The Challenge for a Multiethnic Approach to Development: the Case of Bolivia
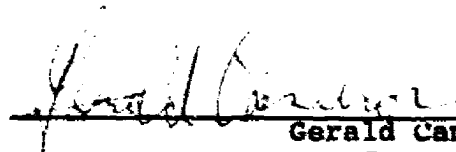
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To my wife Jessica,
my children John, Juan,
Gabriela and Christina.
And to my families in Bolivia and Canada

ABSTRACT

This study depicts the social and economic development of Bolivia in the 20th century and argues the need for a multiethnic approach to development. It describes the various modes of accumulation that embodied the Creole-state ideology and pursued the "persistent dream of modernization". The study focuses on the initiatives of ethnic communities and organized labor that hold possibilities for the fulfilment of popular and multiethnic development, as proposed in the 1952 Popular Revolution. Particular attention is given to social, productive and cultural inheritance in "Indian" communities since it constituted the soul of the struggles of Bolivia's indigenous peoples for their ethnic identity.

The study presents concepts of "community-nation" and "union-class" affiliations as valid tools of analysis. The study challenges also ethnocentric conceptions and suggests a holistic approach to development that includes ethnicity, ecology, gender and the equitable distribution of resources in Bolivia's development.

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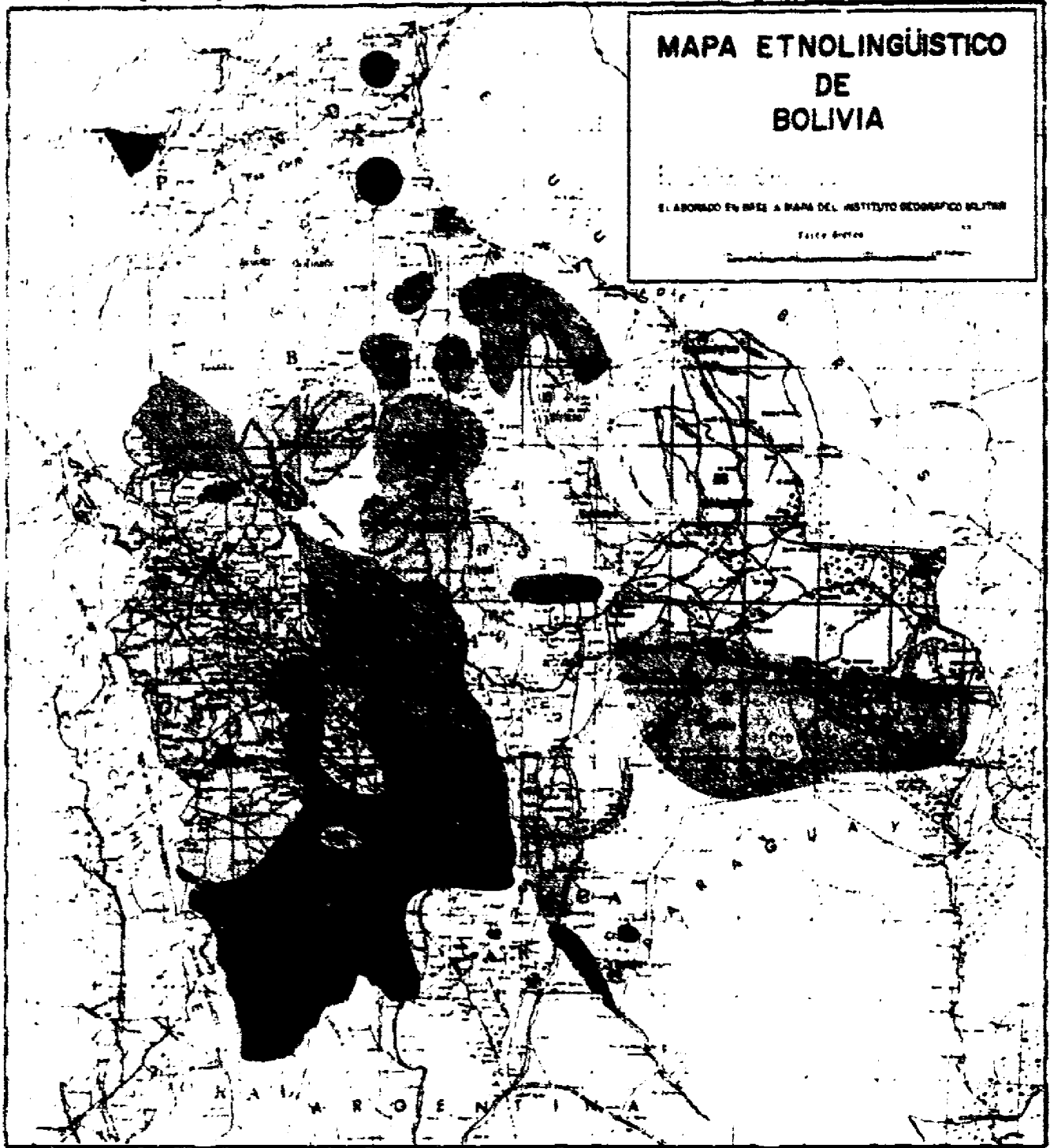
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MAPA ETNOLINGÜÍSTICO DE BOLIVIA

EL ABORADO EN BASE A MAPA DEL INSTITUTO GEOGRÁFICO MILITAR

INTRODUCTION

How did Bolivia happen arrive at its present stage of development? What development theories and strategies were involved in Bolivia's social formation? What forms did the process of capital accumulation take in the last hundred years? How is it that the large indigenous population maintained their inherited cultures, forms of organization and production through five centuries of foreign subjugation? What does the future hold for Bolivia's multiethnic reality? These are the driving questions that will be addressed throughout this study.

A) Research Purpose

Bolivia is commonly characterized as a poor, dependent and backward country in the international context. This typification is partially true but is rather insufficient for describing Bolivia's complex reality and above all this characterization overlooks the multiethnic condition of Bolivia. In order to fully understand the nature of Bolivia's development process it is necessary to undertake a comprehensive depiction of the social agents involved, the

models of capital accumulation models and theories of development put into practice, and the strategic responses of affected social sectors over the last hundred years. This would provide the background for the discussion and suggestions for sustainable development in Bolivia (in terms of equity, ecology and ethnicity). Therefore, the research purpose is to expound Bolivia's development and to draw out the implication of this development for the concepts, theories and strategies in this field. As such, the aim of this research is not to discuss concepts in a vacuum, but rather with reference to the social formation and process of capital accumulation in Bolivia over the last hundred years.

This study, like any other, seeks to maximize objectivity. Nevertheless, as contemporary epistemology asserts, such an attempt is only partially achievable since research is made by a subject who embraces values, options and rational structures. The author of the study does not assume the "free value" of social science or development studies. On the contrary, it is admitted from the outset that there are options involved, hopes that pulse throughout the research and rationalized-energies that engender the final motivation of the research: the practical contribution to Bolivia's development in favour of the poorest of the poor.

B) The Context for the Study and Thesis Statement

1) The Latin American Context and Development Difficulties

The Latin American context of the 1980s was characterized by deep economic and social crises. Most countries suffered the effects of the dramatic price drops of export commodities: from 1981 to 1989 the prices of 27 commodities fell 25%. Overall, the value of Latin American exports declined from 7.7% to 5.5% in international commercial trade (CEPAL, 1990). The countries also bore the impact of spectacular rises in international interest rates, and due to the recession in several industrialized countries, capital flow in credits and capital investment to the region seriously contracted. Above all, the countries were trapped in the impossibility of servicing the heavy external debt.

Financial agencies, particularly the International Monetary Fund (IMF) and the World Bank, and organizations like USAID that propagated neo-orthodox ideology, forced Latin American governments to re-negotiate and re-schedule the servicing of the debts and conditioned them to signing "Letter of Intent" with the so called Structural Adjustment Program (SAP).

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The IMF and WB assessment of the Latin American crisis was based on their negative view of the previous inward-looking Import Substitution Industrialization (ISI), strategy of development. From their point of view, the domestic policies of import substitution were unsustainable since they overvalued currencies, protected infant industries, distorted price structures, ran public enterprises inefficiently, and delivered uncompetitive exchange rates policies. Furthermore, these domestic policies, implemented with large state intervention, were unable to maintain macroeconomic stability and an equilibrium in the balance of payments. In 1991 the World Bank proclaime ::

> Now there is clearer evidence, from both developing and industrial
> countries, that it is better not to ask governments to manage
> development... Retarding competition and interfering with prices,
> deliberately or accidentally, have very often proved counterproductive.
> Competitive markets are the best way yet found for efficiently
> organizing the production and distribution of goods and services"
> (World Bank Report, 1991: 4).

Based on this assessment the neo-liberals presented suggestions for the implementation of Export Oriented Industrialization strategy (EOI). This strategy advocated the implementation of a consistent set of macroeconomic and monetary policies in order to maintain low interest rates; stimulate domestic savings; reduce domestic budget deficits; control high rates of inflation; and maintain balanced fiscal accounts. Inherent to the neo-liberal proposal was the reduction of the size of the state and its participation in productive activities. In fact, the cornerstone of this new-orthodoxy was

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privatization of the economy along with the liberalization of the factors of production; elimination of trade barriers and minimization of biases against perfect competition in domestic and international markets; and control of the economy under non-inflationary growth. It was also argued that with these measures the economies would become dynamically part of the globalization of capital, stimulate foreign investment, gather larger fiscal revenues, and cover debt service payments. They also expected, through private investment, to increase productivity, reduce rates of unemployment, raise wages and alleviate poverty with a trickle down effect of economic growth.

At the end of the decade when the neo-liberal proposals had unfolded it became evident that the adjustments had not only been stagnant but rather regressive with the popular sectors disproportionately affected relative to the upper classes. Even worse, given that the Latin American population increased (from 360 million in 1980 to 448 million in 1990) and economic activities had lost their dynamism, compared decades previous to the 1980s, the masses of labor dismissed from the public sector was not absorbed into the private sector of the economy and was in the street searching for income. In essence, the economically active population increased dramatically while the rates of unemployment rose. This phenomenon enlarged the surplus of labor, lowered the level of income and made working conditions worse, all of which combined to form the huge informal sectors of the economy.

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At the end of the 1980s, the impact of SAPs on the Latin American continent led to and accounted for the following criticism:

Latin American countries became a source not only for primary and agriculture products but also for capital. Despite the deteriorated social and economic conditions the unprecedented transfer of over 200 billion dollars from the region took place in the 1980s (CEPAL, 1990); created conditions for the growth of billionaires based on increasing impoverishment for 60 percent of the population at the expense of neo-orthodox policies. Even more detrimental was that the private debts accumulated in previous decades were socialized by states and converted into public debt (Petras, 1992). The paucity of revenues forced Latin American governments to reduce public investment and social expenditures throughout the 1980s from 25% to 15% (on average) of the GDP. The targeted areas of reductions were the state services such as health, education, and infrastructure.

Faced with this bitter reality at the end of the 1980s several economists concluded that this decade was the "*lost decade*" in Latin America's development. Neo-structuralist in Latin America questioned the validity of the neo-orthodox approach:

> ...they become unilaterally obsessed with exogenous or government imposed distortions and fail to observe how the economic system

behaves when a market plagued with endogenous or intrinsic
distortions is liberated...[the] neoliberal policy-makers are very sensitive
to any imbalance in this [the public] sector, while almost completely
ignoring the possibility that the private sector might have a destabilizing
influence... What they want in practice is the automatic reduction of
the size of the public sector with no clear theoretical backing for its
relation to economic growth (Sunkel, 1990; 48).

Along with criticisms, the neo-structuralists presented a proposal of structural

transformation-with-equity, encouraging the implementation of tasks of

development "from within" and stimulating genuine competitiveness and

modernization of the state. They also called for an insertion of Latin

American countries into the world economy and a reduction or partial

suspension of the transfer of financial resources. This proposal is largely

embodied in a document published by Commision Economica Para America

Latina (CEPAL) in 1990.

Other economists argued that the neo-orthodox ideology hid the failure of the

so-called modernization strategy led by the World Bank since the late 1940s;

overlooked the failure of capital accumulation at a world scale; did not face

the failure of the ISI strategies monitored from the "Centre"; did not recognize

the incapability of the New International Division of Labour (NIDL) to develop

poor sectors on the periphery. Overall they denied that the cause of the

wretchedness of the Third World was due to the "peripherization", the

dependency and the pillage of the "comprador bourgeoisie" (Amin, 1990).

These economists suggested that the alternative for development was to

delink from the globalization of capital. The proposal of delinking is not synonymous with autarky but rather a challenge for the consolidation of inner forces, i.e. the promoting of popular movements interests linked with the domestic bourgeoisie. They suggested a delinking strategy with polycentrism (instead of ethno-centrism) whereby several regions would become organized in regional customs and would exchange their goods and products.

The Urban Informal Sectors and Their Search for Survival. Since the early 1970s, one of the central debates in development has been about how to define the urban informal sectors. Models such as "dual", "radical dual", "marginality", and "petty commodity" models of analysis were used to describe the large social and economic phenomena in several countries that accounts for over 70% of the urban labour force. The most relevant schools of thought in this field were: a) the "Legalist School" led by de Soto (Schonwalder, 1991) who envisioned these sectors as having a complex dynamic of genuine and creative spirit in economic activities outside of the omnipresent, parasitic and corrupted state apparatus (de Soto, 1991). As such, the Legalists advocated that government policy and legal barriers should be removed to unleash the energetic initiatives of these sectors. The "Structuralist School" led by Tockman conceived of these sectors as being the relative surplus of the labour force as a structural result of the capitalist accumulation process. They recommend that government policy should

provide technical and financial assistance to incorporate the informal sectors into the productive and formal economy.

I will argue that both theories are complementary and assert that the driving force of people in informal sectors is the instinct of preservation rather than Schumpeterian spirit of entrepreneurs as de Soto claims. However, the informal sectors (including the famous "maquiladoras") are plagued by degrading work conditions and are accompanied by disrupted family patterns since all family members are involved in menial economic activities in the streets. Yet, people in urban informal sectors, in many countries, have their roots in rural areas and accordingly they carry a set of cultural value systems and have evolved multiple ways or circuits of economic structures that have still to be researched.

Union Struggle in Jeopardy. Labour movements have made a substantial contribution to the configuration of the Latin American development process and the unions have been the backbone of these mobilizations. Even though the military-authoritarian regimes in Latin America have launched their artillery against them, they were unable to destroy them.

The unions were the first social organization to spurn neo-liberal policies. They recognized that the neo-liberal agenda of the electorate-authoritarian

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regimes of the 1980s would wound the very hub of their strength and their conditions of employment. Their strategic aim had been the class struggle b.t when the unions were faced with liberalization of factors of production; a large mass of labour surplus; a decline in real wages; the privatization of state enterprises; lack of social networking; and employment regulations, they changed their focus and priorities. Their struggle came to be focused on maintaining their source of employment while their strategic dream of a "new society" was left behind. In practice, the dominant class and its neo-orthodox ideology curtailed an important counterpart to the civil society (the combative unions) and supported domesticated labour representations (submissive unions), thus confining democracy to the actors that colluded with their interests.

The Long Historical Memory: Ethnicity. Despite the pattern of massive migration from rural to urban areas cultural diversity is still a substantial component in the configuration of the present Latin America. However, most ethnic beliefs, interests and world views are not reflected adequately in the power structure, nor in development theories and policies. The cultural identities that have been the cornerstone of ethnic survival and of resistance are not sufficiently reflected in the analysis of development. It is a challenge to attempt to tap the accumulation of indigenous knowledge -a store of wisdom- that has the potential of questioning the "conventional wisdom" of

development economics.

The conceptual tools of analysis such as 'subsistence economy', 'labour surplus', 'dual economy' or 'centre-periphery' often misplace the role and character of productive relations within and among ethnic groups. The fact is, that in Latin America several modes of production co-exist and a pluri-national context is evident. The challenge, again, is to acknowledge the peculiarities of these multiethnic societies, elicit their knowledge, and suggest a multiethnic and multi-system strategy for development. This study seeks to respond to this challenge.

The struggle of rural peasants who belong to ethnic societies has become increasingly difficult, but at the same time more courageous, while faced with reduced access to land due to the continuous expropriation and expansion of domestic and foreign capitals. For several centuries, people from distinct ethnic groups have fought for access to arable land, water, mining and financial resources. The responses they received were within the framework of both class and racial discrimination. Neo-orthodoxy itself failed to realize that poor-peasants have no access to financial institutions to properly engage in the demand-supply game in market economies. Several ethnic nations, based on their beliefs and world views, have submitted alternatives for strategic management of natural resources to governments but little has been

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achieved despite massive mobilizations (Arze, 1990).

Notwithstanding exogenous factors, such as the New International Division of Labour (NIDL), the possibilities of sustainable development in Latin America depend on the ability of governments to combine indigenous socio-economic structures and technologies and the modern and semi-modern structures existent in society. This multiethnic dimension of development has to overcome two main difficulties: a) the predominant dogma of neo-liberalism, which is diametrically opposed to multiethnic development; and b) the traditional left that erroneously followed the centralist nation-state-party ideology. However, the indigenous movements are a relevant force in the present scene.

The Left Parties and New Movements. Neo-orthodox in Latin America found its best allies in the right wing parties. For them, it is anathema to pursue or adopt ideologies that do not subscribe to economic pragmatism. Their triumphalism hinders them from acknowledging that all the efforts made by reformist or left governments in Latin America, in the 1980s, were at least in part frustrated by the official opposition of international financial institutions and cuts in lines of credits.

It is equally evident that the traditional left parties missed opportunities to

change the course of the social process. Instead of adequately acknowledging latent forces inside of countries and building appropriate paths for social development, the left parties remained ideologically dependent on postulates of foreign revolutionary thinkers and experiences, and were divided and sub-divided into small groups.

Of course the "desertion" phenomenon of many left leaders is very questionable. Those, having confessed their sins and relinquished their principles, became more opportunistic than ever before. They found niches in governments from where they could endorse neo-liberal policies with the same violence under which they had once suffered. There is no better example than that of Bolivia's President Jaime Paz and the powerful Revolutionary Left Movement (MIR). Jaime Paz and members of his party were persecuted, exiled, tortured and some even assassinated by the military dictator H. Banzer in the 1970s and today the former revolutionary co-governs with Banzer's party; "Right now, God is close to the devil in Bolivian politics" (The Globe and Mail, 1993, A11 6-3-93).

The preceding analysis exhorts the need for an alternatives form of development that respond more adequately to the conditions that people face today.

2) The Bolivian Context and Challenges for Development

From the sixteenth century, to the present external and internal ruling powers have implemented several models of capital accumulation in the Andes. The Ayllus (Aymara and Quechua communities) were conditioned to a major structural adjustment in the early period of colonialism. It was Viceroy Francisco Toledo who re-organized the polities of the Andes in order to supply cheap labor and agricultural products to mining centres and small urban towns. The "independence" of Bolivia from Spain in the nineteenth century brought neither economic nor social changes with regard to the "Indians" situation. Instead, the Creoles (Spaniards born in Bolivia) constituted themselves as a dominant power in control of the state and they set the conditions for an oligarchic-feudal model of development. Indeed, the expansion of mining oligarchy and hacienda was to a great deal due to domestic policies within the ideological framework of liberalism.

The 1952 Popular Revolution , with participation of several ethnic communities and organized labor, changed the structure of relations in the mining and agriculture sectors (except for the lowlands of Bolivia). Unfortunately, the revolution's social agents were alienated from the state and the Creole-state legacy was reestablished. However, after 1952, the Nationalist Revolutionary Movement (MNR) set the conditions for a "national

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bourgeois" model of development in which ISI based on Labor Surplus Theory (LST), was the predominant development strategy. This model of accumulation turned into a "dependent bourgeoisie" and collapsed in the mid 1980s. In the last eight years, new groups of economic power were formed (similar to the mining oligarchy of one hundred years ago) within the domestic policies of the so called Structural Adjustment Program (SAP) that highlight neo-liberal economic proposals. This chain of accumulation models point towards the long lasting Creole-state legacy in Bolivia.

The underdevelopment of Bolivia (expressed in critical social, regional, ethnic and gender disparities) is found in these structures which as previously mentioned overlook the development potential of the existing economic, social and cultural structures formed by the majority of Bolivians.

3) Statement and Thesis of the Study

The models of accumulation implemented by the Bolivian state did not recognized or incorporate the internal dynamics or the economic and cultural dimensions of the social structures of ethnic communities and organized labor. Indeed, the dominant strategies of capital accumulation were imported with little attention paid to the multiethnic character of Bolivia. Our task then is to recover and describe the latent and non-institutionalized multiethnic

character of Bolivian society. It is a challenge to demonstrate the vigour and
actuality of the 32 ethnic nations in Bolivia and to make sense of their
economic and cultural dimensions, which have been the cornerstone of their
survival and resistance. In this context, the thesis of this study can be
formulated as follows:

*Bolivia could achieve sustainable development (in terms of social and
economic equity, gender and ecological balance and ethnic symmetry) by
consolidating and incorporating ethnic communities (their social structures,
economic relations, and cultural patterns) and cooperating with organized
labor initiatives with modern and semi-modern social sectors within a popular
multiethnic framework of development.*

This thesis addresses the questions raised at the outset and put forward as a
guide for our analysis of Bolivia's development process.

C) Methodology and Sources of Data

The argument for the thesis, the 'hermeneutic' of this study, is based on an
observation and analysis of Bolivian reality. The theory which underlies and
directs this study of Bolivia's development process takes into account the
interpretation of Bolivia's indigenous peoples experiences and struggles and it
is concerned with how to address development in the context of Bolivia
where a large population (63% of total inhabitants) remain within traditional
cultural and productive practices. Subsequently, addressing the problem

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statement (presented above) the research proposal was outlined and later

review of the literature on Bolivia's development was conducted.

Since the hub of the research is concerned with ethnic communities in Bolivia

a extensive literature review in this field was undertaken. Also,

comprehensive literature in community development has been reviewed, in

this process it was found that the main stream of literature was confined to

small groupings with self-help systems. The cluster of concepts used in this

literature despite being interesting and valid tools for analysis, were rather

insufficient for the large groupings of Aymaras, Quechuas and Guarani-

Chiriguano. Even so, the literature related to "minorities" (black, Indian and

migrant communities) in the Northern hemisphere was found be relevant to

the research.

At that point, the literature in international development was reviewed with

the purpose of widening my understanding of the development process. It

provided to my study substantial tools with regards to global perspectives of

development, the importance of macroeconomic variables, the role of the

state in development, the function of domestic policies, the basis of strategies

of development, and the expansion of the productive forces. In this field it

was helpful to learn about several development theories based on concepts

such as labor surplus, dual economy, unbalanced growth, dependency,

delinking and gender-eco-ethno development. In the literature, several approaches to development are highlighted with concepts of economic growth as the base for social welfare. These approaches overlook the peculiarities of non-economic variables strongly manifested in production processes in countries which are culturally and ethnically multiple, as in the case of Bolivia.

Finally, in my field trip to Bolivia, significant literature was collected related to the analysis of Bolivia's development, ethnicity and organized labor movements. This literature covers the analysis of internal social, economic and productive structures, as well as cultural dimensions of the various nations within Bolivia. It would need a doctoral dissertation to systematize the conjunctive elements among all ethnic communities as the basis for a new paradigm of development for Bolivia. However, three ethnic experiences were selected to highlight features of communities that would challenge the "persistent modernization dreams" and the assumptions underlying dominant theories and strategies for Bolivia's development.

In short, the sources of the research are:

a)   A review of the literature was organized in three main fields: 1) Bolivia's development, as relates to last hundred years; 2) the ethnic movements in

Bolivia that describe social, economic, gender, ecology and cultural patterns; and 3) literature in international development studies that provided the background for Bolivia's development analysis.

Although the literature of the first two fields are partially found in the NOVANET system it is published primarily in Spanish and found in Bolivia. The entire Spanish literature cited in the text is part of my own collection. Literature on international development is extensively found through NOVANET sources.

b) Participatory observation and key informant analysis. Since I was born in a Quechua community, lived my childhood there, worked for a number of years in Quechua-Aymara communities, participated actively in popular movements, worked in rural communities with popular education methods and was committed to the "popular church" within Liberation Theology framework, my experience becomes a reverential framework for data's interpretation. The interviews with several Bolivian university faculty members, chief COB and CSUTCB leaders and field development projects were significant input to the research.

c) Networking systems. The Bolivian Networking system (BOLNET) has enormous potential for updating data and sharing analysis with people in

Bolivia. I found field institutions to have better responses than academics in using this particular system. However, electronic systems have a great potential for further research.

D) Critical Assumptions

These are the critical assumptions made in the study:

1) The present conditions and the challenges for the future, in the Andean culture, are related to the past. Perhaps the mirror analogy can help to understand the preceding statement. Facing the mirror the foreground is as evident as the background. Similarly, for Bolivian "Indians" the present is only understood in relation to the past: when a peasant looks at her/his parcel of land, or river her/his eyes do not see it as a dead asset that provides opportunities for the ephemera present, she/he looks at it as something inherited from millennia and belonging to future generations. In short, it is a culture that see the present as a minuscule reference point on a long past and future continuum.

The cultural background expressed in the preceding paragraph, present dilemmas and challenges for the future would that can only be understood in terms of reviewing the past. It could be said that there is no logical need for

four written chapters to describe how Bolivia reached its present stage but it has been a cultural need to go through the diachronic process to make sense of the discussion of Bolivia's present and future. Therefore, it was a cultural necessity, for the author, to describe Bolivia's historic process.

2) Development studies is understood as a multidisciplinary field rather than a economicist approach. This implies that consideration of social, political cultural, gender and environment variables are as important as economic variables. For instance, the failure of modernization after 1952, in Bolivia, could not be understood without paying attention to ethnicity and organized labor. Further, the equation economic-growth = development has not been evident in the Bolivian context, from economic growth (which took place throughout this century with few exceptions including 1953-56 and 1985-1989) for the welfare of the people because the gap was simply too wide. And "trickle down" economic approaches did not take place in Bolivia; on the contrary what took place is the perpetuation of the highly stratified and discriminatory Bolivian society expressed in the Creole-state legacy.

3) Throughout the text, the concept "Indian" is used regarding to people that belong to indigenous nations in Bolivia. Nonetheless, the derogatory connotations of this word are acknowledged since it has it roots in the sixteen century's white invaders. It has been suggested, instead, to use

concepts including "Aboriginal" (but this concept is associated with Australian "bush-men") or "Native" (this concept is often linked to someone who was born in a given place). So despite the positive side of these concepts the chosen concept was deemed more appropriate contextually for my research purposes.

E) The Structure of the Arguments for the Thesis

The overall structure of the text follows the historical process of Bolivia during the last one hundred years. The main social actors and the contradictory social, economic and ethnic interests are identified.

Chapter One. The purpose of this Chapter is to describe Bolivia's social and economic formation in the first quarter of the present century. In the text are identified the major social agents, their interests, their organizations and their strategies. In turn, the mining oligarchy and the hacienda system constituted the dominant structure in Bolivia while social actors (including the ethnic communities, the organized labor and the new intellectual circles in the universities) emerged as strategic responses against the dominant sectors.

Chapter Two. In this Chapter the emergence of the innovative popular

movement after the Chaco War is discussed. The Chaco War veterans acknowledging their social and cultural conditions and perceiving their potentialities became a new political actor that contributed to the strengthening process of the Aymara and Quechua communities in Bolivia. The birth of the left political parties is for the first time in Bolivian history a significant factor that contributes to the consolidation of the popular movements. Finally, presented is, the merging process of "Indian" communities and the organized labor movement, that defined clearly their strategy, as the social basis for the 1952 Popular Revolution . This process created the conditions for the implementation of a popular development and a multiethnic state.

Chapter Three presents the 1952 Revolution as a result of circumstances generated by the organized social forces rather than by the intention of those who took power after April 1952. What changed with the 1952 Revolution? Who were the main actors for such changes? What was the outcome for the most marginalized and oppressed segments of Bolivian society? How did the revolution benefit the ethnic societies? This set of questions provided the guideline for this chapter.

Chapter Four contains: the explication of the consolidating process of MNR's · strategy, laid out in 1952, under a series of military authoritarian regimes. The

Chapter describes the revival of the popular movements that contributed to the unique experiment of Popular Assembly led by COB and supported by Torres government in 1970-1971, it reviews the zenith and decline of the accumulation model of the "dependent bourgeoisie" in Bolivia. It further outlines the re-emergence of several indigenous movements linked with the Katarist movement and the CSUTCB (Confederation of Union Peasants of Bolivia); and introduces the features of the currently implemented neo-liberal approach of economics in Bolivia.

Chapter Five is an attempt to describe the internal structures of ethnic communities. The purpose of this Chapter is to highlight several aspects of communities that differ from urban societies and question the "persistent modernization dream" and Creole-state legacy. However these experiences should not be stereotyped since there are variant aspects among regions, cultures and communities. Nevertheless, they provide a support for the author's arguments related to the need to incorporate multiethnic dimensions of Bolivia's development.

Chapter Six is an assessment of the one hundred years of capital accumulation, the struggle of the popular movements and the potentialities for development of Bolivia's indigenous peoples and communities. The "persistent modernization dream", the ISI and the LST are reviewed for their

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social, political and ethnic implications and in the Bolivian context; the concepts of 'community-nation', 'union-class', 'Creole-state legacy' and the challenges for the future are presented in this final Chapter. Finally the Findings and Conclusions are advanced as a result of the overall process of the research. Also presented are various implications for development studies that can be derived from the study.

CHAPTER ONE

THE POPULAR MOVEMENT SHAKES THE OLIGARCHIC STRUCTURE

The purpose of this Chapter is to describe Bolivia's social and economic formation in the first quarter of the present century. In the text are identified the major social agents, their interests, their organizations and their strategies. The mining oligarchy and the hacienda system constituted the dominant structure in Bolivia while social actors (including ethnic communities, organized labor and the new intellectual circles in the universities) emerged as strategic responses to the dominant sectors.

A) The Constitution of Power: the Mining Oligarchy and the Latifundia System

In the last quarter of the nineteenth century (1880-1899), Bolivia's dominant

economic and political structure[1] underwent changes which led to the

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[1] I argue that the definition of "structural change in Bolivia", frequently found in the literature, referred to changes in the last century. The changes occurred in the small but dominant segment of the Bolivian economy: the mining industry, in the hands of either white European or white creole people. In contrast, the majority of Andean-Indians absorbed the

structural formation that came to an end with the 1952 Popular Revolution. The changes in the dominant Bolivian economy were determined by both the international development of new industries and the exploitation of new natural resources in the highlands. Tin became the new material required by the industrialized countries (canning, manufacturing, military equipment and so forth). The demand for tin in international markets rose strikingly and stimulated many mining operations in several countries of the southern hemisphere. According to the London stock market, the world's consumption of tin rose from 55,000 metric tons in 1890 to 100,000 metric tons in 1904, followed by a massive increase during World Wars I and II. Bolivian entrepreneurs took advantage of the spectacular demand and accelerated the process of intensive exploitation of tin production in the Bolivian highlands.

In 1890, Bolivian companies exported only about 1,000 metric tons, but in 1909, exports totalled 21,392 metric tons employing about 10,000 mining workers. Twenty years later, in 1929, Bolivia reached the peak of tin production with 47,191 metric tons, a volume never attained again. The demand for tin in the world market increased the price from £85 per metric ton in 1890 to £126 in 1904. This phenomenon had its impact on the Bolivian tin exporters' income which rose from £85,000 in 1890 to £2,646,000 in 1909. In the first two decades of this century, Bolivian

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negative impact of these changes.

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exports of tin increased about 800% and incredible volumes of tin accounted for over 55% of Bolivia's total exports through the following five decades (from 1900s-1950). Thus the value of tin exports was the main component in the structure of the Gross Domestic Product (GDP).[2]

The high rate of productive capacity was due to: (a) productive efficiency based on new imported technology using electrical power for exploitation, extraction and processing of ore in the mills. This technological change was accompanied by the introduction of managerial skills hired from abroad. Thus, both production and administration were under the responsibility of foreign personnel; (b) the government's national policies that ensured social and political stability, especially with regard to labour discipline in the production spots and wage determination and, (c) the Bolivian natural resources which are so rich in minerals. The conjunction of these factors enabled Bolivia to be among the top tin exporting countries in the world for many years.

The relation between the international demand for tin and the domestic response to tin exports induced a dramatic change in the structure of production that in turn provided a new economic basis for a distinct political

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[2] I am indebted largely to the work of Herbert S. Klein for using the data on his books "Bolivia. The Evolution of a Multi-Ethnic Society" (1982) and "Parties and Political Change in Bolivia 1880-1952" (1969).

configuration in Bolivia. The old silver oligarchy (Arze, Pacheco, and others, along with their political representation, the Conservative Party) was replaced by the new tin magnates (Patiño, Aramayo, Hotschili, along with their political tools, the Liberal Party and later the Republican Party). These changes in the dominant economic sector brought new social actors onto the scene.

The Bolivian tin magnates proved their ability for making sound investments with high rates of return and for rapid expansion over the natural and financial resources. Indeed, the Patiño[3] enterprise, alone, generated over 60% of Bolivia's total tin exports during the first half of the present century. Patiño also established a financial monopoly and dependent linkages with foreign markets.

The questions to be asked are: what the astronomic monetary figures and huge mass of tin meant to Bolivian societies? And why with such a large

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[3] Simon I. Patiño came from a lower middle class Quechua family of Cochabamba. At the beginning of his mining career (late 1880s) his investments did not amount to more than a small poor mine with crude technology and very labour intensive production. By the end of the century, he had capitalized the most important mining centres (including the mines of Uncia and Llallagua, formerly owned by foreign companies) and owned the single richest tin mine in the world, La Salvadora, located in Llallagua-Uncia (which became he most important mining centre in Bolivia). He established its own bank (Banco Mercantil) in Bolivia and by the 1920s, in a very unusual attitude for Bolivians, Patiño expanded his investments to the tin smelter, Williams Harvey Co. in Liverpool, England; and later in the U.S. markets. With such a busy routine, the tin oligarch moved his residence abroad, set his industrial bases elsewhere, outside Bolivia, and stood away from direct controlling power, although the link with the Liberal Party was as clear as the spring water. (Whether he still remembered his native language - Quechua - or even Spanish, only the richest British or Americans knew).

wealth Bolivia remain underdeveloped?

For the majority of Bolivians (Aymara, Quechuas, Guaranis)[4] the spectacular boom in the mining industry had a negative impact. The distribution of wealth favoured upper class whites in the towns and cities and the white-Creoles in the countryside. On the one hand, the "Indians" remained as miserable as before, or even worse due to the expansion of the *hacienda*[5] by the white caste owners over the community's lands. The hacienda's expansion provoked tough conflicts over land tenure. Also the hacienda used "Indians" as cheap labor in agriculture and mining activities; in fact it was "natural" for the hacienda to send "Indians" by force to the mines or urban centres as a gratitude for their relationship with the mining oligarchy, who were "godfathers" or direct partners of white rural landlords. In fact, the rural upper class in control of fertile land and "Indian" labour found themselves to be the complement of the mining oligarchy. On the other hand, in such a racist and stratified country, the people from Quechua or Aymara communities faced many barriers (cultural, language, class, race, lack of access to resources, negotiating power, etc) that impeded their possibilities for development. This situation conditioned them to serve and comply with

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[4] These are three main ethnic groups of the Andean cultures in Bolivia

[5] The *hacienda* is a private property of land owned mainly by white creoles or mestizos. The hacendado rented out plots of land in exchange for labour, normally 50% of the labourer's working time.

the Creole-landlords' avarice. Thus while the rural upper class was in control of land and labor the "Indians" organized numerous protests in response to the dominant social sectors, as presented later.

By the end of the nineteenth century, both the mining oligarchy and feudal landlords sought to create an absolutely obedient "political caste", and it did not take long; they established the Liberal Party, largely led by upper class white lawyers who patronized and monitored Bolivian governments. The mining oligarchy especially, operated as a supra-state, not only from outside the government, but also from abroad (see Patiño's expansion earlier). In reality, the Liberals, who governed for twenty years (1899-1920), were the "guard-dogs" of the oligarchic-feudal power.

The Liberal Party emerged in the early 1880s in a unique context marked by: (a) the cogent debate about the causes and consequences of the loss of the Pacific coast line to Chile; (b) the federalist revolt which resulted in the change of the government seat from Sucre to La Paz; and (c) overall, the rise and defeat of the biggest Aymara Rebellion (1899)[6] led by Zárate Willka who

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[6] The Aymara revolt was due to the *Ley de Exvinculation* delivered in 1874 by the Conservative government. This law denied the legal existence of communities (Ayllus) and aimed to individualize the land tenure and impose a general tax system on the "Indians" property. The Aymaras organized in a large army, led by a traditional "Indian" authority, Pablo Zarate Willca, resisted and rejected the implementation of the law. The liberals pragmatically supported Aymaras' demands to de-stabilize the government and, the Aymaras supporting the Liberals defined the antagonized political conflict between Liberal and Conservative Parties. Just after the Liberals took power, Zarate Willca, the great Aymara leader, was the first to be

organized the largest Aymara-Quechua army.

The Liberals convinced only themselves in believing that they were the turning point, for Bolivia's development, by adopting a positivist philosophy, free market economics and individual freedom claims. Once they were in power, their actions showed them to be as conservative as their predecessors or worse.[7] Such was the performance of Ismael Montes, who governed for two terms (1899-1904 and 1907-1913), and did not tolerate any ideological opposition that could challenge the Liberal government or the oligarchic interest (Francovich, 1956). The situation was even worse under the Liberal's Darwinism that openly proclaimed the eradication of "Indians" in Bolivia. The typical Liberal attitude towards the Andean people was:

> If an inferior race is put beside another, superior one, it must disappear, as is said by LeBon; [and if]... we have to exploit the Aymara and Quechua Indians to our advantage or if we have to eliminate them because they constitute the obstacle to our development, let us do it openly and energetically.[8]

The Liberals were armoured by a racist attitude that had served the legacy of

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decapitated along with a massive massacre against the Aymara communities.

[7] I assert that the Silver Oligarchy with their conservative ideology contributed more to the development of Bolivia than the Liberals. The public investments, expansion of the economy, creation of infrastructure (roads, railway, telecommunications, etc.) were initiatives of the previous oligarchy to which the Liberals put the final touch.

[8] This quotation is taken from Rivera S, 1984: 31 which is an extract from Baptista Saavedra's book Proceso Mohoza, first published in 1903 and reprinted in 1971: 146

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the upper class since colonial times; and with it, they felt justified to invade "Indian" communities' land and to exploit them as cheap labor.

From the outset, the Liberals, announced the adoption of a *laissez faire* economic approach. This approach was not only visibly biased against the popular sectors and in favour of the oligarchy and latifundia interests, but it was also false in its main assumptions (economic growth = development, free market and democracy).

The Liberals' *laissez faire* axiom, that of classical economics, which equates economic growth with development, is proved to be a fallacy in Bolivia. For instance, despite the astronomic wealth generated by the mining sector, Bolivia remained undeveloped and arguably was under-developed in the process (Frank, 1989). Agriculture, despite hacienda's expansion, was stagnant. Indeed, large areas of arable land were under-utilized by the hacienda in order to keep the prices of agriculture products high (although the urban centres depended heavily in food stuffs imports).

Similarly the Liberals' implementation of the "free market" economic model bore no relation to reality. It was the State that created the biases in the price factors, freezing wages, suppressing labour organizations, and intervening in all aspects of the economy to ensure benefits for the oligarchic

sectors. Further, ideologically, the Liberals wrongly equated free-market individual freedom with democracy, which turned out to be pure rhetoric.

Besides the fallacy in economic assumptions, the liberals misconceived the nature of democracy. Social participation was so narrow that politics was an activity designated for urban white elites, rural landlords and the urban mestizo upper class. Citizens with the right to vote in 1904 numbered fewer than 60,000 while the Bolivian population was approximately 1,815,000. Even worse, as mentioned earlier, no political and social opposition was tolerated.

Further, for the Liberals, Bolivia was supposed to comply with its status in the world economy: an exporter of raw materials. Thus, the Liberals administered a dry export-oriented economy, which is why manufacturing and other industries have over the years remained undeveloped. Bolivia's mining industry, therefore, was the only small pendant linked to the international market. Imports and exports were organized around the mining industry, and other economic sectors were either underdeveloped or at a subsistence level.

The effect of the policies delivered by the Liberal regimes with their economic approach can be summarized as follows:

1) The mining oligarchy's freewheeling operation, i.e., Patiño organized by himself his commercial lines of import and export, transferred capital abroad (mainly to the U.S. or Europe), fixed the price for labour, determined the rates of taxation on exports, defined the allocation of fiscal resources (mainly to build railways for the export of tin) and created his own commercial bank. Indeed, such an economic approach was the protective blanket for the tin baror.'s pillaging.

2) The hacienda, took advantage of the racist government, with the state support expropriated the communities lands and the state ignored the communities' people complaints regarding the invasion of their land.

3) The service sectors (health, education, sanitation...) was expanded only as far as the privileged white caste was benefited.

The only significant public work, under the Liberals, was the construction of the railway system that was mainly used for mining oligarchy's raw material exports and the haciendas agriculture transportation to urban and mining centres. The construction of railways, however, was financed from two main sources: (a) the implementation of a disproportionate general tax system against the popular sectors (such as low rate of taxes to mineral exports and · per-head taxation rather than per asset value in countryside); and, (b) the

economic compensation from both the Acre territories that Bolivia lost in the conflict with Brazil and the Pacific coastline lost in the war of 1879 with Chile.

Liberals governed for two decades (1899-1920) with a strong hand and suffocated initiatives by the social and political opposition. Nevertheless, by 1915 the Liberals were confronted with an internal crisis resulting from a series of differing interests which led to a division of the party. The Republican Party was formed, pulling in a branch of the Liberal militants under the leadership of Saavedra and Salamanca (who later separated, but remained dominant for the next thirty years) and in 1920 achieved victory over their former colleagues. It is fair to state that the Republicans' assumption of power did not bring anything new except other faces and figures of the old pro-oligarchic caste. Indeed, the liberal ideology introduced by the Liberal Party was adopted by the Republican Party and was based exactly on the same interests, practices and conceptions. In effect, it was the constitution and re-accommodation of the Creole-state legacy.[9]

B) The Popular Movements and Their Strategic Anti-Oligarchic Responses

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[9] The concept of "Creole-state legacy" is broadly explained in Chapter Five.

As early as 1905 the print-workers union and tailor artisans in La Paz had begun the long and complex process of unionizing Bolivian workers. From this time on, the Bolivian unions objected to the legitimacy of the economic and social structures of the oligarchic system. The unions, as new social agents, would play an important if not determinant role in the social development of Bolivia. The long and complex process of union history reached its zenith with the death of the tin oligarchy and latifundia system: the revolution of 1952.

The experience of unions in the countries surrounding Bolivia encouraged the strength of the new Bolivian unions' experiment. The formation of Bolivian unions was painful, but creative and strong enough that they set a precedent to challenge the established power. In 1912, after a long process, the Railway Workers Association (SMTF) was organized. Since the hub of the dominant economy depended heavily on this means of transportation for its exports, the union's role in this sector was strategic. It was in 1912, just after the creation of the SMTF that, for the first time, Bolivian unions organized a May Day parade. By 1920, Bolivian unions had several achievements: they were able to organize different the FOTs (Worker Unions Federation)[10] in La Paz, Potosi, Cochabamba and Oruro; and the powerful Railway Union became organized at the national level. Perhaps the major

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[10] The Federación Obrera de Trabajadores (FOT) was the coordinating body for the unions in the cities or regions in Bolivia.

achievement was the formation of the first miners unions in the most important mining centres.

In July, 1921, the miners' strike in Pulacayo at the Huanchaca mine (owned by Aramayo, one of the "tin barons"), supported by the railway unions, forced the enterprise to comply with several labour demands. This was considered a successful mobilization that had national repercussions. The miners' strike was followed in 1921 by the FOTs general strike (among the main unions were railway workers, miners, drivers, printers, and others). The movement was so powerful that the oligarchic government was forced to deliver several decrees in favour of working class concerns including wage regulation, safety conditions and overall concerned with union's legal recognition.

In 1923, the most threatening action against the oligarchy was the miners' strike in Uncia (Patiño's mining centre). The workers pursued better wages, reduction of working hours and safety security. The Republican government under Saavedra, loyal to Patiño, imposed a state of siege and for the first time in the twentieth century, intervened militarily at a mining centre. This violent intervention ended in a massacre, killing over 100 workers, and was the beginning of a very long chain of military interventions and massacres of underground workers. Indeed it became the legacy of civilian and military governments for the next seventy years.

Meanwhile, the situation of Ayllus had deteriorated dramatically. Especially once the railway was constructed in the highlands, the latifundia landlords sought to expand their lands, taking advantage of the infrastructure to commercialize their products. The problem was that such expansion was by illegal means. From 1880 to 1920 the haciendas had expanded two to three times in size over the fertile land of the aboriginal people and the number of landless had doubled in the highlands. Boundaries of community lands were violently changed. The hacienda owners disregarded the verbal contracts with the *communarios*;[11] imposed longer hours of work; took part of the communarios' harvest; expropriated the water irrigation canals; made use of "Indians" livestock; illegally purchased land that belonged to the Ayllus. On numerous occasions, people from indigenous communities complained legally about these abuses. Typically the biased government did not address all these issues properly. It was this set of abuses that induced Andean communities to take their problems into their own hands and organize numerous revolts as the means to re-establish their rights.[12]

The people from the Aymara and Quechua communities could no longer tolerate the continuing hacienda's aggression; so, in 1921, a series of revolts

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[11] The communarios are the people who belong to the Andean Communities, known as ayllus.

[12] Space does not permit me to detail the large number of movements and "Indian" revolts. In this paper, I mention only the most important.

was organized in the region of Jesus de Machaca, in the highlands near La Paz. The government's military intervention suppressed this revolt that attempted to regain the lands seized by the hacienda.[13] The most important revolt in the first three decades of the present century was the Revolt of Chayanta in 1927. One hundred and fifty years earlier, Chayanta was the centre for one of the greatest rebellions in the Andean region, led by Tomas Katari. Thus, Chayanta again became the centre of the new revolt led by Quechua peasants and *llameros*[14] merchants. The rebellion spread from the north of Potosi throughout the provinces of Chuquisaca and La Paz. It all started in the religious festival of Santiago on the 25 of July, in Ocuri.

In two weeks, the rebellion unfolded in unprecedented proportions; several hundreds of haciendas were taken by assault and the landlords either escaped or died. Local newspapers from Potosi and Sucre attested to the participation of Tristan Marof and several worker leaders in the preparations of the revolt, and also reported the participation of Marof's relatives in several assaults. Even more, the media identified several head "Indian" leaders of the revolt

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[13] A good account of the process is presented in the works of Xavier Albó and Josep M. Barnadas (1990).

[14] The main means of transportation and commerce in the most under-developed areas of Bolivia was the llama. The llameros grouped and formed large caravans of 100-500 llamas to carry several products, mainly from the highlands to the remote valleys.

who had assisted the National Worker Congress in Oruro, in early 1927.[15]

The "great Chayanta revolt" was recorded in articles on the front pages of the New York Times - even on the same days in which the celebrated case of Sacco and Vanzetti was being reported (Albó and Barnadas, 1990). This had national repercussions and established a historical precedent in the process of growth of the strategic popular movement in Bolivia. However, in September the struggle was over, defeated by a large army's bloody intervention (Arze 1986). The massacre took place on the initiative and command of the central government, under the control of the Republican Adolfo Siles.[16] The big rebellion came to an end, but the struggle of the Andean societies showed their capacity for mobilization of its energies.

Simultaneous with the class struggle, in the urban rural and mining centres, and to the "Indian" movements, intellectual circles with university backgrounds prompted a Marxist analysis of Bolivia's reality. Among many intellectuals was Gustavo Navarro, known as Tristan Marof,[17] who had an

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[15] This congress in Oruro was organized under the leadership of Marof to discuss mining nationalization, redistribution of land to the peasants, educational reform and overall, the alliance of peasant-workers

[16] A short and well documented article that describes the experience of the Chayanta Revolt is found in Arze Aguirre (1986)

[17] In 1920, he was designated by the Republicans as Bolivian Consul to France. In his very active life, Navarro got involved with the radical European movements. Years later, on his return to Bolivia, Navarro became an innovative writer and a restless political organizer. His major theoretical contribution was about "Andean Socialism", which strongly

important influence on the labour and peasant movements as well as in the leftist parties. His ideas and published works had international status, and he became, a'ong with the Peruvian Carlos Mareategui, one of the most innovative Marxist thinkers in Latin America, introducing Andean "Indian" issues to the Marxist analysis.

Also, throughout the 1920s, a university student movement emerged that soon joined the popular movement. From the beginning the students organization adopted a radical political line. Nothing could stop their determination to organize the universities, not even several military interventions at the universities. The idealistic youth had more imagination than the repressive forces of the oligarchic government. Their struggle met their highest hopes in 1928 when university students joined, in Cochabamba, to organize the FUB (Bolivian University Federation). Tinted with the deepest red, their principles led them to the revolutionary left position in Bolivia.[19]

advocated a social revolution based on the values and practices of historical Andean cultures. He suggested a reconstruction of socio-economic systems of Andean social, political and economic structures and proposed the creation of "Indians" and
working classes as agents for the achievement of such socialism. With such ideas, Marof organized the first class analysis Partido Socialista Obrero (PSO) and later the Partido Obrero Revolucionario (POR).

[19] In this congress were represented indigenist voices addressing the so-called "Indian question"; the socialist perspective was the cornerstone of the platform recognising the role of the working class and demanding a structural transformation; and, the nationalist sentiment was elaborated in the discussions of different socio-political leanings against capitalism and imperialism. The university students proclaimed themselves part of the revolutionary bloc and committed themselves to strengthen the Indians-Workers axis.

However, it was in FUB's Congress where student leaders, who had closely followed the 1917 Mexican Revolution, saw it the Mexican land reform as an alternative for the Bolivian redistribution of land. Several participants in the Congress were familiar with the 1917 Soviet Revolution and considered it to be the answer for Bolivian social and economic matters.

At the end, the first Congress of FUB demanded structural changes that included: nationalization of the natural resources (they meant the nationalization of the Standard Oil Co. of New Jersey that had operated in Bolivia since 1921); the nationalization of the mining industry; the redistribution of land in favour of the "Indians"; the universalization of education, extending to the rural areas, and establishment of a labour code to protect workers' rights. They publicly declared themselves as anti-oligarchic and anti- imperialist and strongly suggested a Latin American solidarity for liberation. Among the most notable figures in the Congress were Abelardo Villalpando, Jose A. Arze, Ricardo Anaya, and Carlos Medinaceli, who with others, became the important reference for the new expressions in Bolivian politics.

Thus, as shown above, by the end of the 1920s the popular bloc in Bolivia had these three main components: (a) the organized and mobilized Andean communities of Quechuas and Aymaras; (b) the labour movement organized in unions in the urban and mining centres; and (c) the middle class sectors

organized in unions. The new political scenario, at this point in history, was
no longer confined to a narrow clique of upper class whites. The Bolivian
popular struggle opened a space for a multi-ethnic and pluri-cultural dimension
in which different races, classes and ethnic groups crowd the social
development.

At the beginning of the 1930s the nightmare of the oligarchic regimes had
three sources:

a) The political crises. The morality and principles of the oligarchic regimes
evolved in a negative direction over fifty years of power. Internal and
personal disputes over the benefits of that power and allocation of resources
marked the impossibility of reconciliation within the oligarchic class. This led
to a chaotic convulsion within the two oligarchic parties Liberal and
Republican. The situation worsened in 1930 when Siles announced his
decision to extend his mandate. The Bolivian military officers sought the best
time to intervene in politics and overthrew Siles, forming a transitional *Junta
Militar* that governed in 1930-31. Eager civilians of the upper-class parties
put enough pressure on this government to call for national elections in order
to restore a constitutional government. In February 1931, Daniel Salamanca,
leader of the Genuino Republican Party, (a spin-off of the original Republican

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Party) became head of government.[19] In the interim of three years, Bolivia had five presidents, which was the obvious signal of political crisis in the dominant parties.

b) The economic crises. The tin boom declined throughout the 1920s. Although the volumes of extraction of ore increased, the prices in the international market fell very sharply, especially at the end of the 1920s. The impact of the Great Depression in the industrialized countries was shown in the decline of demand for the precious Bolivian mineral. This affected the backbone of Bolivia's oligarchic economy. Since the gross fiscal revenue came from mining exports, the government lacked available financial resources to cover its balance of payments and expenditures. This panicked them and led to sharp cuts in the fiscal budget which generated a social turmoil in the already organized social and political forces.

c) The social crises. As presented above, the three social forces became the determinant factor that pushed the oligarchic government to search for a solution to the crises. The best (and desperate) answer found by the oligarchic government was war!

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[19] Klein (1969) dedicated an entire chapter to describe in detail Daniel Salamanca's character and situated the Chaco war in an historical perspective.

C) The Oligarchy's Symbolic Man Fabricated a War

In the context of crisis, presented previously, in September 1932, Daniel Salamanca, known as oligarchy's "symbolic man" due to his *pulcrus* personality and fine verba, declared war on Paraguay over the Chaco Boreal which turned out to be one of the most frustrating experiences in Bolivian history. Salamanca mounted his ideological campaign under the slogan *pisar fuerte en el Chaco* (to step strongly in the Chaco) and merged in a false fear of Paraguayan aggression in search of Bolivian oil fields. There is enough evidence that oil was not the issue until the quasi end of the Chaco war (Klein, 1982). If that is so, what was Salamanca's motivation for such an absurd initiative?

The Salamanca Chaco War initiative could be assessed in three main aspects:

First, the war was an absolute failure. The geographical location in which the war took place is generally semi-desert and hot which is a totally dissimilar environment for an army based on highland "Indian" soldiers. The enervating heat and epidemics were favourable factors for the enemy who was used to living in these conditions. Besides, the long distance for supplying the soldiers, the poor or non-existent road and railway systems placed the

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Bolivian Army at a great disadvantage.[20] In addition, the presence of

Bolivian state institutions was negligible. Thus the area in dispute was

unpopulated by civilians with the exception of the ethnic group in that area

who never felt part of the Bolivian state (Albó y Barnadas, 1990).

The war was, in reality, an initiative of the President in total disagreement

with his Military Council. The latter had assessed the proposed campaign and

advised Salamanca that a long term preparation was necessary, and that

immediate action would be counterproductive. Salamanca, in response to this

advice, rapidly dismissed the military officers and brought in others who were

closer to him. In fact, the Chaco War was tailored in such a fashion that

Salamanca could justify a full-scale war. The President had already mobilized

the troops when he announced that Paraguayans had invaded the country.

Indeed, it was Salamanca who initially gave the order to invade Paraguayan

frontier posts. When Paraguay recaptured its posts, Salamanca proclaimed

the action as horrible foreign aggression. The Bolivian President left no choice

but to continue with the war.[21] This mismanagement later led to fatal

disasters and to Salamanca's end.

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[20] The inadequate conditions for war is briefly and well described by J. Valery Fifer (1990).

[21] The fact is that since there was such opposition to a war, Salamanca assaulted a small Paraguayan garrison which retaliated, a really minor incident which was routine in the last 40 years. This incident was exaggerated, distorted and spread as a foreign aggression against Bolivian honour.

Second, Salamanca missed his most important target. The government used the state of war and the compulsory civil service to seize leftist and labour union leaders and Quechua-Aymara leaders who had engaged in previous social movements, and sent them to the front lines, or to jail or exile in mass (as was the case of Tristan Marof, Porfirio Diaz M. and other intellectuals). It is clear that Salamanca eagerly desired to dissolve the leftist parties and organizations. The organized masses and leftist leaders proved that they could survive the test of the times and were not extinguished by Salamanca. The effect of such an initiative was exactly the opposite of what was desired: new doors were opened for the Quechua and Aymara communities and popular sectors strategies.[22]

Third, the national frustration. The bitter results of such an absurd war involved more than 70,000 people. Ten thousand soldiers (mainly Indians) were taken prisoner by Paraguay's army. Andean societies keenly suffered the loss of 14,000 lives in the war. Thirty-two thousand sick and wounded had to be evacuated. Six thousand Bolivians who were sceptical of the war deserted the Bolivian Army and escaped to Argentina, while only 7,000 soldiers remained at the end of the war (Fifer, 1972). Bolivia also lost a

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[22] In addition to the above, the caste hierarchy of Bolivian society was reflected in the military, for a high percentage of those most affected were from the indigenous population. Officers were whites, sub-commands were lower-middle class and mestisos, and front- line soldiers were "Indians". The populist sectors and leftist leaders were also in the front lines.

substantial geographical area and its only route to the Atlantic via the La Plata River. All of these factors had an impact on Bolivia as a country of losers.

Obviously, the negative effects were not equally shared by all Bolivians. Since Aymara, Quechua and Guarani[23] conscripts were the main pillars of the front line, they also bore the full weight of Salamanca's wrong initiatives. From the beginning, the method of "Indian" recruitment was in the colonial fashion by force. They neither understood the Chaco problem, nor what they were about to fight for. The abandoned families and children in the communities had no support at all from either State or hacienda. It was only after the war that the organized widows achieved the right to welfare benefits.

One of the worst effects of the Chaco War was the diaspora which destroyed one of the most fascinating ethnic groups: the Chiriguano-Guarani. They lived in the Chaco area, unknown to most Bolivians. Overnight, the Chiriguano-Guarani people saw thousands of armed men wearing strange uniforms taking positions on their land and forcing them to supply foodstuffs and information about the region. In fact, both armies used them as spies or guides. Both sides forced them to turn against their brotherhood and become

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[23] The Guarani people belong to the Guarani-Chiriguano ethnic group that settled in the Chaco region. In the 19th century with the creation of Republics several the Guarani were separated by Argentina, Paraguay, Brazil and Bolivia boundaries (Meliá, 1988).

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enemies since both countries captured them into "their" boundaries and cornered them into a war that was not theirs (Pifarré, 1989).[24] Most of the Chiriguanos were compelled to escape, mainly to Argentina, others to Bolivia and Paraguay. Clearly, both the Bolivian and Paraguayan armies precipitated the dispersion of this ethnic group.

However, unfair as this war was to Quechuas, Aymaras and poor urban-mestizos, it should be realized that in the confined territories of the Chaco Boreal were peoples with another culture, language and history (Albó, 1989) who were even more affected. While all this carnage was taking place in the Chaco fields, soldiers and young officers became deeply disillusioned and began to question the morality of the oligarchic parties that forced them into this absurd war. In such frustration, still in the midst of the war, several young military officers realized the tragic significance and falseness of Daniel Salamanca's initiative and became openly disobedient.

The chaos in the Chaco fields of war forced Salamanca to go there in person and impose order in the lines. On November 27, 1934, the young officers (among them, Peñaranda, Toro and Busch who, after the provisional government of Tejada Sorzano, would take power) seized the "symbolic man" in Villamontes and forced him to resign. Salamanca, as prisoner of his

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[24] I am deeply indebted to Albó, Pifarré and Meliá for the priceless works about the Guarani-Chiriguano.

destiny, was sent home to never again become involved in politics. He died there just one year later. Salamanca's life ended without glory and without power.

The "symbolic man" was the last attempt of an oligarchy that was falling apart and used the war as its last resource to regain power and extinguish the mounting forces that were rising against it. When Salamanca died, the old oligarchic structures were buried with him, simply because the Chaco war had unleashed social organizations that powered the social, economic and political forces that had arisen from the protests against prevailing conditions.

Comments

Throughout this Chapter it is demonstrated that the mining oligarchy and the hacienda constituted the dominant structure in Bolivia's development at the beginning of the present century. As such, the mining oligarchy developed an economy of enclave (investment concentrated in mining centres) with large number of "Indian" communities, surrounding the mining camps and urban centres, to supply cheap labor and agriculture products. Also documented is the role of the hacienda as the most detrimental instrument of conquest, domination and exploitation of ethnic territories. The situation generated by

both mining oligarchy and hacienda (in control of the state) engendered the conditions for the emergence of popular movements (organized labor, "Indian" community revolts and University students). The numerous rebellions of Quechuas, Aymaras, Urus, Guaranis and other ethnic groups were the expression of cultural resistance and political struggle against the hacienda and the state, while the organized labor and middle classes emerged as political responses to the social and economic disparities. These popular movements (communities-unions) are seen as the roots for the destabilization of the constituted power. It is demonstrated that the mining oligarchy and the hacienda represent a pervasive force against the indigenous nations and the poor urban sectors in Bolivia. The Chaco War is found to be a destructive oligarchic initiative in its typical anti-ethnic and anti-popular behaviour.

CHAPTER TWO

THE 1952 POPULAR REVOLUTION: AN ACCUMULATIVE

PROCESS OF ETHNIC COMMUNITIES AND UNIONS

In this Chapter the emergence of the innovative popular movement after the
Chaco War is discussed. The Chaco War veterans acknowledging their social
and cultural conditions and perceiving their potentialities became a new political
actor that contributed to the strengthening process of Aymara, Quechua,
Guarani and other ethnic communities. The birth of the left political parties is for
the first time, in Bolivian history, a significant factor that contributes to the
popular movements. Finally, presented is, the merging process of "Indian"
communities and the organized labor movement that defined clearly their
strategy as the social basis for the 1952 Popular Revolution. This process
created the conditions for the implementation of a popular development and a
multiethnic state.

A) The Experience of *Socialismo Militar*: a result of Chaco War's Failure

In 1934 Tejada Sorzano was head of a transitional government and the war   .

continued for another year. The army meanwhile carried out a reorganization

and was led by new military officers and achieved some important victories, recovering some of the lands taken by Paraguay. But, the government was more concerned with making a peace treaty and ending the war. The peace treaty between Paraguay and Bolivia was finally signed in 1935.

Once the Chaco War was over, the veterans of the Chaco war developed a number of organizations to claim their rights (pensions, financial compensation for injuries, etc.). In September 1935, their major achievement was the cross-country organization of (LEC) *Legion de Ex-Combatientes* which acquired legal recognition by the government. In a very short period, the LEC became the largest organized social force in the country. The LEC, led by urban lower middle class military officers with a huge component of "Indians", injected new energies into the popular movement. Thus, through the LEC the people from the rural areas opened a new door to their social participation and citizenship. The "Indians" also realized that they had more legitimate rights than the Creoles or whites since they had defended the country with their blood (whatever that meant). Besides, the young military officers, those who had seized Salamanca, constituted the critical voice of the frustrating war, and questioned the economic, social and political foundations of Bolivia. Indeed, some of the young officers who supported and joined the

LEC[1] went so far as to represent their interests.

The Chaco War not only opened a space for popular movements, it also set the appropriate conditions for the emergence of the most important leftist parties of the first half of the 20th century. Such was the case of the Revolutionary Workers Party (POR) founded in 1934, the establishment of the Revolutionary Left Party (PIR) in 1940, and the birth of the Nationalist Revolutionary Movement (MNR) in 1941.[2]

Besides the new social phenomenon, along with the veterans' organization and the new left party, was the creation of the peasant unions in the countryside. In 1935, the first unions were formed in the high Valley of Cochabamba. Those unions were precisely led by an ex-combatant of the Chaco War (Rivera, 194). For the peasants, their participation in the war gave them the right to use the land and to achieve their freedom (I will return to this topic later).

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[1] German Busch with his remarkable and audacious abilities in the war was recognized by the LEC as "the Hero". Later the LEC remained the backbone of Busch's constituency.

[2] The social dynamic in the post-war period was so intense that it generated a large number of new popular organizations and political parties. These political forces could be grouped in two main lines: (a) class-oriented parties that focused their analysis on the Marxian tradition, most of which were aligned with the II, III, IV International Communist movements. (b) The "Nationalist" view that focused on the contradiction of "nationalism-imperialism".

Similarly, the working class re-established its organizations and in May 1936, a general strike for workers' demands was declared by the unions organized in the FOT. The government was unable to respond to such demands since oligarchic parties were in disarray. The strike was turning into a social movement. Large demonstrations were taking place across the country, especially in La Paz; it was so powerful a movement that the main police garrison was under the control of workers. Finally, after several days, the young Colonels, David Toro and German Busch, (who had seized Salamanca in the Chaco War) supported by the leftist parties, the union leaders, and overall by the LEC (and through them the countryside communities) announced a coup. On May 17, 1936, the *Junta Militar* de Gobierno of Bolivia, led by David Toro installed the unique experiment in Latin America, namely: *Socialismo Militar*. For the first time in this century, the popular masses felt the enthusiasm of participating in Bolivia's destiny.

The new government's adopted a popular development program, although the first cabinet of ministers represented a wide range of social and economic interest. The first achievement of the organized workers, under Military Socialism, was the creation of the Ministry of Labour with its first minister, the radical Marxist leader of the Printers Union of La Paz, Waldo Alvarez. He then formed a working team with the best known Bolivian Marxist and top Bolivian labor leaders. This first action of Toro's government was supported

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by a massive popular demonstration in La Paz, in which Toro proclaimed:

> Our doctrine has been born in the sands of the Chaco; in the trenches
> were civilians and military men who shed their blood for the nation,
> giving it the maximum sum of their energies and sacrifices. It was
> there in the Chaco that the ideology of our present revolutionary
> movement was crystallized. And this ideology has as its aim, not the
> enthroning of civilian or military caudillos, but rather the demand for
> rightful social justice.[3]

Toro's second major action was the creation of the Ministry of Mines and

Petroleum. This Ministry, in March 1937, confiscated and nationalized the

Gulf Oil Company of New Jersey without any economic compensation. All

properties of the company passed directly to a newly-created state company

YPFB (Bolivian Petroleum Company). This action was the biggest news in

Latin America and was followed by Mexico in the next decade. Under the

same ministry, in the same year, the government created BAMIN (Bolivian

Mining Bank) with the mandate to centralize the purchase and export of

Bolivian minerals. By doing so the government was taking over the economic

activities of the mining oligarchy.

Toro also created a special team to deal exclusively with land tenure issues

and peasant claims. In this framework, the government supported the

initiatives of the newly organized peasants' unions near Cochabamba

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[3] This statement by Toro is quoted in Klein (1969: 233) from the
newspaper El Diario, 26 May, 1936, p. 12.

(mentioned above). The unions of Ocureña and Vacas were able to organize

themselves in units of production in the lands designated by the state;

following the ideas of the *School-Ayllu* these unions established the

Quechua-school that later played a key role in the organization of the union.[4]

Also, in several regions, peasant unions consolidated their organizations and

utilized urban working class methods of struggle, such as strikes and sit-down

strikes against the haciendas. Indeed, the peasant unions began to build

linkages with the urban unions as was the case of the Aymara leader, Marka

T'ula, who was a member of the executive of the FOT in Oruro (Rivera, 1984:

62).

One of the most important events was the First Congress of Quechua-

speaking people in August, 1942 in Sucre, in which the main issue addressed

was that of claims on property that the hacienda had confiscated in fifty

years of expansion. The congress was organized with the assistance of the

CSTB and the local University leaders.

Meanwhile, the Ministry of Labour, Alvares and his team drafted the

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[4] The first experiences of creating an ethnic Aymara-school was
in 1931 in Warisata (near La Paz), which the Aymaras, led by several
intellectuals under the direction of Elizardo Pérez, established
successfully as a school model.

obligatory syndicalism for Bolivians.[5] A vital action by Alvares was the organization of the First Congress of Workers, on 25 November, 1937, in Oruro. This Congress was peculiar, in that it had gathered not only labour representation but had included leftist political leaders. The Congress was divided into several commissions and discussed workers' concerns including wages, safety, employment policies and, obviously, anti-oligarchic strategies. Perhaps the major achievement of the Congress was the creation of the Confederacion Sindical de Trabajadores de Bolivia (CSTB) that contained all the forces represented in the Congress. For the next decades, the CSTB would play an established role in defining the social and economic development of Bolivia.

The Toro government realized that these structural changes were incompatible with the Bolivian Constitution expounded by the Liberals in 1880. The government found the *laissez-faire* approach for Bolivian development to be obsolete. In reality, what was in place was a socialist policy with full state intervention in socio-economic matters. Consequently, Toro submitted the proposal to call for a constitutional convention. This development made the oligarchy, still in disarray, feel that their interests were at risk. Quickly, they organized the *Partido Centralist*, led by Carlos Aramayo,

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[5] This particular measure had alarmed several sectors even within the government. Since Alvares represented the radical anarco-syndicalism, they feared that he was building social instruments to replace the party's role as intermediary between the civil society and the state.

the son of Avelino Aramayo (one of the tin barons), but the mood of the

civilian society was no longer receptive to their ideology. However, they had

inherited the experience of manoeuvring power and they kept their aptitude

for penetrating government's structures and influencing their actions.

The normal evolution of events had changed with the arrival of 15,000

prisoners of war (POW) from Paraguay. Overnight, the POWs organized their

cross-country association led by very radical socialist leaders. They

energetically demanded an investigation and judgement of the officers'

behaviour in the Chaco War! It was such a shock in official circles that the

army's unity and integrity were at risk. This affair menaced officials in

power, including Toro, Busch, Peñaranda and others. The POWs were openly

ready to denounce the persons and their responsibility for the number of

failures, as well as for alleged cowardice. Owing to this incident, the

government was forced to make compromises. Meanwhile, the oligarchy

found a rift created by this delicate issue.

After this incident, the endless discussion about the process for the

constitutional convention discouraged popular enthusiasm for Toro's

government. Even worse, the government's compromises with the POWs

and its support in radical sectors generated a reaction among the military

officers. In a tense environment, at the secret top-level meeting on the

evening of July 12, 1937, German Busch let Toro know that the army would no longer support his presidency. That meant a *coup d'etat*. The very next day, early in the morning while the popular masses were still warm and the political leftist leaders kept finding short-cuts to advance quickly to the final victory, Toro suddenly announced that he planned on handing power over to German Busch and he left the country.

At the beginning, all was confusion. The Busch administration temporarily closed the process of the Constitutional convention restoring the old Liberal constitution and welcomed political support from the oligarchic Centralist Party. Busch even hired personnel spilled over from Toro's administration and hired as Minister of Mines and Petroleum a private mining manager. All this was a clear sign of a regressive gesture. The government seemed committed to pave the road to the next election in favour of the old oligarchy and put an end to *Socialismo Militar*.

However, in the fifth month of German Busch's presidency, despite his first political options, he decided to call for the "National Convention" which would also have a mandate to elect the President and Vice President for the following four-year term. The representative structure for the convention was

heavily weighted in favour of the popular organizations and the left.[6] The oligarchy and the traditional parties were stunned and immediately questioned their support for Busch. Busch, in May of 1938, despite the bitter attack of the Centralist Party, inaugurated the "National Convention" which had a strong left wing radical presence. By a big majority, Busch and Baldivieso were elected as President and Vice-President for the next four years. At the Convention, the old liberal *laissez-faire* approach was swept with the predominant idea of the decade: "revolutionary nationalism". The Convention adopted the ideology in which the state is the chief agent for development. As such, it intervenes in all aspects of Bolivia's economy on behalf of people's welfare. However, the main debate at the Convention was around the unconcluded issues, such as land reform, legitimization of the Ayllus (Andean communities),[7] nationalization of the mining industry, the universal vote in general elections, and the extension of education to the countryside. Nevertheless, the Convention's issues marked the Bolivian entry into the very fashionable constitutionalist ideology, so current in the mood of Latin America.

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[6] The Convention had the following representative structure: 4 deputies for the miners; 3 for the commercial sectors; 3 professional; 4 university; 3 teachers; 2 for printing unions; 3 army; 5 LSC; 5 labour unions; 3 "Indians"; 3 landlords; and 3 feminists (see Klein, 1989:272)

[7] Walter Guevara Arze, a lawyer graduated from the University of Cochabamba, submitted a radical proposal suggesting the collectivization of the land within the framework of the Andean culture: communal ownership instead of individual ownership.

In November of 1938, the Labour Code, drafted by Toro's Labour Minister,

Waldo Alvares and the radical leftists, was legislated and delivered by the

Busch government. In terms of policies and laws, this was a major

achievement of the labour movement under Busch. The contents of this

Labour Code are unique and the most advanced in Latin America, except for

Cuba. It outlined Labour's responsibilities in the production process, in the

social formation and in Bolivia's development. The extensive and carefully

elaborated Labour Code was among the few concrete laws that lasted until

1986.

Along with the Labour Code, Busch delivered a number of other popular

decrees including the Family Code that protects women and children in such a

gender-biased society; the government also introduced the health system

reform to enable access for the poor sector to this privileged service; and the

education reform that attempted to extend education to the countryside.

Even more, Busch released an equitable general tax reform. The

nationalization of the mining industry and redistribution of land were yet to be

much part of the discussion, although the Left at the Convention had already

drafted proposals for these matters. In such an environment, the popular

movement and particularly the radical left became the main actors of social

development. The radical left gained consensus even in the middle classes.

It was also the case of the POR (Workers Party), so robust and creative within

the working class, though unfortunately ending divided.[8]

With all the above taking place, the image of Busch was dramatically different, as he found himself an apologist for a socialism that feared the oligarchic interests. The latter already felt bitter, missing its privileges of power for over three years and living under the nightmare of socialization. Thus, they desperately searched for any political outlet and even forgot their differences and formed the *Concordancia* coalition that grouped together the old oligarchic leaders. However, the social movement that was in a process of radicalization was taken over by the parties in which Busch had no trust. With no party, only with the army, the left and unions support, Busch was committed to changes guided by his common sense of social justice and fostered initiatives that set irreversible conditions for a revolutionary phase in favour of the popular masses. It has been said that only the darkness of August 23, 1939 knows whether, imprisoned by his solitude, he committed suicide or was murdered by "unknown" commands that felt threatened by

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[8] The debate within the POR was divided into two sides: the class-oriented ideology on one side and the popular block ideology on the other. With the former, the proletariat ought to lead the social process towards Socialism and Communism, for the latter it was the desire of the working class with the Andean "Indians" and the radical poor middle class (universities, school teachers, etc.) that had to shape a peculiar revolutionary process. Ideological debates with passionate fire along these lines led the POR to its divisions. Tristan Marof, embracing the latter position, abandoned the party and the rest of the POR remained in the hands of Aguirre Gainsborg who shortly died. This drama diminished the powerful presence of the POR in the urban and mining working class.

such innovative combinations.[9] The fact is that Busch's death marked the interruption, at least temporarily, of the social movement and the end of *Socialismo Militar.*

In the following days, Carlos Quintanilla, Commander-in-Chief of the Bolivian Army took power despite the demand of the left leaders (including Walter Guevara, Augusto Cespedes, Hernan Siles Zuazo) to re-establish the continuity of the system through the elected Vice-President, Enrique Baldivieso, becoming President of Bolivia. Instead Baldivieso was put under house arrest by military order. Meanwhile, popular organizations, Andean Ayllus, young army men, veterans and leftist political leaders were dizzy with all kinds of speculation about the Busch tragedy and were unable to force the continuity of such a socialist experiment. This was the right time for the oligarchic group in the Concordancia to act and relieve their paranoic fear of socialization of Bolivia's mines and land. The oligarchies, detesting what had gone before, did not trust in the support of the military officers and called for a general election to restore the civil government, as a condition of their authority. Quintanilla, surrounded by pressures from left and right, decided to call for general elections.

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[9] There is much controversial information and interpretation about Busch's death, and there are convincing arguments on both sides.

B) Peñaranda Restored the Oligarchic Regime and Villarroel Turned the Process in Favour of the Quechua and Aymara Communities

For the Andean ethnic societies, marginalized for over 400 years, *Socialismo Military* had been a fertile ground to foster their claims, although in reality very little was achieved. It was the labour movement and the leftist parties that took advantage from such regimes. However, the 1940 elections showed the changes in the electorate. The Left might have had a strong presence among the popular masses and a well-designed program, but it lacked a solid structure and leadership, while the traditional parties united in the Concordancia had, all at once, leadership (Peñaranda); structure (Concordancia coalition); and program (restoration of oligarchical system). However the Concordancia missed the popular support, it was under the control of the left tendencies. Nevertheless, the popular support was not a concern for the traditional parties, since the popular masses did not have the right to vote in the elections.

Surprisingly, the radical left candidate, José Antonio Arze, who once worked with Alvares on the Labour Code, in a rush organized the FIB (Bolivia Leftist Front) based on different factions of leftist groups and campaigned for only a few weeks before the election, but gained over 10,000 votes out of 58,000. This meant that the Left was largely penetrated by the old oligarchic

constituency: the urban middle and upper class. Although Enrique Peñaranda, candidate for the Concordancia, gained the Presidency, the Left coalition controlled the Congress.

Peñaranda, as soon as he came to power, submitted a development plan in the very old style of the Republicans and Liberals: extensive road construction; electric power; enhancement of railways; agricultural development, etc. The plan relied on domestic investment but above all on foreign capital, either direct investment or credit lines. Obviously, the USA was approached by Peñaranda but the former laid conditions for any dialogue to solve the indemnification of the Gulf Oil Co. This was anachronic for a parliament under the control of those who nationalized it. However, the USA desperately needed to establish a relationship with Bolivia, as World War II was shaping the international scenario. Thus, the USA and Bolivia compromised: Bolivia selling its tin at the lowest-ever price of 52 U.S. cents per pound (Malloy, 1970) and the United States purchasing the raw material and granting tied credits.

Given the previous context, the elections and the control of the Congress made the Left believe that with some work they could regain power. I will describe briefly the two most important parties at that time (the third party, the POR was in an earlier footnote): the Revolutionary Leftist Party (PIR) and

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the National Revolutionary Movement (MNR).

The PIR was founded on the 25 of July, 1940. The founder belonged to the tradition of struggles that embodied the FUB (see above). The main leaders came from the middle class and the well-educated whites, including José Antonio Arze, Ricardo Anaya, Abelardo Villalpando. Their principles and programs were carefully written within the framework of Marxist-Leninism, thus deeply anti-capitalist and anti-oligarchic. The agents for change, according to them, were the exploited working classes (whatever the ethnicity or race) given voice by a program and leadership by the party. Their development program included full-scale land reform, nationalization of mines and a strong state intervention in macroeconomic variables and social welfare. The PIR suggested changes in the structure of the Congress which to them was obsolete (it would have to be organized by socio-economic activity rather than geographic areas) and proposed a government integrated by boards of revolutionary technicians. With respect to the "Indians", they suggested the formation of a "limited self-government" and a self-sufficient agricultural program based on the land reforms.

The MNR, born in January 1941, from the beginning had a vague identity, the cohesive factors being the attacks on Peñaranda and the defense of gains under Toro-Busch (some of the MNR members had already participated in

these administrations). There was no consensus whatsoever about what revolutionary nationalism meant. This imprecision was reflected in the lack of a coherent program. More important than ideology or program were the slogans, such as "against the false democracy", "no to the pseudo-socialism", "let's consolidate the state", "economic liberation for Bolivian people" and others. The MNR ambiguously mentioned the land reform (Malloy, 1970).

The social background of the original MNR was middle class, literate and white, as shown in the following table:

MNR's Militants Social Background

Name	Birthday/Region	Occupation
Victor Paz E.	1907 / Tarija	Lawyer
Hernan Siles Z.	1913 / La Paz	Lawyer
Carlos Montenegro	n.a.	Journalist
Fernando Iturralde	1914 / La Paz	Lawyer
German Monroy B.	1914 / La Paz	Lawyer
José Cuadros O.	na. / Cochabamba	Journalist
Walter Guevara A.	1912 / Cochabamba	Lawyer
Augusto Céspedes	1904 / Cochabamba	Journalist

Source: Christopher Mitchel (1977: 18)

Obviously, the left parties, including the MNR, had a dialectic relationship in its task to capture the already organized popular sectors. The perennial accusation between the PIR and MNR was: the PIR considered the MNR

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opportunistic and carriers of dubious principles. The MNR was also accused of being incapable of taking a serious analysis of Bolivian reality. The MNR considered the PIR as a theoretical party unable to understand Bolivia due to their foreign dogmas. With these arguments they fought for consensus among the people. It is correct to state that at the birth of the MNR they had NO presence in the working classes and less in the union leadership. Both the POR and the PIR were the stakeholder of the labour movement, but with the crises of the POR, the PIR gained the openings left.

The Congress election in 1942 turned out to be the headache for the oligarchy and an uplift for the new left parties. The left (MNR, PIR, POR,) received 23,402 votes and the Concordancia 14,063 (Klein, 1980). This gave the Chairmanship of the Congress to Paz Estensoro of MNR.

In December 1942 the miners in Potosi, Oruro, Catavi and other mining centres, organized powerful strikes demanding an increase in wages (impossible with such a low price on the international market and Patiño's profits), and enforcement of the recalled Labour Code (which was too progressive for an oligarchic government). Peñaranda quickly sent his army troops to the most important mining centre, Catavi, and forcefully intervened killing a couple of dozen miners. By January of 1943, 9000 people had organized a peaceful demonstration requesting withdrawal of the troops from

the work sites of the miners. Peñaranda's response was to shoot into the unarmed crowd! Obviously, Congress furiously attacked the government and complained against the crimes in Catavi, they quickly requested detailed information from the government. The government answered with a cynical report in which the death of 39 people who had provoked the army was recognized. The only detail is that the government somehow forgot to include the last digit of this figure, and justified the army's stand. Instead, the government bore down heavily on the PIR, accusing them of introducing Communist ideas and bellicose methods into the miners' thinking.

The already angry Congress ordered that an investigative committee be formed by seven deputies. Meanwhile, the government closed the parliament for "vacations". While all this took place, the PIR had organized its First Congress in Oruro, although unfortunately it could not reach its conclusion; civilian paramilitary forces brought from Cochabamba with government involvement violently interrupted the Congress and imprisoned all participants. Two months later, Congress was re-opened more vociferously than ever before, with the issue of Catavi heatedly forcing the entire cabinet, including Peñaranda, to attend the interpellation. José A. Arze challenged the government and requested legal punishment for the authors of the Catavi massacre, which, in essence, meant the resignation of the government. The POR was even more direct and asked for the immediate resignation of the

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government. The MNR exploited the issues fruitfully in long and well-elaborated speeches and they promoted their image through the media, linking the Catavi incident with the national problem, the role of the oligarchy with imperialism; and linking Peñaranda and the Rosca with Bolivia's underdevelopment. After three hectic weeks, Congress finally heard the long, emotional and bitter speech of Paz Estensoro:

> ... We, the deputies of the *Movimiento Nacionalista Revolutionario* are not simple commentators on the political situation. That is the task of historians. We are militant politicians, and we prefer to make history. For this reason, I declare, honourable representatives, that if General Peñaranda and his ministers are not condemned for the massacre at Catavi, the Bolivian people will have riveted the chains of their slavery.[10]

And Congress voted against the government's responses, and Peñaranda was forced to dismiss his entire cabinet. The massacre of Catavi (the third in the last two decades) became a symbol of the class struggle and turned the miners' movement into the vanguard of the popular struggle.

Simultaneously, during all these discussions by Congressmen at the military academy in Cochabamba, a combination of POWs, pro-Toro-Busch officers and young generals had secretly formed *Razon de Patria* RADEPA (Patria's Reason). This group developed an accord with MNR executives and together,

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[10] This speech is cited in Klein, 1969: 365.

in the early morning of December 20, 1943, kidnapped Peñaranda and his ministers and carried out a successful coup d'etat, placing General Gualberto Villarroel as head of government, without bloodshed. The MNR had several key positions on the executive including the Ministry of Finance: Paz Estensoro, Agriculture: Julio Zuazo, Labour: German Moroy.

The strategy for development was quite similar to the Toro-Busch program. Under the economic reform, 60% of mineral exports had to be sold to the state at fixed prices; the government set the exchange rates and implemented protected tariffs for the infant domestic industry. The main concern of MNR was the diversification of the economy, though very little was achieved in this regard. In this reformist program was not even mentioned the nationalization of the tin mines nor of land reform, which should have been expected from MNR's populism.

For the development of the ethnic groups, particularly of Quechuas and Aymaras, Villarroel's regime was an important political context. During this period the "Indian"-peasant adopted the unionization as a new method of organizing their struggle, especially within the haciendas. These new organizations very quickly flourished across Bolivia's Andean region.

The successful organization of peasant unions had different sources of

influences in their evolution: (a) the contact of Andean-community people with labor unions' leaders in the Chaco War (Rivera, 1984); (b) the migratory pattern from the communities to the burgeoning mining centres (Escobar, 1986)[11] (c) their migratory experience to the zafras of northern Argentina where unions used to be more developed (Albó, 1990); and (d) the community leaders relations with activities of Bolivian leftist leaders who were interested to capture the "Indian" masses (Klein, 1980). It is fair to say, though, that not all the peasant unions had all these sources of influence nor did they develop the same methods of struggle in that period. The peasants combined different methods of struggle in accordance with the current context. In the case of the communities where the hacienda had taken over their lands they used the revolts, in places where the hacienda was already established, and unions implemented "sit-back" strikes and other methods. Therefore, the union in the Andean communities was the syncretism of working class methods and Andean culture. One of the special characteristics of unions among Quechuas and Aymaras is that the union represented the whole community-Ayllu rather than just the agricultural producers. Indeed, after 1930, the Ayllus adapted the unions (sindicatos)

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[11] Filemon Escobar has been one of the predominant of miner leaders since the Pulacayo Congress (1944). As a miner leader he has been contributing intellectually to the analysis of Bolivian peculiarities and proposing controversial political theses. In his book La Mina Vista Desde el Guardatojo (1986), he argues the reciprocal relationship between the Andean Communities and the mining centres: the miners are proletarians in appearance but "Indians" culturally and the miners influence their home communities with a set of values and experiences in the mines, i.e. the social organization and methods of struggle.

within their traditional structures and the sindicatos were converted into local governments.

The *Segundo Congreso de Quechuas* in Sucre in 1944, was the manifestation of the above. The PIR, which dominated the CSTB and the local FUBs, made the clever suggestion to incorporate in the structure of all unions a Secretary of Indian Affairs which aided the strengthening of the Andean Unions specifically for this Congress. It was in 1945 following two Quechua congresses, that the Congress of Quechuas and Aymaras[12] was organized. Over one thousand traditional authorities (several of them involved in unions) from the Andean communities gathered in La Paz with the government's support, especially the MNR. For the first time in the history of the Republic, the "Indians" were walking through the forbidden streets of the oligarchic neighbourhood of La Paz, an action obviously detested by the whites. The Bolivian President, Gualberto Villarroel, inaugurated and closed the Congress, and at the end read several decrees in the native language of the Quechuas. Among the most important were the abolition of the *pongueaje* (free indian service to the hacienda);[13] the free transit of "Indians" through the main

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[12] These two ethnic groups alone account for two-thirds of the Bolivian population.

[13] The pongueaje, inherited from colonial times, was imposed by the hacienda. The colonos ("Indians" living on the landlord's property) in order to cultivate a portion of land had to work without pay for 50% of his time - for the benefit of the hacienda. Tasks included hard field-work plus domestic services such us cooking, cleaning, transporting goods, etc. (Albó; 1990)

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squares and streets of the cities, and the order for the haciendas to finance and set up schools. After the Congress, several "Indians" considered Villarroel as a reincarnated Inca.

After the Congress (still in 1945) 20 haciendas' pongos organized a sit-down strike in the highlands near Oruro which was followed by a chain of similar events in Cochabamba, La Paz, Los Yungas etc. The demands of these movements were basically to compel compliance with the agreements in the Congress, specifically to: stopping the abuses of the hacienda; the right to purchase land either from the hacienda or the state; and the duty of the hacienda to set up schools in the rural communities. These objectives, as Albó noted, were far less aggressive in demands than the land reform or redistribution of land as was called for by the Left over the last twenty years. In some communities, after the Congress, leaders encouraged their bases to be armed (it should be taken into account that the "Indians" took weapons with them after the Chaco War was finished).

Another social sector that flourished in the Villarroel-MNR regime was that of urban and mining labour. The mining sector especially had enjoyed relative freedom for recreation. In 1944, in their third attempt at the mining centre of Pulacayo, the miners finally accomplished the organization of the power Bolivian Miners' Union Federation (FSTMB). The Pulacayo Congress, after a

week of intense debate, approved a political document along the very framework of the POR. It called for the nationalization of the mines and redistribution of land and adopted the armed struggle as the pertinent method for the working class and the achievement of their strategic objectives. The MNR, in its attempt to capture the mass organization, supported the miners' Congress and established a link with the new executive leader of the FSTMB, Juan Lechin Oquendo, who originally belonged to the POR faction.

While domestically, the social forces were being reactivated, the government of Villarroel faced an international blockade led by the U.S.A. The government announced that Bolivian tin would be sold to the best price offer. By doing so, Bolivia broke the trade-off to which it was previously committed, in other words, to sell the raw material to Germany. Though it never happened, because no matter how pro-Axis the Villarroel government may have wished to be, the realities of international developments by early 1944 forced the recognition of the supremacy of the United States and the inevitable victory of the allied forces (Klein, 1969: 372). Instead, Villarroel dismissed the MNR's militants from his cabinet of ministers since they were accused of adopting fascist ·ology. This was the USA condition for any relationship with the Bolivian government.

The drama of 1944-1945 marked the tragic process for the end of the PIR as

a political expression within the organized labor. This party had concentrated

its artillery against the current regime based on its criticism of the MNR,

mentioned earlier; and on the regime's willingness to sell Bolivian tin to

Germany, which was sufficient reason to accuse the government of fascism.

The PIR, as loyal as it was to the USSR, operated on the lines of the

Roosevelt-Stalin-Churchill "Lend-Lease" agreement signed in 1941. Thus, for

the radical PIR, the MNR's anti-imperialism was anachronic and proved to be

pro-fascist. In 1946 the PIR mobilized the unions in La Paz and furious

masses destroyed the gates of the government palace, killed Villarroel, and,

with passion, hanged the President's corpse from an electric post in the main

square of La Paz. The aftermath of this drama was the end of the PIR which

agonized in alliances with the oligarchic parties. The young generation of the

PIR, ashamed of such mistakes, splintered from the party and later formed the

Communist Party.

C) The Sexenio: The Merging Process of The Ethnic Communities and the
Organized Labor

> In MNR martyrology, the years from July 21, 1946 to April 9, 1952 are
> known as the Sexenio, the period when the faithful were persecuted,
> killed and driven into an exile from which they ultimately were to return
> triumphant (Malloy, 1970: 127).

This assertion is quite similar to the gospel of St. John's post-resurrection wherein the life of Jesus "was seen" through the resurrection. Similarly, the MNR saw everything through the 1952 Revolution. Fortunately, the exegesis views the events more critically and sets them in the proper context.

After the death of Villarroel in July 1946, the Republican and PIR took control of the Bolivian government. The regime was hardly in control; for revolts, strikes, repressions, violence and bloodshed became part of the nature of things. The civil society was so much in crisis that in the sexenio, governments and ministers changed on average once per year.[14] It was difficult, if not impossible, under those conditions to design any development strategy for the country. The only idea shared by the majority of government officers was the restoration of the oligarchic order and the desire to overcome social instability.

It was not long until the unions launched a wave of mobilizations. By January, 1947, the miners in Catavi, Potosi and Oruro were on strike, demanding, once again, the enforcement of the Labour Code (Toro-Busch), especially since enterprises, due to the drop of tin prices in the international

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[14] It is tedious to track the purposes and methods of each of the Bolivian presidents and ministers. However after Villarroel, the military junta took power (1945-1946); later came Enrique Hertzog (1947-49); Mammerto Urriolagoitia (1949-1951); Junta Military (three Presidents - 1951-52) and the MNR, 1952.

market,[15] fired workers without compensation and neglected any wage increments. The movement was followed by another massacre at the Catavi mining centre (Patiño's enterprise). The irony of this massacre was that the bloodshed in Catavi took place under the orders of the Marxist-Leninist PIR Minister of Labor. The government overstated MNR's presence in the strikes in order to justify the exile of several top MNR leaders. For most analysts, this was an act of retaliation to the MNR's repressive practices against the PIR during the time of Villarroel. However, the Catavi massacre was the end of the PIR as a powerful leftist party and its links with the labor movement.

After the Quechua-Aymara Congress (1946) the *casiques* and union leaders let it be known, community by community, that the *pongueaje* was abolished, and several leaders organized long "Inca's Trail" trips throughout the Andean region of Bolivia to give out the time of the final struggle. For the communities, this meant the end of five centuries of slavery and the right to recover their lands taken by the hacienda. Across the highlands and valleys the message was well perceived and accepted. Six months later (January, 1947) the chain of revolts were unleashed. The revolts of 1947 appeared to be the largest since the 1781-88 Andean revolts. It was even larger than the

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[15] After World War II ended, the price of tin dropped as in a vacuum because the U.S.A.'s reserves of fine tin were large enough to last several decades. The International Tin Council in London was forced to call for a slow-down of production by its member countries, in which Bolivia had a key position.

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Andean Revolt of 1937.[16]

The most important focus of the revolts in 1947 were in Ayopaya
(Cochabamba) where 10,000 armed community Indians, along with the
miners unions of the same region, invaded the haciendas and took by assault
the lands that had previously belonged to them. The rebellion in the Province
of Los Andes (La Paz), led by Aymara Andean peoples extended their control
over several other provinces including Pacajes where the rebels blockaded the
La Paz-Arica railway. The Los Andes revolt also incorporated Coro-Coro
miner unions. In La Paz the first May Day parade had been the occasion for a
massive presence of Aymaras, and several speeches were delivered in their
native language (Rivera, 1984). These revolts were smashed by the army's
war-planes, paramilitary corps and civilian police. The arable lands of the
communities became pools of blood. The government (Republicans-PIR) was
forced to use every option available to stop the advance on La Paz by the
"Indians".

The government became paranoid. In well-mounted propaganda, it accused
the MNR of being behind all these movements with Communistic intentions.
The government saw MNR ghosts everywhere, in any social movement, and

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[16] It would be overwhelming to enumerate the long string of revolts in
this period. Silvia Rivera, Hugo Romero, Luis Antezana and others compiled
interesting information in this regard.

the government even equated MNR with social unrest. The MNR did not really deserve such a high compliment. However, this is precisely what the MNR needed, because its own means were insufficient to mount such a wide campaign identifying them with the interests of the popular sector.

Meanwhile, in 1947, the MNR suffered a metamorphosis. Its physiognomy changed from a middle class reformist faction to a confused multi-class radical party. As mentioned before, the MNR initiated contacts with the mining leadership after the Pulacayo Congress. It was Juan Lechin Oquendo, along with FSTMB leaders, who, with their radical ideology "critically" joined the MNR. From the First Indian Congress, the MNR gathered support from some Indian leaders to join the party. Similarly, radical students were incorporated into the party. The MNR's programmatic contents, already obscure, were more confusing then ever. The MNR had to speak several languages with different ideologies, cultures and interests.

Several elite members of the Party disregarded this metamorphosis, especially those whose wealthy families were linked to haciendas and the mining oligarchy. For them, the changes were too far to the left. They especially neglected the Andean-Indian integration. However, by the end of the 1940s the MNR had three main trends: (a) the right wing reformists in charge of the Political Committee based in La Paz; (b) the left wing faction with a strong

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presence in the labor movement led by Lechin and others, either in exile or clandestinely; and, (c) the nationalist populist faction, mainly in exile, headed by Paz Estensoro (Malloy, 1969). Thus, it was the exogenous factors (the political repression, the presence of a radical left wing and overall the popular mobilization) that forced the MNR to adopt an inappropriate radical and revolutionary ideology. Despite right wing beliefs, the MNR of the late 1940s was more in control of the leftist leaders who represented the powerful social movements. Further, the MNR was even forced to adopt the armed struggle as a valid method to take power.

In August of 1949, an impressive popular armed uprising occurred. This was one of the few social multi-class and multi-ethnic revolts. Several capital cities were seized and controlled by the populace. A provisional government was even installed in Santa Cruz, headed by Hernan Siles Zuazo (one of the most important leaders among the nationalist populist leaders of the MNR). La Paz was the only important city in the country to be captured. The main battle between the armed factory workers and the army took place in the poor neighbourhood of Villa Victoria (La Paz). After several days of combat, the army with air and heavy artillery and special units put down the revolts which resulted in bloodshed, but temporarily re-established order in the country.

The social pressure was such that the government was forced to resign and call for another general election. In May of 1951 the MNR alone gained 30,000 votes out of 54,000. To this apparent electoral victory the oligarchy and PIR responded with an auto-coup d'etat to avoid MNR's accession to power. The government was transferred to another junta militar headed by General Hugo Ballivian who annulled the elections. Facing this situation, to all observers it became evident that the MNR would now attempt to take by force what it had been denied at the polls (Klein, 1980: 225).

This conflicting process through the first half of this century provided the basis for the expression of thought and voice by the popular classes, which was slow, long and painful. The role of the left parties in the formation of the popular block was significant specially the PIR, POR and the anarchist-syndicalism that introduced new theories to the leadership of the popular classes. The contribution of the MNR to the popular articulation was marginal. The *movimientistas* desperately ran behind the organized workers, the restless Andean communities or middle class leaders to sell their borrowed ideas in order to capture and involve them into their activities. However, the popular block's strength in the sexenio was the result of the popular organizations' long struggle, rather than MNR's definition. The role of the MNR (at least as an organized party) within the popular sector emerged at the end of this process. Clearly, MNR's presence in the popular sectors was due

to the mistakes of the PIR which left an enormous political gap, the deterioration of the radical POR which confined its activities to the working class; and, thanks to government's repressive action and propaganda, made the MNR appear leftist and popular.

Finally, on April 9, 1952, the factory workers declared a general strike and challenged the power of the military government. The clandestine CSTB, FSTMB, and other unions from the underground, supported the general mobilization. In La Paz, Siles Zuazo coordinated the violent uprising concentrated in the poor neighbourhoods. A faction of the government's armed forces, under the chief military officer, Seleme, turned back and distributed weapons and ammunition to MNR's special armed groups and unions. The intense battle horrified La Paz. After three days of civil war, the popular forces were crushed, and many of the leaders formed long lines at foreign embassies seeking asylum. Once again, all appeared to be lost. But, the miners unions (led by Lechin) overran the garrisons in the mining centres, advanced to Oruro to take several garrisons in that city; and, en masse, entered La Paz in an irresistible march of triumph. The oligarchic army could no longer withstand the popular storm. The miners, followed by factory workers, students, teachers, women and the Andean masses captured Government Palace. On April 12, 1952 came Bolivia's Social Revolution.

Comments

In this Chapter it is shown that the Chaco War, as a failure of the oligarchic Creoles' last attempt to preserve control over the state, unleashed social forces that survived as both oppressed nations and exploited classes. As such, the unions acted with a class struggle orientation while the "Indian" communities resisted and struggled with cultural-ethnic identity. Thus, both dimensions, community and class, were the pillars for the 1952 Popular Revolution. Historically, the praxis and functions of unions and communities are not contradictory nor separated from each other. As shown, most of the workers in the mining sector came from the communities and due to their cultural and family ties they have influenced and stimulated unions in their communities. The Chaco War strengthened this relationship among classes and ethnic groups. Visibly, in 1952, the labor unions and the "Indian" communities were the nucleuses that defeated the oligarchic-feudal model of accumulation and opened the possibilities for a popular development and multiethnic state.

CHAPTER THREE

THE ACHIEVEMENTS OF THE POPULAR MASSES AND MNR'S

WITHDRAWAL FROM THE REVOLUTION

Previous chapters presented the social, economic, political and ethnical development within the oligarchic-feudal model of accumulation of wealth. Such a process had its origins in the last quarter of the past century, reached its climax in the 1920s, then deteriorated and collapsed in 1952. The 1952 Revolution was shown to be a product of circumstances generated by the organized social forces rather than by the intention of those who took power after April 1952.

What changed with the 1952 Revolution? Who were the main actors for such changes? What was the outcome for the most marginalized and oppressed segments of Bolivian society? How did the revolution benefit the ethnic societies? This set of questions provided the guideline for this chapter.

A) Between Pragmatism and Popular Development: Twelve Years of Struggle Between COB and MNR

During the social and economic development in the following twelve years

after the Popular Revolution (1952-1964), Bolivians experienced, on the one

hand, the strategic accomplishments of the popular classes and the struggle

to preserve what they have gained, and on the other hand, the experience of

the multi-headed MNR in managing the state apparatus.[1]

The working classes had already established the historical break when the

MNR arrived to share power with the leaders of the mass popular

organizations. Consequently, a co-government of the union leaders and the

MNR was installed. The power structure remained with three radical labor

leaders in the new cabinet of ministers[2] while the rest of the ministries were

taken by the right wing and the pragmatic reformists. Thus, the "pragmatic

centre" of the MNR (as defined by Malloy, 1970) controlled the government

for the following dozen years, adopting a wide range of alternatives, using

different means including violence to remain in power, and accommodating

themselves to the left or right according to the social and political correlation

of forces. However, as soon as the MNR got to power the differences among

factions of the party flourished, searching pragmatically for power positions

[1] As a background, it is useful to list the most important national events in the first years after the revolution. In 1952: the organization of COB on April 17; on May 7, the *Colegio Militar* was closed since the worker and peasant militia were in place; in June, universal suffrage was decreed, opening the possibility for the "Indians" to vote; October 31, the mines were nationalized; in December, the workers won control over the mining and petroleum companies, workers in assemblies elected their representatives for managerial positions; on August 2 1953, land reform was decreed; in November 1953, the USAID-Bolivia agreement was signed; in 1955, the educational reform was decreed and in the same year, in July, the *Colegio Militar* was re-opened.

[2] The labor ministers were: Juan Lechin (chief mining union and COB executive) as Minister of Mines and Petroleum; German Butron (workers union in La Paz) as Minister of Labor; and Ñuflo Chaves (student leader linked with peasant unions) as Minister of Peasant Affairs.

and looking to accomplish their own interests.[3]

The co-government (COB-MNR) faced three main conflicts: a) the popular movement implemented revolutionary measures as a result of their direct participation in the revolution; b) cowitions set by the USA and International Monetary Fund (IMF) due to the financial need to address the economic crisis; and c) the internal antagonisms between the factions of MNR.

On April 17, 1952, the *Central Obrera Boliviana (COB)*[4] was organized, embracing local and regional unions of the most diverse sectors of Bolivian society. Miners, peasants, workers in construction, transportation, and manufacturing, widows of the Chaco War, the LEC, national police, students, teachers, neighbourhood organizations, women, public sector workers, even left parties were represented in COB. As the former COBist, Filemon Escobar, might insist: "the COB is the major creation of the Popular Revolution" (see table below). Indeed, COB, representing the popular block, became the intermediary agent between the civil society and the state.

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[3] After the revolution there were few, if any, changes in state institutions. Habits, routines and ceremonies of former governments remained all intact, except for the civilian armed cells (militia) that were quite noticeable even in the most remote corners of government buildings. Thus, basically, the state institutions remained the same.

[4] COB will play, from that time on, a determinant role in national life as representative of the civil society.

COB's Most Important Union Members

Union	Approximate No of membership
Peasant workers (*)	500,000
Mine workers	46,000
Factory workers	28,000
Railway workers	25,000
Construction workers	15,000
State and public employees	12,000
Bus and truck drivers	12,500

Source: Mitchell, 19? 44
(*) Estimation based on the number of unions affiliated,
that accounted 20,000 unions in 1956 (Rivera, 1984)

After the Popular Revolution COB was so strong among the popular masses that facing the first timid spelling out of reforms, by the centre and right wings of the MNR, launched a social mobilization to impose the anti-oligarchic and anti-feudal measures that had mobilized the masses for the 1952 revolution. The centre and right wing factions in government retained these measures as long as they could and even called for a general MNR's convention to calm their antagonists militants linked with COB. The debate at the MNR's national convention, in 1952, was intense. The right wing was opposed to the nationalization of the "tin barons" companies; they thought that was enough to restore the Mining Bank, already established by the Toro-Busch governments, to ensure control over tin exports and capture the foreign currency for fiscal revenues and use them in a "national development" program. The powerful mining federation (FSTMB), at the head of COB, did not tolerate such a reactionary mood. With a massive mobilization, the

mining unions and the popular masses led by COB, took the problems in their own hands and imposed their will over the MNR. Thus, just after the Popular Revolution, the political tension was between COB and the MNR regimes.

Let us see the two great achievements of the masses and how the MNR regimes managed them at the end:

1) The Miners and the Nationalized Tin Industry

In 1952 the mining industry was still the most important component of the Bolivian GNP (about 35%) and the major source for foreign exchange (about 86%). Nevertheless, since the tin price in the international market after World War II was quite unsteady and, overall, since Bolivia had experienced one of the most turbulent of social processes over the thirty years prior to the 1952 Revolution, the oligarchy was reluctant to disburse larger capital investment and technological renovation. Thus, the quality of ore increasingly declined and earnings dropped. Consequently, costs of production virtually lacked a competitive advantage (See the following table).

Selected Years of Bolivian Tin Exports (1925-1950)

Year	Tin Export (in metric tones)	Value in 1950 Prices (in Thousands of $bs)
1925	32,598	66,114
1929	47,087	94,823
1935	25,408	50,968
1941	38,531	77,293
1944	39,341	78,918
1950	31,320	62,843

Source: In Klein, 1984, from ECLA, 1958:12

Six months after the revolution, COB[5] at the head of the miners' leadership (FSTMB) launched the final attack on the three family mining corporations (Patiño, Hotschill and Aramayo) and proclaimed workers' direct intervention in the mines. COB supported the miners' initiative with a general mobilization organized throughout the country. Finally, the historic claim of the miners was achieved on October 31, 1952. The three big oligarchy's mining companies were nationalized[6] and the Ministry of Mines and Petroleum, under the charge of Lechin, created the Bolivian Mining Corporation (COMIBOL) which turned out to be the biggest mining corporation in the world, employing over 42. 000 workers.[7] The movement was consummated

[5] COB, at this point, was an impressive social force as virtually every labor union in Bolivia was considered to be a member of the COB.

[6] Although in 1952, nationalization with no compensation was decreed, the USA and IMF conditioned their economic assistance to compensation for confiscated resources. Until 1962 Bolivia paid over $US. 22 million (Rivas; 1989).

[7] In the future this would be the main political pillar for Lechin's constituency.

and the right wing of the MNR had to take the bitter pill of nationalization of the mines. COMIBOL began to administer about 78% of Bolivian tin output.

In early December 1952, FSTMB submitted to the government the proposal for workers' control over COMIBOL, with a clear footnote: the threat of calling a general strike to endorse the measures. On December 15, FSTMB forced the new government, which did not want to face any social confrontation, to decree (officially) the legal and direct participation of workers at all levels of organization in COMIBOL and YPFB (the latter being the national corporation of petroleum) including: management, production planning, organization of work; decision making in investments; control of expenditures and distribution of profits; and control of discipline in the work place. The workers had parity in management plus the right to veto (Nush, 1976).

The workers' experience of co-management in COMIBOL had several difficulties. First, the mining workers had never had managerial experience or training for managerial positions, many of them barely knew enough Spanish and several of them had not even finished primary school. Second, usually the union executive leaders were at the same time in management or administrative positions which generated confusion about their roles. The workers' leaders became schizophrenic and/or inefficient since they had to

represent different interests at the same time: the government interests, the workers interest and usually the party interests. The overlap and confusion of roles existed also at the top level. Juan Lechin, chief executive of FSTMB and head of COB was, at the same time, Minister of Mines and Petroleum and later Vice-President plus a militant of the MNR. Indeed, the co-management of COMIBOL was correlated with the co-government COB-MNR. The uniqueness of "workers control" experience lasted for about a decade.

In 1961, the MNR government signed an agreement for the rehabilitation of COMIBOL, the so called *Plan Triangular* that involved the Inter-An: :can Development Bank, West Germany and USAID. The plan's aim was the "recapitalization" of the Bolivian mining industry. These financial institutions provided a loan of $US 37,750,000 allocated for geological exploration, technological renovation and maximization in extracting ore. The implementation of the plan was very conflictive because of labor refusing its terms. At the beginning, the government was open to negotiating some aspects of the recommendations but the only non-negotiable aspect of the plan, as international agencies pointed out, was the "rationalization" of the labor force and the change in administration in COMIBOL. Although Lechin, as Vice-President and top leader of COB, supported the plan at the beginning, later when the workers embarked on a radical opposition, he was forced to pass to the opposition or to end his career as the workers' leader.

COMIBOL was under fire. The government and financial agencies, especially after the report of a New York private consulting firm (Ford, Bacon and Davis Co.), blamed all troubles on the workers' participation in COMIBOL (Thorn, 1971). Both the government and the financial agencies explained the COMIBOL crises as due to lack of capital investment, deterioration of equipment, exhaustion of ore, but obviously and overall the main cause, for them, was inefficient or undisciplined labor. In contrast to these criticisms, the worker leaders showed that the volume of ore had increased by 30% in the first 5 years after the Popular Revolution; and that productivity also rose from 1. 22 tons per capita in 1950 to 1. 31 tons per capita in 1955 (Nush, 1976). The unions argued that the losses under COMIBOL were due to the compensation payments to former owners of mines that the government paid, when faced by USA pressures on financial aid; the workers also questioned the massive transfers of resources from COMIBOL to different areas of the economy; and the multiple taxation system that was so negative to COMIBOL's capitalization.

However, for the "Plan Triangular", labor was still the trouble. Regardless of the workers' different point of view, the government of Paz implemented the program. In December 1963, mining workers were massively fired and many workers were jailed as a result of union's reluctance to implement the *Plan Triangular* (among them F. Escobar and I. Pimentel). The miners then

retaliated to this government action by holding 17 hostages, 3 American technicians among them, and threatened to execute them and to march on La Paz again. The government, in response to the workers' attitude, mobilized armed peasants from the Cochabamba valleys and ordered the restored and sophisticated military forces to intervene against the miners. The miners were surrounded with guns and isolated and President Paz imposed the "Plan". Cuts in social services and a large reduction of the labor force took place, and overall the "Plan Triangular" put an end to the "Control Obrero" in public enterprises. In the early 1960s the "Plan" coincided with the macro-economic stabilization project (presented later).

2) The Andean-Community People Re-occupy Their Land

By 1952, Bolivia was one of the most stratified societies in Latin America. Especially in the countryside, the disparity in land tenure was extremely wide generating a barrier for social and economic development in agriculture.

Despite its expansion, the *hacienda* system stagnated or declined in agriculture output. By 1952, 41% of Bolivia's total imports was in food stuffs which constituted 21% of the country's total food supply (Thorn, 1971). The structure of land tenure was so pyramidal that only 7. 000

families owned about 95% of arable land in Bolivia and more than 90% of these total holdings were under utilized. These set of factors had a negative impact on productivity rates. Nevertheless, agriculture absorbed three quarters of the labor force and shared only 15% in the GNP. Close to 70% of peasant families owned 0. 41% of the cultivatable land (see next Table). These conditions were the main sources for the oligarchic government and the numberless "Indian" rebellions.

DISTRIBUTION OF LAND BEFORE 1952 REVOLUTION

Size of Farms in Hectares	Farms No.	%	Farm's Total Area No.	%	Total cultivated area in %
(-) 10	59,988	69. 4	132,964	0. 41	49. 6
10 to 500	19,437	22. 5	1,467,488	4. 48	23. 3
(+) 500	6,952	8. 1	31,149,398	95. 11	0. 8
TOTAL	86,377	100. 0	32,749,850	100. 00	2. 0

Source: Republica de Bolivia. Ministerio de Planificación y Coordinación, 1970:410. In Rivera, 1984:77. The highlight is mine.

At the end of 1952 the established order of latifundia in the countryside started to collapse.

> [D]espite all the efforts of the regime to control the situation. [. . .] In many ways similar to the peasant movement known as the "Great Fear" in the French Revolution, the period from late 1952 until early 1953 saw the destruction of work records in the rural areas, the killing and/or expulsion of overseen and landowners, and the forcible seizure

of land. Meanwhile the peasants, using traditional community organizations, began to organize peasant *sindicatos* with the encouragement of COB, to receive arms, and to create formal militia organizations. Although the countryside had been relatively indifferent and little affected by the great conflicts of April 1952, it was the scene of tremendous violence and destruction by the end of the year (Klein, 1982: 234).

In April 1953, a year after the revolution, the Quechuas and Aymaras achieved their claim which for more than four hundred years was the cornerstone for their survival: their land. This gigantic achievement of the peasants was not the wish of the right and pragmatic centre of the MNR. Exactly the opposite, as the MNR was largely based on middle class membership that came from large hacienda holding families strongly opposed to the redistribution of land. the Land Reform decree, as with the nationalization of mines, was a desperate and precipitous answer by government to the experience of violence in the Andean communities.[9] Thus, land reform was another post-factum action in which MNR was forced to legalize the violent assault, by the peasants, on the *haciendas*.

However, the government's land reform decree had the following main objectives: a) redistribution of land; b) abolition of unpaid labor; c) promotion of Aymara and Quechua communities; d) stimulation of agriculture; e)

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[9] Since the situation in rural areas turned very violent the pragmatic centre was forced to resolve the agrarian question. The government appointed an agrarian land reform commission formed by the Minister Ñuflo Chaves, the former PIR leader Arturo Urquidi, the POR militant Ernesto Ayala and others.

preservation of natural resources; and f) promotion of migration to the less populated areas in the lowlands of Bolivia. The aim of the reform was first and foremost to provide a national basis for agrarian economic development (Malloy, 1970: 205).

For a multi-ethnic society,[9] as it is the case in Bolivia, the objectives and implementation of MNR's land reform was too loaded with "western" (modernization) and urban ideology, quite unsuitable for a multi-ethnic strategy of development in favour of the Andean ethnic societies. It should be argued that behind the violent occupation of land were historical and cultural dimensions that were not similar to the MNR's ideology for land reform. For the Andean communities, occupation of the land was the culmination of a struggle lasting over four hundred years, while the MNR had no consciousness whatsoever of this long historic memory. Culturally, the recovery of ownership of the land was a re-establishment of the universal equilibrium (lost with the invasion of the Spaniards). The *Pachamama* (mother earth), the land, is the place where the spirits sing, it is the ritual of love that give humans the possibility to live with good health, to eat and die (Bastien, 1985). In the Andean cultures, the equilibrium human-human and human-nature is the base for a responsible and sustainable production activity

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[9] To facilitate the unfolding of the socio-economic process of the revolution, the discussion of the multi-ethnic characteristic of Bolivia and its implications for development is argued in the last chapters, since it is the challenge of my assumption for an alternative strategy of development for Bolivia.

that includes an ecological balance and avoids the over-exploitation of land (I will come back to this in the last chapters). Land, for the Andean people, is not a dead asset but carries a transcendental meaning. The frenetic middle class modernizers of the MNR never understood these dimensions when the Aymaras and Quechuas took the lands into their hands and never considered it as basis for a sustainable development in agriculture.

The following section provides a brief introduction to the differentiated impact of land reform in different areas of Bolivia.

First, The areas largely dominated by the *hacienda* system, as a mode of accumulation of capital, had established an extensive commercial network with the cities and the mining centres (Rivera, 1992) and had used their power to dominate and extinguish the "Indian" social and economic structures. In these areas, the communities (Ayllus) had suffered a process of dislocation, became economically dependent and culturally oppressed. For these areas, land reform had a positive impact in favour of the peasants since it gave them the possibility to use the land in their own way and to re-structure the commercial links with their previously established markets, all in their hands. This was the case for the rural valleys of Cochabamba, one of the pioneer zones of the peasant unions organization. In this region where the communities were dominated by the "terratenientes" (large landowners) in

a long process over three centuries, *the hacienda was largely destroyed as the dominant agrarian institution of the country while the colono ("tenant") laborers of the big estates were transformed into small, peasant landholders* (Léons, 1971: 269).[10]

Second, in areas where the Andean structures (such as the *Ayllu*) were stronger and less associated with the capitalist system land reform was detrimental for the communities. For instance, land reform had poor guidelines for its implementation i.e. it recognized legally individual ownership of small and medium sizes of land. But, 500 hectares in the lowlands of Bolivia was not even considered small size while for the highlands and valleys 50 hectares was already a large size. Since the land reform did not specify measurements by region, the haciendas manipulated this ambiguity and even encouraged land reform implementation. With it the haciendas pursued to legitimize their claims against the communities' occupation of land. This ambiguity set the conditions for the many bloody confrontations in the rural communities of the Andean highland (Harris-Albó, 1988). The outcome of such a confrontation was negative for the Andean people in terms of life and land losses. In these areas, since the land reform divided the land into individual parcels, the Ayllu structure was totally ignored when it would have to be the base for land re-

[10] Madelin Barbara & William Léons' article (in Thorn & Malloy 1971) describe important changes in the semi-tropical areas near La Paz as a result of the land reform

distribution.

Third, For the lowlands of Bolivia, land reform was a premium to the *hacienda*
and later a bonus for large capitalist enterprises. The landowners actively
supported land reform and they sought in such a reform, legal recognition for
their holdings. The MNR's decree, in the lowlands, was used against the
property of the aboriginal Chiriguano-Guaranis communities, the large
landowners even expropriating new communities jurisdictions. As a result of
land reform, the people from communities only hold 30% of the land from 0
to less than 5 hectares per family, while a few landowners hold 30. 000 to
40. 000 hectares of land (Pifarré, 1989: 412). *In the lowland areas of region
of Santa Cruz and Beni, an agricultural enterprise reached its largest extension
-from 500 to 2,500 hectares- and allowance was made for cattle ranches to
encompass as much as 50,000 hectares* (Gill, 1987: 32). For the pragmatic
centre of MNR, the lowlands were an essential component for their
"modernization" strategy regardless of the cultural and historical background
of the people living on these lands. For the government, land reform was
supposed to encourage the so-called "agriculture er .erprise" within a
capitalist mode of production. The lowlands in eastern Bolivia were targeted
for capitalist development and agricultural expansion.[11] The results for the

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[11] In the following decades this region's capitalist enterprises were
strongly linked with USAID financial support, and would play an important
role in the social and capital formation of Bolivia.

highland and valleys of this MNR experiment, in these regions were the same as the landlords' expansion in the highlands during the four centuries prior to the 1952 revolution.

These differentiated impacts of land reform in Bolivia leads us to see the gross shortcomings of not having recognized cultural variables implicated in productive and social organizations of Andean communities. In essence the land reform lacking a sociological analysis and a better understanding of the Andean structures led to a mini-parcelation of community lands and did not prevent the tortuous process of arrangements in the countryside that caused bloody confrontations in the communities (Harris-Albó, 1986).

At the moment of designing the land reform decree, in the eyes of the MNR, the Andean people were peasants without history, culture, economic structures and so treated them as bulk of numbers to be incorporated into the "dream of capitalist modernization". For the authors of this land reform, the Aymaras from the highlands were the same as the Guaranis of the lowlands or the USA farmers; in the MNR night of opportunism "all cats were brown", the countryside people were all the same: peasants. This was, in turn, exactly the old colonialist and oligarchic mentality: ethnical discrimination.

The myopia of the MNR was such that they even ignored all intellectual

contributions produced in the 1930s and afterwards, concerned with the issues involved in a sustainable redistribution of land. Although the Minister of Foreign Affairs and the chief MNR leader, Walter Guevara, had drafted a legal recognition of the Andean *Ayllus* ten years before the 1952 revolution, land reform did not sound anything like his prepared ideas. The works of Tristan Marof, related to a social revolution within an Andean framework, were totally neglected and the contents of the First Indian Congress in 1946 organized under Villarroel and supported by MNR itself were also disregarded. Overall the MNR omitted proposals for land distribution from COB and several peasant unions which claimed community ownership over the land and which would have been more appropriate to Andean cultural and social practices. The government commission for land reform denied all this opportunity to build a country in a multi-ethnic dimension of development. Instead they adopted the unidimensional "modernization" ideology with the anachronic desire of promoting a "democratic bourgeois revolution" in Bolivian agriculture.

The Andean people did not deserve the tragic events that happened in the countryside after the 1952 revolution: the peasant unions were converted into political capital disputed by the different factions of the polyfacetic MNR (Rivera, 1984; Albó, 1990). The organizations of peasants were manipulated to resolve personal political interests until it seemed that all depended on how

many "Indians" the factions had on their side to defeat political opponents.

This subordination of the peasant leaders was consolidated by MNR leaders

and thus fostered a dependent clientele; as Dandler (1976) noted, the leaders

of the peasant unions became increasingly dependent on higher authorities for

salaries, fringe benefits, travel expenses and other privileges. This

dependency soon turned into an open co-optation that was so harmful for the

Andean societies because it inevitably ended in the creation of parallel unions

and federations of peasants that belonged to different factions of MNR. The

drama ran its complete tragic course because it turned into bloody

confrontations among peasants or against other popular sectors, as we saw

in the case of the miners' resistance against the COMIBOL rehabilitation plan

or the macro-economic stabilization program.

The divisions among the elite of the MNR that fought for power had

correlations in the indigenous communities.[12] This experience was

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[12] The case in Cochabamba valleys, where some of the first unions were
born, is a typical example of MNR's manipulation and co-optation of the
peasant unions. Sinforoso Rivas with direct support from the Ministry of
Peasant Affairs established the Regional Peasants Federation. José Rojas,
former POR militant and COB activist, became the chief leader of the Ocureña
peasant unions that initiated the overthrow of the landowners. In 1953,
because of the dubious government position with respect to the distribution
of land, COB supported Rojas to take over the Regional Federation and forced
the government to decree the land reform. Later the government delivered
special concessions in favour of Rojas; he was recognized as a regional
leader, displacing Rivas, and later, in 1955, he was designated as the MNR
deputy and in 1956-58 Minister of Peasants Affairs. On the other side, Rivas
was approached by Walter Guevara (former Minister of Foreign Affairs and
Vice-President) who quit MNR and became a contender in the election of 1960.
Rojas in support of Paz, and Rivas in support of Guevara, passed from
electoral proclamations to violent armed confrontations with several
hundreds of "dead" "Indians" over the next four years. Later, after COB
(Lechin) abandoned the co-government, the government violently repressed
peasant unions linked with COB. There were worse cases including the events

characterized as a "process of active subordination of the Indian peasants to the state" and fragmentation of the union movement (Rivera, 1984). This dramatic confusing experience was the transition from "super-states", through MNR control of the peasant unions to the divisions and confrontations among unions in obedience to the conflicts of MNR's top leaders (Albó, 1990). In Northern Potosi, it was observed, that the conflictive process among the community-unions caused them to be drawn aside by personal interests and coopted by the government that had betrayed the national revolution (Harris, 1984).

Nevertheless, despite all the negative factors, the Andean masses participated actively in the transformation of the feudal structure. They were the very social actors who re-occupied their land, abolished peonage, and destroyed the hacienda as a mode of accumulation of wealth in the countryside. They also initiated a process of struggles within a different situation and historic framework while MNR's rhetoric, attributing the Andean peoples achievements to themselves, was never able to accomplish a long-term development in the Andean regions.

Although MNR dreamed of a long term modernization process for the

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in Achacachi, Northern Potosi, south of Chuquisaca, and so forth (see Rivera, 1984; Harris & Albó, 1984; Albó, 1990)

peasants in the mid 1950s and onwards, the MNR government imposed outrageous western short-term programs of agriculture that insisted on "modernization", very unsound, culturally. In short, the *Servicio de Extension Agricola* and the *Banco de Credito Agricola* were created with the financial support of USAID. These institutions carried programs that were suggestions by North-American technicians rather than Andean peoples' proposals. The rationale behind the credit and technical support was obviously agricultural "modernization". The programs for economic assistance were based on a divine equation of low ratios man/land. Thus, the small size parcels of land in the Andean highlands, after land reform, were not suitable for this divine equation. On the contrary, it matched with the capitalist agro-business operations. This is not to blame the American technicians, because they suggested what they believed in and had seen as successes in their own country. The MNR leaders who had available theoretical instruments of analysis and the massive initiatives of the Andean communities could have done a better job than that. However, later, under Public Law 480 of the USA the government allocated soft credits tied with food donations for small producers and carried out so-called "community development programs" which were supposed to change the patterns of production and values in the Andean societies to achieve an efficient production. It was also supposed to promote new and fresh local community organizations and develop a "healthy" local leadership. In theory this seems interesting, even exciting and

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absolutely inoffensive, as the Americans may have also thought, but the implementation of the plan implied the substitution of the Andean *Ayllus* for pseudo-cooperatives, the community unions by the so called *"juntas comunales"* and the replacement of discipline and producer leaders. Even more, it brought the Andean producers into a critical dependency because the American agricultural surplus was transferred to Bolivian markets. This, in turn, had a negative impact on the agricultural producers. For the Andean people who had produced wheat for millennia, the American food-aid in wheat not only depressed the price in the Bolivian markets, but also since they received tons of free wheat they had no need to produce any more. Later, when the assistance in food was reduced or abolished, the peasants were never able to recover their pre-revolution rates of pru...uction, largely because they needed capital investment and access to financial resources, which under the divine equation was out of the question.

These political and economic factors deprived the poor Andean people in Bolivia of a better future. The present misery of the Bolivian people within the various ethnic groups is proof of the inadequacy of MNR's "modernization" ideology of development and opens possibilities for the multi-ethnic dimension of development in favour of the Bolivian Andean people. There would have been better chances for success if there had been better understanding of the issues involved in dealing with the complex Andean

society. Nowadays, the failure of MNR's drama and its inability to generate agricultural development based on the "modernization" ideology has not converted many policy makers who still embrace the modernization ideology which remains as a substantial argument about economic development. I will argue this in the final chapters.

B) MNR's Pragmatism Prevails Between the "National Popular" and the Bourgeoisie Strategy.

Both the nationalization of the mines and land reform, considered the major changes in the Bolivian economic structure in 1952-1953, were more than MNR's program were the popular masses' achievements. However, as astute and pragmatic politicians the MNR proclaimed as due to their benevolence. The pragmatic leader of the MNR, Paz Estensoro, would even go in person before the crowds assembled to celebrate their achievement, and explain their accomplishments as MNR's great achievements. The pragmatic centre of the MNR knew that only with an ambivalent attitude they could remain in power. They knew, that they would have lost their only opportunity to stay on in Bolivian history if they revealed their anti-popular, anti-ethnic and pragmatic thoughts. Thus, while confronting the bitterness of the right wing they had to accept impositions by the masses, manipulate the

use of language and work slowly in the most hateful ways to keep the popular masses under their control in order to prevail in power. Indeed, this attitude became a Machiavellian practice of the pragmatic centre of MNR.

It is apparent that MNR saw the revolutionary achievements of the masses, nationalization of mines and land reform, as a political aim rather than considering them as a result of creative social agents and useful for strategic social and economic development (Dandler, 1976). However, at the time when the masses made the April revolution, the MNR had everything but a consolidated and coherent development plan for Bolivia (Klein, 1982), at least there was nothing written and approved by consensus. The popular masses knew better what they wanted to do with the revolution. Nevertheless, the 1952 co-government were provided several development possibilities under two mainstream alternatives: a) the pragmatic centre, led by Victor Paz, examined the creation of a national bourgeoisie to lead the capitalist modernization process of Bolivia; b) the left wing leaders linked with COB adopted the "national-popular" strategy of development that studied how to constitute the popular class (peasants and workers) as agents for a socialist construction. The popular mass accomplishment in 1952 and onwards was part of their strategy. It was in 1954, two years after the revolution, when the pragmatic centre of MNR sketched a notion for economic development.   ·
This proposal for development was designed by the Minister of Foreign

Affairs, Walter Guevara, (the forgotten author of the Ayllus recognition) with the assistance of the USA official Merwing Bohan.[13]

Vice-President Walter Guevara, of the pragmatic centre of MNR, and his main USA advisor characterized Bolivia as a case of "dual economy".[14] On the one hand, they saw the agricultural traditional sector, mainly "Indians", at the subsistence level of economic activities where the Marginal Product of Labor (MPL) equalled 0. On the other hand, MNR devised the modern industrial capitalist sectors in the cities and the mining industry where the ratios of input/output were higher. Thus, the task of development in Bolivia was to transfer the mass of "Indians" from subsistence to productive economic activities and change their culturally low pattern of consumption into a population of consumers. This is what the MNR meant by integrating the peasants into the national economy; in practice this attempt at modernization compromised the Andean cultures, the production structures in the Andean communities and so forth. Besides, the modernization strategy implied creation of a social and economic agent, non-existent within the oligarchic

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[13] The story of Mr. Bohan is as follows. In 1943 as soon as Bolivia cut its commitment with the Axis (see chapter above) the USA provided economic assistance of $US 25 million for development purposes. Merwin Bohan was the head of the official commission to assess Bolivia's financial needs for further aid. At that time Mr. Bohan suggested a development program to achieve macro-economic stability, economic expansion and self-sufficiency in several items by 1947. Victor Paz, at that time Minister of Finance, adopted Bohan's recommendation in 1943. Since such a self-sufficiency was not achieved on time it was integrated into MNR's plans after 1954.

[14] The Labor Surplus Theory of (LST) Karl Lewis (1954) was adopted by the pragmatic centre and implemented in the modernization tasks. In Chapter Six is discussed broadly the implication of the LST in Bolivian context.

structure, that would embody the modernization project. It was precisely the middle classes, represented by MNR, that were going to undergo such a metamorphosis and become the new dominant class in Bolivia's social formation.

The MNR modernization strategy was based on increasing exports and reducing imports, shifting the population from the highlands to the lowlands to support large agro-business enterprises through the strengthening of the Bolivian Corporation for Development (CBF). Large public investment in infrastructure and communications was the key component of the strategy. The strategy also targeted self-sufficiency in rice, sugar, cotton, livestock, lumber within a five year plan. The set of the elements in MNR's modernization attempt was pursued within the framework of Import Substitution Industrialization (ISI). A rapid economic growth based on the creation of domestic industry, that had an inherent contradiction: to achieve industrialization that was supposed to increase the speed and rates of capital accumulation and generate an economic surplus for investment in the modern areas of the economy. This, MNR thought, was to be achieved through labor savings (either by compressing wages or liberalizing the labor factor) which, with such powerful unions in 1954 was unthinkable, or through technological change that implied a capital intensive industry. But both the increase in factor input costs and the excessive creation of money that was not matched by the GNP generated a process of creeping inflation in 1952 that changed

into a five digit hyperinflation two years later. Consequently, purchasing

power suffered a steady deterioration and this obviously led to an economic

stagnation that undermined MNR's dream of rapid capital accumulation and

therefore of industrialization.[16] Thus, MNR as pragmatic as it had been,

realized that there was no other alternative for Bolivian modernization than to

establish and consolidate its relations with international financial bodies. This

was the context in which the MNR signed an agreements with the IMF and

USAID in November 1953.

As soon as the agreement (USA-IMF-Bolivia) was reached, the USA delivered

mass economic aid to support the Bolivian government. From 1952 to 1964

the United States provided more economic assistance per capita to Bolivia

than to any other Latin American country (Blasier, 1971). From 1954 to

1956 the USA gave $US 60 million in support of the development plan

(Rivas, 1989) which accounted for 30% of the Bolivian fiscal budget (Thorn,

1971). This amount increased up to $US 350 million until 1964 and

produced an external debt for Bolivia, by the mid 1960s, of $US 236 million

(Navia, 1984). Obviously, this economic cooperation was never value free.

At the beginning, it was conditioned by the government's compensation of

the nationalized mines and the replacement of the old Petroleum Code

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[16] In the particular case of COMIBOL, the tin industry, which was the
main hope for Bolivian economic development, possessed deteriorating
inferior equipment and had problems with government-labor relations as rates
of production plunged and revenues from tin sales fell; virtually there was
no possibility to modernize Bolivia with its own resources.

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enacted in Bush's administration in 1937.[18] The MNR complied with the set

of conditions of the international financial institutions. It was apparent, at

that point, that MNR would sacrifice the strategic goals of the Popular

Revolution in order to bring about foreign aid for their modernization strategy;

it was clear enough that the MNR objectives of development, given the

Bolivian social and economic conditions, would be impossible to achieve

without foreign economic assistance.

However, despite the monetary transfer into the Bolivian economy, the five

digit hyperinflation in 1955 had panicked Bolivians and concerned foreign

donors. As part of the routine, an economic commission from the IMF and

USAID again assessed the Bolivian social and economic situation and quickly

suggested drastic adjustments in the Bolivian economic structure. The

suggestions were so strong that any financial aid was conditioned to the

macro-economic stabilization. The MNR complied again with the conditions.

With it:

> The MNR was saved from economic disaster, but whatever economic
> sovereignty Bolivia had achieved by the nationalization of the mines
> was now surrendered. The dominant economic role played by the tin
> barons in Bolivian economic life was now replaced by the more
> benevolent, but equally foreign, International Cooperation
> Administration of the United Stated, later to be succeeded by the
> Agency for International Development (Thorn, 1971: 184).

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[18] A few years later, the former nationalized Gulf Oil Co. of New
Jersey came back to operate on Bolivian soil with full protection of the
MNR's Petroleum Code.

Following are some of the key components of the macro-economic stabilization: international trade was liberalized along with transactional operations, with the exception of COMIBOL that had to sell all foreign currency to the Bolivian Central Bank at the official exchange rate; it set a single foreign exchange system, as opposed to the former that had multiple or differential exchange rates for imports and exports; exchange rates were fixed to the American dollar (7. 7 Bolivians ≈ 1 $US); subsidies through the exchange system to imported industrial incentives and food were lifted; price controls were sanctioned and left to market determination, except for housing rent that remained fixed; wages in the public sector were frozen for two years and food subsidies were lifted; subsidies to the mining sector and railway system were reduced; government expenditures were reduced by 40% while taxes and tariffs were increased; monetary emissions were under rigid control; rigid measures were set up to keep the balance of payments and budgetary equilibrium. With this economic structural adjustment, the IMF and USAID proceeded to finance the fiscal budget and economic development programs (Rivas, 1989).

The macro-economic stabilization was implemented after 1956 despite massive popular demonstrations in opposition to it. Indeed, the government, in imposing by force the foreign recommendations, compromised its populist image and precipitated the rupture of its kind of alliance with the

organizations of the popular classes. Clearly, this was the definitive turning

point of the revolutionary process constituted by the popular masses in 1952.

Obviously, the working class was not ready to give up their costly

achievements in the revolution, and launched a powerful mobilization and

strikes which are only comparable with the pre-revolutionary convulsions (see

next table).

Labor Strikes After the ales
Program (1956- 1959)

Year	Number of strikes	No Workers involved
1956	22	60,000
1957	310	90,000
1958	1,570	147,000
1959	1,272	40,000

Source: Ministry of Labor, Social Security
Institute in Thorn, 1971: 187.

The response of President Siles to the popular mass mobilizations was a long

tour of confrontations with the union leaders. The President, in 1956, was

even forced to visit the mines and discuss the scope of the stabilization

program with the workers, which ended in total disagreement. Later, when

the miners launched a strike and planned to march again from the mines to La

Paz, President Siles brought his co-opted armed peasants from the

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Cochabamba valleys to the mining centres and put both classes in a bloody confrontation.[17] This was the only way to impose the stabilization and avoid the march by miners march to La Paz which would have virtually been the overthrow of Siles and the end of the MNR.

After 1956 the organized working class lost confidence in the MNR and the government because of the social costs of the stabilization which was considered a betrayal of the Revolution. Although the adjustment package showed positive results in the rates of economic growth, it generated an increasing social and economic disparity in the distribution of capital accumulation (as presented later), and this led not only to social distrust but also to the rift in MNR. The Vice-President, Ñuflo Chavez, former Minister of Peasant Affairs, resigned; the former Minister of Mining and Petroleum and chief leader of COB, Juan Lechin, passed over to the public opposition leading the labor strikes; also the former foreign Minister of Foreign Affairs and chief MNR leader abandoned the party. MNR was in disarray[18]and even more unable to carry out the dreamed strategy of modernization.

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[17] Although this move is attributed to Victor Paz, it was one of the typical MNR's manipulations of the "Indian" organizations (see above).

[18] The first serious divisions within MNR came in 1960 when Walter Guevara, author of the program and former Minister of International Affairs, formed his own party - the Authentic Revolutionary Party (PRA). Then, in 1964, the gross left abandoned the party headed by Juan Lechin who formed his own party - the Revolutionary Left Nationalist Party (PRIN). At the end of the 1960's, an important faction of the pragmatic centre led by President, (1956-1960) Hernan Siles, split and formed the Leftist Revolutionary Nationalist Movement (MNR-I). Later the MNR was divided in numbers like the stars, but Paz remained holding a portion of "his" MNR.

For the 1960 national elections, MNR desperately needed the popular support of voters, and this opportunity was the last attempt by MNR to re-establish its presence in the electorate. So pragmatic was the MNR that Victor Paz nominated Juan Lechin (head of COB) as his campaign mate, offering him the vice-presidency plus five labor ministers to be designated by COB. The condition for COB's participation in such a bionomy was that in the next election of 1964 the official candidate for the presidency would be the leader of COB, meaning Lechin. Perhaps Lechin had dreamed of reaching the Presidency and started to pave his way. In early 1962, as Bolivian Vice-President, Lechin organized a trip to the USA and tried by all means to give a good impression to the American officials, carefully showing a moderate version of his intentions as a future President. Unfortunately, all was a failure, because first the Americans did not get the desired good impression of Lechin, and were well informed about Lechin's links and background, (although I assert that Lechin was open to surrendering his revolutionary ideology and betraying the working class in exchange for the Presidency); second, because Lechin was both naive and opportunist in this, for in the election of 1964, MNR kept Victor Paz on as presidential candidate and nominated a military officer as his vice-president running mate.

Lechin was hurt by his vulnerability and opportunism. He needed to restore his image in the organized popular movement and prove his remorse for

having paved the road of the distrusted MNR. Rapidly, Lechin stimulated

mass mobilizations and aggressive strikes against V. Paz Estensoro's second

term. After the elections of 1964, the society was antagonized by President

Paz (MNR) and COB leader Lechin. The outcome of these conflict came to its

end when COB launched a general strike that ushered out Paz and the MNR.

But, ironically, the results of the popular mobilization did not induce the

working class to take power and it was the military Vice-President, Barrientos,

who took advantage of all MNR's mistakes and the popular disenchantment

to organize a "constitutional coup d'etat". Barrientos inaugurated the long era

of military governments which held power for the next eighteen years, and

the MNR that betrayed the 1952 Popular Revolution was no longer leading

the country towards their desired modern industrialization.

Comments

This Chapter presented the aftermath of the 1952-1953 Popular Revolution

that resulted in the merging of both forces: "Indian"-communities and

organized labor. They defeated the oligarchic army; occupied the mining

centres; and expropriated the haciendas in the highlands and valleys of

Bolivia. While, in 1952 the Bolivian state had a multiple-cephalic direction

reflected in two contradicting development strategies: a) The "national-

popular" development, postulated by the unions in COB, pursued modernization of the economy with equity and the redistribution of land among the indigenous communities. b) The "national-bourgeoisie" development, proposed by the pragmatic centre of MNR, pursued rapid industrialization relying on the stimulus of a domestic bourgeoisie and on its role to pull the country out from its backwardness. However, the MNR's withdrawal from Popular Revolution, especially after 1956, had three effects: a) It perpetuated the Creoles' legacy over the state to endorse policies in favour of "national bourgeoisie" strategy. b) The indigenous movements were coopted or repressed by the Creole-state while the labor movement, united in COB, struggle to reestablish the conditions in favour of the "national-popular" development strategy, but the *Plan Estabilizador* and *Plan Triangular* after 1956 was the turning point towards an accentuated neo-colonialism. c) Above all, after 1952, the MNR blocked the merging process of popular masses (ethnic communities, labor and poor middle classes) and impeded the possibilities for a popular development and multi-ethnic state to be materialized. Consequently, the implementation of ISI strategy was divorced from the people in the ethnic groups and popular consent and overlooked the multi-ethnic conditions of Bolivia.

CHAPTER FOUR

THE POPULAR ASSEMBLY, THE CONSOLIDATION OF THE "DEPENDENT BOURGEOISIE" AND THE FAILURE OF MNR's DEVELOPMENT STRATEGY

From the beginning of the Revolution (1952) there was a conflict between the popular interests represented by COB, in building a national-popular state towards a "socialist society" based on organized labor and ethnic communities, and MNR's interests in carrying out a "national bourgeois development" based on the emergent middle classes. In a slow process, MNR either alienated itself from the State or coopted the organized popular sectors, especially after the stabilization program in 1956 (Nash, 1976). Although it was the MNR that had enacted the national bourgeoisie project, MNR proved to be unable to lead such a strategy. The consolidation of MNR's model required: a) the physical and political destruction of COB and the subordination of the peasant leaders and b) a hard line government to guarantee the proper environment for foreign and domestic capitalist accumulation. This model of accumulation was challenged by the Popular Assembly, installed by COB in 1970, that restored the popular interests defined in 1952. COB's experiment did not last long and the "dependent bourgeoisie" model of accumulation continued its course. In the 1980s the MNR's model of development, implemented since 1956, was exhausted and rapidly replaced with the neo-orthodox approach.

A) Barrientos: The Authoritarian Regime Administers MNR's Strategy

In 1965, COB mobilized the labor forces against MNR's economic model and hurt the social support for Victor Paz. General René Barrientos took advantage of the social crisis and came to power. Backed by the military forces[1] he governed until 1:30 P. M. , April 27, 1969, when he died in an air accident. Despite COB's strong push against the MNR and the Barrientos take-over, it was the popular movement that suffered major persecution under the military regime. Indeed, the unions affiliated to COB were declared illegal and the leaders were jailed, exiled or assassinated.

With a suppressed popular movement, Barrientos delivered a set of economic policies in the first week of May 1965, known as the *"Sistema de Mayo"* (Almaraz, 1980). These policies outlined the basis for the model of capital accumulation in Bolivia: the Code of Investment was the pivotal policy to attract foreign investment and to stimulate activity by the new Bolivian

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[1] As we have seen during the oligarchic era, the armed forces were an appendix of the state, in defense of the status quo. Later they had direct control over the state so as to unify the country in favour of the majorities (Military Socialism). After 1952, for a short period the army was abolished and replaced by civil militia until 1953. Barrientos, grounded in the "Doctrine of National Security", tailored in the School of Americas in Panama by American officials, used the army to make the society subordinate to the establishment of the national bourgeoisie. For this ideology, the military's role is to protect the nation from the enemy; but the enemy is not considered to be outside of the boundaries. Instead it is inside, embodied in the popular movements and left parties: international communism. Thus, Barrientos and, later, Banzer used all the "intelligence" and artillery to suppress the popular movements. Chile, Uruguay, Argentina, Peru, Ecuador, Brazil and Bolivia adopted this ideology and sent numerous cadets to Panama for training. Under the military regimes, Latin America experienced a huge nightmare of human rights violations.

capitalists; the protection of natural resources, a major achievement in 1952, was lifted and the resources were opened for private ventures. The government put in place a New Mining Code to privatize the nationalized mines and abolish the Mining Bank; the richest resource of zinc, in Mina Matilde, was adjudicated to the Unites States Steel Co. ; the tailings and wastes of the biggest mining centre (Siglo XX) were given to the International Mining Processing Co; also, the Gulf Oil Co. , controversial for 50 years returned and re-initiated operations in the lowlands. Several Bolivian economists have termed this period as a process of *entreguismo* (bestowal) (Rivas, 1989; Aranibar, 1977; Ramos, 1980).

However, it was during this military regime, as never before, that the economic model started to show positive results. The large agro-industrial businesses in the lowlands began to yield high outputs, the mining sector generated an important surplus, imports and exports accelerated, the private banking system saw an influx of cash, foreign investment started to come in, and economic growth increased around 6% in 1964 continuing through 1969.[2]

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[2] Richard Thorn (1971) has a good account of economic achievement under the Barrientos regime, though his social and political assumptions are questionable.

In early 1965, after the miners unions were disbanded[3] the "Plan Triangular"

was implemented in full: over 6. 000 miners (25% of COMIBOL labor force)

were fired, wages in the public sector were reduced by 49% and several

subsidies were lifted. Popular protests resulted in several bloody massacres,

one of the most infamous being "The Massacre of San Juan", on June 23,

1967 in Siglo XX[4]; afterwards COMIBOL became an "efficient" and profitable

enterprise. In essence, the economic success under Barrientos meant violent

repression of the popular movement.

Although Barrientos was totally unpopular in the labor movement it was not

the same among some sectors of the peasants because he used his powerful

charisma[5] to link himself with the peasantry. Barrientos put together some

[3] Barrientos, the pragmatic centre of MNR and USAID had the presumption
that the FSTMB and COB were the main obstacles to development. Thus if
COMIBOL were to be efficient those organizations had to be destroyed.

[4] The "San Juan Massacre" was so terrifying that Bolivian workers still
celebrate, with special respect for the miners' courage. On the 23rd of
June, the coldest evening of the year, Bolivian families gather together and
make fires in the middle of the streets, burning old staffs as a sign of
giving away the "old" experiences and hoping for the new life to come.
Chairs around the fire, children jumping over the fire, fireworks, drinks,
music and dance are part of the overnight celebration. That is what the
miners were doing on that June evening when, in the middle of the dark,
military troops from the different garrisons arrived at the mining centre
of Siglo XX. Just before the aurora came, when the miner families were
almost going to rest, the army attacked from all corners shooting at anyone
who was in the streets. The workers did not realize that killings were
taking place, as the gun shots mixed with the festive fireworks. The mining
camp was enveloped in the cries of their own anguish of innocent children,
women and workers. Over five hundred people and some chief union leaders
were killed and more than a thousand wounded. It was Barrientos' means for
stopping a national miners congress that was to take place a few days later
in Siglo XX.

[5] Due to his personal charisma, Barrientos was very popular among
"Indians". In 1967, he visited the small town of Don Diego, thirty five km
from Potosi City. To the sound of Andean zapoñas (pipe flutes), he walked
away from his white helicopter (given as a present by the Americans) dressed

factions of peasant unions (fostered by the divided MNR elite) and

institutionalized the so called "Pacto Militar-Campesino" (Military-Peasants

Pact) that became the major cooptation of the peasant unions. With it, the

relationship of Peasant-MNR-State was exchanged for Peasant-Army-State.

However, in 1966 "following the advice of USAID and the University of

Wisconsin, Barrientos attempted to implement a tax reform by which the

peasants were supposed to pay a *unique agrarian tax* on individual land

property and become a contributor to the fiscal revenues..." (Rivera, 1984:

119).⁸ The resistance of many peasant unions forced Barrientos to abandon

his attempt and induced the formation of independent peasant blocks

opposed to the military regime.

Immediately after the Barrientos air crash Luis Adolfo Siles took power in

May, 1969. But in September of the same year, Siles was replaced by a

military officer, Alfredo Ovando, who thought that Luis Siles would not be

able to overcome the anger of power among the military officers and that

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in a cowboy hat, open blue shirt and khaki pants. Shaking off the chief
traditional "Indian" authority of the Ayllus "imaynalla Don Apolinar..." he
greeted, Apolinar Mamani who had never in his life met even a provincial
white authority and here he was called by his first name by the President.
In a racist and ethnically discriminatory society as Bolivia, it must have
had some value for Apolinar Mamani. Then he greeted teachers (my parents)
and other authorities. Then he delivered a short speech all in Quechua (one
of the native languages of the Andean people). Finally, he called the 200
primary school students one by one and gave them each a notebook printed
with his image at the top, the "Alianza Para el Progreso" (Bolivia-USA) sign
in the centre and an Andean "Indian" at the bottom, two pencils and an
eraser. As a closing ceremony he danced the Huaño (traditional Andean song).
Three hours later his white helicopter took-off. Barrientos was a Quechua
speaker and knew the customs and structures of Andean society very well.

⁸ My translation.

overall he could contain the emergence of the re-organized popular forces. In Ovando's interpretation, the army was the guiding institution to save society from potential violence. Nevertheless, Ovando recognized COB as the intermediary agent between the civil society and the state and as such he lifted the ban on unions. At the same time, Ovando suppressed social movements that challenged the established order and, specifically, the army's power position in society. The phenomenon of Ovando and the following governments is known as *Bonapartistas* regimes.[7]

B) The Popular Assembly: The Re-Emergence of the Popular Movement's Strategy

After Siles resignation, Ovando designated several outstanding Bolivian left intellectuals as members of his cabinet, among them the well known socialist leader, Marcelo Quiroga Santa Cruz, with whom, he nationalized the Gulf Oil Co. for the second time. Also, several decrees were drafted, including freedom for unions and political leaders and the withdrawal of garrisons from the mining centres. Under these conditions, the popular movement showed its ability to get re-organized and mobilized after the Barrientos' nightmare. The miners called for the "XIV National Congress" and subsequently COB

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[7] Bonapartismo is a theoretical concept in reference to the political practice of the French Emperor, Louis Napoleon III (1848-1871), that accomplished social peace relying on the oppressive army and bold police to impose social equilibrium under a nationalist ideology.

called for its "IV National Congress". Given the importance of these

congresses let us look at them briefly.

The XIV Mining Workers Congress took place on the 11-13 of April, 1970 at

the mining centre of Siglo XX (in recognition of the heroic resistance against

the Barrientos regime).[8] The Congress adopted the political thesis of Filemón

Escobar. The main idea of the thesis was this: given the new political reality,

characterized as the opening of a democratic process, the FSTMB and COB

were supposed to regain control over the social, economic and political

development. Therefore he defined that:

> [...] if the current process is not transformed in the short term into a
> socialist process led by the proletariat, the Bolivians will face a new
> frustrating experience. [...] We, the workers, are confident that the
> opening of this democratic process and the progressive measures taken
> by the government will only reach its final end within conditions led by
> the workers. Only on this road, the democratic tasks transformed in
> socialism will allow Bolivia to become a civilized society, highly
> industrialized, in direct benefit of the peoples... (Escobar, 1984)

With this guideline the miners supported the IV Congress of COB, installed in

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[8] The Congress started with a parade that finished with a Catholic Mass
in honour of the miners killed in the 1965 and 1967 massacres. Then they
discussed 5 points: 1) Assessment of FSTMB experience; 2) Economic analysis
of the Bolivian mining industry; 3) Social issues (health, education,
housing, retirement, unemployment, etc); 4) Revision of internal regulations
and 5) Analysis of workers' positions on the national and international
political process. The main debates were on Lechin's actions, since workers
attributed the betrayal of the 1952 revolution to him and the 5th point
which was the cornerstone of the congress; the miners defined their
political position.

May 1970. This Congress remained crucial for the Bolivian social and

economic process. For the first time COB made a critical analysis of its

performance after the 1952 revolution and as never before the workers forced

Lechin to appeal.[*] After endless hours of debates Congress delivered the

Tesis Politica de la Central Obrera Boliviana (COB). The Congress re-defined

the principles of the FSTMB thesis edited in 1946 (which was considered the

guideline for the triumph of the 1952 revolution, see Chapter Two) and took

up the XIV Miners thesis again asserting:

> The Bolivian workers proclaim that our historic mission, in the current
> time, is to get rid of imperialism and its native servants. We proclaim
> that our struggle is for the socialism. We proclaim that the proletariat
> is the revolutionary hub most qualified among Bolivian workers (COB,
> 1970).

Basically, the Congress identified the working class led by COB as the agent

for the social and economic formation in Bolivia. The economic

recommendations of the Congress sought the replacing of wages cut by

Barrientos; suggested support for small enterprises formed by workers

interested in exploiting mining resources; strongly advocated nationalization of

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[*] It was only on the fourth day that Lechin showed up in a totally
hostile environment. He apologized for his mistakes, though in the end he
justified his decisions when he was in government. The workers questioned
his role as Minister of Mines in letting the Gulf Oil Co. come back and in
signing the compensation agreement for Patiño; criticized Lechin for.
instigating the popular masses in 1964 (since he was not nominated as a
vice-president candidate with Pas) to back Barrientos in his move to power
(see Chapter Three). In short Lechin's political practice was seen as a
betrayal of the popular revolution. Ironically days later he was re-elected
as the executive of COB.

mines held in hands of foreign investors; disregarded a development strategy based on the capitalist mode of accumulation and proposed the creation of cooperatives and public enterprises.

The right wing of the army realized the risk of the process initiated by Ovando and the rapid re-articulation of the labor movement. They would have preferred to re-establish government control in the fascist style of Barrientos. But that implied the overthrow of Ovando who had already lost the initial popular support due to his repressive actions against the popular movement.[10] On October 3rd military officers, led by Rogelio Miranda, sent an extensive note to Ovando asking for his resignation and informing him that they were already forming a new government. On the 5th of October, while intense negotiations between Ovando and Miranda were taking place, a *Triunvirato Militar* (power shared by three generals: Sattcri-Guachalla-Albarracin), without Miranda, put pressure on Ovando announcing to him the composition of a new government. Meanwhile on October 6th, General Juan José Torres, defined as a revolutionary nationalist, declared himself provisional President of Bolivia. That day Bolivia had six declared military generals as Presidents.

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[10] At the end of his term, Ovando became very repressive, assassinating selected leaders including Jorge Soliz, peasant leader and former Minister of Peasants Affairs, Jaime Otero and Alejandro Alexander and his wife, chief journalists of national newspapers. Ovando also expatriated several priests, followers of Liberation Theology, and brutally murdered the guerrilla militants who had already given up after the Teoponte campaign.

However, the crisis was greater when COB, loyal to their political definitions, declared that the popular masses are the principal agents for resolution of the crises and, opposing Ovando, Miranda and the *Triunvirato Militar*, launched a general strike including road blockades. Obviously, in the minds of military officials the crisis was all a matter for army officials to make decisions. But in the evening of October 5th, General Torres had a secret meeting with Filemón Escobar (miner leader) and a University leader in order to coordinate actions for the next day. Indeed, next morning, the miners arrived en masse in La Paz, ready for the fight. Then, along with massive demonstrations the COB support for Torres turned the political crisis in favour of the popular masses. The popular movement forced the *Triunvirato* to resign, Ovando was out and Miranda surrendered. By early morning of the 7th Bolivia had a new President - General J. J. Torres. A large popular demonstration prepared by COB listened to Torres' first message in the main square of La Paz: "The Popular masses imposed their will" said Torres, "so that never again will it happen that the people of Bolivia will be betrayed, we will build our country based on four social pillars: workers, university students, peasants and the army..." (Torres, 1985). He asked them to work in re-building the nation.

In the same evening, COB's political commission met with Torres who complimented them for COB's role in the outcome of the crisis. Then the President offered COB 51% of the Ministries (which was a step back by

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Torres since the original secret agreement had set 75% of Ministries for

COB). However, the results of the meeting were that COB neglected to

participate in the government and, declaring its class independence, submitted

to Torres a twenty one point program (elaborated the day before). The

workers announced their intention of closely guarding the implementation of

such a program. *Thus began one of the most extraordinary governments in*

Bolivian history, [. . .] Torres would prove to be the most radical and left-

leaning general ever to have governed Bolivia (Klein, 1982; 250).[11]

In May 1971 Torres closed all Peace Corp operations and ejected them from

the country since evidence was found of their exercising secret birth control

plans. Simultaneously, the Centre for Strategic Transmissions (an American

military niche secretly installed in the highlands near La Paz during the

regimes of Paz and Barrientos) was dismantled. Further, the Matilde zinc

mine under United States Steel Co. and the International Mining Processing

Co. were both nationalized. A larger plan was also ordered for

nationalization including commercial banks, exports and imports and large

enterprises in the lowlands. All these changes in policy upset the USA which

started to move against the Torres regime. This forced Torres to search for

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[11] In March 1971 when Torres came to visit the old mining city of
Potosi people concentrated five km. outside of the city and stopped the bus
in which the President came. The short J. J. Torres came out of the bus and
the miner workers took him on their shoulders up the steep streets of Potosi
all the way to the mining camp. During the seven kilometres journey, he
improvised speeches of hope and challenge. Finally he got to the historic
mine of Potosi located at 4,500 metres above sea level.

alternatives in the export of Bolivia's minerals. He opened economic cooperation with the Soviet Union and Eastern Europe for the first time, as a result of which several agreements were signed, such as for construction of mining processing plants in several mining centres (Strengers, 1991).

Torres' economic policies were within the national popular development model that attempted to break Bolivia's dependency and backwardness.[12] As a result Torres inaugurated the National Smelting Enterprise (ENAF) in 1971 and with it Bolivia started to process its tin for the first time. Torres also fostered a dialectic relationship with the labor movement, discussing their demands and the state's options, and generated a new enthusiasm in the popular sectors encouraging people to get organized, at the grassroots level, for finding solutions to local problems.[13]

In January 1971, a military coup from the right wing of the army was

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[12] The following were the most important state enterprises supported by Torres: in the mining industry COMIBOL, in the oil industry YPFB, in metallurgy ENAF, in development of agro-industry CBF, in the banking system BANIN, the Central Bank, the Agriculture Bank; the railways ENFE; road construction SENAC; air lines LAB; and the national telecommunication system ENTEL.

[13] Torres re-organized the military service so that the conscripts had two responsibilities a) those who came after secondary education had to be involved in literacy programs and b) those who came from the countryside with no literacy had to be enrolled in literacy programs. Both had to be involved in road construction, productive activities and normal military routines. Through the school system, secondary students had to get involved in literacy programs as part of the curriculum. Local governments implemented "Weekend Civic Actions Programs" where on Saturday mornings people worked together cleaning streets, repairing roads, fixing water systems etc.

launched, led by Hugo Banzer. COB rapidly responded with such a successful general mobilization that the coup was suffocated on the same day. For the second time Torres gave an emotional speech in the main square of La Paz. The crowd demanded punishment for the authors of the coup and Torres promised to exile them. Indeed, Banzer and other military officials were sent into exile. In this huge gathering COB, in the name of the labor movement, requested from Torres two radical demands: one, to support COB in establishing a Popular Assembly; and two, to deliver firearms to COB.

COB moved forward, forming a committee to prepare for the Popular Assembly. The Popular Assembly had the mandate to deliberate national issues and control government's actions. The structure of the Assembly was 60% working class representatives and 40% middle class and peasants.[14] All delegates to the Assembly were to be elected democratically in local assemblies. The political parties also had representation in the Assembly. On May Day 1971, after a massive parade COB installed the Popular Assembly in the Bolivian Parliament building. And for the first time since 1952 the President of Bolivia, Torres, marched for six hours along with the workers.

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[14] The peasant participation was really controversial in the Popular Assembly due to their relationship with anti-popular regimes (presented above).

On June 22nd the Popular Assembly began deliberations.[15] The first

resolution issued was a short statement:

> . . . [I]n the eventuality of a coup d'etat, the Popular Assembly, as the
> expression of workers power, will assume political and military direction
> of the masses and combat the right wing, fascism and imperialism. [. .
> .] the Popular Assembly determined that the first reply to a coup will
> be a general strike and occupation of the work places by the workers
> (Newspaper, el Diario; 23-6-1971).[16]

At the end of June, 1971 the Popular Assembly, assessing the political

situation and an imminent right wing coup, decided to send the Security

Commission to negotiate with Torres on the distribution of arms to the

unions. Obviously, Torres refused such a demand since it potentially meant

the destruction of the army as had happened in 1952. Thus, the COB and

the Assembly criticized Torres for ambiguous and petit bourgeoisie

government.

On the 19th of August 1971, a large body of Barrientistas peasants marched

in Santa Cruz accusing Torres of being an arch-communist. The government

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[15] The Popular Assembly formed commissions of Political Affairs,
Economics, Culture and Education, Peasant and Agriculture, Security and
Defense and Internal Regime. In the first regular sessions, the Assembly
discussed workers co-management in COMIBOL, as it was after 1952 (presented
in Chapter Three) and organized a special committee for investigating
military crimes against the labor movement during the regimes of Barrientos
and Ovando, which was a time bomb given that several military officers
involved in the repressive regimes were supporting Torres.

[16] The translation is mine.

imprisoned several dozen of the marchers but the Barrientistas furiously assaulted the University and other public institutions in Santa Cruz . In the late afternoon, the army took control of the city and a local state of siege was declared. Surprisingly, at the head of this military action was Hugo Banzer who had entered Bolivia clandestinely and who, from Santa Cruz, asked Torres to resign. The moves in Santa Cruz were coordinated with a revolt at the army bases of La Paz.

In the urgency of the situation, the Political Committee of the Popular Assembly met Torres and strongly demanded weapons and munitions for the unions. "...in the name of the Popular Assembly we demand that you (President Torres) distribute arms to the unions in enough quantities to defend this revolutionary process..." said Lechin. "...We are a poor country, we have no weapons in surplus and I cannot take away from the soldiers and give to the university students" answered President Torres. After hours of discussion, finally Torres promised to deliver the weapons to COB. On the 20th of August over eighty thousand people marched in La Paz in defense of the revolutionary process. After fiery speeches by labor leaders, the enraged masses met and asked Torres for weapons for the third time.

Meanwhile in other cities of Bolivia, the military in support of Banzer took up positions in important centres and violently confronted the popular resistance.

The country was in civil war. Only the army at La Paz remained loyal to

Torres. It was only at this point that Torres delivered weapons to COB and

La Paz was involved, once again, in a civil war. Troops from all over the

country who opposed the government marched on La Paz and occupied

strategic positions. Warplanes bombarded the city, tanks and heavy war

machinery fought against the poorly armed popular masses. Despite several

hundred killed in the following days, the popular movement continued in its

struggle. But COB was decapitated and the situation was already clear.[17]

The strategies of Torres, the FSTMB, COB and the Popular Assembly were

defeated. Banzer, in alliance with the MNR of Victor Paz and Falange

Socialista Boliviana (FSB) declared themselves authors of the coup and

formed a government with Banzer[18] at the head.

Whether Torres would have lasted longer if COB had accepted his proposal

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[17] When Torres left the government palace to visit one of the army bases that supported him, there was a multitude of people outside the government building. In his haste he exchanged only a few words with the crowd and left. On his way, a couple of blocks from the government palace, he faced a line of tanks that captured the historical main square and the palace. Torres never came back to the palace, neither did he reach the Sucre Garrison and that evening he ended up in the Chilean embassy. After publishing his book denouncing the fascist government he was killed in Argentina on June 2, 1976.

[18] The so called "mineria mediana", of the highlands and the "bourguesia agro-industrial" in the lowlands were the pillars of the Banzer coup. These economic powers would prove to be inoffensive without the links with the Bolivian army and would not have succeeded in the absence of the USA commitment in the coup. (The American embassy and the CIA provided information to generate the conditions for the coup; the Gulf Oil Co. and mining companies delivered economic support; and American modern military weapons reached Bolivians through Brasilian military officials). And the weak MNR and FSB joined in the coup pretending to give a civil image to the military regime.

for co-government instead of considering him a bourgeoisie leader or if Torres had delivered the military supplies to COB sooner belongs to speculation. The fact was that economic development, the social formation, the political structure and the process of popular participation within COB's guidelines was over. The question of what was the Popular Assembly and the role of COB and the Left in the events of 1969-1971 became the main themes of debate in the clandestine life of the popular movement and its leaders.

C) Banzer: The Military Regime and the Consolidation of the "Dependent Bourgeoisie"

On August 21, 1971 General Hugo Banzer and his military regime took power and governed for seven years. The pattern of development initiated by the pragmatic centre of the MNR, and set up by Barrientos, was restored. Indeed, with Banzer the model of accumulation reached its maximum expression as well as starting its decline. The macro-economic policies drafted by Banzer were within the IMF and USAID recommendations.[19] He rapidly de-nationalized several crown companies and, for the second time, gave economic recompensation to Gulf Oil and to the mining companies

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[19] The implementation of these policies required the restoration of the social "order" that resulted in one of the most heartless regimes in this century: COB was banned, the PSTNB persecuted, the universities were closed for two years, all left parties were declared illegal, and 10,140 union and political leaders were exiled.

nationalized under Torres. A few months later, a new Investment Law was brought in to guarantee and encourage foreign and domestic capitalist operations; the protected natural resources were opened to private investment and the government controlled prices of both consumer goods and labor, while wages were frozen. Banzer's economic policies favoured the native bourgeoisie, which had struggled in their formation since 1956 and now evolved rapidly to consolidate their economic and political power.[20]

In 1973 the new bourgeoisie pressured the government to increase purchasing power through an expansion of public expenditure and the transfer of great financial resources from the public to the private sectors; in 1974 the private sector absorbed 83% of the total value of exports and 51% from external credits (see table next page).[21] However this expansion led to an inflationary process that hurt the purchasing power of working people.

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[20]Since military officials and their relatives in government became an inherent component of the new economic structure of the regime, a civil component in the government was not necessary. In November 1984, Banzer himself, organized a successful auto-coup d'etat and dismissed the MNR and PBB from government positions. He officially admitted that he would govern with the ideology of the "National Security" (explained in a footnote above), consequently disbanded all political parties including his most immediate allies. With the slogan of "Order, Peace and Work" Banzer governed with the army, in direct obedience to the new bourgeoisie and the foreign capitalists.

[21] The transfer of resources had different mechanisms: a) the state captured credits abroad (so abundant at that time due to the global financial liquidity) and hired private enterprise to implement the projects; b) the government overvaluated the foreign exchange so that, in the long run, the payments were being highly subsidised by the Central Bank (since the price of hard currency was low for its purchase); c) the Central Bank lent credits to private firms most of whom never paid back and the state carried the risk and subsidised the debt. Bolivia progressively contracted an external debt that rose from $US 625 million in 1971 to $US 2.353 million in 1978 and four years later to $US 4.750.

Bolivia Private and Public Credit 1970-1974
(In Millions of Bolivian Pesos)

Sectors \		1972	1973	1974
Public Credit	214	766	525	336
Private Credit	190	509	1,083	1,647

Source: In Rivas, 1989 from the CEPAL, 1980

The Bolivian bourgeoisie that evolved with Barrientos and Banzer was quite peculiar: economically dependent on the state's favours and policies, technologically reliant on imported technology and foreign technicians and financially surviving thanks to the transfer of financial resources from state enterprises' surplus or foreign credit. At the same time state enterprises purchased their products at subsidized prices.

It is difficult to explain what happened to this bulk of financial resources and how it was utilized! Several economists have argued that the largest part of the resources was spent in speculative activities, consumption of imported goods, in foreign bank accounts and in illegal economic activities (Ramos, 1989). The fact is that the massive financial transfers and the surplus generated were not invested in sustainable economic activities, all this being reflected in the chronic crises of a few years later.

The native bourgeoisie did not develop managerial skills nor did it organize

production on a sustainable basis, but grew at the expense of the state. This bourgeoisie's behaviour became intrinsic to Bolivia's development. In regard to that kind of bourgeoisie, the role of the state was not an inclusive agent, as in the Keynesian version, nor stimulus for productive activities as in the New Industrialized Countries (NICs), nor had it a multiplier effect to straighten the economy. The state depended so much on the bourgeoisie's wishes and foreign interests that it even fostered corrupted and "dependent entrepreneurs".[22]

Despite the massive transfer of resources, the accumulation of wealth during Banzer's time came from the following sources: a) It was primarily based on an intense exploitation of labor through either the reduction or freezing of labor wages; while consumption prices rose 97% from 1971 to 1974, real wages in 1978 were still below those of 1970 (Rivas, 1989). Thus, the purchasing power of labor was compressed while its accumulation in the upper classes increased; b) As a result of the OPEC actions the price of oil increased dramatically, Bolivia exported crude oil at $US 2. 90 the barrel in 1972 and by 1974 at $US 15; c) The tin price steadily increased from $US 1. 69 the fine pound in 1972 to $US 4,78 in 1977; d) The non traditional sectors i. e. the agro-industry in the lowlands started to export cotton, sugar,

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[22] The majority of Bolivian bourgeoisie was not formed by entrepreneurs who organised the factors of production seeking the maximisation of profit and capitalised its enterprise to expand its capital. By far, the Bolivian native bourgeoisie was nurtured by the state's benevolence.

oil and other items at highly subsidised prices.[23] e) The participation of agriculture in terms of productivity was very low, but in terms of labor was the highest; however, the majority of peasants were not incorporated directly in the capital formation, since most of the productive activities in the ethnic groups of the highlands and lowlands of Bolivia are dominated by a non-capitalist mode of production.[24]

Further, the exceptional conditions in the international market for Bolivian commodities doubled the value of exports from $US 250 million in 1972 to $US 630 million in 1974 (Rivas, 1991).

The distribution of wealth was drastically skewed in favour of the dominant sectors of the economy. During the period 1973-1977, the distribution of per capita income was skewed so that only 1% of the population attained over $US 10,000 per year, while the average for the middle class (15% of the population) $US 650 and the low income classes (85% of the population) had an average income of $US 120 per year. Consequently, the peasants were not a priority in the allocation of resources under the military regime, and so

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[23] Banzer's government, as part of the Civil Service decree, ordered: a) obligatory service in the army for two years for all Bolivians 18-21 years old; b) army conscripts had to do compulsory work in agro-industrial fields, harvesting at zero cost to the enterprises.

[24] The model of accumulation, in place since 1956, succeeded in many areas but the biggest failure was in the countryside where the Andean "Indians" strove for survival under different patterns of production and exchange. This is the central issue for a multi-ethnic dimension of development addressed in the next chapter.

did not get the benefits of the blooming economy. The "modernization" of agriculture proved again to be anathema for Andean society.

The results of the model, under Banzer, is that it has created an elite of "dependent entrepreneurs", a society with extreme inequalities, a dependent economy.[25] And above all, it failed to incorporate the ethnic economic and social practices into the Bolivian economy, for it re-enforced instead a discriminatory and racist attitude in society against the native ethnic societies.

However, because of the circumstances, in the late 1960's and early 1970's the independent peasants movements re-emerged. These movements have their roots in the opposition to the institutional cooptation exercised after 1952 and in the resistance to socio-cultural discrimination after the Spaniards' invasion in 1592. This was the case of the *Bloque Independente de Campesinos* and the *Confederacior National de Campesinos de Bolivia* when both peasant organizations resisted the Barrientos' tax reform and participated in the Popular Assembly in 1970-1971. Yet, the formation of the Tupaj Katari Movement in the regions of Oruro and La Paz have certainly became

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[25] The Centre-Periphery theory formulated by various authors of the Dependency School and the several works published by ECLAC would support, theoretically, the scenario presented above (see Prebisch in Mieir and Seers 1984), and also the Surplus theory based on the works of Amin (1990) would enlighten the analysis of this topic. These views will be addressed in the final chapter.

one of the most enlightening experiences.[26]

By 1971 the *Kataristas*, entering the existent structures of organized peasants, had regained the national organization of peasants in favour of Bolivia's majority of "Indians" (Albó, 1990). Unfortunately, Flores and his followers were horribly persecuted and exiled by the military dictatorship after 1971.[27] Flores and other union leaders then entered Bolivia clandestinely from Peru and joined the underground resistance of the popular movement

On January 2, 1974, the peasants of Cochabamba organized their Regional Congress. Two weeks later Banzer launched an economic adjustment package raising consumer prices and devaluating the currency. In the following days a national protest arose against Banzer's economic measures. On the 22nwof January, over twenty thousand peasants of Cochabamba led by the unions blockaded the main Cochabamba-Santa Cruz-Sucre highway demanding that the government revoke the decree and that the Minister of Peasant Affairs resign. Banzer responded with violence against the peasant

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[26] I will address the Andean question and the Tupaj Katari movement with its cultural and ethnical dimensions in the last chapter.

[27] The *Kataristas'* first breakthrough was in the Aymara Ayllus (communities) near La Paz in the late 1960s. On August 2, 1971, the eve of the military coup, the National Congress of Peasants was organized. In this Congress, the Kataristas with relatively few representatives, were able to persuade the Assembly of the importance of the Ayllus and the independence of their organizations from the state, which meant rupture with the Military Pact. The Kataristas and Aymara community leader, Genaro Flores, was elected as general executive.

movement.[28] This incident laid to rest all possibilities for Banzer to win the "Indian" masses to his side. And it was the turning point for the peasant unions to achieve independence from the state.

In November 1976, despite the ban on unions, the miners installed their National Congress in the mining centre of Coro Coro and discussed the economic and political situation (curiously the Kataristas participated in the Congress). Weeks later the miners launched a national strike. The army immediately besieged the main mining centres. The miners resisted the siege from inside the mines. The indigenous peasants, especially the Kataristas, acting in solidarity supplied food to the miner families and to the miners underground. The general strike lasted for 45 days and the workers partially obtained their demands, but not a general amnesty. At this point the popular movement felt confident of its ability to get mobilized against the military regime.

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[28] On the morning of the 30th January, a military commission from the government arrived and asked the peasants to clear the highways. The peasants demanded instead the personal presence of the President. The commission returned without success. In the afternoon a long chain of military tanks approached the blockades. Unexpectedly, the army opened fire against the peasants. The number of dead was never known though the church reported at least 100 dead and several hundreds missing. Banzer justified this action by indicating that the peasants were infiltrated by international extremists and publicly said "If you see any extremist nearby, I authorize you to kill him on my behalf".

D) Democracy and the Crisis of MNR's Model of Accumulation

In December 1977, four courageous women from the mining centres began a hunger strike in La Paz, demanding a general amnesty, freedom of organization and general elections. Banzer was disturbed by this event but he remained sceptical, perhaps his bias against women let him think that the movement led by women did not have any political impact. However, a week later, the number of hunger strikers' picket sites across the country was as many as 524, involving over five thousand people and accompanied by powerful demonstrations in the streets. In early January, 1978, Banzer was no longer able to contain the popular movement and was forced to declare an immediate political amnesty and general elections. Obviously, COB was behind the mobilization.

In July 1978, for the first time after fourteen years of military rule, national elections took place. Though the results were never known it was clear that the United Democratic Front (UDP) had won. But this central-left coalition did not take power because General Juan Pereda, the "godson" of Banzer and the official candidate for the presidency, made the pretence of a military coup. Banzer appeared on TV on the 13th of May and in tears announced his resignation and turned the government over to General Pereda, who abolished the recent national elections. From then to 1982, Bolivia had one of the most

disgraceful experiences of its recent history. Bolivia had thirteen (13)

Presidents and numerous ministers in powerful positions.[29] These changes

were again a contradiction between the popular movement and the army

forces, but also showed a profound crisis within the military. Narcotraffic,

misuse of fiscal resources, massacres, violence, military coups became part of

the nature of things in the lives of Bolivians. In this period it was impossible

to implement or even design development proposals. Most of the

governments did not have time for their cabinet of ministers to settle in or

perhaps might not be interested in doing so, as obscure interests were more

relevant to them and profitable.

In 1982 after a successful COB mobilization, the UDP led by Hernan Siles

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[29] Just to have an idea of that turbulent process: Pereda promised to call for new elections in six months, but in November, General Padilla who came after Pereda announced the postponement of the elections which then took place in July 1979. Although the UDP won in the popular vote, the Parliament, after two months of unsuccessful negotiation compromised the election of Walter Guevara. (Guevara was the author of the Ayllus theory for revolution in the 1930s - chief leader of the MNR until 1960 and... see Chapter One) as an "interim President" with a mandate to call for new elections in a matter of six months. But before he accomplished anything, General Alberto Natusch took power with a military coup. Two weeks later the so weak democracy was re-established and Parliament elected the only woman president in Bolivia's history, Lidia Gueiler Tejada. She managed to carry the national election in which for the second time the UDP won with a relative majority. Before the UDP took hold, with one more military coup, General Garcia Meza, the nephew of Gueiler, took over. This regime made clear that the cocaine business played the main role in the conflictive social process since the mid 1970s. However, in August 1981, Meza was removed by General Celso Torrelio who a few months later was defeated by General Vildoso. Finally in August 1982, Vildoso set up Dr. Siles and the UDP in government.

Zuazo,[30] took control and initiated a formal democracy that has lasted until the present. As it might be expected, the UDP government and the new democracy faced severe social, economic and political dislocations.

On the one hand the UDP was torn by internal conflicts among its parties due to ideological and sectional differences. For example, just six months in power the Left Revolutionary Movement (MIR) resigned from government, re-entered the following year and left again at the end of the Siles period.

But, on the other hand, the external factors facing the UDP were rather complicated and irrational. The right-wing became disenchanted with Siles. In Parliament they demanded three hundred and two oral and written reports in two years; Cabinet Ministers spent half of their time making appeals in Parliament; the President was kidnapped for a week; right-wing terrorists terrified the cities; there were numerous attempts at military coups; the bourgeoisie boycotted the economic plans although they saw major benefits from UDP mistakes; also the international economic blockade worse.ied the already disrupted economy.

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[30] Hernan Siles, MNR's second President (1956-1960), was who set the basis for the implementation of the *Plan Estabilizador* and *Plan Triangular* which were considered totally anti-popular. In the following decades the MNR had a process of corruption and division. By the early 1970s, a large group of the central leftist, led by Siles, abandoned the party due to MNR's alliance with the military dictator Hugo Banzer. Siles in exile developed relationships with left parties and formed an anti-dictator front. In 1978 the left and Siles formed the UPD.

By 1983, Bolivia experienced its worst macro-economic instability due to the recession in the global economy because external credit was no longer as available as in the mid 1970s. Since the UDP refused to sign the IMF stipulations, Siles faced an international economic blockade and so, the scarcity of hard currency became chronic and one of the sources for the inflationary process. Reports from the public and private sectors of the economy showed by its figures an economy in recession. Domestic savings in local currency were virtually nonexistent in bank accounts, while foreign currency for the public was only available on the parallel market, so domestic savings and investment dropped drastically. The public finances were in a critical situation because real revenues reached approximately 1,442 in millions of Bolivian pesos but expenditure was 9,656. The volume and value of exports dropped by more than 50% from 1982 to 1984, and above all production fell dramatically due to management's investment policies, and social unrest. From 1982 to 1985 COB organized more than sixty general strikes and the local unions implemented two thousand local strikes, most of them demanding wage compensation. All these factors influenced one of the worst hyperinflation processes in the world.[31]

[31] In 1983 my mother (who is a teacher) received a salary $BS 25 million ($US 120), the conversions at the black market rate meant she didn't have a minute to lose. Every hour the domestic currency (pesos) dropped in value. While she rushed to the market to stand in line to buy food which was under controlled supply, my older sister was struggling to convert the Bolivian pesos into dollars on the black market with. It is not difficult to imagine what happened when both my mother and sister were unsuccessful in their endeavours. In early 1984 my mother was paid $BS 500.000, ($US 50). In 1985 my mother's salary was $BS 1,800.000 ($US 30). The economic instability for Bolivians was just a nightmare.

Nevertheless, the government of Siles had to absorb structural and moral

crisis which had their roots in the misallocation of financial resources and the

misuse of capital by previous governments. The crisis hadalready begun at the

end of Banzer's regime manifesting itself in the turbulent years of 1978-1982

and collapsed in 1984 (see the following table).

Some Indicators of the Structural Crises in Bolivia

	1980-81	1982	1983	1984
National Income (GDP)[1]	0.9 %	-8.7 %	-7.6 %	-3.6 %
Inflationary Process [2]	28 %	406 %	329 %	2,273
Value of Exports (Millions of $us)[2]	942	828	755	304
Debt Service Against Export Values[2]	17 %	34 %	49 %	Crisis
Fiscal Deficit Against GDP [3]	18 %	7 %	23 %	23. 4 %

Sources: (1) Bolivian Central Bank (BCB) Memoria Annual 1985
(2) Rivas, 1989   (3) BCB Boletin Estadistico, 1985

The UDP attempted to implement seven stabilization programs but

unfortunately all of them failed. Most of the time the economic adjustments

were post-factum of the inflationary process and they lacked continuity since

the cabinet ministers changed eight times in the years 1983-1985 (Harold,

1987).

Again, as in 1956, the hiperinflation process was attributed to labor's

mobilization and failure to observe or ignore that such a phenomenon was the

sign of MNR strategy's failure. Yet, in this framework the international financial institutions including IMF, World Bank, USAID assessed UDP's domestic policies. For these agencies, the UDP did wrong to set minimum wages, fix prices for the market, control imports through licensing, regulate foreign exchange rates, direct aid to targeted sectors and design large plans for social ownership. Based on that assessment, the IMF suggested Siles remove these policies for further financial credits. Since it was impossible for Siles to comply with the IMF's guidelines, within the framework of a left coalition, the international agencies withdraw financial assistance to Bolivia. This, in turn, led to shortages of cash in fiscal accounts since it was previously promised for allocation.

Besides, the fixed exchange rate policy (that linked commodity prices of exports -mainly from state-enterprises- with the official rates, while on the other hand public expenditures increased at the pace of the parallel market) resulted in an ever widening gap between the official exchange and the parallel rates that ended in an unbalance of payments. Therefore, the Central Bank had to deliver large quantities of new money to cover the public sector deficit, and it turned into an endless hyperinflation process (see next table).

PACE OF INFLATION IN BOLIVIA 1982-1986

Dates	Consumer price index (1982-83)	Exchange rates (\$b/\$us) official	Exchange rates (\$b/\$us) parallel
1982 Mar	3.90	44.00	48.20
Sept	12.3	229.20	256.90
1983 Mar	18.2	200.00	781.00
Sept	51.6	500.00	2,800.00
1984 Mar	209.9	2,000.00	14,600.00
Sept	1,174.0	9,000.00	60,100.00
1985 Mar	18,948.0	75,000.00	1,100,000.00
Sept	96,865.0	75,000.00	1,950,000.00
1986 Mar	150,100.0		
		"Shock" Measures: Devaluation	

Sources: Banco Central de Bolivia. Boletin Estadistico, No 253. 1986

The remaining question was: why was Dr. Siles unsuccessful in implementing the macro-economic stabilization policies this time, having to his account the successful experience of stabilization in 1956? The answer is fascinating but requires a longer chapter that would be interesting to develop elsewhere.

Despite several policies and resources in favour of the popular sectors, COB, at its National Congress held in Cochabamba in 1984, accused the UDP of being a reactionary regime. In consequence, in March 1985, COB launched a general strike. Ten thousand miners marched to La Paz and controlled the city for thirteen days while the whole country was paralysed and the main roads blockaded by the peasants. Siles, in response to the COB mobilization,

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offered a co-government UDP-COB to save the democratic process. The radical leaders in charge of COB not only refused Siles' offer but also stepped back after Siles's resignation.[32] Siles was impeached 18 months into his term and called for national elections. The left parties and COB, in this period of 1982-1985, proved to be incapable of solving their differences and unable to respond properly to the structural crisis, and lost the social trust. After all the mistakes of Siles, the UDP and COB, the model of development designed by the pragmatic centre of the MNR in the 1950s and the agents for such a model, fell. The model in its results turned out to be unsustainable.

E) The "Chicago Boys" Arrived to Bolivia with a Neo-Orthodox Approach

In August 1985, the MNR, led by Dr. Paz Estensoro, took power for the fourth time since the revolution of 1952. Surprisingly, on August 29th, the government delivered Supreme Decree 21060, known as the New Economic Policy (NEP), based on neo-liberal ideology although the authorship of the

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[32] Lechin was criticized for more than one historical mistake: in 1946, hanging Villarroel which allowed the oligarchy to came back into power; in 1964, mobilising COB against Paz which facilitated the arrival of Barrientos; in 1970, disputing with Torres which let Banzer to be in government; and in 1985, overthrowing Siles, knowing that after Siles can only come the right-wing. COB's mistake, as Filemón Escobar insisted in the Congress, was not so much to be against Siles but not to admit that in overthrowing Siles there was no other alternative of government in favour of the popular sectors. The COB's demand for a flexible minimum wage in scale with real cost of living (instead of being an economic demand that was strictly a political definition, since the government already faced hyperinflation) forced Siles to resign.

decree belongs to Jeffrey Sachs and the "Chicago boys". Immediately MNR signed the "Carta de Intenciones" with IMF and began to implement the Structural Adjustment Program (SAP).

The NEP represents a deep transformation of the political economy and social organization of Bolivia. In the view of the MNR (and thus, the IMF) hyperinflation was due to price distortions as a result of the state intervention in the economy. Therefore, they asserted, the answer is to liberalize the economy and re-define the role of the state.[33] Thus, in the new policies the MNR introduced specific conditions for the model including: abolishment of all price controls, extinguishment of subsidies, clearance of trade barriers (free trade), liberalization of exchange rates, a free labor contract, market determination of wages, free import and export of commodities, free sale of hard currency, free mobility of capital. Also introduced were monetary policies, including the reduction of fiscal deficit through control of public expenditure, reduction of the size of government and its intervention in productive activities. Public investment was linked to international aid and external credit to private sectors of the economy. In 1986 a general tax reform was introduced to increase fiscal revenues and to pay the external

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[33] Neoliberalism is not the absolute believer in perfect competition, nor in the dry application of laissez faire, but in a state's strong role that sets the conditions for a market economy. The intervention of the state is even greater but selective in relation with key factors of the society and economy i.e. they use not only persuasive methods, but also repressive means to subordinate society to macroeconomic variables.

debt. The government, through the NEP, attacked the roots of inflation and virtually eliminated the public sector deficit. The operations of public enterprises with deficits were closed and privatized (including the giant state mining corporation COMIBOL), (ironically three decades earlier it was the MNR that created COMIBOL and other public enterprises).

This set of neo-liberal policies that pursued a society based on market rules, competitiveness, and profit maximization was successful in stopping the hyperinflation, but led the Bolivian economy in a deep recession which is the predominant aspect of the current economic crisis. Economic activities have deteriorated, losing competitiveness in relation to imported commodities. The implementation of the model generated an increase in the costs of production and in the consumer index. It also increased the investment cost (interest rates, high tax on imported capital goods, etc). The NEP also shrunk the domestic market, increasing unemployment and underemployment rates. Six years later the model has not shown an economic re-activation, although all the conditions are there. What is lacking is a proper agent to embody the challenges, as the Bolivian "dependent entrepreneurs" have so far shown their inability in that role. There has been some foreign investment, but it is oriented specifically towards extraction of raw materials, and not to development of productive forces or transfer of technology.

Further, after the NEP, open unemployment rose to 27% and the urban

informal sector increased to 85% of the economically active population.[34]

The GDP per capita throughout the 1980s dropped 27% (from 1980 to

1989). The Central Bank calculated that with an average growth of 3. 5%

per annum, forty years would be needed to recover the levels of national

income in 1980. At an annual growth rate of 4. 5%, this was predicted to

take 18 years (CEDLA, 1990).

The "free market" economy and the Structural Adjustment Program would not

have survived without the massive influx of narco-dollars since the gross

value of narcotraffic activity was equivalent to 65% of the official GDP in

1986, and rose to 120% of the official GDP in 1990 (Labrousse, 1990).

Thus the economic model has indicators that makes its sustainability

uncertain.

In all countries that introduced the SAP, labor movements resisted its

implementation due to the high social costs. In Bolivia, COB and the regional

civic organizations were hostile to the model, and there have been numerous

national, regional and sectorial mobilizations in resistance to the model. Many

of them were brutally repressed by the "democratic" government which

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[34] During these last years, the informal sectors were able to form their political representation with significant impact on Bolivian politics. Quechua and Aymara speakers challenge the current neo-liberal politicians.

almost yearly invoked its constitutional prerogatives and decreeing a state of emergency, almost once a year. Since 1986 several hundred labor and political leaders have been arrested and confined to inland exile.

After 1986, the Andean movements were revitalized and became the main social agents in Bolivian society. Among them the coca leaf growers came out against the eradication programs proposed by USAID and the government, and enforced by the military. Also the ethnic societies of the lowlands have emerged as agents in the civil society.[36] For instance, Bolivia's agricultural output is 32% of the GDP, industry (manufacturing, mining, construction and agroindustry) 30%, and service 32% (WBR, 1991). Of the total agricultural output, 35% corresponds to agro-industry and 65% to Andean and non-modern sectors. Thus, the majority of the agricultural labor remains within the Andean structure of production.

Comments It is demonstrated that the *Plan Estabilizador* and *Plan Triangular* in 1956 was the turning point of the Popular Revolution towards an accentuated neo-colonialism. Consequently, the development process was divorced from the ethnic interests and organized labor consent. The MNR's *modernization*

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[36] Given the cultural character of these movements, the assumptions and values behind these ethnic societies and their relevance for Bolivian development will be addressed in the next chapter.

dream, based on ISI strategy, that relied on the emergent petit bourgeoisie has proved to be unsustainable within a democratic framework. Indeed, its implementation was only possible under military authoritarian regimes. Further, their strategy within the Labor Surplus Theory (LST) consolidated a "dependent bourgeoisie". Therefore, the "persistent dream of modernization" led the country to extreme dependency on USA policies and multilateral financial agencies.

However, in 1969, COB re-opened conditions for the "national-popular development" while the Government of Torres provided the adequate environment for the re-articulation of popular initiatives expressed in the Popular Assembly.

Banzer's military regime (1971-1978) was the most transparent expression of a capital accumulation model. The "dependent bourgeoisie" was consolidated based on the massive transfers of resources from the state and financial credits. This transfer put in evidence the symbiotic relationship between Creole-state and the dependent entrepreneurs. The Government of the UDP 1982-1985 introduced challenging reforms within the CEPAL recommendations of modernization with equity. But the economic agents that evolved after 1952 were already trapped in the speculative and illegal activities rather than in productive activities while at the same time the

international institutions undermined UDP attempts by withdrawing credit lines. This Chapter is describes the model accumulation initiated in 1956, consolidated in 1970s and collapsed in 1985.

Also presented is the arrival of the neo-orthodoxy with "free market" gospel and MNR's metamorphosis that swing from: nationalism to globalization of capital, from ISI to EOI, from protection for domestic industry (nurturing the "dependent bourgeoisie") to "free-market" policies.

Finally, throughout the Chapter, the re-emergence of the ethnic movements towards their autonomy from the state (after the major cooptation by MNR and military regimes during three decades) is presented. In the early 1970s the Katarist movement emerged from Aymara Ayllus, and formed CSUTCB (Bolivian Confederation of Peasant Unions). In that process in the 1980s several nations, including the Guarani-Chiriguano, Sirionós, Quechuas, Yucarares, became the most dynamic social actors challenging centralism and the uni-ethnic state, criticizing the neo-orthodox policies and calling for the Assembly of Nationalities.

CHAPTER FIVE

MULTIETHNIC APPROACH: THE CHALLENGE FOR BOLIVIAN DEVELOPMENT

In the preceding chapters I have presented an overview of the social and economic actors in the social and capital formation of Bolivia. In this chapter, I do not pretend to reconstruct the "Andean World" and its economic, social and cultural structures.[1] However, I will argue that the various ethnic societies in Bolivian (the highlands, valleys and lowlands) have not been reflected adequately in the spheres of power nor in the development strategies, nor in government, nor in development policies and theories of development implemented in Bolivia. Indeed, the ethnic nations in the highlands and lowlands of Bolivia along with their productive systems and culture are discriminated against. Thus, this multi-ethnic and multi-cultural reality of Bolivia's present is a challenge for a multi-ethnic dimension of development.

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[1] I never carried out academic research on the areas described below. Nevertheless, either as popular educator or as part of evangelization missions within the Liberation Theology framework, I did have experience living and working in these communities. Thus, the data and interpretation are based not only on scholars' research but also on my participatory observations.

The Cultural Identity the Challenge for Development

According to the *Instituto Boliviano de Cultura* there are thirty-two Andean ethnic groups within the boundaries of Bolivia. The three largest are the Quechuas which comprise 45% of the peasants, the Aymaras with 35%, and the Guarani 15%. As a whole, the ethnic societies represent 65% of the Bolivian population (Plaza & Carvajal, 1985). Consequently, Bolivia should be characterized as a multi-cultural and multi-ethnic country. From the ethnic societies presented below several aspects could be inferred that challenge the "unidimensional" pattern of development: "modernization". And suggest a multi-ethnic dimension of development (discussed in the next chapter).

It is a challenge to demonstrate the vigour and actuality of these large groupings, Ayllus, in the Bolivian Andes and to question the assumptions in relation to them behind the social and economic development presented in previous chapters. Further, it is a challenge to attempt to understand and make sense of the cultural dimension of the Andean people. It has been the cornerstone of their survival and of their resistance to the foreign invaders and their tyrannizing, power seeking, successors. This dimension rises from a well of strength, timelessly reinforced by the conviction that they are the people who know the rightful way; and from their passion for the old religious rituals which have strengthened and maintained their identity.

In the following pages, I will describe three ethnic societies within Bolivia (the Yuras among the Quechua, the Qollahuayas among the Aymara and the Guarani-Chiriguano in the lowlands) focusing on different aspects of Andean culture that underline their historical survival. Although these experiences should not be stereotyped since each community and ethnic nation has its own particular history and set of values and ways of organizing themselves. Nevertheless, the description of these communities can help to understand the kind or reality that one might face at the movement of designing and implementing policies and strategies of development.

1) The Ayllu Yura[2]

Yura is a Quechua speaking Ayllu one hundred kms. to the southeast of

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[2] The *ayllu* is one of the most controversial and intriguing social organizations in Andean societies:

Fray Domingo de Santo Tomas, a Dominican who became expert in the Quechua language, defined the term in 1560 as "linaje, generacion o familia" [...] The entry in the 1586 "Ricardo" Quechua dictionary reinforces this picture, defining ayllu as "tribe, genealogy, family home" [...] For Brush and Guillet (1985: 21) the ayllu is "the primary kin group." Others have characterized ayllus as groups created on the basis of bilateral kindreds (Isbell, 1978:75); larger social groups who hold land together (Platt, 1976); units of residential proximity (Palomino, 1972) [...] The ayllu does not consist simply of the group of co-resident individuals, nor of the named place by itself: it exists only when these entities -people, houses, the place- are brought into relation with each other" (Rasake, 1989: 49-51).

Potosi.[3] On the way to Yura there are a few villages, the largest of which
are Chakilla and the mining centre, Porco. After the monotonous arid land,
thinly populated by llamas and goats, the truck entered the valley of Visijsa at
a height of about 3,500 metres (the valley continues downstream to 2,900
metres which is Yura's geographic slope). The thin riverbanks lined with a
variety of corn fields, and the red hills are home to the ethnic society of Yura
whose six thousand five hundred members live dispersed in a hundred or
more small hamlets within some 2,000 square kilometres (Rasnake, 1989).
In the territory of Canton Yura, 95% of the inhabitants are Yura Andean
peasants and the remaining are either miners or "vecinos".[4]

For the Yura's livelihood, livestock is the main productive activity after
agriculture. Since rainfall and other climatic changes are unpredictable there
is intense pressure on the land with access to irrigation. The Yura's pattern
of land tenure is quite equitable (0.5 to 2 hectares per household). Since land
is inherited or sold within the ethnic society, landlessness is fairly non-
existent and there are no signs of open markets for land. In the past, the
Yuras had a full *Control Vertical de un Máximo de Pisos Ecológicos* (Vertical

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[3] The first time I went to Yura (1976), the open-back truck took 5
hours to get through the muddy roads that challenged the skilful truck
driver. It was in the rainy season in the days before one of the most
important Yura festivals *Kinsa Rey*. Since then, I have worked with Yuras in
several projects and undertaken several initiatives based on their social
and economic patterns.

[4] The "vecinos" are Creoles identified with urban values who commonly
extend their power through the hacienda system and embody the state interest
through power posts in the rural communities.

Control Over a Maximum Ecological Levels).[5] Nowadays this technique is still used by Yuras in much reduced ecological variations, i.e. in the higher lands they might plant wheat, barley and potatoes and downstream, corn, vegetables and fruit. With non-monetary interaction they manage to exchange products from these different ecological levels. For most of the year, the livestock (mainly goats, sheep and oxen) are grazed faraway in the hills .

It is amazing how the Yuras manage their available resources, i.e. the grazing lands are used for livestock, which when alive provide fertilizer and meat when slaughtered; bones are used as tools for crafts or wall hangers), the wool, hair and hides for weaving and clothing. The wild plants and poplars are used for fuel, housing and as linings for the irrigation canals. With such an ability to use their own resources, the Yura's economy is characterized as "one of regional self-sufficiency" (Rasnake, 1989: 35), although this might change since the Yura's seasonal migration for paid wages is increasing in numbers (Harman, 1984).

Only a few aspects of the Yura's history, culture and socio-economic organizations can be highlighted in the following pages.

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[5] As shown later, this technique is still used in other Andean regions (Murra, 1972)

a) Reciprocal Work

The organization of production is managed at different levels. Although some tasks are done individually or at household level, agricultural and construction activities are organized in *Mink'a* (common and reciprocal work). The Mink'a is rather a festive and sacred activity in which all household members participate. A typical example of the working of a Mink'a is at planting time. At dawn people gather at the Mink'a host's patio and begin to chew coca leaves. Meanwhile, the woman of the household, in a corner of the patio, prepares an altar and unfolds a *lijlla* (woven cloth) on the ground upon which is placed the bag of seeds to be planted that day. The woman, opening the bag, grasps some seeds and looks at them as holding the shape of the future. Then on her knees, taking off her hat, she greets the *Pacha-Mama** (the Mother-Earth) and with a sliver of burning embers, blesses the seed and the altar. While this is taking place other women ensure that the food and *aqh'a* (corn beer) is ready for everybody. After the household members, all participants offer to the Pacha-Mama a bit of aqh'a and then drink some themselves. The environment changes very quickly with food and more

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* The Pacha-Mama, a common concept among the Andean people, represents the earth as a complement to the father Sun (the creator and inseminator god). Everything that stays in the earth is sustained by the Pacha-Mama. She protects the fields for the crops and nurtures all living things. But, she is also severe with her punishments, when she is not adored, respected and offered incense, coca leaves and aqh'a. Along with the Pacha-Mama are the *Jach'arasas* (the spirits of the mountains) who look after the animals in the inhabited hills of Yura. There are also capricious-benevolent spirits.

aqh'a. Sometimes, there are designated musicians (usually older people tired of working in the fields) who play pipe-flutes and drums. Afterwards, the group moves to the field and a household member burns the q'ho's (coca leaves, herbs, sheep or llama wool, animal fat) and prays to the Pacha-Mama for her good care of the crop, and blessing for the field and the seeds. More coca leaves are chewed and aqh'a drunk and the field work begins. Small groups of men and woman are formed to furrow, put in the seeds and cover them over, all rhythmically to the sound of the flutes and drums.

Though the Mink'a is organized for different productive activities such as planting, weeding, irrigating, harvesting, and community works each is accompanied by the same basic elements: thanking, blessing and praying to the Pacha-Mama, music, aqh'a and food (supplied by the host household) all reinforcing the religious relationship among humans and between humans and nature. In the Mink'as there is no money circulation as the principle of reciprocity is paramount deeply engrained in the Yura (and through the Andes) culture. The Mink'as are scheduled at special community meetings in such a manner that all members carry out at least one Mink'a. Through the Mink'a the Yuras establish an equitable productive relationship. The cultivated fields, the earth, the mountains, the animals and people are the space in which the spirit lives and sings. Because the natural resources are not a dead matter, the Yuras in ages past established a religious relationship with their

surrounding nature world. As such, it is inconceivable for the Yuras to over-exploit the use of land, preferring a rotation cycle use of cultivable land and a critical use of chemical fertilizers. The Yuras, therefore, from the environmental point of view set the basis for a sustainable use of land and the resources available.

2) The Cultural Resistance and the Strengthening of Ethnic Identity

In the Andes region, in general, cultural festivals are essential activities through which the community members renew their values and beliefs, consolidate their organized structures and their relation with nature. Thus, the festival became, in the moment, the re-creation of the ethnic identity. Of the many Yura festivals, two will be described in the following pages: the *Kinsa Rey* and the *Carnaval.*[7]

The Kinsa Rey Festival.[8] This is a massive celebration that takes place in the

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[7] As many Yuras pointed out to me, they are deeply indebted to Roger N. Rasnake and his fellow anthropologist and wife, Inge M. Harman, for their field work and published papers on the Yura's culture, struggles and challenges; they got involved in the Yuras daily activities and festivals, and became part of the same rhythm and mood of the people.

[8] Although the Kinsa Rey is the festival for the transference of authority positions, it could be related to the Kings of Epiphany, or also to the first of January when the Spanish Viceroy Toledo in the sixteenth century used to change authorities in the Andes. However, the Kinsa Rey, as such, is a sacred wooden rod, inherited and carried by the *Kureqkuna* (the set of Indigenous authorities including the Kuraka, Jilaqata and Alcaldes). In the Yuras Culture:

first two weeks of January (mid-summer) when the Yura Ayllu celebrates the transference of *alcaldes'* posts. The Yura Ayllu is divided into four main-Ayllus (and subdivided into fourteen minor Ayllus) there being one Alcalde-couple (husband and wife) for each Ayllu except for the Qhuilanes who choose two Alcaldes. Thus, these ten Alcalde-couples (five leaving and five new entrants) are the sponsors of the Kinsa Rey festival and they supply food and "unlimited" quantities of aqh's for everybody throughout the festival.

On the 4th of January small groups of men and women are formed in the patios of the departing and new Alcaldes and they compose a couple of wayñus based on four beats to the measure, without lyrics; these wayñus will identify each Ayllu in the festival.[10] The second day, 5th January, the departing Alcalde-couple, holding their Kinsa Rey, visit all their neighbours in

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The Kinsa Rey is conceived as a powerful focus of the Divine with special links to animals and to health. Its nature is to be *phiña*, "capricious"; it therefore must be treated with affectionate respect and, at times, even with fear...[It] is in fact the dominant symbol on which rest the entire complex of meaning sustaining the institution of the Kuraqkuna" (Rasnake, 1989: 229 and 215).

The Kinsa Rey must be hung on the wall of the main room of the household and as a sacred stick people worship and offer blessings and incense.

[9] The Alcalde is the one member, in the power structure of the Ayllu, in direct obedience to the Corregidor (who is a Criollo-urban and direct political and administrative agent of the State). The Alcalde offers an agriculture Mink'a the benefit of contact with the Corregidor (a holdover from the Spanish conquest) and is the latter's pawn for his private duties. The abuses of this role have diminished due to the emergence of organized unions (a team of Liberation Theology followers, including myself, supported their organization).

[10] These wayñus are no longer than forty seconds and will be played over, and over and over, day and night during the festival; it is so that after fourteen years since I participated for the first time in the Kinsa Rey the songs still beat in my mind.

the hamlet, always accompanied by the group of musicians and women dancers. On the morning of the third day, the leaving Alcalde visits the house of the new Alcalde where the *Kuraka*-couple[11] joins them. After several ritual events in honour of the Kuraka, Alcalde and Kinsa Rey, the group that is already as large as forty musicians and sixty women dancers begins the trek of five to twenty kms. (depending on where the Alcaldes live) towards the centre of the Ayllu: Yura (the capital). Just outside of the Yura village altars have already been set up in four corners, and the groups stop there for a ritual event in which they remember and pray for the community members that passed away in previous years. After that, the Ayllus' groups perform an extraordinary ritual entrance from each corner of altar to the centre of the main square where stands a brick cylinder three metres high. The evening is exciting, full of music, dance and aqh's. The semi-circles of women dancing and men playing flutes are followed all over the village by the Kuraqkuna with their Kynsa Rey. That night late (2-3 a.m.) the groups rest at the Alcaldes' patios.

On the fourth day, before dawn breaks, the musicians are already playing the wayñus, drinking aqh's and eating. At sunrise the outgoing Alcalde-couple, followed by the group, moves to the new Alcalde's patio. From there all the

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[11] The Kuraka is the main Indigenous authority in the Ayllu and it is always a couple (husband and wife) as it is in all the authority posts of the Ayllu, including the Alcaldes. One of the many duties of the Kuraka-couple is to nominate the Alcaldes.

Kuraqkuna (the set of Yura Ayllu authorities) move to the Corregidor's patio. By 9:00 a.m. the ten Alcaldes, with their Kinsa Rey and accompanied by their groups assist in the binding to duties ceremony, although at that time of the morning hardly anyone is sober. After the ceremony a long tour of dancing visits begin. Every single patio in the Yura village is visited since every household of Yura Ayllu has a room or just a place in the patios of Yura village. The patios are located in cardinal directions from the centre of the main square towards the Ayllu. These visits led by the Kuraka, Alcalde and the Kinsa Rey might look chaotic, but they are instead a ritual journey to re-affirm the territory and social filiation of the Ayllu. Indeed:

> The social construction of space combined with the temporality of the succession of visits serve to reaffirm and crystallize Yura ideas of social order...This ritualization of space is a fundamental theme underlying the entire festival (Rasnake, 1988: 205 and 200).

All day and night, dance, music, aqh'a and food. On the 8th of January, the fifth day, the new Alcaldes host a final visit of the leaving Alcalde-couple and their Kinsa Rey. A finely woven lijlla covers a table in the centre of the patio. The former Alcalde-couple, after dancing in the centre, takes a small bag with loose grains of corn and in the presence of the Kuraka and surrounded by the Ayllu members, counts the kernels of corn and compares with the number of the previous year. Each kernel is equivalent to a household of the Ayllu; in this fashion the Ayllu authorities take into account the size and membership of the Ayllu. The new Alcaldes take the cloth, ties the small bag which is

carefully held until the next year. Celebration, dance and drink of aqh'a follow this act of filiation. And again the Kuraqkuna accompanied by the group of dancers and musicians visit all the patios of Yura village.

The next day, only after they have visited all the patios, the Ayllus groups and the Kuraqkuna, get ready for the best performance: the *Kacharpaya* (farewell), held on the evening of the 10th, the climax of the festival. Large groups of men and women dancers dressed in their best traditional clothes enter the plaza again, forming huge semi-circles around the musicians and the Ayllu Kuraqkuna with their Kinsa Rey. Every group tries to defeat the others by playing their wayñus louder and louder, some of them probably joining other groups and continuing to keep the event going on. Hours afterwards two groups remain, struggling to stand on their feet. For some of them this is already the sixth evening of heavy drinking and dance but the Kacharpaya is something that no Yura can miss. Nobody knows when this evening will end, the only ones who see the end are the Ayllu members that stays on their feet, playing and dancing the wayñus, and accompanying their new Alcaldes with their Kinsa Rey.

Such an exhausting evening gives the impression of an end to the Kinsa Rey festival. Yet the next day, the seventh day, everything re-emerges, and even with more energy and diligence. All groups of dancers, music players and

Kuraqkuna with the Kinsa Rey occupy the Yura village again as if to make clear one more time, that the Yura Ayllu is united geographically, and ethnically re-affirmed.

In these seven days of festivity the ethnic filiation has touched the most intimate corner of a participant's psyche and the Ayllus have been re-created ritually, through every entrance to the main square and overall through the complete visits to the patios by the Kuraqkuna with their Kinsa Rey its land, social organization, authorities and their staffs. I must confess, that after the festivals, nothing was clear in my mind but filiation with the Ayllu, the culture and the Kuraqkuna.

The Carnaval Festivity. The Yura people, in this festival, focus on re-affirming the *Kuraqkuna*'s role in the Ayllu and the ethnic relationship with the state. It starts a week before Ash Wednesday. Like the Kinsa Rey festival, people gather at one of the Kuraqkuna's patio and compose wayñus. The next day the groups begin the long journey: the *Kuraqkuna* and their staffs, accompanied by dancers and music players, visit house by house all members of the Ayllu. The five to six days trek moves from the house of the *Kuraqkuna*, through the other houses and reaches the final boundary of the Ayllu, that has remained unchanged since 1579. At the hill on the boundary, a sacred table of rocks is set up covered with a *mijlla* and a Kinsa Rey on top

of it. At that geographic point a ritual ceremony is celebrated that encompasses the realm of the Yura's land. This ceremony at the boundary of the Ayllu makes explicit the members' identity in the context of a dominant state in which their culture and interests are not represented.

With this trek, the *Kuraqkuna* with their Kinsa Rey have re-created the social relations within the Ayllu and re-affirmed the ethnic boundary and cultural identity. Then becomes apparent the symbolic unity of the *Kuraqkuna*, the Jach'aranas (spirits of the Mountains), the Pacha-Mama (Mother-Earth), the condor and the Kinsa Rey. All these concepts seem to fit together as much as the Ayllu. "The Carnaval is the most insisting of all the celebrations in its emphasis on Yura concepts of internal organization and external relations" (Rasnake, 1989: 242).

Yet, that is just half of the festival. With more enthusiasm than ever, in a mood of great achievement, the groups come back from the boundaries towards the centre. Once in Yura village, on Ash Wednesday, as in the Kinsa Rey festival altars are set up on the four corners outside of the Yura village. And after the rituals, once again the groups enter the Square. The entrance is very colourful, the musicians playing flutes and drums, the Kuraqkuna with their Kinsa Rey, dressed in wild puma skins or carrying condors' heads, and the women with colourful flags attached to their backs, and so forth. It has

all the atmosphere of a worthwhile hard and long trek to re-affirm the Ayllu.

The Yura Ayllu's cultural activities are, in themselves, inclusive practices of the social order. Since the Yuras are conscious of their place in Bolivia's social order and acknowledge their position at the very bottom, these cultural expressions are essential for their identity and cultural resistance.

The Yura Ayllu's identity and cultural survival is not due to their isolation from national or international development. Indeed, since the Colonial era, the Yura contributed cheap labor to the cities, and were involved in the *mit'a* (obligated labor) for the mining centres. They participated in the greatest revolt led by the Kataris in the 1780s as in the revolts of the last century. They were engaged in the wars of independence (1820s), the Pacific war (1879) and in the Chaco war (1930s). As seasonal labourers some of them worked in the huge metropolitan city of Buenos Aires, and many of them in the fields of the bourgeois' enterprises in the lowlands. Further, their unions are affiliated to the National Confederation of Peasants and occupy important positions at the regional level and they also participated in the mobilizations recounted in previous chapters. Still, their cultural values, their modes of organizing production, their symbols and social organization, their relationship with nature, and their relations between men and women (maintained as a testimony of their struggle against cultural discrimination) have not yet been

considered as part of the development strategy.

2) The Qollahuaya Ayllus in the Andes

The Qollahuaya Ayllus, among the ethnic societies in the Andes, have

maintained their cultural and religious values in resistance to the imposition of

external powers.[12] At the present, the fifteen thousand Qollahuayas live in

the Bautista Saavedra Province (Department of La Paz, Bolivia) in an area of

2,525 square km. The Qollahuayas are divided in nine minor Ayllus located at

different altitudes of the mountainous region of the Cordillera Oriental. The

lower region is inhabited by the Cullina Ayllu at eight thousand feet

producing citrus fruits and vegetables; In the middle are the Ayllus, Inca and

Kaata, at eleven thousand feet, cultivating mainly potatoes and corn; The

Ayllus Chari, Upinhuaya, Curva are above fourteen thousand five hundred feet

where the Qollahuayas raise livestock (llama, alpaca, sheep, goat) and

cultivate some oca, potatoes, wheat and quinua; the rest of the Ayllus are in

between these ecological levels. Thus, the geographic levels in which the

Qollahuayas live have a slope of more than six thousand feet. In such a

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[12] The description of the Qollahuaya Ayllu is largely based on the work of Joshep W. Bastien, known in the hamlets as "Sebastian". His book "Mountain of the Condor" and a couple of articles reconstruct the past and describe the present of the Qollahuaya Ayllus. I have a deep respect for Bastien's work for it shows his love for the "Indians" since he experienced the meaning of the "things" from inside of the Qollahuayas culture.

complex ecology, the management of time and space is critical and requires a high level of skill in order to determine the right time and location for the crops and livestock. The Qollahuayas assess and predict the weather based on the observation of nature (sounds of birds, sound and directions of wind, colour of grass, appearance of clouds, etc.), and both agriculture and livestock activities rely on these predictions.

Although the Qollahuayas' economic activity is based on agriculture, the people in the Ayllus have developed specific skills. For example, the Amorete, Chajaya and Upinhuaya Ayllus have expertise in producing pottery, jewellery and Qollahuaya hats; while Ksata, Chari have developed skills in medicine and divining, forecasting the future. This distribution of labor is not random, it corresponds to specific attributes related to the mountain metaphor (as it is shown shortly).

Qollahuayas are known in the Andes as healers and diviners. Despite the campaign by medical doctors to discredit the healers' practices, Andean people still give credit to the Qollahuayas since there have been cases of sickness "Western" doctors considered incurable and the Qollahuayas have cured. They have knowledge of over a thousand remedies (made out of flowers, wild herbs, dirt, animal organs, etc). In Bolivia, it is quite common to see Qollahuayas travelling through the Andes using their remedies and

knowledge in diagnosing the body's illnesses.

Most of all, the Qollahuayas are known as ritual diviners, their prophecies are associated with supernatural powers. Their skills are such that Andean people can quickly identify the "Ones who Know", able to unfold the past and predict the future: the Qollahuayas. The accuracy with which the Qollahuaya diviners can cast their predictions is mysterious. Several Andean scholars have documented that Qollahuayas with these qualities were close advisors to the Incas in productive and political matters. Their predictions rely on the readings of coca leaves which are selected carefully and considered as sacred-leaves, given by the benevolence of the Mother-Earth, coming as a gift from the Pacha-Mama. The diviners have quite a variety of powers to cast spells or bad luck over people, animals or fields; they can also lift a bad spirit that has given other people sicknesses; overall it is up to the diviners to forecast the weather and to determine the crops for cultivation. The ritual events for reading the past and predicting the future are organized with careful procedures and it requires years of learning and practice. The Andean diviners' ritual practices have been one of the most repressed activities from the Spaniards' arrival to the present time. These practices were considered as fetishes and pagan rites by the Roman Catholic missionaries and later some North American evangelical sects condemned the Qollahuaya's rituals as idolatry and sinful.

The most important ritual activities for the Qollahuaya Ayllus[13] are related to the agricultural cycles. The New Earth is the high point of the three agricultural rites celebrated yearly. Everything starts with the assessment of the "resting" fields for the next cycle. Since the Qollahuayas use a rotation system for cultivating their land, there are fields "resting" after three to five years under production. By December, the chief leaders of the Ayllu assess and decide the fields that are ready for the next cycle and advocate the kind of products to be planted in the following planting season. The selection is based on the observation of nature's clues by the diviner who also appeals to the mountains for help in interpretation of signs. After the fields are selected, the Ayllus go to the fields and dance to the music of flutes, a llama fetus (from the upper area of the mountain) is offered in an earth shrine along with libations of corn beer from the lower land of the Ayllu. The Kaata diviners from the middle land administer the rites. This is a symbolic expression representing the metaphoric unity of the mountain. After the rites dung from sheep, llama and goat is buried in the furrows.

In April, at the end of the rainy season, the core of the agricultural rite - the New Earth is celebrated. The rite starts at the midnight of a given Wednesday when Ayllu leaders are congregated by arrangement in a house of one of the Ayllu members. The arrival of the chief diviner is the official signal

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[13] From the environmental point of view these ritual activities have an essential message for sustainable land management.

for the beginning of the ritual and festival. The diviner's entrance in the dark of midnight is part of the mysterious and challenging ceremony. After the libations with aqh'a and alcohol and a while after the chewing of coca leaves, a first bowl of soup is served, first to the chief diviner and then to every one. Before the sun rises the diviner must have eaten thirteen bowls of soup, which equates to the number of shrines in the Ayllu. This abundance of soup symbolizes the generous gift of food to the mountain that is supposed to reciprocate with abundant crops. Before sunrise, the entire group that came together overnight is in the patio with the diviner at the centre, with one emissary, chosen at some point in the evening, facing the sunrise and another facing towards the sunset, the rest surrounding the diviner.

The chief diviner delivers llama blood (representing life) and fat (representing energy and strength) to the emissaries for the thirteen shrines of the Ayllu, and the emissaries desperately hurry towards the shrines located throughout the Ayllu from the Apacheta to Niñokorin, to labiate with blood and burn fat in the shrines and fields. While the emissaries are on their long journey, at noon the diviners and the Ayllu authorities, sacrifice a llama in a designated field to honour the Mountain. Llama fat and blood, coca leaves and aqh'a are offered to Mother-Earth, followed by libation in the earth Shrine. It is at this point that the earth is considered to have been invigorated. Then, the children's plowing symbolizes the New Earth fertility and readiness for

planting. The Ayllu begin to move throughout the fields accompanied by dozens of flautists and dancers. Dance music and food is provided for everybody, as it was in the festivals of Yura. Later in the day, the emissaries will arrive and join the fiesta. With this, the Ayllu have re-affirmed their symbolic unity related to the mountain's anatomic and physical body. Five or six months later, these "new" fields will start a new cycle of production with another ceremony that marks the beginning of the planting season.

Like other Andean Ayllus, the Qollahuayas are filiated to their territory. For the Qollahuayas the Kaata mountain, as a metaphor, has been the key reference in the five hundred years of the Ayllu's cultural and political resistance. The mountain is a manifestation of a physical human body: The *Apacheta* (summit of the trail) is the head of the mountain with the embellishment of the llamas, snow and the legendary condor, there is where most of Qollahuaya political leaders come from. The Ayllus, Amorete, Chajaya and Upinhuaya are the arms of the body; these people have the expertise in crafts. The Kaata Ayllu, located in the middle of the mountain, are the bowels and the heart where the diviners live: "Diviners live in the community of Kaata where they can pump blood and fat, principles of life and energy, to the rest of the mountain's metaphorical body" (Bastien, 1985: 37); The Niñokorin Ayllu in the lower region of the mountain represents the legs of the body. Thus, the Qollahuayas Ayllus, as well as the Yuras, have

established through their metaphoric conception of the mountain a social and geographic articulation. This unity has been reflected in their ritual and within economic activities as well as in their historical struggle.

The Qollahuayas social-geographic unity was threatened and then conquered first by the Spaniards' invasion. The Qollahuaya Ayllus were put under control of the authorities to provide free and forced labor for the mines. The Ayllus' lands were expropriated in favour of the haciendas and to consolidate the Colonial state and missions were established to impose Roman Catholic practices, presumably to save the sinful souls of the Andean people. Consequently, the Qollahuayas, and as a whole the Andean ethnic societies, religiously, politically and economically became discriminated against and oppressed.

In a typical attitude, the Creoles (Spaniards born in the Andes) established their haciendas throughout the Andes and the Qollahusyas were not exempt from this process. As early as 1609, a Creole hacienda was forced upon Qollahusyas land, and then expanded by violent and illegal means. Niñokorin (the left leg of the mountain) was the first area of Creole invasion due to its endowment of fertile land, fields with access to irrigation, climate, etc. The Kaata Ayllu, struggled for two centuries to recover its ownership over the "left leg". Although, at the end of the seventeenth century, after a long

struggle, the Ayllu obtained from the Crown complete ownership of "the body" of the mountain, the Creoles never returned the lands of Niñokorin to the Ayllu. Only in 1790, eight years after the greatest rebellion in the Andes, led by the Kataris did the Kaata Ayllu re-occupy the fields taken by the hacienda and re-gain their lands: and the body was re-integrated again.

The Republic system (1825) was the new menace to Ayllus' integrality. At the outset of the Republic the Bolivian geography was organized in Departments, Provinces and Cantons. Regardless of the Ayllu organization, the geographic organization of the Republic divided the Ayllus' jurisdiction into small pieces and imposed authorities to represent the interests of the state and the interests of the haciendas and mining oligarchy (see Chapter 2). Further, the land reform implemented by the MNR in 1953 just ignored the Ayllus' issues and forced boundaries within the Ayllu through the distribution of land titles on an individual basis (see Chapter 3, above). Land reform created enormous conflicts due to its contrast with the Ayllu system in the distribution of land. This trend of invasions and misleading behaviour from outside powers against the Qollahuayas, as in the rest of the Andean societies, is the main cause for continuing their cultural beliefs and political resistance and also the main reason for the poverty of the Andean peoples.

The patterns of capital accumulation, described in previous chapters, changed

the traditional vertical exchange of products among Qollahuayas from the highlands, the lowlands and the centre. Nowadays the horizontal line of exchange is predominant: La Paz and other rural towns (pueblos), controlled by middle-men Creoles, where Qollahuayas bring in their products and purchase their merchandise became centres of exchange with monetary circulation. These commercial changes, however, did not mean automatically changes in the Qollahuayas' filiation with their land, the metaphor of the mountain and the ritual activities yet maintained.

As already mentioned in the case of Yura, the symbols that articulate the geographic-bound society in the Ayllus play a cohesive social role, mainly expressed through ritual activities. The set of rites with reference to the mountain and shrines in the Qollahuaya Ayllus re-affirm their ethnic identity and become an essential component of cultural and political resistance. As "Sebastian" asserts: "Fortunately, economic and political forces have not destroyed Ayllu Kaata because Qollahuaya diviners have perpetuated a cultural solidarity of Ayllu Kaata by means of the mountain/body metaphor" (Bastien, 1985, 190). Further, the organizing methods of production (artisans, livestock, agriculture) in the Qollahuayas have a sustainable basis with an appropriate management of time and space.

The symbolic dimension in the social and productive relationship in the

Andean Ayllus is commonly misconstrued in economist analysis. The

economists take the easiest and superficial avenues to overlook the cultural

patterns integrated in production. They prefer to characterize Andean

societies as traditional sectors of the economy with unskilled labor where the

margin of productivity is zero. The societies are seen as surplus labor to be

mobilized for modernization and development of the capitalist sector (Lewis,

1954).

3) The Guarani-Chiriguano of the Lowlands

In the lowlands of south-eastern Bolivia are located different groups of the

Guarani-Chiriguano nation. These groups seem not to have the same roots,

though apparently they all migrated from the Pacific coast.[14] However,

when the Guaranis reached the foothill of the Andes they found other ethnic

groups already settled there (Arawak, Chané, etc.) that had come from the

Caribbean region; and later, through assimilation they formed the Guarani-

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[14] There are different hypotheses concerned with the Guarani's migration:

> The Guarani would have been running away from a world menaced by destruction, searching for a land with neither death nor sickness, where things grew by themselves and humans sang and danced in an endless feast. This search had more meaning with the arrival of the Spanish conquerors who, with their diseases and massacres, turned the Guarani's land into a land of troubles. (Meliá, 1988: 22, the translation is mine).

The utopia of a land-without-worries seems to be the main reason for their migration.

Chiriguano nation. (Melià, 1988). The boundary between the Incas and the
Guarani-Chiriguano was the large belt of the Andean hills. In the century
previous to the arrival of the Spaniards, the Incas, who considered the
Chiriguano as intruder enemies, attempted to colonize them with ensuing
bitter battles. However, the Chiriguano established their territory in the sub-
Andean jungles of Bolivia (Pifarré, 1988).

The Chiriguano's territory, tropical lands at 600-1,200 metres above sea
level, covered an area of about 100,000 square kilometres of fertile land for
growing corn, cassava, diverse fruits and a rich wildlife. Although the
Chiriguano had to tear down trees and prepare fields to cultivate their corn,
these lands were indeed close to the Guaranis' dream of a land without
worries. The Guarani commonly had a large surplus of products, in some
cases products stored away for two years (as scholars verified from the
colonizers' records).[15] As with most of the Andean cultures, the Guarani's
main crop is corn to the degree that:

> When the storage places were full of corn the [I]ndians were proud and
> arrogat and had no concern about the whites, oppression or sadness.
> If the storage places were empty of corn they were submissive and
> distressed (Nordenskiold, 1985: 145 quoted in Melià, 1988; 42).

Like the Yura and Qollahuaya, the Guarani use the corn in different meals, but

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[15] At the present in that region, seven thousand kilograms of corn per
hectare could be harvested with rustic technology and no chemical
fertilizer.

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above all it is used for producing *Kaguijy* (corn beer, aqh'a or chicha) by
which the Guarani experience the most intense and best "thing" of life. Yet,
agriculture is not the only productive activity for they inherited from their
ancestors hunting, fishing and husbandry skills.

The Guarani-Chiriguano population in the sixteenth century is estimated to
have been four hundred thousand. Large groups lived in various regions, the
largest being the Chiriguano-Ava living in the Cordillera Central and the
Chiriguano-Chané in the far south-east of Bolivia. Although they all belonged
to the same ethnic background these groups were highly autonomous from
each other: they had no structured or centralized state.

The Guarani-Chiriguano communities have been guided by a rather complex
network of *Mburuvicha* (authorities-leaders). The community members elect
the *Mburuvicha*, depending on the candidate's merits[16] and his mandate is
for an indefinite time. Although the position could be inherited, the
Mburuvicha could also be replaced if he has made many mistakes or has

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[16] A *Mburuvicha*, in order to get elected, must meet the following
qualifications: above all he must be valiant and indomitable to stand
strong, brave and astute when facing the *Karai* (the foreigners) and
defending the community; also he is supposed to be bi-lingual in order to
perform negotiations in favour of the community; he is the conciliator of
internal conflicts and must be eloquent; he must have a "good ear" to
ascertain the community's feelings and provide suitable solutions (this
explains why in the community assemblies, people do not vote for decisions:
the agreements are by consensus, generally thanks to the Mburuvicha's
guidance); finally he should understand himself as a mediator in the society
and with the super-natural world. The Mburuvichas might represent local
communities, a set of communities, a region or a macro-region (see Albó;
1988).

"bad" attitudes. But once he takes the position, he considers the community

members as his true sons and daughters, and the community consider him as

their true father. Finally, a *Mburuvicha* is powerful in a community not

because he exercises authority but rather because he reflects the tendencies

in the community and is able to submit ideas that reach consensus.[17]

The Chiriguano authorities could not function without the *jembosty*

(community assembly). It is, indeed, the most relevant "space" for the

tenta's (community's) definitions and operates as a cohesive force. The

jembosty could be considered as a generalized reciprocity in which is

exercised the 'freedom of the word' and

> Historically the chief political and warfare decisions were adopted in the
> *jembosty*. In the large assemblies the eloquence of *mburuvicha*
> 'chiefs', of *ipages* 'priests', of the *arakuae ija* 'advisors' play as a
> creative ferment to reach consensus (Albó, 1988: 240; my translation).

Nevertheless, the *jembosty* is correlated to the *Karai* power: when the

assembly become weaker the Karai power is greater (Meliá, 1988).

Nevertheless:

> This mechanism of consensus is as classic as actual in Guarani society.
> In the assembly, nobody votes nor uses demagogic pressures. Usually

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[17] Obviously, the Mburuvicha are not the only ones that guide the communities. There are the Alcaldes, Corregidores, community presidents, religious leaders, "captains", ipajes, tumpas, and recently, union leaders. Besides, there are a number of informal leaders that still have strong influence in the community's process.

people put forward opinions which are pondered until the members spontaneously reach consensus (Pifarré, 1986: 45; my translation).

As the *jemboaty* is the tool for *tenta*'s decisions, the *convite*, an open invitation of food, drink and dance for celebrating a festival, productive tasks or just friendship meetings, is for the Chiriguano, the essence of productive and social reciprocity; and the best expression of reciprocity is the desire to achieve the highest level of generosity. Among the Guarani, prestige is measured by the capability to *convite* (obviously according to everyone's ability). The Guarani do not work alone neither have celebrations alone because productive work and festivities are always socialized events of generosity. Yet, the sponsor of a celebration or work will offer his/her best available resources. The *convite* is an inherited attitude and it is kept as testimony of cultural identity against all religious or political controls: without the *convite* the Chiriguano would be dissolved as a nation.

Yet, the best representation of the *convite* is the *arete* recently also called carnaval. The *arete* is celebrated when the corn is harvested and is abundant for the making of corn beer and also when other products are available for the feasts.

> In the arete all community energies become alive and join together with ·
> enthusiasm and festive spirit. Everyone is there: the *Mburuvicha*, the
> *ipaje*, the *arakuaa ija*, the adults, women and children. It is the feast
> for everybody! In the *arete* the symbols and religious beliefs [of Guarani

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people] are vibrant, ardent and strong while they revive the presence of the ipyreta (ancestors) that are hidden behind the dancers masks and the ancestors bring the spirit and inspiration to keep the Guarani's identity... [in the arete] a sacral communion takes place between the live and dead worlds. The frontiers of time and space are rifted and a religious transcendency is lived. The dead did not die, they are alive accompanying those who are living, they are encouraging the community, correcting their life and above all they are part of the very same family... [in the arete] the inferiority consciousness is gone and the Guarani become again kereimba (valiant fighters)...

The arete is a fantastic and privileged opportunity for everyone, there is no subjugation, only festivity and enjoyment, there are no masters or superiors, there is nobody that imposes violence, laws and rules of repression. The arete is the feast of the Guarani, in their own land, among themselves, breathing their own air, and it is the time where it is possible for them to recall the happiness of the past and dream with of a happy, fortunate future (Pifarré, 1986, in Albó, 1988 p 252-256; my translation).

These cultural aspects are essential elements in the Guarani's existence in the present time and help them to realize that they do have a place and status in the world.

The long-lasting Guarani resistance against the foreigners relied on a coordination of cultural structures: the ipaje, diviners who forecast the future by reading the smoke coming from corn leaves while smoking them and encouraged the Kereimba (young warriors expert with bow and arrow) for combat, although it was the Mburuvicha who commanded resistance activities. Yet, the Tumpa (mystic human being possessing the thunder spirit, man-god and prophet) was the one who devises and unfolds the historical process and called their tentami (communities) for the struggle. When the

Guarani fought against the invaders they believed that when a *Kereimba* was killed he had accomplished the highest honour of serving his group, but if a chief *Mburuvicha* were killed the battle had to be suspended immediately as a sign of acknowledgment of the rival's superiority.

The Guarani did resist colonization by the Incas for many years and pursued an equalitarian relationship with the Spanish people. The Guarani offered the colonizers favourable conditions for peaceful agreements. This open attitude was misinterpreted as a weakness in the aboriginal character and the Spaniards continued to move towards the Chiriguano's lands. Obviously conflicts began when the *Mburuvichas* rejected the invaders' attitude and advances and since 1560 the Guarani have fought many battles against the *Karai* invasion. Many attacks in colonial times were defeated due to the jungle's "secrets" so well known by the inhabitants.

In 1574, Viceroy Toledo,[18] based on his achievements in the highlands, organized a powerful campaign of conquest of the Cordillera. He departed from La Plata accompanied by five hundred well equipped soldiers and a thousand "Indians" carrying the military equipment. At the edge of the

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[18] Viceroy Toledo was the one who reorganized the Southern region of the Andes in the sixteenth century. He defeated the Inca's army, organized the exploitation and shipment of minerals from Potosi to Europe, restructured the Andean social organization to provide forced labor to the mines based on the subjugated Ayllus, and established a number of towns and military bases to impose a structural adjustment program in favour of Crown interests (see Chapter 1 and Klein: 1986)

Chiriguano's territory, the Viceroy became frustrated by so many ambush actions on the part of the Guarani and fell physically ill. Toledo returned in defeat with some horses and a few soldiers. He was driven crazy by the whistles and arrows that came from the *Kereimbas* hidden in the thick jungles. Ten years later, the Crown again organized a large strategic campaign to invade the Cordillera,[19] this time with a bit more success.

It was in the seventeenth century when the *Karai* violently penetrated the thick green frontier of the Chiriguano, needless to say against tough resistance. Since then, the Guarani have adopted a guerrilla kind of assaults against the haciendas that were settled on their lands. Although the Guarani were in control of large areas of their territory, they were pushed back by the invaders who quickly built their forts inside Guarani territory. In those conditions the Chiriguano adopted diplomatic means to establish peaceful accords with the conquerors but the compromises were always broken by the latter.

In the early 1600's, the Catholic missions (Jesuits, Franciscans, Dominicans, Mercedaries, secularists, etc.) entered the Chiriguano territory perhaps less

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[19] The attacks were organized from different positions: a troop departed from Potosi and was defeated quickly; another troop moved from Tarija and managed to kill one of the local *Mburuvicha*, thus the Chiriguano were dispersed and the Colony took up positions; the third troop left from Santa Cruz and battled for many months. Losses of life on both sides were large but finally the *Karai* achieved control of several points on the edge of the Cordillera. This meant a partial defeat for the Chiriguano.

violently but still foreign and with opposing values. Many *renta* accepted the missions so far as treating them with respect and dignity. Of course, the religious dogmas were incompatible with Chiriguano values, rites, festivals and consumption of corn beer. Thus, the Chiriguano realized that the missions were part of the Karai strategy to colonize them. Therefore, many missions were isolated or even forced to abandon the region. But they had already served the colonizers' purposes; the missions were directly sponsored by the Colonial state and later many missions were used for military operations.

Throughout the seventeenth and eighteenth centuries the Colony sent so many military expeditions to conquer the Chiriguano's region that it would fill pages and pages just to list them. Although the outcome of those military operations were in favour of the invaders it did not mean that the Spaniards colonized the Chiriguano. They would have preferred to escape and live in the most hostile regions rather than surrender. Due to the violence, instability and taking of captives, the Guarani population dropped to about one hundred and seventy five thousand in the 1700's.

By 1840,[20] already in the Republic era, the haciendas proliferated and

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[20] In 1840, seventeen years after Bolivia's "independence", the *Karai* hacienda owners in the Karitati hamlet organized a party to show their openness and peaceful will with the Chiriguano. As it was seen as suspicious behaviour few Chiriguano attended the party. Afterwards everybody left the hacienda with chunks of meat, cloth, etc. In the following months, the

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greatly expanded over the Chiriguano lands, accompanied by the creation of a number of medium sized towns. As we saw in the Quechua and Aymara communities, they have administrative, political, economic and military entities to dominate and impose the *Karai* interests. Thus, throughout the nineteenth century, the hacienda using violent means, forced the Chiriguano to become their "slaves". Still, there were large numbers of "free" Guarani communities that lived confined to miserable lands. As never before, in the Republican era, the Guarani nation suffered the worst haciendas' cattle invasion on their lands.

In early 1892, the *Tumpa* Hapiaoeki emerged in Kurujuky[21] calling for a Chiriguano assembly. As a result, large contingents of *kereimbas* across the Guarani land were organized and mobilized. On January 24th, a military clash between the Bolivian army and the Chiriguano occurred in all strategic locations. The *kereimbas*, adorned with feathers, their faces painted and

hacienda owners organized another party to which they invited, personally, several chief *Mburuvichas* with their *teota* members. A large number of Guarani went to the party since in the previous one nothing was wrong. After abundant corn beer was consumed, Bolivian soldiers came out from behind the bushes, at the order of the *karai* hacienda owners, and killed the guests. Not one Guarani remained alive. This is how the Karai treated the Guarani who refused to become their servants (Pifarré; 1988: 343-455). The communities, terrified, fled to the jungles and the haciendas expanded over their land.

[21] The incident began when a *Karai* Corregidor raped a teenaged Guarani, relative of a chief leader, and despite the accusation the government paid no attention to the complaints. But of course, the abuse by the Corregidor was not the only reason for the Guarani's bitterness, it was a pretext of major Guarani nation's claims. However, the 1982 celebration of the "500 Years of Resistance", was for the Guarani-Chiriguano the 100 years remembrance of a painful experience.

armed with bows and arrows, were encouraged by the chief *Tumpa* and *Mburuvicha* to enter into combat. The outcome was a massacre: over a thousand *karaimbas* were killed and another thousand wounded. The communities (women, children, old people) and men who had not participated in the attacks fled in fear to the deep jungles. The Bolivian army, under orders by the President and the mining oligarch, Mariano Baptista, formed a human net and dove through the Bolivian jungles to hunt and kill the Chiriguano. After thousands and thousands of Guaranis were dead, finally:

> It was the 29th of March, 1892. About three or four in the afternoon, Chavarria [the army commander] called the inhabitants of Monteagudo to witness the fate of *Tumpa* Hapiaoeki. In the centre of the main square guarded by soldiers, the *Karai* saw the courageous leader; perhaps also some Chiriguano mixed in the populace saw the event in silence. In his solitude, powerless and with nobody defending him, the *Tumpa* Hapiaoeki was roped and suspended on the post of death. From the top of the post, he must have contemplated, for the last time, the jungle and the sky of the Cordillera so much loved by his ancestors. At the sunset, Chavarria executed him. The night came soon and the dark embraced the Chiriguano nation (Pifarré, 1988: 387; the translation is mine).

Chavarria, the army commander, along with other *Karai* expropriated the Chiriguano land and settled their haciendas there. With this event, as one of the Guarani leaders in our days assert: "What the Spanish colony could not achieve the Republic did: subjugate the Guarani people" (Chumiray, 1992: 62).

Genocide is the most appropriate term to describe the painful process of five centuries of Guarani's history. The states of the Incas, Spain, Republicans, and lately the MNR with their land reform, the hacienda, and the towns became hegemonic in the Guarani lands and condemned the people to live in misery, silence and obedience as "good" pawns of the Karai.[22] The forty thousand Guarani-Chiriguano remaining in our present days are economically poor and culturally oppressed.

The core element behind the Guarani-Chiriguano struggle is the defense of their territory, rather than just use of the land. Their struggle has always been related to a holistic conception that includes all contextual elements, rivers, flora, wild life, cultivable land and other resources to which they feel attached. Also, the concept of territory, in the Guarani culture, is linked with their experience of mobility: the *tenta* used to move frequently from one place to another depending on changes in the natural environment (course of rivers, soil erosion, etc.) or social phenomena.[23] Nowadays, due to their restricted

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[7] The Chaco war was very detrimental for the Guarani-Chiriguano people (see Chapter 2). In this war that was not theirs, about ten thousand Chiriguano were dispersed. Casiano Barrientos, one of the main *Mburuvicha* in the Isoso region, rejected participation in either side of the war (fleeing away from the conflicts). After the war was finished in August 1936, Julio Ortiz, a military official, captured the chief Mburuvicha, Barrientos, and accusing him of "high treason", due to his neutrality, executed him (Albó; 1988). The MNR's land reform also put the Guarani people at a disadvantage since it ratified the haciendas as owners of the occupied lands (see Chapter 4).

[23] For this reason it was useless or even detrimental for the Guarani, to hold individual land titles under MNR's land reform (see Chapter 3), for it simply disabled Chiriguano mobility.

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life on their own land, the Guarani are unable to exercise these skills of mobility and have to live stolidly with natural, social and economic calamities (Healy, 1984). Yet, in the Guarani of our days the concept of territory is still relevant for their mobilization.

The Guarani struggle continues to the present. The Guarani-Chiriguano have re-emerged as an important component in multi-cultural and multi-ethnic Bolivian society. Their initiatives obviously are within a different context and framework. In the late 1970s, with the encouragement of CSUTCB (National Peasant Unions) led by the Aymara leader, Genaro Flores, (see Chapter 4) the first Guarani unions were formed; this process of unionization permitted the consolidation of the Provincial Centre of Unions in the Cordillera in 1983.[24]

By the mid 1980s, in Isoso, one of the Guarani regions. CIDOB (Centre of Indigenous Peoples from the Eastern and Amazons of Bolivia) was founded and quickly formalized links with similar indigenous organizations in the highlands of Bolivia, Ecuador and Peru. CIDOB also established a fraternal relationship with COB, Guarani unions and other popular organizations. CIDOB is based on and supports traditional leadership and structures that include the *Mburuvichas* and informal community leaders. While CIDOB has a

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[24] In the 1960s there were pseudo-unions controlled by the MNR, and the "military-peasant pact" of Barrientos and Banzer. Although some *Mburuvicha* were enticed by the vicious MNR and Barrientistas pseudo-leaders, these pseudo-unions had no success due to their *Karai* dependency. (see Chapter 4).

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stronger "indigenist" ideology, the unions accentuate the class aspect. Through these organizations (CIDOB and unions) the communities were revitalized at the end of the 1980s.

The activities of the unions and CIDOB provided identification for the Guarani social bases and created the conditions for the emergence of a major organization in the lowlands of Bolivia: the Assembly of the Guarani People (APG). This major organization, created in February 1987, embraces a wide range of Guarani entities in the region including the unions and CIDOB. For the new Guarani generations, the APG is a new hope to solve their problems. The workshops organized by the APG have massive attendance and already have generated several indigenous movements. With the support of the APG, several regions re-organized their *tenta* and became alive again. Since 1987 the APG increased the social basis of CSUTCB and widened the multi-cultural character of the Bolivian peasant organization. One of the Guarani delegates occupies the third highest position in CSUTCB. Also, APG participated in the World Congress of Indigenous people in Australia.

The APG not only represent the interests of the impoverished free communities, but also represents the interest of thousands of landless Guarani who live in "slavery" conditions on *Karai* haciendas and are super-exploited in the agro-business enterprises, created by the MNR, stimulated by

Barrientos, consolidated by Banzer and supported by the new-liberals MNR, MIR, etc. after 1986. The APG, in one of its activities in support of the Los Pozos community, put on pressure to mobilize the region and forced the government to revert their land from a *Karai* hacienda to the community. Nowadays the APG, the unions and CIDOB are embarked on creating a stronger economic basis for the Guarani communities; and they are involved in searching for financial resources for a number of community and regional development projects.[25]

Comments

The three ethnic experiences presented in this chapter are the testimony of the 32 existing nations[26] in Bolivia (Quechua, Aymara, Guarani, Moxo, etc). These nations are organized in communities[27] named *Ayllu, tenta, ranchos.*

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[25] Recently, numerous religious sects (mainly with USA supporters) and several NGOs established their centres in the Chiriguano region. The question is whether these institutions will design their programs based on the Guarani's wishes and interests, as hardly ever happen, or if they will operate with their classical attitude; to think for them but without them. This already happened in 1988, when a US agency offered $US 15,000 as a grant and the APG rejected the offer as a sign of their autonomy.

[26] In this chapter, the concept of nation is used to indicate a given society in which the members feel identified, socially and culturally, among themselves, and maintain their internal social organization in relation with their territory. Hence, nation refers to the ethnic groups that exist in Bolivia and do not necessarily feel identified with the central state of the country.

[27] In the text, the term community is correlated with the concept of nation (it is the nucleus of the nation) and denotes a group of people who share their territory, social, cultural and productive activities.

The internal structures of these communities, as is shown, are generally based on principles of reciprocity[29] (Escobar, 1992) and are sustained by structures with symbiotic leader-follower relationship (Tellez, 1991).[29] In general these communities have symbolic manifestations in religious festivities to re-affirm their cultural identity (Bastien, 1985). The e communities, so much linked to their territory, carry out a set of practices to re-affirm their identity with themselves and with regard to their geographic setting (rivers, mountains, natural endowments, etc Rasnake, 1989). The backbone of survival and struggle of the ethnic communities was the internal structures manifested in their productive reciprocal systems, their holistic conception of nature-human-spirit, their social organization with symbiotic leader-follower relations and religious festivals that re-affirm their ethnic

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Communities in the Indian nations have the following qualities: the duties of leadership and followers are shared; the definitions and solutions are reached by consensus; generally the authority positions are rotative; the disparity in gender differentiation is less; the land is not for sale and, sacredly, it is defined as the "mother" that sustains life; the use of natural resources is ecologically sustainable; and they share symbols that re-affirm their ethnic identity. Thus, "Indian" communit'es in Bolivia are correlated with the concept of nation.

[29] The term reciprocity is used to define a specific social and productive relationship in which the exchange of skills and goods prevails within a framework of solidarity. The exchange is based not so much on the equivalent value of a given skill (wage) or goods (price) but rather on the redistribution of surplus (time and goods) as who shares more earns more prestige among the community members (see the mink's in the Yura experience, the planting ritual among the Qollahuayas and the convite in the Guarani-Chiriguano).

[29] The symbiotic relationship of leader-follower was suggested by Tellez (1991), highlighting that this kind of mutual relationship exists in communities where the leaders and followers (community) cannot exist without each other. The leaders have direct obligations with regard to the community and the followers support and regulate the leaders' activities. A follower would never think of speaking for a leader, while a leader would never endorse working on a project without going before the community to seek consensus.

identity. This group of elements, shared within the indigenous nations, constituted the soul of the ethnic resistance during the 500 years of colonialism and constitute the basis for a multiethnic approach to development.

From the outset, this text presented the poor peoples' struggles and their historical achievement in 1952, and as is shown in Chapter Four, the Katarist movement emerged in the early 1970s, from Aymara Ayllus, and formed CSUTCB (Confederation of Peasant Unions of Bolivia). As a consequence, in the 1980s, several nations including the Guarani-Chiriguano, Sirionós, Quechuas, Yucarares became among the most dynamic social actors that challenged the centralism and the uni-ethnic character of the state, criticizing the neo-orthodox policies and calling for the Assembly of Nationalities.

The challenge is to perceive the endogenous pulse and to support the initiatives of the various nations in Bolivia. These initiatives require a theoretical framework that contains concepts including ethno-development, eco-development, gender-development and structu al transformation with equity, that in turn go beyond the ethnocentric concepts of development.

CHAPTER SIX

THE PERSISTENT DREAM OF MODERNIZATION VERSUS A MULTIETHNIC APPROACH TO DEVELOPMENT

Having presented, in preceding Chapters, the social and economic formation of Bolivia in the 20th century, the role of the state and the popular sectors' responses is now discussed, as are the strategic interest behind the social and political activities and the implication of development strategies for the multiethnic context of Bolivia. In Chapter Five three experiences of existent communities in Bolivia are presented; these experiences should not be stereotyped or generalized since several nations in Bolivia are not homogeneous. The aim of that Chapter Five is to introduce concerns and concepts that constitute a challenge for a multiethnic approach to development.

This Chapter is concerned with the discussion of concepts implicated in the social formation of Bolivia. The aim of the argument is not to redefine the concept as such but to observe the connotation of them in the multiethnic context of Bolivia. Thus, the following concepts are discussed: External and Internal Colonialism, Creole-State legacy, Community-Nation and Union-Class affiliations, Impact of Modernization in Multiethnic Bolivia and Challenge for a Multi-Nation and Pluri-Cultural State. The discussion of these concepts provide the arguments for the suggested thesis.

A) External and Internal Colonialism

The experience of colonialism in the Andean region is of a double nature:

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external colonialism dominated for three centuries and then it turned into an internal colonialism after the Republic's creation in 1825.

1) External Colonialism. The essence of external colonialism is that the Andean people were deprived of using the economic surplus from the exploitation of magnificent natural resources. The exploitation process began in 1532 with the Spaniards' invasion of the Andean highlands and valleys (Fisher, 1966). From 1570, Viceroy Toledo and the following regimes, after defeating the Incas, reorganized the economy based on activation of silver exploitation and shipment from Potosi to Spain. The Andean Ayllus suffered a major structural adjustment[1] with the establishment of the *mita*[2] specifically for the mines of Potosi (Cole, 1985). Agriculture, the predominant productive activity among the rural ethnic groups, was subordinated to the mining activities (this criteria of labor division remains the same up to the present). About 20 million marks of silver were exported, in three centuries (1560-1909), from Potosi mountain to Europe and it is said that it was enough silver to build a bridge from Potosi to Spain. Although this legend might be slightly exaggerated, the fact of the matter is that this bulk

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[1] Just in the central Andes, Viceroy Toledo relocated 614 Ayllus with about 1.2 million "Indians". The mass population of Aymaras, Quechuas, Urus, Chipanis etc. were relocated to villages strategically located for effective control of draft labor and tributes to the Crown.

[2] Mit'a is the Quechua word referring to compulsory labor. From 1569 to 1825 this was the exploitative method for supplying labor to the mines and the haciendas. The Ayllus were supposed to provide a given quantity of labor as tribute to the Crown.

of raw material was a substantial component of Europe's modern development and the cause of appalling misery and 'enthnocide' in the Andes.[3] The ideological enforcement of colonialism was largely left to the imposition of the Catholic religious values that pursued the "converting" of sinful "Indian" souls into the sacred interests of the "Imperial Gods".

Nevertheless, the biggest colonial crisis in the Andean region took place in 1780-1783 with the greatest ever Inca revolt. José Gabriel Condorcanqui (Tupac Amaru) (He took the name of his ancestors, the noble Inca, Tupac banished by the Crown to live in Cuzco, and Amaru who was put to death by Viceroy Toledo in 1560) led an "Indian" uprising that, starting near Cuzco, extended through the Central Andes and reached La Plata Province in southern Bolivia. The revolt went even deeper into the highlands of Potosi, led by the Katari brothers and the Aymara, Julian Apaza (who took the name Tupac Katari), in the region of La Paz.[4] Although the outcome of these rebellions was in favour of the Spaniards, they were the seeds for the fifteen year war to achieve independence in the region.

It is proved, largely in the literature, that the proclaimed independence of

[3] To live in Potosi at the present time is one of the saddest experiences: the poverty has reached human degradation levels and the mineral resources are depleted. The Andean region with such rich resources does not deserve such a deplorable situation.

[4] There is not enough space in this text to discuss the strategies and ideas behind these uprisings, a major research in itself.

Bolivia in 1825 was only a change of guard in the power structure and that the governments often surrounded to imperial powers. The economic and political interests of the British Empire throughout the nineteenth century put the Andean region in a condition of "quasi-colonies": trade, investment, domestic policies were heavily influenced by its power. Later, the oligarchies (silver and tin) linked deeply with foreign interests disregarding Bolivia's welfare, ruled the country with strong linkages with foreign capitals (as presented in the first chapter). At the beginning of the present century, the tin oligarchy established economic links with the USA for exporting row materials, transfer of financial resources and technology. Based on these links, it was after World War II that the USA exercised power at the decision making level of Bolivian state.

After 1952 the MNR's development strategies and domestic policies were largely conditioned by external factors. After 1964, the military governments in Bolivia (except Torres, 1970-71) depended heavily on external economic and political support to such an extent that foreign agencies including the IMF, USAID, CIA had a major role in the consolidation of the dependent bourgeoisie. It has been proven that foreign interventions took place in the several military coups after 1964, especially in 1971 against Torres.

Even in 1986 with the arrival of the neoliberals (the MNR) the American

Embassy in La Paz had more power than any ministry or even the President himself. In 1986 American military troops entered Bolivia and carried on operations without legislative authorization. In the same year, the "Chicago Boys" headed by Jeffery Sachs designed and endorsed the Structural Adjustment Program (SAP) suggested by the IMF and USAID; in this matter, the role of the "Bolivian-American" Gonzalo Sanchez and President Paz was secondary. It was publicly known that the five state ministries in the economic area had extra fringe benefits from the USAID grants (Ramos, 1989). Further, Filemon Escobar, COB leader, was once told by the American Embassy to correct his political observations. This trend of foreign interference in domestic matters, since 1825, denotes a neo-colonialist condition of the Creole-state.[5] In this neo-colonialism, the foreign country does not physically occupy Bolivia, but through different agents, mainly the state, controls the course of domestic policies, trade, etc. The theoretical framework for the analysis of Bolivia's contemporary development is very much complemented by the Dependency Theory.[6] The argument, shared by

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[5] The concept Creole-state is used in this text with regard to the Creoles (Spaniard descendants) control over the state. Indeed, the Creoles, as a small group in Bolivian society dominated and organised the state apparatus to accomplish their social. political and economic interests.

[6] Dependency Theory, held by the late Raul Prebisch and the ECLA, withdrawing from the classic economic paradigm, defined the Latin American economic process as underdevelopment. The economic obstacles, according to this theory, rest in the inequalities between the producers and exporters of manufactured goods and the producers and exporters of primary products. The countries of the Centre with advanced technology are in control of international trade and the financial institutions, while the countries at the "Periphery" supplying primary products are at a disadvantage in negotiating the conditions of trade with the Centre. (Prebisch; 1984).

the modernizers and even Marxists, that the colonization was needed to drag up the traditional societies and catch up to western modernization, remains in question, and I would argue for the negative view.

2) Internal Colonialism. The essence of the internal colonialism, after 1825 (creation of the Republic of Bolivia), has characteristics of *lumpen development*.[7] The roots of this colonialism are found in the colonial era with the empowerment of the Creoles, that resulted in even more heartless behaviour than that of their antecessors. For instance, the aftermath of independence[8] was a republic controlled by the Creole *caudillos*[9] who maintained the feudal structure in the countryside and a racially discriminatory control of power. Under the Creoles, independence did not bring social, economic and political benefits in favour of the Andean people despite their popular participation and the libertadores' dreams (Kline, 1982). In relation to

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[7] The concept of "lumpen development" is suggested in Amin (1990) referring to the negative impact of the "comprador bourgeoisie" — domestic bourgeoisie that speculate in economic activities — causing the poverty in societies, regardless of the ethnic groups' situation, neighbourhood systems, etc. Although Amin applies this concept to contemporary development, since the essence of the concept emphasizes the role of the domestic bourgeoisie it is a useful concept to characterize the Bolivian process after 1825.

[8] The Republic of Bolivia, which was a result of fifteen years of guerrilla warfare, "Indian" revolts and massive "independentist" actions was born in 1825 in the absence of the *Libertadores* (Bolivar, Sucre, Padilla, Mendez and others). Some of them had died in battles, but many were isolated, persecuted and/or executed by Creole *caudillos* who formerly supported the colonial system (Barnadas; 1990).

[9] A caudillo is seen as "An aggressive strongman. Usually a charismatic person who wields power in a dictatorial manner, the caudillo is a dominant type in the political history of Latin America" (Heath; 1972). However in Bolivian history, there have been caudillos who sought the general interests of the people.

the "Indians", the two main tools for internal colonization were: the expansion of the hacienda through the expropriation of communities lands and the establishment of middle towns by the state to consolidate their power over the rural societies; the authoritarian use of the state institutions by the caudillos and oligarchies to preserve their economic interests and social status.

As documented in the first chapter, from the mid-nineteenth century to 1952, the silver-tin oligarchies and the haciendas in control of the state, were detrimental to the indigenous nations. The genocidal experience (1892) of the Guarani-Chiriguano (Pifarré, 1990) and the countless massacres of the Quechua, Aymara, Guarani, etc. took place under these regimes. It was the "boom" in the mining industry that stimulated the hacienda's expansion over "Indian" territories. The Chaco War was indeed the oligarchic Creoles' last attempt to preserve control over the state and after the 1952-53 Revolution the national bourgeoisie strategy in charge of the MNR again took control and perpetuated the Creole-state legacy. The neo-liberal ideology implemented since 1986 is no different than that of the Creoles of the past. Scandals over land expropriation and mismanagement of resources in favour of the minority of whites and upper class mestizo became part of their practices while the ethnic nations continued to strive for survival and legitimacy.

Although the process of five hundred years of colonization (external-internal) entailed on the one hand, the repression of ethnic societies, it is evident that neither the Spanish empi:. nor the republican state wiped out the "Indian" nations completely. Their geographic references, traditional structures of internal organization, symbolic world and so on, resisting colonization, set the basis for their survival as oppressed nations. On the other hand, during five centuries, the Quechua, Aymara, Guarani people and other nations were forced to participate in the process of accumulation of wealth in which the people from rural communities became the bottom line of the exploited classes as cheap labor for the mining ind·ustry or haciendas or as tax payers for fiscal revenue. Hence, it is apparent that the Bolivian etyhnic nations resisted colonization in two dimensions: as oppressed nations and as exploited class.

This colonialism, external and internal is the framework for the central discussion of nation-state, community-nation and union-class in the development of Bolivia. Within this framework the discussion about the "dream" of modernization is developed.

From the previous five chapters it could be inferred that the cultural resistance has been emphasized in the survival of the "Indian" communities, while the class struggle relied on the unions' input. Nevertheless, historically

the praxis and functions of unions and communities are not contradictory nor separated from each other. As shown earlier, most of the workers in the mining sector came from the ethnic communities (Quechuas or Aymaras) and due to their cultural and family ties they have influenced and stimulated unions in these communities.[10] Further, since the unions in the rural communities embrace all community members regardless of gender or specific tasks in production, it is the entire community that is represented in the union,[11] and indeed t peasant unions became a cultural-political expression of the *Ayllu, tentami or rancho*. Hence, community and unions are not the same entity but the unions play a complementary role to the community.

The merging process of community-unions became evident after the Chaco war 1932-1935. Yet both dimensions of community and class, reached their zenith in the 1952-1953 Revolution. The unions, led by the miners in COB, defeated the oligarchic state and the army, while the communities based on their long and outstanding experience of rebellions de-stabilized the haciendas in the country side, except in the lowlands where the hacienda consolidated

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[10] The influence of the miners in the organization of "Indian" peasant unions and at the same time the cultural "Indian" influence in the constituency of the unions in other sectors is sufficiently documented by Harris (1986), Escobar (1986), Albó (1990), Rivera (1984) and others.

[11] The experience of the "Indian" unions in Bolivia deserves a redefinition; the union sociologically, is a classist organization which implies the relationship of capital-labor. The latter, as a social class, organized in unions to demand their rights against the expropriated value by capital. Thus, the union is essentially a labor movement, but in the case of Bolivia, unions embrace the entire community. The traditional and cultural concept of ayllu or tenta is reflected in the organization of unions. Thus, the "peasant's union" is a natural organization of community.

its hegemony with MNR's land reform. Thus, the praxis of the "Indian" communities and labor unions transformed the economic structures of Bolivia, including the rural areas. Thereafter, in the aftermath of 1952-1953 Revolution the state continued to belong to the Creole legacy and reinforced internal colonialism.

Nevertheless, the fact that in 1952-53, more than five hundred thousand people from over ten thousand communities acted as a nucleus of Quechua and Aymara nations against the hacienda showed the power of their resistance. The fact that at the present time the majority of the population in Bolivia (63%) remained in communities with their own cultural patterns, geographic reference, reciprocal systems of exchange and leadership, reveals the dynamic character and determination of the native nations to keep their traditions alive. As discussed later, the nations' revival in the last decade indicates the relevance of ethnicity in Bolivia.

The perpetuation of internal colonialism within the Creole legacy was based on the anti-ethnic ideology.[12] This ideology, also embraced by the MNR considered the "Indians" as backward segments in the "national" context.

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[12] The MNR perceived the "Indians" as unskilled labor with low productivity rates and as such they were just entities for their modernization project, or even more, they were considered rather as an obstacle for development instead of a base for a realist development. Obviously MNR failed to observe the relevance of the reciprocal systems so deeply rooted in the "Indian" communities.

Consequently they were determined to launch a titanic attempt to integrate the "Indians" into the "national" strategy (naturally, the *National Bourgeois* strategy). This implied a social and cultural metamorphosis: the transformation from community-nations to a mass of individualized agriculture producers-consumers regardless of cultural identity, as far as it is reflected in the land reform decree. The MNR did not perceive the communities as the nucleus of a nation and as having the potential for a multi-ethnic state. So persistent was this MNR's colossal effort toward integration while exercising power (1952-1964) that the concept "nation" became transparently identical to their own background of Creole, white and upper-class.

The MNR's withdrawal from the popular revolution denoted not only the blocking of emerging social actors for the transformation of the state but it also entailed the perpetuation of the long trend of the Creoles to be in control of the state. This historical process in which the state is exclusively controlled by the Creoles defines the ethnocentric character of the Bolivian state. The unfolding process after 1953 has been the result of the conjunction of two nuclei: the unions and the communities, which contradicts the MNR's "official" version that claims authorship of the Revolution. Visibly, the labor unions as the class struggle's nucleus (union-class) and the communities as the nucleus of the anti-colonial resistance (community-nation) · opened the possibility for a popular and multi-ethnic development. However,

MNR's withdrawal from the popular and multi-national character of the Revolution distorted the course of the emerging movement of class-nation.

Further, the MNR distorting the emerging process of union-class and community- nation perpetuated the Creole-state legacy and linked again the concept of nation-state with the Creole upper class. Indeed, the MNR's ideology has been a new expression of the anti-ethnic and anti-popular state, which defines the MNR's nation-state ideology. The "nation-building" theory (Hettne, 1990),[13] in this context, has no place at all, instead the indigenous nations became alienated from the state and discriminated against. In short, the concept of nation-state had the connotation exclusively of Creole-state[14] and was hardly extended to the co-opted "Indian" leaders. In summa, the nation-state ideology, within the Creole standard, proved to be pervasively against the indigenous nations and repressive with the impoverished labor force. As documented in chapters 3 and 4, this great venture of integration into a uni-nation state did not work.

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[13] The concept of nation-building implies the construction of a country putting together different social agents and resources looking to the common welfare.

[14] The history of the Creole-state can be traced in the following manner: the Creole-caudillos 1825-1880; silver oligarchy linked with the conservative party 1880-1889; tin oligarchy linked with liberal, republicans and military officers 1890-1951, with exception of the military socialism of 1936-1939 and Villarroel 1943-1946; the MNR, military dictators, with exception of Torres 1970-71, from 1982; and the neo-liberals (MNR, MiR, and ADN) from 1986-.

I would argue that despite the conventional belief that the "Indians" were integrated into the "national" process after 1952 (this version is surprisingly maintained even by the well known and respected scholar, Herbert S. Klein, 1982), that the existing ethnic-nations in Bolivia survived discrimination by the Bolivian Creole-state. This explains the dynamic re-organization of unions and ethnic community-nations in the last two decades,[15] particularly in the last eight years. In this process COB, CSUTCB and the Indians Assemblies continued to represent civil society interests while the Creoles are still unable to consolidate their modern development with sustainable basis.

5) The Impact of Modernization in Multi-ethnic Bolivia

The chief ideology of the Creole-nation legacy has been modernization. The background of this persevering ideology is found in both the Creole filiation to the "mother" countries in the Northern Hemisphere[16] and in the alienation

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[15] The Aymara movement, Tupaj Katari, led by Genaro Flores and his followers accomplished the reorganization of the indigenous movement based in the Aymara Ayllus. This movement had important repercussions in the "Indian" communities of Bolivia because it was the ferment for other nations to be organized, namely, the Assembly of the Guarani People. The APIS organized an historical walk in 1990 from the lowlands of Beni and area to La Paz, claiming legal recognition of the rights to their territory.

[16] The ideological ties between Bolivian Creoles and the countries of the north had two main patterns: up to the 1960's, the highest aspiration was to visit Spain. It was common to hear Creoles say "I will die happy only after visiting the mother Patria". Since then the fondest dream is to put foot on the Miami beach. The achievement of these desires reinforced for them their social status.

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from the wretched "peripheral" reality[17] surrounding them from birth. Thereafter, the persistent idea of modernization, without regard to the objective and subjective conditions of the immediate reality, belongs to the symbiotic relationship "mother country"-Creoles-modernity.

Although in previous chapters the shortcomings of modernization in Bolivia are mentioned, a closer consideration of the concept might be useful since it became, among policy makers, what Max Weber would define as the 'ideal model' in their functional tasks. It seemed that all efforts of development had the one goal, modernization. The ideas of modernization could be summarized as follows: a) historical transition from traditional to modern society in which the state ought to deliver normative policies to ensure such a commitment; b) the transition presupposed a closing gap between the country's backwardness and the industrialized countries through imitative standards of development; c) a gradual assimilation of technology, consumption and cultural patterns was assumed for this transition; d) modernization commonly equated with industrialization, capitalism and economic prosperity. For Bolivian policy makers the Andean societies had no

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[17] In contrast with the previous footnote, Bolivian Creoles have no interest in exploring the high mountains and the wonderful bio-diversity of the Andes and above all they have no motivation to become enriched by the culture and life of the Andean peoples.

other destiny than to transit go through the "five stages of development"[18] to achieve, presumably, the last stage of development: modernity-consumerism.

Throughout this text, a critical view of modernization is taken. This criticism might give the impression that the thesis is against modernization and industrialization, but such a position is not its aim. Criticism of modernization is not merely for the concept as there are a number of positive achievements and even desirable aspects for poor countries. But a difference should be established between the chronic persistence of modernization as a "logical necessity" for all societies, at any time and price regardless of material conditions such as ethnicity, social relationship, structure of power, etc., and a historical process by which some societies might arrive at modernization in their own right. In short, and especially for a context like Bolivia, modernization should not be a concept of homogenization.

The criticism of modernization is in regard to the agents' (state-nation) abrupt

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[18] Whether the Bolivian policy makers were believers of Rostow or not they eagerly embraced such a theory. For Rostow, there was a linear transition from traditional to modern society: a) traditional societies (poor and inefficient); b) the pre-takeoff, in which agricultural output is increased, generating surplus and a new class of entrepreneurs; c) the takeoff, in which industry is born and the savings-investment in productive activities increase by over 10%; d) the maturity of industry, the process supposed to generate leading sectors and consolidate their productive status; and e) mass consumption. In Rostow's theory then, the poor traditional countries had no other alternative than imitation in order to reach consumerist behaviour.

imposition of it in a social context where it was unsuitable, as shown in previous chapters. Such hasty modernization had a negative impact on the social environment of a multi-ethnic country like Bolivia, as intrinsic to modernization was an anti-ethnic and racist behaviour. The longing "closing gap" of economic and social disparities, as effect of modernization, is found meaningless, unless the high standards of living of the small Bolivian elite, comparable with the elites from the industrialized societies, is consirered as an achievement. But, for the great majority of Bolivian Aymaras, Quechuas, Guaranis, Moxos, Chimanes, etc. it has been a detrimental process for their standards of living. Finally, the state was committed to move Bolivia towards a modern society, although these efforts implied the marginalization of the ethnic nations by the state as is the case in the Northern Hemisphere.

However, after the 1952 Revolution, modernization was strongly linked with Import Substitution Industrialization strategy (ISI)[19] suggested by the ECLA (Economic Commission for Latin America -UN) and the Dependency theorists. Although the ISI has different versions, in general it could be seen as a

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[19] In the particular point of modernization I do not see any difference between the Creole ideology and the Bolivian traditional Left parties, since the latter pursue industrialisation and modernization as a means to socialism. Most of the traditional Left parties relied cn classic Marxism with regard to the social process that entails the evolution from traditional societies to the emancipation of the productive forces. The productive forces meet the objective and subjective conditions of industrialised societies where the working class creates the conditions for the expropriation of surplus and socialization of benefits. The difference between the Creole-nation legacy and the Left might be the end of such an industrialisation which is very much in question nowadays.

proposal for a self-reliant development.[20] Prebisch's *Economic Survey of Latin America* (1950) is considered one of the chief contributions within the large literature in this field. The footprint of the ISI is the analysis of the unequal development (underdevelopment) between North and South and the proposal to overcome the causes of such inequalities.

In sum, the main assumption for achieving development was industrialization, which was supposed to happen through substitution of imported goods and the fostering of domestic industries. The identification of domestic markets was essential to the strategy and industries had to substitute the imported product that generated the domestic demand. The state had to provide an adequate framework of policies, including protection of infant industries (at least in their first stages) and access to available technology (know-how) for the industries that supposed to be in control of indigenous entrepreneurs. Protective tariff policies either on imported goods (to increase the price of imported goods), or on subsidised prices on imported inputs (to lower the price of domestic products) was the state's commitment. An over valued foreign exchange rate was a key measure to stimulate the export sector and, finally, quotas of imports was suggested to regulate domestic markets, import

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[20] The basic ideas of ISI are found in nineteenth century European policies, including those of England, Germany, Russia as well as in the USA as resulting in political embargo, protected tariffs and protectionism of manufacturing enterprises (see Gillis; 1987; 432). Nevertheless, in development theory it is attributed to Latin American economists who drafted ideas on ISI.

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licensing being the general pattern in the strategy.

With the ISI's Bolivian policy makers, the ideas of Hirschman were largely
influential,[21] especially his *Strategy of Economic Development* (1958) in
which are presented the concepts of unbalanced growth, capital intensive
development, an inflation theory, the role of aid, the linkages theory and the
import substitution strategy. The unbalanced model for development
suggested inflationary shocks between 20% to 30% per year to increase
relative prices and to stimulate an elastic supply to overcome the unbalance.
In this context, economic aid is seen as useful for adjusting the disproportion
of the unbalanced growth and not because the country is poor and cannot
save and invest.

Also, Hirschman proposed a sequential strategy of development as opposed
to large, simultaneous and comprehensive strategies in which some sectors
gain at the expense of others. However, the sectors in disadvantage, through
social pressure, was suppose to force policy makers to allocate more
resources to them. When this is achieved, the imbalance of that sector is
said to be overcome, and subsequently other sectors would be

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[21] If Keynesian macro-economic concepts provided a new framework in
industrialized countries and turned conventional wisdom upside-down,
Hirschman did the same for the developing countries. His experiences in
Italy and France with the Marshall Plan led him to be critical about the
orthodox approach reflected in anti-inflationary measures and the exchange
rate; balanced development, synchronized, comprehensive and large scale
projects with "big push" and right foreign exchange for developing countries
were anathema, in Hirschman's view.

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disadvantaged, mobilized and so on. Thus, sectors' pressures and protests were part of Unbalanced Growth theory[22]. Finally, the flow of capital from foreign exchange should stimulate consumption habits in order to increase the demand for consumer goods, and move the country from imports to domestic industrialization (ISI).

Chapter 4 explains the effect of the implementation of the ISI strategy in Bolivia and pointed out the results which were rather catastrophic in the long run One the one hand, The ISI strategy (implemented in MNR's regimes) as a rapid economic growth based on the creation of domestic industry had an inherent contradiction: industrialization was suppose to increase the speed the capital accumulation and generate an economic surplus for investment in the modern sectors of the economy. This, MNR thought, was to be achieved through labor savings (either by compressing wages or liberalizing the labor factor) which, with such powerful unions in 1954 was unthinkable, or through technological change that implied a capital intensive industry. But both the increase in factor input costs and the excessive creation of money that was not matched by the GNP generated a process of creeping inflation in 1952 that changed into a five digit hyperinflation. Consequently, purchasing

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[22] Bolivian policy makers followed closely Hirschman's guidelines (indeed, some ministers of government had several appointments with Hirschman while he worked in Colombia and economic consultant). The impact of this approach had questionable results in Bolivia i.e the wider gap of regional and sectorial disparities, the violence of authoritarian regimes that resisted class and regional demands. The Unbalanced Growth theory was regretted, by the very same Hirschman in his article "Dissenter's Confession" (1984), because of the effects mentioned.

power suffered a steady deterioration and this obviously led to an economic stagnation that undermined rapid capital accumulation and therefore industrialization was never achieved, virtually, there was no possibility to modernize Bolivia with its own resources. On the other hand the strategy created a dependent bourgeoisie (technologically from abroad and financially from the state); the cross-class income disparities increased; and above all the state became privatized by the dependent bourgeoisie controlled by Creoles (they felt ownership over the state, which was suppose to be a public entity) and was utilized to response to specific interest of the large enterprise of the private sectors i. e. see the transfer of financial resources in the 1970s. Again, the criticism is clearly to the agents that embodied the ISI strategy in Bolivia and the impact on the "Indian" population of the country.

On the way, the ISI proponents realized that the labour force in developing countries is employed in activities of very low productivity and although the process of capital accumulation would gradually absorb labour into activities of greater productivity the remuneration would not increase according with the marginal productivity. Therefore, a considerable portion of successive increments of productivity is expropriated by the owners of the means of production (Lewis also perceived this phenomenon, but concluded differently in his Labor Surplus theory). Thus, the ECLA and Dependentists advocated changes in the power structure in which democratization and redistribution

need to take place in order to generate development. Yet to be considered is whether, under Torres and the Popular Assembly, this strategy which they also had adopted would have had better results.

A final consideration about the Creole nation-state ideology is in regard to the Labor Surplus Theory (LST).[23] From reading Chapter 4 it could be inferred that the assumptions made for modernization in Bolivia, especially after 1952, are within the framework of LST. Briefly, it is based on the analysis of the production function which assumes that the Marginal Product of Labour (MPL) in traditional sectors, in developing countries, equals zero and the additional increment of labour in productive activities is even negative. Thus, the surplus of labour beyond the $MPL = 0$ (from traditional sectors) could be transferred to the modern capitalist sector without affecting agricultural output and above all without modifying the price of labor in the modern capitalist sector (Lewis, 1954). According to the microeconomic theory: the increase of price in factors of production (K, L), in a given firm, generates an upward-right switch of the total costs (TC) curve, consequently the profits (revenues - TC) decline, and this in turn slows down the rates of growth (K accumulation).

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[23] In this theory (strictly referring to unskilled labour in developing countries), labor is found in unlimited qualities and it has several sources: the traditional sector (poor peasants) with high ratio labor/capital; the impoverished urban population engaged in activities of low productivity; women who have no participation in the labor force; and also the high rates of population growth. This labor can be mobilised to generate economic growth.

Hence, the LST, with unlimited supply of labor, ensures (theoretically) that the price of labor (so essential in the expansion of capital) is held constant in the modern-industrial sector. By so doing the rates of saving-investing (accumulation) speed up and economic growth (modernization) takes place. Besides the theoretical criticism of LST,[24] our concern is the practical implications with regards to the ethnic communities in Bolivia. The MPL is not an appropriate yardstick to measure reciprocal systems of production since the value (of labor or product) of productive activities are re-distributed through religious festivals (Carnaval, Kinsa Rey, Convite, New Earth, etc) or through community tasks. It is not right to label peoples from rural communities as unskilled labor, "unskilled" being a rather violent language and an aggressive concept to characterize, for example, the Yura's Mink'a when they are the ones WHO KNOW HOW to organize production within their cultural framework. Finally, unlimited surplus of labor has to be re-defined, in the communities just about every body is involved in one way or other in productive activities, so the surplus might be partially applied to low seasonal agricultural activities when peasants migrate to urban areas for paying jobs.

From the arguments made above about nation-state, community-nation, union-class, colonialism (external-internal), the adoption and implementation

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[24] The criticism is: a) wages in modern sectors are not only determined by the surplus of labour (Turner & Jackson, 1970); b) the neo-orthodox argued that wages in agriculture are determined by MPL and not by an "institutional fixed wage" at the subsistence level. c) transfers of rural labour do affect agricultural production (Boserup, 1987).

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of LST in Bolivia resulted in: the emergence of the "dependent bourgeoisie";
the 'privatization of the state';[25] and the vulnerability of the nation's
strength which lies in the communities. Hence, the LST ("dual economy" =
traditional = modern), I argue, is questioned in its practical implications in the
particular context of Bolivia. Yet the challenge is to formulate an economic
theory that embraces multiple modes of production within a multi-ethnic
framework.

C) The Challenge for a Multi-Nation and Pluri-Cultural State

As mentioned earlier, the ethnic movements have emerged again in the last
two decades, beginning with the *Katarist* movement[26] and in 1973 their
Manifesto de Tiwanaku which proclaimed:

> We the Quechua, Aymara and other native cultures in this country, are
> economically exploited, culturally and politically oppressed. There has
> never been, in Bolivia, cultural integration, what has taken place was
> super imposition of a nation over the others and cultural domination,

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[25] The private sectors felt ownership of the state and depended heavily
on the use of its resources. Thus the state, instead of guarding the general
interests, was managed in the image of the Creoles.

[26] Katarism had two sources: a) In rural La Paz the Centro Tupaj Katari
coordinated cultural and recreational activities focusing on strengthening
the Ayllus (community). They succeeded by organizing soccer and cultural
festivals. b) In urban La Paz, the Aymara residents (48% of the population)
formed the *Movimiento 15 de Noviembre* (after Tupaj Katari's rebellion in
1781), the *Movimiento Universitario Julian Apaza* (MUJA) and above all the
Centro de Formation y Promotion Campesina MINK'A. These organizations set
up a Newsletter and a Radio station to promote the Aymara's culture and
interests. As a result of these activities the affiliated members of the
Tupaj Katari Centre numbered over 10,000 in 1971 (Hurtado, 1986).

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and we are at the bottom of the pyramid (in Rivera, 1984, quoted from "El Manifiesto" 1973; my translation).

The *Katarists*, within this framework, influenced the rupture with the "Military Pact" and became the expression of the Andean values, the defender of the Ayllus and the nations' cultural promoters. Under this influence, the National Peasants Confederation of Unions (CSUTCB) was born in 1979 with Katarism as the hegemonic ideology. Nevertheless, in 1987 the Katarist leader, Genaro Flores, was replaced as head of the national executive and their hegemony ended with the emergence of different tendencies within CSUTCB.

CSUTCB, in July 1988, met in Potosi, and, in the *I Congreso Extraordinario*, pledged the consolidation of the peasant communities and approved a specific mandate:

> CSUTCB must organize the Assembly of Nationalities... To this Assembly should be invited our traditional community authorities [...] to deliberate the transformation of the Bolivia state... In these matters we have to follow the example of our Guarani brothers who already organized their Assembly (APG)[27] (my translation and highlight).

Collateral to this mandate, the Congress determined on a strict defense of the coca-leaf and declared its opposition to neo-liberal policies, denouncing them as the major threat to the communities since they pursued the conversion of

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[27] The set of political documents of the Congress and their resolutions was published by CEDLA (Study Centre for Labor and Agrarian Development) 1989.

the land into a commodity subjected to supply-demand laws and especially since there are economic experiences that do not correspond to capitalist-market oriented practices on the contrary they have relations of equity and reciprocity i.e the North Lipez quinua growers[28]. Then, the Congress suggested striving to demand legal approval of the *Ley Fundamental Agraria* (Fundamental Agrarian Law) drafted by the CUSTCB Congress in 1983[29] and to enhance CORACA (Bolivian Agrarian Corporation).[30]

In the following years, CSUTCB was anchored on the defense of the coca-leaf[31] which in turn facilitated the solidarity of peasants across the country.

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[28] In 1982 in North Lipez, Bolivia, the Quinua producers increased the price of their products eliminating the "middle-men" and finding new markets for their quinua. The Lipeños, part of their quinua, exchange with maize at the ratio of 1:4, since the price had increased the current exchange would be equivalent to 1:2 putting in disadvantage to peasants producers of maize in the Valleys, similar was the exchange of quinua with llama-meat and other products. The Lipeños general assembly (2,000 people) considered that their "brothers" of the valleys could not be affected in such a negative manner. They decided to keep the previous ratios of exchange. One of the traditional leaders appointed that for the Lipeños love and brotherhood was further more important than taking advantage of the favourable situation, as E. T. Hall (1973) would argue: there are economic practices that have nothing to do with supply-demand laws, as the neo-orthodoxy want as to believe.

[29] The *Ley Fundamental Agraria* is a proposal to re-organize the central state in relation to the "Indian" communities and seeks legal recognition of Ayllus as social, economic and political entities. It also introduces an alternative development based on the reciprocal systems and traditional social structures.

[30] CORACA was created by CSUTCB to assist communities within the Agrarian Law framework. At present, it is extended throughout the country and has several departments including technical, legal and marketing assistance. Unfortunately, red tape, racial discrimination and contradictory state strategies undermine the effectiveness of CORACA.

[31] With regard to coca-cocaine, a large and comprehensive literature exists, but limited space in this paper does not allow us to put together such information, which is really a field for a separate chapter or even for a complete research paper. We use only raw data for specific purposes.

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The conflict peasant-government worsened with the USA-Bolivia
agreements[32] for the eradication of coca plants. The USA considers the
leaves as "dangerous substance" due to its use in the development of cocaine
while the Andean believes the coca leaf to be sacred.[33]

However, on June 5th 1987 after so much violence, a 25 point accord was
signed between the government and the COB-CSUTCB-Unions of coca-leaf
growers. The accord established that the surplus-hectares from the
traditional consumption of coca had to be substituted by development
programs through the PIDYS (Integrated Plan for Development and
Substitution). Two years later there was no development substitution at all
but only eradication, using illegal means such as pesticides and destruction of
the plants. The USAID financial promises never got to the fields, instead they
were used for an emboldened military and repressive machinery of the state,

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[32] It was common to hear statements similar to those of USA senator
Paula Hawking: "The best thing to do with this little country is to cut-off
financial support. If they want to eat, it would be better for them to start
cutting the coca plants from their fields" (quoted in Quiroga; 1990. My
translation).

[33] The fact is that by 1988, there were 61,000 hectares of coca with
an output of 148,000 tons of dry leaves, equivalent to 300 million US
dollars. From that amount, 1,200 tons of sulphate (base) of cocaine or 400
tons of chlorhydrate (crystallized) cocaine could be obtained. Once marketed
in the USA, cocaine had a profit of $US 7 billion. According to the US Drug
Enforcement Administration (DEA), Bolivia saw $US 900 million in 1989 for
cocaine export, this amount is twice Bolivia's official GDP (Quiroga;
1990). The population, in main areas of coca fields (near Cochabamba)
increased by 360% from 1980 to 1986. These figures obviously have an impact
on the patterns of production and migration among the "Indians" who share
11% (700,000 people) of the area's population (Aguilo; 1989). It is admitted
by the government and international financial agencies that the neo-liberal
regime, so proud of stabilizing macro-economic variables, and the structural
adjustment would have collapsed without the circulation of the "coca-
dollars" in the "free market" model (Labrousse, 1989).

while CSUTCB declared that the defense of the coca-leaf was a matter of nation's sovereignty. The violent confrontations continue to the present.

Another important event was on the 15 August 1990, when the Centres for Indigenous Peoples of Beni (CPIB), organized the *"Marcha por la Dignidad y el Territorio"*, which departed from Trinidad (in Beni, situated at 700 meters and marched the distance of 650 km. towards La Paz to an altitude of 4,000 metres and with change in temperature from 35-40°C to 8-4°C.[34] The central government felt sceptical about such a challenging journey, led by leaders of seven ethnic nations including Guaranis, Mojeños, Chimanes, Sirionós, Yucararas. By mid-September, Bolivia lived an unforeseen experience when the Indians were only 87 km. away from La Paz. The Bolivian President, several cabinet ministers and army officials, decided to go and meet the marchers in the small town of Yolosa. The President introduced himself as the *"Tata* Presidente" (Father President), and asked the marchers to suspend the journey and promised them favourable decrees. Tomas

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[34] The conflict arose because in 1986, as part of SAP, a portion of Bolivian Amazonian was exchanged for $US 1.2 million of Bolivian external debt under the agreement "International Conservation". Thereafter, Chimanes' jungles were declared "Bosques de Permanente Production" (Jungles of Permanent Production). Seven venture companies initiated the logging of the mara wood. 20,000 cubic meters was calculated as the reserves of this fine tropical wood to be exploited in over 20 years (Peña; 1990). But, the companies had already logged 9,000 cubic meters in three years and without reforestation (which was a requisite in the contract) and altered the habitat of numerous species on which the aboriginal lived. At that pace, in four more years, the Chimanes forest would be one more story of the past and the inhabitants would be dispersed, without territory, flora, fauna and their traditional culture. The issue was that the government negotiated the exploitation of these areas without considering that they were inhabited by age old cultures.

Ticuazu, Soriono's chief leader, representing the assembly of the Indians said:

> Mr. President, we want to talk with you as President to President,
> therefore we cannot lie to each other... We request to be recognized as
> a nation, with our traditional authorities and Indian organizations and
> chiefly we demand the restitution of our territory (CEDOIN, 13/9/90,
> my translation and highlight).

The Indians did not recognize the President as their *Tata!* Instead they

challenged his authority and behaviour and questioned the status quo of the

nation-state. The "Tata President" returned in his helicopter to La Paz with

his misfortune. Meanwhile, CSUTCB and COB organized several solidarity

activities.

At the summit of the Andes, 4,600 metres, the Indians from the lowlands

were met by three thousand Quechuas and Aymaras from the Ayllus, called

up by CSUTCB who joined them in the walk[35] with music, dance, festivity,

ritual and soccer games as parts of the event. At Chiquiaguillo, 7 km from La

Paz, another five thousand people called by COB awaited the marchers.[36]

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[35] The central act was the *Wilancha* rite, the sacrifice of the llama
in honour of the Pachamama. Immediately "Andean priests" rubbed the llama
blood on the forehead of the marchers as a sign of blessing and as a sign
of solidarity and poncho and chuspas with keys were given as a signal of
welcome to the Aymara-Quechua lands.

[36] CSUTCB (Juan Willca), COB (Victor Lopez), Human Rights in Bolivia
(Rolando Villena) and others expressed solidarity with their struggle. In
the name of CPIB, Ernesto Noé, Tomas Ticuazu gave thanks for the solidarity.
Perhaps the most striking message was in the words of Carmen Pareira
(President of the Indigenous women) who asserted that they would never
return from La Paz with unsatisfactory decrees and emphasized the ecological

Finally, on the evening of the 17th September, the seven hundred people

from the lowland ethnic groups, accompanied by a large crowd of supporters,

arrived at the main square of La Paz after thirty three days of walking. In a

massive concentration, after a Catholic Mass, the CPIB leaders reconstructed

their experience and explained the reasons for their struggle.

Across the country CSUTCB and COB organized massive demonstrations and

messages of solidarity came from all over, even an Indian Chief from Seattle,

USA sent his message of solidarity, and the government was forced to

acknowledge the demands of CPIB. However, negotiations were not smooth,

as the government attempted to reduce the territory claimed, in an effort to

defend the capital investment interests of the logging venture companies.

However, on the 23rd September, 1990, the Indians obtained a decree from

the central government returning the lands in the Chinames jungles, and

giving back their ownership.[37]

The CPIB, the APG and other organized nations are part of the Bolivian

present. The "500 Years of Resistance" (anniversary of the arrival of

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dimension of their struggle in preserving bio-diversity with traditional
techniques.

[37] A number of other ethnic groups claimed similar rights, including
the Ayoreos, Mosetenes, Movima, Guarani, etc since their lands are occupied
by the hacienda and foreign industries. The structure of land tenure in
Bolivia is 32 million hectares holding 40.000 haciendas while 1 million
hectares belong to 550 peasants. Peasant land under cultivation produces 70%
of foodstuffs of the country. The agribusiness cultivates only 0.3% of its
land and mainly for export (Bolivia Bulletin, 1992).

Columbus) also provided the conditions for the re-emergence of the multi-ethnic movement and the process of this re-emergence was the background for COB's Eighth Congress in 1992. The re-definition of COB's identity was one of the main debates. The question in the Congress was this: Who are we, the members of COB? The answer was obvious: the peoples from different cultures and nationalities. The answer implied the definition of Bolivia as a multi-ethnic and multi-cultural country. Thus the struggle of COB, besides its class content, had incorporated ethnic dimensions in support of the struggles.

In the last three years, large popular organizations, major NGOs and civil institutions have begun debates about the possibilities of creating a general Assembly of Nationalities in Bolivia. The discussions required a new theoretical framework about the state (going beyond nation-state ideology) and a different paradigm of development (beyond the modernization theory). Since the ideology of neo-liberalism is based on concepts of "universal" macro- and micro-economic laws, they overlook the specific social and political context of Bolivia and above all the neo-liberal policies generate what Petras (1992) called the "new billionaires".[38]

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[38] The former Minister of Education, Mr. Redin Céspedes, illegally obtained 95,000 hectares of land in the lowlands of Santa Cruz while he occupied a public position (Bolivia Bulletin; 1992); the senator Gonzalo Valda, as poor as many people from Potosi, all of a sudden owned a company with $US 4 million; many relatives of neo-liberals in government positions got contracts by illegal means. And the cases are just endless.

Throughout this text the impact of development is seen on people's lives in urban areas and the country side. Their responses show how they survived with dignity, territory and their identity of class consciousness, cultural values, geographic references, reciprocal economic systems, leader-follower symbiotic systems, ecology and gender dimensions. In this framework is seen the multi-ethnic character of development[39] and as such, it is not our proposal to transform Bolivia to a Pan-Andean system. Such a notion would be regressive and anti-historical, and so, what is put forward is the amalgamation of the different practices taking the best and most appropriate of high-tech electronics and bio-technology, agro-industry, semi-modern industries with labor intensive techniques, mixed agricultural technologies, both modern and traditional, and the largest traditional systems that exist in Bolivia with consideration of the cultural frameworks of each of them. The agents for this amalgamation are found in the present society including CSUTCB, COB, APG, CPIB, the Aymara and Quechua Ayllus, the Confederation of Women and the existing modern sectors. The cornerstone of the proposal is referred to sustainable development in terms of economic

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[39] The legacy of Liberation Theology (Gustavo Gutierrez; Leonardo Boff), Pedagogy of the Oppressed (Paulo Freire; Oscar Jara), the proposal of the ECLA (Prebisch; Sunkel); ethnodevelopment (Hettne Bjorn; Oscar Arze); and in Bolivia the analysis of complex Bolivian reality (René Zavaleta; Fernando Mayorga) and the analysis of Bolivian rural societies (John Murra; Xavier Albó); numerous popular education and development programs (SEMDA; CIPCA); and above all the testimony and struggle of nations and workers (Guaranis; Quechuas) and the good side of the private sectors provide the basis and theoretical tools for a popular, multi-ethnic and pluri-cultural development in Bolivia.

equity (Zunkel, 1990), eco-development (Hettne, 1990), ethno-development (Arze, 1992) and gender in development.

Obviously the major struggle is to overcome the nation-state syndrome and the hegemony of the Creoles which means the transformation of the state. The present structure of the state is obsolete, for as proven it does not respond to the needs and social forces of our times. In other words, the communities must be legitimized as the nucleus for a multi-ethnic society and a multi-nation state should be formed to represent the complex social structure in Bolivia.

Comments

Bolivia's underdevelopment has been predominantly a feature of colonialism in its various expressions: external colonialism (and neocolonialism) from 1532 to the present and internal colonialism (superimposition of the Creole-state upon the several nations) from 1825 to the present. While external colonialism deprived the indigenous producers of using the economic surplus from the exploitation of their resources, internal colonialism created a *lumpen development* generating the impoverishment of the Bolivian masses. The combination of both forces (external-internal) is the cause of Bolivia's

underdevelopment.

In the present century, Bolivia's development oscillated from oligarchic liberalism (that allowed the oligarchies to develop economies of enclave and stimulated the hacienda usurpation of "Indian" lands) through Creole-state intervention with LST (with attempts at modernization and the creation of the "dependent bourgeoisie") to neo-liberalism (implementation of Structural Adjustment Policies [SAP] with selective actions of the state in favour of globalization of the economy and liberalization of factors of production).

The viability of a multi-ethnic and multi-nation approach should overcome neo-orthodox and modernization paradigms (since this was demonstrated, throughout this text, to be pervasive in Bolivia's multiethnic context). This connotes changes in the nature of the state to reflect, properly, the pulse of social and economic relations in Bolivia. The ethnic communities (Ayllus, Tentas), the Assemblies of Nationalities, COB and CSUTCB must be legitimized as social actors for a multiethnic and popular development. Thus, the ethno-development, eco-development, gender-development and structural transformation with equity are the necessary theoretical background to overcome the ethnocentric concepts of development.

FINDINGS AND CONCLUSIONS

The questions put forward at the outset of the INTRODUCTION were the guideline for the overall research. In turn, chapters one to four provided answers to the following questions: How did Bolivia happen to accomplish the present stage? What development theories and strategies took place in Bolivia's social formation? What forms did the process of capital accumulation take in the last hundred years? Chapter Five addresses the question: How is it that the large population of indigenous people maintained their inherited cultures, forms of organization and production through five centuries of foreign subjugation? Finally chapter six addresses the questions: What development theories and strategies took place in Bolivia's social formation? What does the future hold for Bolivia's multiethnic reality?

The purpose of the research which was to provide an appropriate definition of Bolivia's process and to undertake a comprehensive depiction of the social agents, capital accumulation models, theories of development and the strategic responses of affected social sectors in the last hundred years was extensively accomplished and it has provided the background for the discussion and suggestions for sustainable development in Bolivia (in terms of

equity, ecology and ethnicity). Therefore, the research purpose to expound on Bolivia's development and to observe critically the implication of the development concepts and strategies has been achieved.

The findings of the study can be summarized as follows:

In Chapter One, it is demonstrated that the mining oligarchy and the hacienda constituted the dominant structure in Bolivia's development at the beginning of the present century. As such, the mining oligarchy developed an economy of enclave with large number of ethnic communities to supply cheap labor and agriculture products. The role of the hacienda was the most detrimental instrument of domination and exploitation of indigenous territories. The popular movements integrated by peasant communities and labor unions were the roots for the destabilization of the constituted power.

In Chapter Two it is found that the Chaco War, as a failure of the oligarchic Creoles' last attempt to preserve control over the state, unleashed social forces that survived as both oppressed nations and exploited classes. As such, the unions acted with a class struggle orientation while the ethnic communities resisted and struggled with cultural-ethnic identity. Thus, both dimensions, community and class, were the pillars for the 1952 Popular

Revolution . Historically, the praxis and functions of unions and communities are not contradictory nor separated from each other; most of the workers in the mining sector came from the rural communities and due to their cultural and family ties they have influenced and stimulated unions within ethnic communities.

In Chapter Three is seen the aftermath of the 1952-1953 Popular Revolution that resulted in the merging of both forces: "Indian"-communities and organized labor. They defeated the oligarchic army, occupied the mining centres, and expropriated the haciendas in the highlands and valleys of Bolivia. In 1952 there were two contradictory development strategies: a) The "national-popular" development, postulated by the unions in COB, pursued modernization of the economy with equity and the redistribution of land among the communities. b) The "national-bourgeoisie" development, proposed by the pragmatic centre of MNR, pursued rapid industrialization relying on the stimulus of a domestic bourgeoisie. However, the MNR's withdrawal from Popular Revolution , especially after 1956, had three effects: a) It perpetuated the Creoles' legacy over the state; b) The peasant movements were coopted or repressed while the labor movement, united in COB, struggle to reestablish the conditions in favour of the "national-popular" development; c) Above all, after 1952, the MNR blocked the merging process of popular masses (peasant-communities, labor and poor middle

classes) and impeded the possibilities for a popular development and multiethnic state to materialize.

In Chapter Four it is argued that the *Plan Estabilizador* and *Plan Triangular* in 1956 was the turning point of the Popular Revolution towards an accentuated neo-colonialism. Consequently, the development process was divorced from the consent of peasants and organized labor. However, in 1969, COB opened conditions for Torres' government and installed the unique experience of the Popular Assembly. Unfortunately, Banzer's military regime (1971-1978) was the most transparent expression of the "dependent bourgeoisie" capital accumulation model. The massive transfer of resources from the state and financial credits put in evidence the symbiotic relationship between Creole-state and the dependent entrepreneurs. The Government of the UDP 1982-1985 introduced challenging reforms within the COPAL recommendations of modernization with equity. But the economic agents that evolved after 1952 were already trapped in the speculative and illegal activities while at the same time the international institutions undermined UDP attempts by withdrawing credit lines. The model accumulation initiated in 1956 finally collapsed in 1985. Also presented is the arrival of the neo-orthodoxy with "free market" gospel and MNR's ideological metamorphosis from nationalism to the globalization of capital, from ISI to EOI, from protection for domestic industry (nurturing the "dependent bourgeoisie") to

"free-market" policies.

Finally, in the 1970s the ethnic movements re-emerged seeking their
autonomy from the state (after the major cooptation by MNR and military
regimes during three decades). In the early 1970s the Katarist movement
emerged from Aymara Ayllus, and formed CSUTCB (Confederation of Peasant
Unions of Bolivia). In that process in the 1980s several nations, including the
Guarani-Chiriguano, Sirionós, Quechuas, Yucarares, became among the most
dynamic social actors challenging centralism and the uni-ethnic state,
criticizing the neo-orthodox policies and calling for the Assembly of
Nationalities.

Chapter Five argues the significance of the multiethnic character of Bolivia. In
the ethnic communities are observed internal structures generally based on
principles of reciprocity and symbiotic leader-follower relationship. In general,
the communities are found to have symbolic manifestations in religious
festivities to re-affirm their social structures, cultural identity and their
geographic settings. These structures are considered by myself as the
backbone of their survival and struggle throughout the 500 years of
colonialism and at the same time are considered as the basis for a multiethnic
approach to development.

Chapter Six interprets Bolivia's development within a frar. work of external and internal colonialism (superimposition of the Creole-state upon the ethnic nations). The external colonialism deprived the indigenous producers of using the economic surplus from the exploitation of their resources while internal colonialism created a *lumpen development* which generated the impoverishment of the Bolivian masses. The combination of both forces (external-internal) is the cause of Bolivia's underdevelopment. Also, it is asserted that the community-nation and union-class affiliations are valid concepts of analysis. In turn these concepts challenged ethnocentric conceptions and suggested a holistic approach to development that includes ethnicity, ecology, gender and equitable distribution of resources in Bolivia's development.

These findings provide support of my thesis that sustainable development will only be achieved ibn Bolivia if ethnic, gender and ecological dimensions are incorporated in strategic proposals. The main arguments in support of this thesis can be summarized as follows:

- Bolivia should be characterized as economically poor and dependent, highly stratified socially, racially biased, culturally and ethnically multiple.

- Throughout the last centuries, the state has been controlled by small elites: colonial administrations, the domestic oligarchies and recently by the "dependent bourgeoisie". This process denotes the Creole-state legacy that overlooked Bolivia's multiethnic reality.

- In the present century, Bolivia's development oscillated from oligarchic liberalism (that allowed the oligarchies to develop economies of enclave and stimulated the hacienda usurpation of "Indian" lands) through Creole-state intervention with LST (with attempts at modernization and the creation of the "dependent bourgeoisie") to neo-liberalism (implementation of Structural Adjustment Policies (SAP) with selective actions of the state in favour of globalization of the economy and liberalization of factors of production).

- Throughout the present century the organized popular sectors (rural communities, labor and impoverished middle classes) generated the experiences of 1930s, 1952, 1969, 1978, 1982 and 1990 in which they participated massively in modifying the social correlation of forces and influencing the course of policies and development strategies. These popular movements were based, and will continue to be based, on union-class and nation-community articulations.

On the basis of this argument, the following general conclusion is submitted:

> To improve Bolivia's social and economic standards, the
> alternative proposal of development should overcome
> neo-orthodox and ethnocentric paradigms and should incorporate
> the reciprocal systems (practiced in the ethnic communities),
> semi-modern and modern sectors within a multiethnic framework
> of development. This connotes changes in the nature of the state
> to reflect, properly, the pulse of social and economic relations in
> Bolivia. The "Indian" communities, the Assemblies of
> Nationalities, COB and CSUTCB must be legitimized as social
> actors for a multiethnic and popular development.

The implications of both arguments and the general conclusion for the field of

international development are that: The viability of a multiethnic and multi-

nation approach should overcome neo-orthodox and modernization paradigms

which was demonstrated, to be pervasive in Bolivia's multiethnic context.

This suggests changes in the nature of the state to reflect the pulse of social

and economic relations in Bolivia. The communities (Ayllus, Tentas...), the

Assemblies of Nationalities, COB and CSUTCB must be legitimized as social

actors for a multiethnic and popular development. Thus, the ethno-

development, eco-development, gender-development and structural

transformation with equity are the theoretical basis for a strategy which could

overcome the ethnocentric bias of development concepts, theories and

approaches.

Acronyms

APG	Asamblea del Pueblo Guarani
	Guarani Peoples Assembly
CEPAL	Comision Economica Para America Latina
	Economic Comision for Latin America
CIDOB	Central de Indigenas del Oriente Boliviano
	Indigenous Peoples Centre of the Orient (Lowlands)
CPIB	Central de Pueblos Indigenas del Beni
	Centre for Indigenous People of Beni
COB	Central Obrera Boliviana
	Central Union Workers
CSUTCB	Confederation Sindical Unica de Trabajadores Campesinos ⬧
	Bolivia
	Bolivian Confederation of Peasants Unions
EOI	Export Oriented Industrialization
FOT	Federation Obrera de Trabajadores
	Workers Federation
FUB	Federation Universitaria Boliviana
	Bolivian University Federation
FSTMB	Federacion Sindical de Trabajadores Mineros de Bolivia
	Bolivian Federation of Miners Unions
FSB	Falange Socialista Boliviana
FUB	Federation Universitaria de Bolivia
	Bolivian University Federation
LEC	Legion de Ex-Combatientes de la Guerra del Chaco
	Legion of Chaco War Veterans
LST	Labor Surplus Theory
IMF	International Monetary Fund
ISI	Import Substitution Industrialization
MIR	Movimiento de la Izquierda Revolutionario
	Left Revolutionary Movement
MNR	Movimiento Nationalista Revolucionario
	Revolutionary Left Movement
PIR	Partido Izquierdista Revolucionario
	Leftist Revolutionary Party
POR	Partido Obrero Revolucionario
	Laborist Revolutionary Party
RADEPA	Razon de Patria
	Patria's Reason

SAP	Structural Adjustment Program
SMTF	Sociedad Mutual de Trabajadores Ferroviarios
	Railway Workers Association
USAID	US Agency for International Development
UDP	Unidad Democratica Popular
	United Popular Democratic Front

TIME LINE

1532	The arrival of Spanish in the Andean Region.
1545	Discovery of the "Silver Mountain" in Potosí.
1572	Viceroy Francisco Toledo forces "Indian" re-settlement for compulsory labor.
1780	"Indian" rebellions in the Andes: Tupaj Amaru, Tomas Katari and Julian Apaza (Tupaj Katari).
1810	War of Independence in the Andean region
1825	Declaration of Bolivian Independence
1879	Pacific War with Chile (Bolivia lost access to the sea)
1880	The Conservative Party linked with silver oligarchy controls the state institutions.
1899	The Aymara nation led by Pablo Zarate Willca organizes the largest Indian army.
	Federal Revolution; the capital of Bolivia is switched from Sucre to La Paz.
	The Liberal Party linked with the tin oligarchy overthrows the Conservative Party and remains in power until 1920.
1910	Bolivia's tin exports reach over 50 % of its total exports. 80 % of the tin output is produced by three "tin barons" (the mining oligarchy). The expansion of the haciendas over the "Indian" community lands increase.
1920	The Republican Party takes over the government, continuing the oligarchic control over the state and streamlining the Creole-state ideology. The hacienda is tripled in size and number. Large numbers of Indians become landless and the Ayllus lands are diminished in size. Numerous "Indian" revolts take place in the highland and valleys.
1927	The "Chayanta Revolt" attracts international attention due to its implication against the hacienda system.
1932	The "symbolic man" of the oligarchy precipitated the Chaco War to solve domestic social and political contradictions. Labor leaders and "Indians" are allocated to the frontline.
1936	David Toro and German Busch initiate the unique experiment of Socialismo Militar. Under these regimes the Gulf Oil Co. is confiscated and the Labor and Family Code is delivered.
1939	Busch's death ends the Socialismo Militar and the Conservative Party takes power.
	The Revolutionary Labor (POR) and the Left Revolutionary (PIR) Parties are organized.

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1942	The Nationalist Revolutionary Movement (MNR) is formed.
1943	Gualberto Villarroel in alliance with the MNR take power.
1944	The Bolivian Miners Unions Federation (FSTMB) is organized. Two years later this organization will deliver the Pulacayo Thesis that contains the strategy and methods to achieve a social revolution in Bolivia by the working class.
1946	The First Congress of Quechuas is organized in Sucre. Later in the same year the First Congress of "Indians" (Aymaras, Quechuas) is organized, supported by Villarroel.
1946	Right wing conservative party in alliance with PIR control the government until 1952. In this period several "indian" uprising are registered as well as large labor mobilizations.
1947	The oligarchic army executes a massacre in the mining centre of Uncia.
1952	On April 9th, the popular masses conquer the oligarchic army, overtake the oligarchic mines and create the largest mining company in the world: COMIBOL. On April 17, the Central Union of Workers (COB) is created embracing organizations from a wide range of Bolivian society. COB representing the interests of the popular masses participates in government with MNR.
1953	Haciendas are violently destroyed by "indian" communities and this forces MNR to deliver the land reform decree. The "control obrero" for public enterprises is approved and universal suffrage is decreed.
1956	The "Plan Estabilizador" and "Plan Triangular" suggested by the USAID and other international agencies begin to be implemented against the labor movement consent.
1960	MNR is divided into three factions. The "Pragmatic Centre" remains in power.
1964	COB mobilizations precipitates MNR's end in government and Rene Barrientos, the authoritarian military regime controls the government and bans popular organizations and left parties.
1967	Barrientos orders the massacre of "San Juan" in the mining camp of Siglo XX.
1968	For a short period a civilian government attempts to re-open democracy in Bolivia.
1969	General Ovando Candia takes over the government and lifts the ban against popular organizations. COB begins to be re-organized.
1970	COB and left Parties establish the government of general Juan J. Torres and implement the unique experiment of radicalism in Bolivia.
1971	COB installs the Popular Assembly as opposed to the Bolivian

	Parliament and submits radical programs of nationalization to government.
1971	On August 21st, the Bolivian army violently takes power led by Hugo Banzer. Popular organizations are banned and left leaders are persecuted. The "National" bourgeoisie strategy of development reaches its zenith in this decade.
1973	The Tupaj Katari movement emerges from the Aymara Ayllus and delivers the "Tihuanaku Manifesto" urging the emancipation of the nations of Aymaras, Quechuas, Guaranis etc.
1978	Four women from the mines organize a hunger strike supported by COB. The movement is so powerful that Banzer is forced to open a democratic process in Bolivia.
1979	The United Popular Front -UDP- (left coalition) wins the general elections, but a military coup impedes its arrival to power. The Confederation of Bolivian Peasants -CSUTCB- (led by the Kataristas) is formed uniting communities from several ethnic groups in Bolivia. From this year until 1982 Bolivia has a most disgraceful political process: 11 governments take power during this period.
1982	COB mobilizations force military ruling to open democratic process again. The UDP takes power and is destabilized in the following years.
1983	The CSUTCB delivers the Fundamental Agrarian Law, a proposal for the reorganization of agriculture based on the Andean modes of organization and production. The model of accumulation implemented since 1956 comes into crises. Bolivia has a hyper-inflationary process.
1985	COB's mobilizations and the financial boycott of Siles' government puts an end to UDP in power.
1985	MNR is voted into power dressed-up in a neo-liberalism guise.
1987	The Guarani people create the Indigenous Centre for the Lowlands (CIDOB) and later form the Guarani Peoples Assembly.
1989	CSUTCB calls for the General Assembly of Nationalities (in process of formation at the present)
1990	The Centre for the Indigenous People of Beni (CPBI) organize the "Marcha por la Dignidad y el Territorio" from the Amazons to the Highlands (700 Km) and demand a legal recognition over their territory from the government. On September 21, COB, CSUTCB and other organizations force the government to comply with the "Indian" demands.
1992	The "500 Years of Resistance" (against colonialism) was celebrated demanding changes in the nature of the state. COB highlights the multiethnic condition of Bolivia in their general Congress.

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