

Bolivian union bureaucracy calls off general strike, betraying workers and peasants

César Uco
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After a three-week nationwide general strike, the leaders of the Confederation of Bolivian Workers (COB) have lifted the indefinite walkout, betraying the growing movement against the new right-wing government of President Rodrigo Paz Pereira.

Paz Pereira won a runoff election in October by differentiating himself from his opponent, another right-winger, by pledging not to surrender to the demands by the International Monetary Fund for a punishing “structural adjustment” program. He likewise promised to preserve certain social programs enacted under governments of the Movement toward Socialism (MAS), the bourgeois nationalist party that ruled Bolivia for two decades before suffering a humiliating debacle at the polls.

Yet one of Paz Pereira’s first acts as president was to sign Bill 5503. Its key provisions include an 86 percent increase in gasoline prices and a 162 percent hike for diesel over previous subsidized levels. Paz and his congressional allies argue that the subsidies caused a “drain on foreign currency” and a protracted fuel shortage.

At the same time, Paz turned to the IMF’s Latin American arm, the Inter-American Development Bank (IDB), to inject billions of dollars into an economy paralyzed by a scarcity of circulating US currency.

During the height of the general strike, a new bill introduced on January 19 purportedly sought to roll back some of the burden imposed by Law 5503. The daily *La Razón* in La Paz depicted the COB’s decision to end the strike as a “draw” between the union confederation and the government. This is a false portrayal of events. In reality, the COB ended the strike to prevent it turning into a struggle to bring down the government.

La Razón wrote that “the government managed to preserve the core of its economic program, albeit at the cost of political and communications damage.” But the

political damage lies elsewhere: Paz Pereira and his vice presidential running mate, Edman Lara, an ex-cop and evangelical Christian populist, won office largely thanks to their demagogic appeals to former MAS voters at a time when the party was hemorrhaging credibility and mass support.

MAS founder Evo Morales (president 2006–2019) denied helping Paz in the second round or that his movement backed him, accusing Paz instead of dishonesty and of making unrealistic promises. Morales called the president’s fuel subsidy policy “improvised and disproportionate,” and signaled the possibility of new mobilizations if those decisions are not reversed.

At midday Monday, *La Razón* reported a government announcement:

Presidential Minister José Luis Lupo declared the adoption of Supreme Decree 5516, which will repeal 5503 but retain several of its measures.

This is no compromise. The government is going ahead with every measure demanded by the IDB, ensuring that the working class and rural poor bear the full brunt of Bolivia’s crisis. Simultaneously, it openly acknowledges the need for “better allies” to implement the so-called *paquetazo*—perhaps including Morales himself, who now says he favors lifting subsidies, albeit to a lesser extent than Paz.

Bolivia’s crisis is that of a small resource-exporting country wholly dependent upon global markets. Bolivia’s economy relies primarily on exports of natural gas, minerals (zinc and gold), and agricultural goods (soy, quinoa, coffee) to Brazil and Argentina.

During the period of the commodity boom at the beginning of the century, MAS governments were able to

utilize a portion of increased revenues to fund modest welfare programs that slightly improved living standards and offset social tensions. With the ebbing of the boom in 2014, Bolivia's foreign debt surged along with inflation and shortages. Along with growing disillusionment with government corruption and internal party disputes, the policies pursued by the MAS paved the way for the return to power of the right.

Another measure widely rejected by Bolivian workers is the freeze on public-sector wage increases. Unions say that the cost of basic goods has soared by 35-40 percent, while the minimum wage has increased by only 20 percent (from Bs 2,750 to Bs 3,300).

When the Bolivian Congress approved the *paquetazo*—including the privatization of natural resources—over 100 popular organizations, led by the COB, declared an indefinite general strike. Yet the COB's own leadership, along with the nationalist policies of the MAS, bears direct responsibility for the present crisis confronting millions of impoverished Bolivians.

The haste with which the new austerity laws were enacted suggests that Rodrigo Paz had already struck a deal with the IMF and its Latin-American subsidiary, the IDB. Once in power, he quickly implemented the dictates of US imperialism's financial institutions.

The announcement of the *paquetazo* set the stage for a confrontation between the government and the masses, including former MAS voters who believed Paz's promises to maintain limited welfare programs.

The IMF's and IDB's fingerprints are evident in Law 5503's provisions that accelerate privatization of state enterprises and strategic natural resources. A new bill now under discussion would grant the executive extraordinary powers—seen by protesters as unconstitutional—to fast-track “strategic investments” in mining, hydrocarbons and lithium without legislative oversight, privatize state companies running deficits and negotiate foreign loans independently of the National Assembly.

The Paz government is negotiating a US \$4.5 billion IDB loan. Given the scale of the country's crisis, this sum is tiny—a means to prevent default on upcoming foreign debt payments and to buy time while shifting the entire burden of the crisis onto the working class and poor peasants.

The Santa Cruz daily *El Deber* reported on January 14 on a meeting between Inter-American Development Bank president Ilan Goldfajn and business leaders at the Chamber of Industry, Commerce, Services, and Tourism (Cainco). Goldfajn dressed up the IDB loan as an

“investment for growth.”

He then ceded the floor to Economy Minister José Gabriel Espinoza, who made clear that the investments will go to private companies, signaling the start of sweeping privatizations of Bolivia's natural resources:

IDB Invest, the bank's private-sector arm, will expand its Bolivian portfolio twentyfold, investing up to US \$450 million over the next three years in agribusiness, infrastructure, industry, and financial inclusion. These funds will mobilize large-scale private investment, support competitive local firms, and advance projects in mining, agribusiness, tourism, energy, sustainable infrastructure, financial inclusion, and manufacturing with added value.

Bolivia's previous system of earning foreign currency through the export of nationalized resources to fund modest anti-poverty programs has become fundamentally incompatible with global capitalism. As billions of workers worldwide are being driven into struggle by assaults on living standards and mounting social inequality, all the paths previously advocated by bourgeois nationalists, Stalinists, reformists, and union bureaucrats—including the COB leadership and the MAS—have reached a dead end.

Meanwhile, transnational, capital-intensive corporations and inter-oceanic supply chains have objectively unified the international working class. With the Trump administration reasserting US dominion over Latin America, not through diplomacy or trade but by unleashing naked military aggression—the only viable way forward lies in uniting the working class across the Americas in a struggle to put an end to capitalism.



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