrocarbons and energy in general, infrastructure, and telecommunications. This policy, coupled with the creation of other state companies such as the Boliviana de Aviación airline, means that the state currently manages about 40% of the country’s gross domestic product ([NotiSur, April 19, 2013](#)). EFE quoted García Linera as saying, “State firms in strategic areas are a key element of an economic model that maintains growth rates above 4% in a context of falling commodity prices and very low or negative growth rates for countries in the region.” Bolivia has been particularly affected by the persistent drop in oil prices, and consequently, gas prices, two products that sustain its economy ([NotiSur, Oct 23, 1990](#), [June 2, 1992](#), [May 19, 1994](#)).

EFE again quoted the vice president, pointing out that contrary to what happens in economies that can be characterized as state capitalism, “Bolivia does not permit the rise of a state bureaucracy that takes advantage of public goods.” García Linera added, “Our model has differentiated itself from old-style state capitalism of the 1950s and ’60s as well as failed neoliberal models around the whole world from the end of the 20th century. South American countries, and we ourselves, were among its first victims.”

Weak opposition

The electoral future of the politicians who on April 12 signed the declaration of principles in defense of democracies doesn’t appear to be bright. EFE correspondent Gina Valdivieso on April 16 defined the agreement as an “unusual union” and said it should be interpreted as “a right-wing coalition to confront left-wing leaders in power.” Nevertheless, she said it was the first time that opposition leaders had united against Morales, well aware that they have all have competed against the president but none has managed to have an impact. Morales, the indigenous man who was a leader of the coca planters union, won his first election in 2005 with 54% of the vote, won reelection in 2009 with 64%, then repeated his performance in 2014 with a 61% backing. “While this unsustainable endorsement of Morales shows that the problem of the ruling party is the high degree

of dependence on its leader, who for the time being is prevented from being a presidential candidate in 2019, the opposition knows through experience that with fragmentation it has only harvested defeats in general elections," Valdivieso wrote.

The signers of the document are two former presidents, Jorge Quiroga (2001-2002) and Carlos Mesa (2002-2003); former Vice President Víctor Hugo Cárdenas (1993-1997); Rubén Costas, governor of the secessionist eastern department of Santa Cruz; La Paz Mayor Luis Revilla; and Samuel Doria Molina, a businessman and the leader of the Unidad Nacional party.

The anti-Morales coalition does not pose a political risk for the party in power. For García Linera, the sextet includes "a same collectivity without an ideological project, united only by ambition."

Valdivieso noted that Doria Medina—who is out on bail on corruption charges—lost elections to Morales on three occasions, the last in 2014 when he was part of a ticket with Costas. Doria Medina's influence—like that of Revilla—is merely local, according to EFE. In surveys, Mesa appears this year, as in all previous years, as the opposition politician with the best chance of running against the MAS leader. However, Mesa has said that he is not, nor will he be, a candidate.

According to García Linera, when Cárdenas, who lost the leadership of his own indigenous ethnic group, was vice president, "he was nothing more than a decoration for the neoliberal Gonzalo Sánchez de Lozada [1993-1997 and 2002-2003], a delinquent who, since being ousted during his second term, has received protection in the United States while facing trial in absentia in Bolivia for corruption and crimes against humanity."

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