

Bolivia's "socialist" president-elect Morales guarantees private property

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In the two weeks since his December 18 victory at the polls, Bolivia's president-elect Evo Morales has combined verbal swipes at Washington and lightning visits to Cuba and Venezuela with solemn pledges at home to respect the private property of the transnational corporations and the Bolivian oligarchy.

Winning 54 percent of the vote as the candidate of the Movement towards Socialism, or MAS, he is the first politician in modern Bolivian history to be elected with an absolute majority of the ballots cast. He will also be the first Amerindian to occupy the presidential palace in a country in which 85 percent of the population is descended from the indigenous population.

Morales's victory has been proclaimed by much of the international left to be a historic victory for Bolivian working people and the oppressed, while in Washington, the Bush administration openly opposed the MAS leader's rise to power and has hinted darkly that the Bolivian election results are the product of Cuban or Venezuelan subversion.

Events in Bolivia itself in the wake of the vote suggest that, Morales's left populist rhetoric and US hostility notwithstanding, his rise to power will only further a last-ditch effort by the country's ruling elite to rescue itself from revolutionary upheavals.

While Morales will not be inaugurated until January 22, in the aftermath of the election he launched a whirlwind international tour that took him first to Cuba and then to Venezuela. A spokesman for the president-elect said that Bolivia aimed to forge an "axis of good" with these two countries—a clear reference to the Bush administration's attempts to demonize the governments of Fidel Castro and Hugo Chavez.

"We join in the task of Fidel in Cuba and Hugo in Venezuela to respond to the needs of the national majorities," Morales said in Caracas Tuesday. "These are new times. This millennium will be for the peoples, not for the empire."

In Cuba, which the president-elect visited on December 30, Morales declared that if the US "wants bilateral diplomatic and commercial relations, it will have them, but without submission, without subordination, without conditions, without blackmail." He dismissed the threat of a military coup on the grounds that the Bolivian people had decided on a change "by means of democracy." He added, "Before thinking about a coup, the government of the United States would do better to think about withdrawing its troops from Iraq and finishing with the military bases in South America."

Morales noted that he had "never had good relations with the US." He came into politics in the 1990s as the leaders of the coca growers' protests against the US-backed coca-eradication campaign launched by the government of Bolivia's former military dictator Hugo Banzer. During that period, many former miners, who lost their jobs in the wave of privatizations and mass layoffs that swept the country, had turned to cultivating the plant as a means of survival.

In 2002, when Morales first ran for president, then-US ambassador to Bolivia Manuel Rocha publicly declared that his victory could result in a

cut-off of US aid to the country. This intervention provoked an angry nationalist backlash that drove up the MAS vote significantly.

The latest election was brought forward by two years because of the extreme crisis and instability in Bolivia—South America's poorest country—which has seen two governments brought down by mass demonstrations and strikes in the past two years.

In the run-up to the vote, prominent US officials issued a series of ominous warnings. In July, the Pentagon's deputy assistant secretary for Western Hemisphere affairs, Roger Pardo Maurer, gave a speech to the right-wing think tank, the Hudson Institute, warning against a "revolution going on in Bolivia, a revolution that potentially could have consequences as far-reaching as the Cuban revolution of 1959—the things going on in Bolivia could have repercussions in Latin America and elsewhere that you could be dealing with for the rest of your lives."

During his most recent trip to the region last August, US Defense Secretary Donald Rumsfeld said, "There certainly is evidence that both Cuba and Venezuela have been involved in the situation in Bolivia in unhelpful ways." The irony of Washington charging subversion against these two governments, when the US Embassy in La Paz has acted for decades as a virtual senior branch of the Bolivian government, was not lost on many Bolivians.

Despite Morales's left-nationalist declarations in Havana and Caracas, and despite Washington's anger over the emergence of another regime in Latin America that is flouting its 46-year-old effort to blockade Cuba, the more substantive stops on Morales's world tour are yet to come.

These include Europe, China and Brazil—all of which are either playing or are poised to play far more significant roles in Bolivia's economy than the US, which accounts for just 11 percent of the country's foreign trade. While Washington still constitutes Bolivia's largest bilateral donor, two thirds of its \$150 million in annual aid goes to the coca-eradication effort, which Morales has vowed to end.

US hostility to the developments in Bolivia is fueled in large part by the fact that its economic and political evolution is emblematic of a continent that—previously claimed by Washington as its "backyard"—is increasingly slipping out of its grip.

European transnational firms—Spain's Repsol, France's Total and British Gas—along with Brazil's state-run Petrobras dominate the exploitation of Bolivia's natural gas reserves, estimated at more than 50 trillion cubic feet, second on the continent only to those of Venezuela. China, with whom the outgoing Bolivian government has already signed a new bilateral trade agreement, is reportedly seeking to buy out the Bolivian interests of an Argentine-owned energy company as part of its drive to secure energy resources and other raw materials in South America.

Among the most fervent backers of a Morales victory was the Brazilian government of President Luis Inacio "Lula" da Silva, which welcomed the MAS leader's ascension in Bolivia not out of any vague "left" sentiments, but rather in the belief that it would further the drive by

Brazilian capital for economic hegemony in the region. Also supporting Morales were the other southern cone countries of Mercosur—which now also includes Venezuela—that have opposed US attempts to impose its “free trade” agreement for the region.

Despite the ideological fulminations of the Bush administration, within international financial circles the victory of Morales is being viewed with cautious optimism. The leading credit-rating agency, Fitch Ratings, noted that while it was “concerned about the politician’s campaign rhetoric, which challenged the liberal economic policies followed by recent governments and the regional policies of the US that advocate the eradication of coca cultivation, the Morales victory should give his government a greater degree of legitimacy than that enjoyed by recent predecessors, and could lead to improvements in governability.”

The French-owned agency noted with approval that, “since winning the election, Morales has also pledged to respect private property,” and it predicted that an offer of multilateral debt forgiveness would suffice to win his commitment to maintain the free market economic policies of his predecessors.

Even before the election, Morales took pains to reassure both domestic and foreign capital that he would not carry out any abrupt economic or social transformations. “If I am elected president,” he told the Bolivian daily *La Gaceta*, “unfortunately it will be my duty to respect those neo-liberal laws. Some changes we will be able to make by decree, others through the legislature, but immediately there aren’t going to be great changes because there are 20 years of neo-liberal laws. That can’t be erased in one swipe.”

The day after his victory, Morales declared that his government “will not confiscate or expropriate” the property of foreign companies operating in the country. “We will enforce respect for the right of property,” he said, adding, “our government will be dedicated to respecting the law, but the petroleum companies should respect it too.” He met first with Bolivian bankers, to whom he promised to work for economic and political “stability.”

Morales’s vice president, Alvaro Garcia Linera, declared two days after the election that the new government “will govern for all of Bolivia, not for one sector or one social class.” He added, “Direct negotiations will be held with the businessmen and from them we are going to collect recommendations, which we are going implement as measures. No sector of the country should feel itself excluded, and certainly not the business sector.”

Garcia Linera also promised that “as a government we will guarantee security of the business environment, the recouping of investments and that we will have profits...” Garcia Linera has spoken of the new government’s project as one of creating “Andean capitalism” as a path to national development.

A week ago, Morales traveled to Santa Cruz, the capital of Bolivia’s right-wing oligarchy, which has promoted a semi-fascistic political culture based on the demand for regional autonomy and hostility to the country’s indigenous majority. The region is the country’s wealthiest and the center of gas production.

To standing ovations from his former political enemies, Morales told the right-wing Pro-Santa Cruz Civic Committee: “I don’t want to prejudice anybody. I don’t want to expropriate or confiscate any wealth. I want to learn from the businessmen.”

He added that his government would “guarantee autonomy,” which has been the central demand of the ruling elites in Santa Cruz and three other departments, working in close alliance with the foreign energy conglomerates.

Morales went so far as to declare German Antelo, the president of the civic committee, “one of the best militants of MAS” because of their supposedly common view of what should be done in Bolivia. Antelo, an ultra-rightist, is one of the sponsors of the Santa Cruz Youth Union, which

has been used as shock troops to physically attack opponents of the local oligarchs.

Prominent members of the audience expressed satisfaction over Morales’ remarks. “We are satisfied because...he assured us that he will not change any of the rules that have been established, that is he will continue with the system,” said Perce Añes, president of the Association of Banks.

More concretely, Morales declared his support for opening up the Mutún iron and magnesium mine in Santa Cruz for bidding by foreign transnationals seeking to privately exploit its resources. Community groups and supporters as well as candidates of MAS itself had intervened to block the bidding, citing concerns that the deal would benefit foreign companies far more than it would Bolivia, as well as indications that the project could unleash an environmental disaster.

The right-wing organizations representing the oligarchy had threatened to stage blockades of the highways and rail routes leading to Brazil if the deal did not go ahead.

The Mutún mine holds some of the world’s most important reserves of iron and magnesium. The Chinese government is reportedly particularly interested in its exploitation.

The Bolivian Forum on the Environment (Fobomade) has warned that going ahead with the project as it is now planned would result in severe and irreversible contamination of soil and water supplies, affecting not only the immediate areas around the mine, but also sending toxic minerals as far as the Paraguay River.

Another organization opposing the project, the Committee for the Defense of the National Patrimony, has charged that Bolivia is making the same kind of deal that it previously made with the oil conglomerates, ceding rights to its resources for next to nothing. The group estimates that the country will end up with barely 3 percent of the income.

While supporters of the MAS had succeeded in compelling the interim government to suspend the bidding until after the election—with the assumption that Morales would then stop the process—the MAS leader has now cleared the way for the foreign companies to move in.

Sections of the unions and popular organizations in the militant center of El Alto, near La Paz, have issued statements giving Morales 90 days to carry out nationalization of the energy sector.

Morales found himself compelled to condemn these demands. Speaking in Cochabamba, he declared, “We have an enormous historic responsibility, and in this context the deadlines that some are giving are the best instrument for the empire and the oligarchy.... [O]n the other hand, we have won for the next 50 years.”

In the end, Morales’s election—like that of Lula in Brazil nearly three years ago—offers the local ruling elite and the foreign corporations the prospect of at least a brief period of social peace under conditions where all of the traditional parties and politicians have been thoroughly discredited, and where radicalized masses of workers and poor have made the country almost ungovernable.

But the efforts of the MAS president-elect to appease foreign and domestic capital threaten to reignite mass upheavals in a relatively short period.



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