COUNTRY PROFILE: BOLIVIA

January 2006

COUNTRY

Formal Name: Republic of Bolivia (República de Bolivia).

Short Form: Bolivia.

Term for Citizen(s): Bolivian(s).

Capitals: La Paz (executive) and Sucre (judicial).

Major Cities: Santa Cruz (1.3 million inhabitants), Cochabamba (900,000), El Alto (830,000), La Paz (810,000), and Sucre (225,000), according to 2005 projections.

Independence: Led by “El Libertador,” Simón Bolívar Palacios, Bolivia gained complete independence from Spanish and Peruvian control in 1825. Despite nearly 200 coups and counter-coups, Bolivia has maintained its autonomy since independence.

Public Holidays: The following are Bolivia’s federal holidays: New Year’s Day (January 1), Carnival (two days, variable dates in February or March), Good Friday (variable date in March or April), Labor Day (May 1), Corpus Christi (variable date in May or June), Independence Day (August 6), All Saints’ Day (November 1), Christmas (December 25). Each of Bolivia’s nine departments also has a holiday celebrating its inception.

Flag: The Bolivian flag is divided into three equal, horizontal bands of red, yellow, and green. The Bolivian coat of arms is centered in the middle yellow band.

HISTORICAL BACKGROUND

Pre-colonial and Colonial Era: Advanced Indian societies inhabited the Andes region of South America long before the arrival of Europeans. Ruins of these societies, especially the Tiwanaku civilization, dot the high-altitude Bolivian countryside, serving as reminders of the first great Andean empire. Tiwanakan dominance lasted until 1200, when the regional kingdoms of the Aymara subsequently emerged as the most powerful of the ethnic groups living in the densely populated region surrounding Lake Titicaca. Power struggles continued until 1450, when the Incas incorporated upper Bolivia into their growing empire. Based in present-day Peru, the Incas instituted agriculture and mining practices that rivaled those put in place many years later by European conquerors. They also established a strong military force and centralized political power. Despite their best efforts, however, the Incas never completely controlled nomadic tribes
of the Bolivian lowlands, nor did they fully assimilate the Aymara kingdoms into their society. These internal divisions doomed the Inca Empire when European conquerors arrived.

Francisco Pizarro and his fellow Spanish conquistadors first glimpsed the “New World” in 1524. Visions of a land of gold led to aggressive colonization. Even without the arrival of the Europeans, the Inca Empire was floundering. Pizarro enjoyed stunning initial success in his military campaign against the Incas. After initial defeats, the Incas rallied some resistance against the Europeans. But in 1538, the Spaniards defeated Inca forces near Lake Titicaca, allowing penetration into central and southern Bolivia. Although Indian resistance continued, Spanish imperialists pushed forward, founding La Paz in 1549 and Santa Cruz de la Sierra (hereafter, Santa Cruz) in 1561. In the region then known as Upper Peru, the Spaniards found the mineral treasure chest they had been searching for. Potosí had the Western world’s largest concentration of silver. At its height in the sixteenth century, Potosí supported a population of more than 150,000, making it the world’s largest urban center. In the 1570s, Viceroy Francisco de Toledo introduced a coercive form of labor, the mita, which required Indian males from highland districts to spend every sixth year working in the mines. The mita, along with technological advances in refining, caused mining at Potosí to flourish.

**Breakdown of Colonial Authority:** In the early eighteenth century, the mining industry entered a prolonged period of decline, as evidenced by the eclipsing of Potosí by La Paz. After 1700, only small amounts of bullion were shipped from Upper Peru to Spain. In the mid-eighteenth century, Spanish control over South America began to weaken. In 1780 the Inca descendant, Túpac Amaru II, led nearly 60,000 Indians against the Spaniards near the Peruvian city of Cuzco. Spain put down the revolt in 1783 and executed thousands of Indians as punishment, but the revolt illustrated the precarious nature of Spanish colonial rule in the Andes.

The invasion of the Iberian Peninsula in 1807 by Napoleon Bonaparte and its aftermath further undermined Spain’s authority. Although many elites in Upper Peru stayed loyal to Spain, others began to seek independence. On May 25, 1809, radical criollos of Upper Peru led one of Latin America’s first independence revolts. Although defeated, the radicals set the stage for more successful rebellions. After July 1809, Spain never again fully controlled Upper Peru. The region became the battleground for a seven-year struggle between royalist troops from Peru and the forces of the independent Argentine Republic. By 1817 the royalists, based in Lima, had suppressed Argentina’s independence fighters seeking to wrest Bolivia from Spanish control. It proved to be only a temporary victory. In 1820 conflict reemerged in Upper Peru among three groups: loyalists, who accepted the direction of the Spanish Cortes; rebels, led by Simón Bolívar Palacios; and Conservative Party criollos, led by General Pedro Antonio de Olañeta, who refused to join either royalist forces or the rebel war effort. Bolívar’s victory over royal troops at the Battle of Ayacucho in 1824, followed by the assassination of Olañeta by his own men on April 1, 1825, brought to an end Spanish rule in Upper Peru.

**Early Republic:** Bolívar left the inhabitants of Upper Peru to determine the details of their own independence, transferring authority to General Antonio José de Sucre Alcalá. In August 1825, a constituent assembly convoked by Sucre rejected attachment to either Peru or Argentina and passed a resolution of independence. In an attempt to placate Bolivar’s reservations regarding the country’s fitness for self-rule, the new nation became known as the Republic of Bolivia.
Bolivar served five months as Bolivia’s first president before being succeeded by Sucre in January 1826. The new country faced many challenges, including numerous boundary disputes with its neighbors, a moribund silver mining industry, lack of foreign credit, and conflict with the Roman Catholic Church. In 1828 Sucre was forced from office by an invading Peruvian army seeking to reunite the two territories. The ousted president redeemed himself by defeating a Peruvian force at the Battle of Tarqui in February 1829. In May Sucre was succeeded as president by Andrés de Santa Cruz y Calahumana (1829–39), who forged a voluntary political union of Peru and Bolivia in the short-lived Peru-Bolivian Confederacy (1836–39). Santa Cruz’s tenure ended in January 1839 with the defeat of the Peru-Bolivian Confederacy by a Chilean expeditionary force at the Battle of Yungay.

Mid-nineteenth-century Bolivia was beset by political instability and the rule of authoritarian strongmen, economic stagnation, and a growing sense of geographic isolation. During the authoritarian government of Manuel Isidoro Belzú Humérez (1848–55), for example, the country endured 42 attempted coups. In an effort to gain access to the main routes of transoceanic trade, in 1867 Bolivia ceded more than 100,000 square kilometers of territory to Brazil in exchange for riverine access to the Atlantic Ocean.

**War of the Pacific and Aftermath:** An ongoing dispute between Bolivia and Chile over the mineral-rich coast of the Atacama Desert resulted in the War of the Pacific. A tentative peace, established in 1874, proved temporary. In 1879 Bolivia, in alliance with Peru, declared war against Chile, which had previously landed troops in the contested area. Chile won a decisive victory, forcing Bolivia from the entire coastal area in 1880. In 1904 Bolivia officially ceded the coastal territory to Chile under the Treaty of Peace and Friendship. In the most traumatic episode in its history, Bolivia’s path to the Pacific Ocean was lost. More than a century later, the perceived injustice of Bolivia’s landlocked status remains a prevailing theme in Bolivian nationalist sentiment.

From 1880 to the 1920s, Bolivia recovered from its defeat while simultaneously witnessing the rebirth of silver mining and the growth of the tin industry. Politically, the Conservative Party dominated national politics until its overthrow by the Liberal Party in the “Federal Revolution” of 1899. A new political force, the Republican Party, came to power through a bloodless coup in 1920, but the Great Depression of the early 1930s cut short Bolivia’s economic recovery.

**The Chaco War:** In 1932 a border dispute again turned into full-fledged war. Bolivia and Paraguay both claimed the Chaco region—a largely undeveloped area that had been the site of some oil discoveries. A series of border incidents led to broken diplomatic relations and then war. President Daniel Salamanca (1931–34) believed that the Bolivian army, trained by Germans and well armed, would overwhelm the smaller Paraguayan force. In actuality, Paraguay won all the major battles of the three-year war and drove Bolivian forces nearly 500 kilometers back into the Andes. Opponents of the war overthrew Salamanca in 1934, but it was too late to change the outcome. Bolivia suffered nearly 65,000 deaths and lost the Chaco region.

**World War II and Postwar Governments:** Following the humiliating defeat of the Chaco War, and in the midst of the global economic depression of the early 1930s, Bolivian governments looked inward in their efforts to promote economic development. After coming to power in 1936
through a military coup, Colonel David Toro Ruilova (1936–37) introduced a program of “military socialism.” Among other measures, Toro nationalized the holdings of U.S.-owned Standard Oil. Although Toro fell victim to a military coup in 1937, subsequent leaders continued many of his statist economic policies. During World War II, Bolivia repaired relations with the United States and compensated Standard Oil for losses incurred in the nationalization. In the early postwar era, which coincided with the beginning of the Cold War, Bolivia reaffirmed its alliance with the United States and embraced the cause of anticommunism. Domestically, Conservative-led governments sought to stem the growth of the left and contain growing labor unrest. However, they failed to reverse the inflationary economic policies that were inflicting severe hardship on much of the population.

**The Bolivian Revolution, 1952–64:** The Nationalist Revolutionary Movement (Movimiento Nacionalista Revolucionario—MNR) ushered in Bolivia’s nationalist “revolution” on April 9, 1952, when it launched an armed takeover of La Paz by mine workers in collaboration with disaffected elements of the National Police. Movement leader Víctor Paz Estenssoro assumed the presidency after a brief struggle. Begun as populist opposition party in the wake of the Chaco War, the MNR was a loose coalition of mine workers, Indian subsistence farmers, and middle-class mestizos. Once in power, the MNR moved quickly to establish its populist credentials, decreeing universal suffrage, nationalizing mining and export industries, and reapportioning large tracts of farmland among Indian smallholders. Initially, the MNR governments garnered multi-class support, but rampant inflation and declining farm productivity resulting from inadequate capital investment in agriculture held back economic growth. In 1964 Paz Estenssoro ran for and won re-election, only to be deposed by armed forces members concerned over the threat of Cuban-style revolutionary violence in the Andes. Although fundamental changes remained in place, many observers on the left lamented that the Bolivian revolution remained as yet “unfinished.”

**Military Rule, 1964–82:** The army takeover of the government in 1964 ushered in a prolonged period of authoritarian military rule. Throughout the 1960s and 1970s, successive military governments focused on maintaining internal order, modernizing the mining sector, and vigorously defending Bolivian sovereignty. Espousing a program of “revolutionary nationalism,” General Alfredo Ovando Candía (co-president, May 1965–January 1966; president, January–August 1966, 1969–70) outlined the “Revolutionary Mandate of the Armed Forces.” According to Ovando, the only way to end Bolivia’s underdevelopment was to allow, and encourage, the military to manage the economy and intervene in domestic politics. In October 1967, the armed forces scored a major victory when a Bolivian ranger battalion captured Argentine revolutionary Ernesto “Che” Guevara and a small band of guerrillas in the remote Villagrande region. The guerrilla band, dispatched from Havana, had tried unsuccessfully to incite a peasant rebellion among Bolivia’s majority Indian population.

The 1970s were dominated by the figure of General Hugo Banzer (president, 1971–78). During its first few years, Banzer’s populist military government enjoyed the support of the MNR and oversaw rapid economic growth, driven largely by heavy demand for Bolivia’s commodity exports. By 1974, however, the governing coalition had splintered, and labor unrest intensified as the economy experienced a slowdown. These events prompted the military regime to resort to greater repression to maintain political control.
In the late 1970s, Bolivia’s military regime came under pressure from the United States and Europe to liberalize and restore civilian democratic rule. With international pressure and opposition from civilian groups mounting, General Banzer announced a presidential election for 1980. However, two subsequent coups in the midst of congressional and presidential elections delayed the transition schedule. In September 1982, the military finally handed over the government to a civilian administration led by Hernán Silas Zuazo (president, 1982–85) of the Democratic and Popular Unity (Unidad Democrática y Popular—UDP) coalition.

**Economic Crisis and the “Pacted Democracy”:** In the early 1980s, Bolivia faced the most severe economic crisis of the preceding three decades. The economy was beset by chronic balance of payments and fiscal deficits and a foreign debt of nearly US$3 billion. The Siles Zuazo government attempted to address Bolivia’s economic crisis by negotiating several tentative stabilization programs with the International Monetary Fund (IMF). However, during the first half of 1985, the international tin market collapsed and Bolivia’s inflation reached an annual rate of more than 24,000 percent. As the crisis intensified, the opposition forced Siles Zuazo to give up power through a new round of elections held in July 1985.

The 1985 presidential race became a head-to-head contest between former military dictator Banzer and MNR founder Paz Estenssoro. After luring the left-wing Movement of the Revolutionary Left (Movimiento de la Izquierda Revolucionaria—MIR) with promises of state patronage, Paz Estenssoro was elected president of Bolivia for the fourth time since 1952. Abandoning his left-wing allies and his own populist past, Paz Estenssoro decreed one of the most austere economic stabilization packages ever implemented in Latin America. Hailed as the New Economic Policy (Nueva Política Económica—NPE), the decree aimed at ending Bolivia's record-setting hyperinflation and dismantling many of the large and inefficient state enterprises that had been created by the revolution. Although successful in ending hyperinflation, the NPE brought about a sharp reduction in real wages for workers and temporarily increased the country’s already high levels of poverty.

In the political realm, Paz Estenssoro and Banzer negotiated a formal power-sharing agreement, the Pact for Democracy, creating a mechanism to overcome the fragmentation of the political party system and allowing the government to push forward with its austerity measures. The pact played an important role in resolving other political impasses during the 1989 and 1993 presidential elections, in which no single candidate could claim a majority of the vote. The coalition government of President Jaime Paz Zamora (1989–93) provided continuity with the market reform policies of its predecessor and oversaw a modest economic recovery, aided by a rebound in the tin market and the discovery of vast reserves of natural gas.

The 1993 presidential election saw Paz Estenssoro’s former planning minister and prominent businessman Gonzalo Sánchez de Lozada receive a plurality of the vote on the MNR ticket. Sánchez de Lozada represented a new generation of MNR leaders firmly committed to the modernization of Bolivia with the aid of private capital investment from abroad. In a policy known as “capitalization,” private capital and expertise were attracted to the hydrocarbons sector. In exchange for 30-year operating contracts, foreign investors doubled the capital of state energy companies and embarked on aggressive gas exploration. As a consequence of renewed
investment, known natural gas reserves increased almost fivefold by 2000, and the Bolivian state received more than US$500 million per year in royalties.

The 1997 elections saw the return of Hugo Banzer to the presidency as a civilian. Despite his campaign promises to halt privatization, Banzer continued most of the economic policies of his predecessor. The retired general also embarked on a campaign to halt the illicit export of coca, the primary ingredient of cocaine, and a cause for concern in the United States. Coca farming has existed in parts of Bolivia since Inca times, but it took on increased importance and spread to new areas of the country as the international drug trade expanded during the 1980s and 1990s. Pressure from the United States to curb coca production led the Banzer administration to implement the Dignity Plan, an aggressive program of crop eradication by the Bolivian armed forces. Although temporarily successful in its limited aims of eradicating coca fields, the Dignity Plan increased rural poverty and sparked a new generation of social protest movements among the largely indigenous coca farmers (cocaleros) of the Chapare region.

Regionalism, Identity Politics, and the “Crisis of Governance”: New social movements founded on regionalism and ethnic identity emerged as a major force in Bolivian politics during the latter part of the Banzer administration. The discovery of vast reserves of natural gas in the late 1990s provoked a heated controversy over ownership of natural resources and the extent to which Bolivia should pursue “neo-liberal” economic policies favorable to foreign capital investment. The debate pitted the natural gas-rich eastern province of Santa Cruz against social movements that drew much of their support from the poorer communities of central and western Bolivia. Encompassing a variety of groups, such as shantytown dwellers, indigenous communities, and cocaleros, the social movements claimed to represent Bolivians who had suffered discrimination and exclusion from the country’s mainstream political and economic institutions. Common themes among the social movements were a strong anticapitalist bias and an affinity for socialism, nationalism (as expressed in anti-U.S. and anti-Chilean sentiment), and a deep-seated suspicion of foreign corporations involved in Bolivian joint ventures and privatizations. The social movements distinguished themselves from political parties by encouraging disruptive forms of protest, such as road blockades and occupations of government buildings. A key incident that galvanized opposition to the government was the so-called “water war,” in which the social movements in the city of Cochabamba vigorously disputed the concession of a commercial waterworks contract to the Bechtel Corporation on the grounds that the poor would be deprived of universal access to water.

In May 2001, President Banzer resigned from office because of a terminal illness. A caretaker administration under Vice President Jorge Quiroga completed Banzer’s term and laid the groundwork for the 2002 elections. The May 2002 presidential elections became a contest between former president Sánchez de Lozada and Evo Morales, an Aymara Indian and cocalero leader who headed the ticket of the Movement Toward Socialism (Movimiento Al Socialismo—MAS) party. In the bitterly fought race, Sánchez de Lozada prevailed by a slight margin. Sánchez de Lozada’s second administration sought a continuation of his controversial capitalization program. However, the water war initiated a period of intense conflict between the social movements and the government, limiting the latter’s ability to implement its policies. During 2002 and 2003, the government was increasingly challenged by the disruptive activities of the social movements. In September 2003, violent protests erupted in response to the
government’s plan to institute an income tax and to export liquefied natural gas to the United States by means of a pipeline through Chile. Approximately 80 demonstrators were killed in clashes with troops deployed to break up blockades of the highways. In October, mobs from the nearby shantytown of El Alto occupied and sacked government buildings in La Paz. In order to quell the violence, Sánchez de Lozada resigned and handed over the government to Vice President Carlos Mesa Gisbert.

Mesa’s appointment as president temporarily eased the crisis but failed to resolve the dispute between the supporters and opponents of a foreign corporate role in the extraction and sale of natural gas. Mesa attempted to defuse the crisis by submitting the gas question to the public in a national referendum. The July 2004 referendum handed Mesa a tactical victory by approving the export of gas, albeit under greater state controls than originally anticipated. Despite a promising start, Mesa’s administration was brought down in June 2005 by a new wave of road blockades and large-scale protests in La Paz. With the threat of a violent escalation looming, as well as talk of secession by the eastern provinces, Congress agreed on Eduardo Rodríguez Veltze, then serving as president of the Supreme Court, as interim president. Sworn in on June 10, 2005, Rodríguez immediately called for a special national election in December 2005.

The December 2005 elections were widely anticipated as an opportunity for Bolivians to end the “crisis of governance.” In addition to the presidential, senatorial, and congressional races, Bolivians also would be voting for the first time for nine departmental governors (prefects). The prefectural elections were expected to produce a significant decentralization of political power—one of the few initiatives on which a majority of Bolivians could agree. The presidential contest became a two-candidate race between Evo Morales of the leftist MAS and former President Jorge “Tuto” Quiroga of the conservative Social Democratic Power (Poder Democrático y Social—Podemos) coalition. Despite concerns that neither candidate would win a clear-cut mandate, Morales was elected with 53.7 percent of the vote, becoming the first president of Indian ethnicity in Bolivia’s history as well as the first majority president since the revolution. A high turnout of more than 80 percent of eligible voters lent added legitimacy to the results. The MAS’s strong showing in the presidential race and in the Chamber of Deputies was counterbalanced by opposition control of the Senate and of a majority of the prefectures. In early 2006, the Morales administration’s prospects for addressing Bolivia’s myriad challenges were not yet known. Bolivia remained deeply divided by contending ethnic, class, and regional loyalties that would severely test the new administration’s capacity to forge a national consensus on fundamental economic and political issues.

**GEOGRAPHY**

**Location:** Bolivia is located in Central South America, surrounded by Brazil to the north and east, Argentina and Paraguay to the south, and Peru and Chile to the west.

**Size:** Bolivia has a land area of 1,098,580 square kilometers—an area
about three times the size of Montana. Bolivia ceded significant tracts of its territory through
wars and negotiations. Its present size has been fixed since 1938. Bolivia is the fifth largest
country in South America.

**Land Boundaries:** Bolivia has been landlocked since 1884. It shares borders with Argentina
(832 kilometers), Brazil (3,400 kilometers), Chile (861 kilometers), Paraguay (750 kilometers),
and Peru (900 kilometers).

**Disputed Territory:** Although treaties have officially resolved Bolivia’s nineteenth-century
border disputes, Bolivia continues to fight for a sovereign corridor to the Pacific through the
Atacama Desert region it lost to Chile in the War of the Pacific.

**Length of Coastline:** None.

**Maritime Claims:** None.

**Topography:** Dramatic elevation changes distinguish Bolivian topography. La Paz, at 3,600
meters above sea level, is the world’s highest capital city. The country is split into three
topographical regions: the Andes and arid highlands of the west, the semi-tropical valleys in the
middle third of the country, and the tropical lowlands of the east. Bolivia’s high plateau, or
altiplano, is located between the two major Andean mountain ranges—the Cordillera Occidental
and the Cordillera Oriental. The altiplano is arid in the south but served by Lake Titicaca in the
north. The country’s highest mountain peak, Mt. Illiamani, southeast of La Paz, is more than
6,000 meters high. The lower, eastern slopes of the Cordillera Oriental, known as the Yungas,
comprise the semi-tropical region of the country. Rivers, plentiful in this region, drain into the
Amazon Basin. By contrast, the Bolivian lowlands in the east, including the Chaco region, face
semiarid conditions. Although forests cover nearly half of the country, the ample plains are used
for cattle grazing and, in less inhabited regions, for coca cultivation.

**Principal Rivers:** Bolivia has more than 14,000 kilometers of navigable rivers. The Beni,
Chapare, Desaguadero, Guaporé, Mamoré, Paraguay, and Pilcomayo form the country’s major
waterways. Plans have been finalized to widen and deepen the Paraguay River in order to
improve access to the Atlantic.

**Climate:** Bolivia’s extreme range of elevations gives the country a wide range of climates.
Additionally, the El Niño weather phenomenon (occurring every three to seven years) affects
Bolivia’s climate. Generally speaking, the mountains of the southwest experience the coldest and
driest weather. Conditions get warmer and wetter as one travels farther east. The Amazon Basin
in the northeast floods during the rainy season while the plains region experiences extended
droughts. The average temperature in the altiplano in the west, extending from Lake Titicaca
south to the borders with Chile and Argentina, is 8° C. Because the country is south of the
equator, Bolivia’s winter falls in the middle of the calendar year.

**Natural Resources:** Bolivia’s large tin deposits have shaped the country’s recent economic
history. Bolivia also has other mineral wealth, including large quantities of antimony, gold, iron,
natural gas, petroleum, tungsten, and zinc. Bolivia’s dense forests support a burgeoning timber industry, and its rivers produce hydropower.

**Land Use:** According to the Ministry of Agriculture, only 15 percent of Bolivia’s land is suitable for agriculture. Of that arable land, just 12 percent is currently in use, with an additional 10 percent used for animal grazing. In the agricultural sector, Bolivia has focused on increasing yields through the use of new technology rather than on expanding agricultural acreage.

**Environmental Factors:** A land-use survey conducted in 2001 revealed a 6 percent loss of primary forest over the previous two decades. Even with this encroaching desertification, however, forests still cover more than 50 percent of Bolivian territory. Bolivia’s history of slash-and-burn agriculture, overgrazing, and industrial pollution has caused significant concern among environmentalists. Soil erosion, made worse by seasonal flooding, and contaminated water supplies are Bolivia’s most pressing environmental problems. The National Service for Protected Areas, established in 1998, currently manages 21 protected areas.

**Time Zone:** Bolivia operates four hours behind Greenwich Mean Time (GMT).

**SOCIETY**

**Population:** In 2004 Bolivia had an estimated population of nearly 9.3 million, with an annual population growth rate of 2.4 percent. Bolivia has low population density, only 8.5 people per square kilometer. In terms of geographic settlement, 42 percent of Bolivians live in the altiplano region in the west, followed by 30 percent in the eastern plains region and 29 percent in highland valleys in the central part of the country. Urbanization is low but rising. The urban population of the country is increasing at a rate of 3.6 percent annually, mostly as a result of the migration of rural residents to cities. In 2004 about 62 percent of Bolivians lived in cities, including 40 percent in cities with more than 200,000 inhabitants. La Paz, located in the altiplano, and Santa Cruz, in central Bolivia, are the most densely populated cities. Oruro, located in the altiplano southeast of La Paz, is Bolivia’s fastest growing urban area.

**Demography:** Bolivia has a young and ethnically diverse population. Statistics show that 35 percent of the population is younger than 15, nearly 60 percent is 15–64, and only 4 percent is 65 and older. Experts estimate Bolivia’s birthrate at nearly 23.8 births per 1,000. The infant mortality rate stands at 53 deaths per 1,000 live births and the child mortality rate at 66 deaths per 1,000 live births, while the overall death rate is 7.6 deaths per 1,000. Life expectancy in Bolivia, 65.5 years on average, is shorter than in most other South American countries.

**Ethnic Groups and Languages:** Ethnically, Bolivia is not dominated by any single group of people. In a survey conducted in 2001, the National Statistics Institute found the following breakdown: mestizo (mixed race), 30 percent; Quechua, 28 percent; Aymara, 19 percent; and European, 12 percent. The remaining 11 percent come from a collection of ethnicities. Spanish is spoken by 87 percent of the population. Quechua (34 percent) and Aymara are the other prominent languages.
Religion: The Roman Catholic Church has a dominant presence in Bolivia. An estimated 95 percent of Bolivians are Roman Catholic. The remaining 5 percent are Protestant. Bolivia’s constitution mandates religious freedom, and the government has no record of suppressing any religious groups. However, some Catholic priests are supported by government pensions, in exchange for land that the church ceded to the government in the past. Only Roman Catholic religious instruction is provided in the country’s public schools, but students are not required to attend religious sessions.

Education and Literacy: In education, as in many other areas of Bolivian life, a divide exists between Bolivia’s rural and urban areas. Rural illiteracy levels remain high, even as the rest of the country becomes increasingly literate. This disparity stems partly from the fact that many children living in rural areas are forced to contribute economically to their family households and thus are much less likely to attend school. On average, children from rural areas attend school for 4.2 years, while children in urban areas receive an average of 9.4 years of education. A gender divide also exists. Females, on average, receive about 1.5 years less schooling than males. The female illiteracy rate is 19.6 percent while that for males is 7.4 percent. The country’s illiteracy level as a whole, 13–14 percent, is higher than in other South American countries.

The problems with Bolivian education are not necessarily attributable to lack of funding. Bolivia devotes 23 percent of its annual budget to educational expenditures, a higher percentage than in most other South American countries, albeit from a smaller national budget. A comprehensive, seven-year plan of education reform has made some significant changes. Initiated in 1994, the plan decentralized educational funding in order to meet diverse local needs, improved teacher training and curricula, and changed the school grade system. Resistance from teachers’ unions, however, has slowed implementation of some of the intended reforms.

Health: In terms of key health indicators, Bolivia ranks nearly last among the Western Hemisphere countries. Only Haiti scores consistently lower. Bolivia’s child mortality rate of 66 per 1,000 live births is the worst in South America. Proper nourishment is a constant struggle for many Bolivians. Experts estimate that 7 percent of Bolivian children under the age of five and 23 percent of the entire population suffer from malnutrition.

Bolivians living in rural areas lack proper sanitation and medical services, rendering many helpless against still potent diseases such as malaria (in tropical areas) and Chagas’ disease. Statistics indicate that only 20 percent of the rural population in Bolivia has access to safe water and sanitation. The prevalence of human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) in Bolivia appears to be low, around 0.1 percent of the population. Between 1984 and 2002, only 333 cases of AIDS were reported to United Nations officials.

Bolivia’s health care system is in the midst of reform, funded in part by international organizations such as the World Bank. The number of physicians practicing in Bolivia has doubled in recent years, to about 130 per 100,000 citizens, a comparable ratio for the region. Current priorities include providing basic health care to more women and children, expanding immunization, and tackling the problems of diarrhea and tuberculosis, which are leading causes of death among children. As a percentage of its national budget, Bolivia’s health care
expenditures are 4.3 percent, also on a par with regional norms. However, its annual per capita spending of US$145 is lower than in most South American countries.

**Welfare:** Among developing nations, as defined by the United Nations (UN), Bolivia ranks twenty-seventh according to the Human Poverty Index. Overall, Bolivia ranked 114 out of 175 on the UN Human Development Index in 2002. Despite efforts at reform, Bolivia’s economic development has been continually hindered by political unrest, a lack of economic diversification, and the extremely profitable, but internationally condemned, illegal drug trade. By some estimates, nearly 65 percent of Bolivians live in poverty. That number rises to 80 percent when considering only Bolivia’s rural population. Annually, the World Bank designates up to US$150 million to bolster Bolivia’s economy and infrastructure.

Bolivia first implemented a social security program in 1959. Workers aged 65 years or older who retire from jobs in the “formal” sector of the economy receive a pension from the Bolivian government. However, in 1997 Bolivia followed the trend of other Latin American countries and privatized the system. Currently, Bolivian formal-sector workers are required to deposit 10 percent of their salary into a private social insurance program. Employers contribute an additional 2 percent of the worker’s regular salary. Except for those workers who retired under the previous system, there is no guaranteed minimum old-age pension, but any unused accumulated capital is payable to an heir on the death of the insured. In addition to retirement, Bolivia has social welfare to help those disabled, both long-term and short-term, and women who become pregnant. Limited funds are also available to aid the unemployed, underemployed, and families in need of assistance, but it is likely that stated benefits differ from actual payments.

**ECONOMY**

**Overview:** Bolivia’s economic history reveals a pattern of a single-commodity focus. From silver to tin to coca, Bolivia has enjoyed only occasional periods of economic diversification. Political instability and difficult topography have constrained efforts to modernize the agricultural sector. Similarly, relatively low population growth coupled with low life expectancy has kept the labor supply in flux and prevented industries from flourishing. Rampant inflation and corruption also have thwarted development. The mining industry, especially the extraction of natural gas and zinc, currently dominates Bolivia’s export economy.

**Gross Domestic Product (GDP):** Bolivia had an estimated GDP of US$22.3 billion in 2004, with a growth rate from the previous year of 3.7 percent.

**Government Budget:** Bolivia experienced a budget deficit of about US$500 million in 2004. Expenditures were nearly US$2.8 billion while revenues amounted to only about US$2.3 billion.

**Inflation:** Inflation has plagued, and at times crippled, the Bolivian economy since the 1970s. At one time in 1985, Bolivia experienced an inflation rate of more than 20,000 percent. Fiscal and monetary reform reduced the inflation rate to single digits by the 1990s, and in 2004 Bolivia experienced a manageable 4.9 percent rate of inflation.
Agriculture, Forestry, and Fishing: Agriculture, forestry, and fishing accounted for 14 percent of Bolivia’s gross domestic product (GDP) in 2003, down from 28 percent in 1986. Combined, these activities employ nearly 44 percent of Bolivia’s workers. Most agricultural workers are engaged in subsistence farming—the dominant economic activity of the highlands region. Agricultural production in Bolivia is complicated by both the country’s topography and climate. High elevations make farming difficult, as do the El Niño weather patterns and seasonal flooding. Bolivia’s agricultural GDP continues to rise but has attained only a rather modest average growth rate of 2.8 percent annually since 1991.

Bolivia’s most lucrative agricultural product continues to be coca, of which Bolivia is currently the world’s third largest cultivator. The Bolivian government, in response to international pressure, has worked to restrict coca cultivation for the use of producing cocaine. However, eradication efforts have been hampered by the lack of a suitable replacement crop for rural communities that have cultivated coca for generations. Since 2001, Bolivia’s leading legal agricultural export has been soybeans. Additionally, cotton, coffee, and sugarcane have been viable exports for Bolivia. For domestic consumption, corn, wheat, and potatoes are the crops of choice of Bolivian farmers.

Despite its vast forests, Bolivia has only a minor timber industry. In 2003 timber accounted for only 3.5 percent of export earnings. The Forestry Law of 1996 imposed a tax on sawn timber and consequently cut Bolivian timber exports significantly. The tax was used to establish the Forestry Stewardship Council, which has been only minimally successful in forest restoration efforts and eliminating illegal logging. With increased efficiency, Bolivia could likely expand the profitability of its forest resources, while still protecting them from overexploitation.

Bolivia has a small fishing industry that taps the country’s freshwater lakes and streams. The annual catch averages about 6,000 tons.

Mining and Minerals: Mining continues to be vital to Bolivia’s economy. The collapse of the world tin market in the 1980s led to a restructuring of the industry. The state dramatically reduced its control and presently operates only a small portion of mining activities. Small-scale operations, often with low productivity, employ many former state miners. Natural gas has supplanted tin and silver as the country’s most valuable natural commodity. A discovery in 1997 confirmed a tenfold gain in Bolivia’s known natural gas reserves. Finding markets to utilize this resource, both domestically and internationally, has been slowed by a lack of infrastructure and conflicts over the state’s role in controlling natural resources.

Although the world tin market has reemerged, Bolivia now faces stiff competition from Southeast Asian countries producing lower-cost alluvial tin. Gold and silver production has increased dramatically over the past decade. Annually, as of 2002 Bolivia extracted and exported more than 11,000 kilograms of gold and 461 tons of silver. Additionally, Bolivia has increased zinc production, extracting more than 100,000 tons each year. Other metals excavated include antimony, iron, and tungsten.

Industry and Manufacturing: Annually, manufacturing has accounted for approximately 18 percent of Bolivia’s gross domestic product since 1995. Most industry is small-scale, aimed at
regional markets rather than national operations. Inadequate credit options and competition from the black market have kept Bolivia’s manufacturing sector from developing fully. Leading manufactured goods in Bolivia include textiles, clothing, non-durable consumer goods, processed soya, refined metals, and refined petroleum.

**Energy:** Bolivia is energy self-sufficient. The country’s energy needs are relatively small but growing consistently. Bolivia uses oil for the majority of its power needs, followed by natural gas. The country has large reserves of both. Bolivia’s energy sector changed significantly when the government allowed privatization in the mid-1990s. International companies quickly invested in Bolivian energy sources, particularly in natural gas, and made Bolivia into a player in the world energy market.

The exportation of Bolivian energy resources, while potentially lucrative economically, has been politically hazardous. President Gonzalo Sánchez de Lozada ultimately resigned over his plan to export natural gas to the United States and Mexico in 2003. Subsequent politicians have been hesitant to act decisively even though Bolivia’s economy could readily use an export boost. On June 6, 2005, President Carlos Mesa offered his resignation to the Bolivian Congress after months of demonstrations by Bolivia’s Indian population calling for renationalizing the natural gas and oil sectors. Mesa had increased taxation on foreign companies while still encouraging their investment in Bolivian energy development.

Bolivia has estimated oil reserves of 441 million barrels, the fifth largest in South America. The country’s natural gas reserves total 27.6 trillion cubic feet according to Bolivian government figures, ranking Bolivia behind only Venezuela in terms of proven natural gas reserves in South America. Additionally, Bolivia produces more electricity with its nine power companies than it can consume. In 2002 Bolivia generated 4.1 billion kilowatt-hours of electricity but consumed only 3.8 billion kilowatt-hours.

**Services:** The services industry in Bolivia remains undeveloped. Inhabiting one of the poorest countries in South America, Bolivians have weak purchasing power. The retail sector suffers from weak demand and competition with a large black market of contraband goods. U.S. companies such as McDonald’s and Domino’s have pulled out of Bolivia in recent years.

**Banking and Finance:** Banking in Bolivia has long suffered from corruption and weak regulation. However, a series of reforms initiated by the 1993 Banking Law and subsequent acts are gradually improving Bolivia’s banking sector. Bolivia has a Central Bank and nine private banks. Consolidation occurred following reforms, lowering the number of private banks in Bolivia from 14 in 1995 to nine in 2003. Foreign participation and investment in Bolivian banks are allowed.

About 90 percent of Bolivian bank deposits are held in U.S. dollars. The Bolivian government is trying to change this situation by taxing dollarized accounts while exempting boliviano accounts from the tax. As recently as 2002, 27 percent of all loans were non-performing, leading most foreign investors to focus their resources in the somewhat-safer venue of corporate lending. Most bank lending in 2003 went to manufacturing (24 percent), followed by property services (18...
percent) and trade and retail (16 percent). Bad debt remains at a historically high level. Further reforms are necessary, including the pending act to introduce a deposit guarantee system.

Bolivia’s stock market expanded in 1998 to include corporate bonds, along with the money market and government bond options that had existed previously. The privatization of Bolivia’s social security program has bolstered the stock market.

**Tourism:** Bolivia’s spectacular vistas and natural attractions have not been enough to transform the country into a major tourist destination because of its political instability and lack of first-class accommodations. Still, Bolivia’s tourist industry has grown gradually over the past 15 years. In 2000 Bolivia attracted 306,000 tourists, compared with 254,000 in 1990. Tourist revenue peaked at US$179 million in 1999. Tourism in Bolivia declined following the September 11, 2001, attack on the United States, as was the case across North and South America.

**Labor:** The economic downturn of the late 1990s, coupled with privatization and austerity efforts led by President Mesa, resulted in significant unemployment. Although the Bolivian government does not keep unemployment statistics, outside experts estimate unemployment to be between 8 and 10 percent of the population. Underemployment of Bolivia’s workforce of nearly 4 million is also widespread. As a result of the lack of formal employment opportunities, nearly 65 percent of the urban workforce was self-employed in 2002.

Labor unions have a strong history in Bolivia. Many workers in the formal sector belong to unions. The larger unions, such as the Bolivian Labor Federation and the Trade Union Federation of Bolivian Mine Workers, have been successful in rallying workers to countless strikes and work stoppages. Nevertheless, working conditions for most Bolivian workers are difficult.

**Foreign Economic Relations:** Bolivia was a founding member of the Andean Group, a South American organization designed to promote trade among Bolivia, Colombia, Ecuador, Peru, and Venezuela. Subsequently renamed the Andean Community (Comunidad Andina—CAN), the organization has succeeded in increasing intra-South American trade. Trade among member countries rose from US$3.6 billion in 1991 to US$10.3 billion in 2003. Bolivia also belongs to the Common Market of the South (Mercado Común del Sur—Mercosur). Bolivia became an associate member in 1997 in order to open investment opportunities with the founding Mercosur countries (Argentina, Brazil, Paraguay, and Uruguay), as well as other Mercosur associate members (Chile, Colombia, Ecuador, Peru, and Venezuela). Bolivia conducted more than US$1 billion in trade with Mercosur countries in 2003. As a result of negotiations initiated in 1999 on a possible South American Free Trade Area (SAFTA), the two groups announced in December 2004 that they would merge, creating a South American Community of Nations patterned after the European Union.

**Imports:** Bolivian imports of goods and services were valued at about US$2.1 billion in 2004. The import of consumer goods increased for the first time since 2002. By sector, Bolivia imported mostly intermediate goods, followed by industrial, capital, and consumer goods. Leading sources of Bolivian imports include Brazil, Argentina, the United States, and Chile.
Exports: Bolivian exports of goods and services in 2004 stood at more than US$2.1 billion compared with US$1.9 billion in 2003. Increased production of hydrocarbons, especially natural gas, led Bolivia’s trade upturn in 2004. A 20-year supply contract with Brazil for natural gas, ending in 2019, has provided the necessary capital to increase production. In 2004 export revenues for natural gas topped US$619 million. Bolivia also exported significant quantities of petroleum. Beyond hydrocarbons, other significant exports included zinc, soya, iron ore, and tin. In 2001 Brazil overtook the United States as Bolivia’s primary export outlet. Switzerland, Venezuela, and Colombia are also important export partners. Bolivia has actively sought to foster economic connections in South America after long relying on the United States as its primary trade partner.

Trade Balance: Bolivia had an estimated trade surplus of more than US$340 million in 2004. This figure represents a marked change in Bolivia’s economic balance sheet. Bolivia reached a peak trade deficit of US$888 million in 1998 before increased hydrocarbon exports radically altered the situation.

Balance of Payments: Bolivia had a large negative balance of payments for 2002—US$317 million. However, this situation has been remedied by the vast increase in export revenue. Estimates for the balance of payments for 2004 show a record surplus of US$126 million.

External Debt: Bolivia’s external debt totaled an estimated US$5.7 billion in 2004. The International Monetary Fund has assisted Bolivia in paying down this debt. In 1995 the United States, among other countries, reduced Bolivia’s debt by two-thirds.

Foreign Investment: Foreign investment in Bolivia was buoyed in 1995 by privatization. Investment in mining and natural gas extraction increased, as did investment in the banking sector. However, the economic decline of the late 1990s, along with political unrest, caused foreign investors to pull out of Bolivia once again. In 2000 foreign investors contributed US$736 million to the Bolivian economy. In 2002 this total fell to US$676 million.

Foreign Aid: Bolivia depends on foreign aid to fund its improvement projects and to service its large external debt. In 1998 the World Bank and International Monetary Fund awarded Bolivia a debt-relief package worth US$760 million. Bolivia also has received relief under the World Bank’s Heavily Indebted Poor Countries program, which, if Bolivia meets all checkpoints, will total US$1.2 billion by 2011. In 2004 the United States designated more than US$150 million for assistance to Bolivia.

Currency and Exchange Rate: Bolivia’s currency is the boliviano (BOB). The exchange rate in January 2006 was about 8 bolivianos per US$1.

Fiscal Year: Calendar year.
TRANSPORTATION AND TELECOMMUNICATIONS

Overview: Bolivia’s extreme terrain and elevation changes make cross-country transportation difficult. Flooding and landslides also cause problems. Because Bolivia is landlocked, the oceans offer no aid in moving commodities, and export costs are higher for Bolivia than for most other countries in South America.

Roads: Bolivia has more than 60,000 kilometers of roads. Only 4,000 kilometers of that total, however, are paved. A transportation improvement plan calls for the country to double the length of paved roads by 2006. Ongoing improvement projects include a highway between Santa Cruz and the Brazilian border at Puerto Suárez and another between La Paz and the Brazilian border at Guayaramerín.

Railroads: Bolivia’s railroad network extends nearly 4,300 kilometers. However, rather than one unified network, separate networks exist in the eastern lowlands and the western highlands. The eastern network connects the Santa Cruz region with both Argentina at La Quiaca and Brazil at Corumbá. The western network connects with Chilean rail centers. Currently, plans exist for a railroad connecting Santa Cruz and Cochabamba. The feasibility and funding for this improvement are under debate. The Bolivian government owned the country’s largest railroad company, Empresa Nacional de Ferrocarriles, until 1995, when it was capitalized.

Ports: The river port Puerto Aguirre, at the border with Brazil on the Paraguay River, functions as Bolivia’s primary outlet to international waters. In addition, Bolivia has free port privileges in Argentina (Rosario), Brazil (Belém, Corumbá, Porto Velho, and Santos), Chile (Arica), Paraguay, and Peru (Ilo).

Inland Waterways: Bolivia has more than 14,000 kilometers of navigable rivers. The Paraguay River functions as the country’s primary conduit for trade.

Civil Aviation and Airports: Bolivia has more than 1,000 airports spread throughout its territory. Only 16 of these airports, however, have paved runways. The vast majority are rural airstrips. La Paz (El Alto) and Santa Cruz (Viru-Viru) are home to the country’s two international airports. Two airlines dominate domestic travel in Bolivia. Lloyd Aéreo Boliviano services most of Bolivia’s major towns. The state ceded control of the airline in 1995, and now private investors control part of the company. Aerosur, based in Santa Cruz, serves as the country’s other dominant air service provider. Because La Paz is at such a high elevation, large airliners cannot take off from there at full capacity. Most flights from the capital city stop over in Santa Cruz for more passengers or cargo before proceeding to their final destination.

Pipelines: Bolivia has more than 9,000 kilometers of pipelines, with the majority being used to transport natural gas. Bolivia has 4,860 kilometers of pipeline for natural gas, 2,457 kilometers for oil, 1,589 kilometers for refined products, and 47 kilometers for liquid petroleum gas. Some experts maintain that inadequate infrastructure, including pipelines, has prevented Bolivia from taking full economic advantage of its natural resources. Bolivia currently has cross-border natural gas pipelines into Argentina and Brazil.
Telecommunications: The telecommunications industry has expanded and diversified since privatization in 1995. The Empresa Nacional de Telecomunicaciones (known as Entel) was purchased by an Italian company and subsequently expanded and improved to offer better service across the country. In 2001 the telecommunications market opened for full competition, and one company (Viva) created a separate network to challenge Entel’s holdings. Although Entel still dominates the market, service, quality and price all have improved to benefit the consumer since 1993. Nevertheless, bureaucratic difficulties still confront many Bolivians trying to establish new telephone service.

Bolivia’s telecommunications development, in comparison with other South American countries, is still relatively limited. Bolivia has 63 fixed telephone lines and 94 cellular subscribers per 1,000 people. Only 2 percent of Bolivians, compared with 3.6 percent regionally, have access to a personal computer. Bolivia has only 21 Internet users per 1,000 people, compared with 76 in Peru, for example. Nevertheless, access to the Internet and the number of Internet users have grown significantly each year. From 2001 to 2002, the number of Internet users in Bolivia increased from 180,000 to 270,000.

GOVERNMENT AND POLITICS

Political System: Bolivia is a unitary democratic republic, empowered by the revised constitution of 1994. Similar to the United States, Bolivia has executive, legislative, and judicial branches of government. The directly elected president serves a five-year term and appoints an executive cabinet. Traditionally, the president has been a strong executive, responsible for foreign diplomacy, setting economic policy, and commanding the armed forces, among other duties. The president cannot be reelected to successive terms.

The bicameral Congress consists of a 27-member Senate and a 130-member Chamber of Deputies and is limited to debating and approving legislation initiated by the executive. Congress meets annually for a session of 90 working days. At the request of the executive or a majority of its members, Congress may expand its annual session to 120 days or convene extraordinary sessions to debate specific legislation. Each of the nine departments elects three senators. About one-half of the members serving in the Chamber of Deputies are directly elected, while the other representatives gain their seats through indirect party nominations. All members of Congress serve five-year terms.

Bolivia’s judicial system consists of a Supreme Court, district (or superior) courts in each of the nine departments, and provincial and local courts to try minor cases. The 12 Supreme Court justices, nominated by the president and confirmed by the Congress, serve non-renewable 10-year terms. The Supreme Court is divided into four chambers of three justices each, with two chambers dealing with civil cases, another dealing with criminal cases, and the fourth with administrative, social, and mining cases. The superior courts hear appeals of lower-court decisions and review the application of Bolivian law. The Supreme Court hears only cases involving exceptional circumstances. A Constitutional Tribunal handles appeals on constitutional issues. Both the superior courts and the Supreme Court have the right to alter the sentences or negate the decisions of lower courts. Although the judiciary is meant to be independent of
outside influence, political pressure and judicial corruption have long been present in Bolivia. Reforms in 1998 added several components to the judicial system in an effort to curtail corruption, including an independent judicial council to oversee and investigate the conduct of judges and a public defender program.

**Administrative Divisions:** In 1989 the Congress divided Bolivia into its present administrative form, consisting of nine departments. In descending order of population size, the departments are: La Paz, Santa Cruz, Cochabamba, Potosí, Chuquisaca, Oruro, Tarija, Beni, and Pando.

**Provincial and Local Government:** Bolivia’s nine regional departments are divided into 94 provinces, which are further divided into 312 municipalities. The highest executive authority in a department is the prefect—roughly comparable to a state governor in the United States. As a result of constitutional reforms ratified in 1995, in December 2005 the nine departmental prefects were directly elected by voters, replacing the previous system of presidential appointment of prefects. Sub-prefects administer provinces. Bolivian towns and cities directly elect mayors and municipal councils. Municipal elections occur every five years.

**Judicial and Legal System:** Bolivia’s legal system is based on Spanish law and the Napoleonic Code. The 1999 penal code also incorporated the customary law of indigenous peoples. The implementation of the Code of Criminal Procedures (CCP) in May 2002 improved Bolivia’s court system. Members of the Judicial Technical Police, lawyers, law students, judges, and nongovernmental organization (NGO) representatives have received training in the new CCP, emphasizing the protection of legal and human rights. With the goal of rooting out corruption, the CCP changed the criminal justice system from a closed, written system to one with open, oral trials. Additionally, the Public Ministry Law, enacted in March 2002, introduced the role of prosecutor in the Bolivian legal system. Rather than the judge leading the investigation against a defendant, prosecutors now conduct the state’s inquiry.

In misdemeanor cases, a defendant appears in the lower courts before only a judge. In felony cases, two judges and a jury of three citizens decide the defendant’s fate. Defendants have the right to an attorney, to remain silent, to due process, and to a presumption of innocence, among others rights. In practice, these rights are often ignored. Nevertheless, the new transparency brought with the CCP has made the rights of the defendant somewhat easier to defend.

**Electoral System:** Since 1982, Bolivian elections have produced largely peaceful exchanges of political power. Elections for national and municipal offices are held every five years. Universal and compulsory suffrage exists in Bolivia (at age 21, or age 18 if married), but citizens must produce documentation in order to vote. Electoral judges serve in each department in order to rule on contested voter eligibility and other election discrepancies. Election fraud historically has plagued Bolivia, and accusations of fraud are a part of the Bolivian electoral system.

**Politics and Political Parties:** Bolivia has a fragmented political party system, as evidenced by the multitude of parties represented in the Congress. Support for the traditionally dominant parties—the Nationalist Revolutionary Movement (Movimiento Nacionalista Revolucionario—MNR), Nationalist Democratic Action (Acción Democrático Nacionalista—ADN), and Movement of the Revolutionary Left (Movimiento de la Izquierda
Revolucionaria—MIR)—has declined since the 1980s. In their place, a plethora of single-interest parties have arisen. Regional and ethnic loyalties have replaced national coalitions. This development has led to a series of alliances among seemingly disparate political parties. For example, in 2002 four presidential candidates each received more than 15 percent of the vote, led by Gonzalo Sánchez de Lozada with 23 percent. This result triggered a runoff between Sánchez de Lozada and the second-place candidate, Evo Morales. Sánchez de Lozada prevailed in this contest, but only by securing the support of his former rivals and forming an impossible-to-maintain four-party coalition. The power sharing required in such a political atmosphere has severely curtailed the effectiveness of the Congress. Patronage is divided among the parties to such an extent that bureaucratic efficiency also is compromised.

Carlos Mesa, a political independent, resigned from the presidency on June 6, 2005, as a result of massive public demonstrations in La Paz and out of frustration over Bolivia’s deadlocked political system. Eduardo Rodríguez succeeded Mesa on an interim basis, and a special national election was held in December 2005. Bolivians went to the polls in December 2005 to elect a president, both houses of Congress, and the nine departmental prefects. The top presidential candidates were Jorge “Tuto” Quiroga, former president and leader of the conservative ADN party, now associated with the Social Democratic Power (Poder Democrático y Social—Podem as) coalition; Evo Morales, indigenous leader of the leftist Movement Toward Socialism (Movimiento al Socialismo—MAS) party; and wealthy businessman Samuel Doria Medina of the centrist National Unity (Unidad Nacional—UN) party.

Evo Morales won the December 2005 presidential election in a landslide victory with 53.7 percent of the vote, thus making him the first ethnic Indian president in Bolivia’s history and the first president elected by a majority since the 1952 revolution. The controversial indigenous leader campaigned on a platform of nationalizing the hydrocarbons sector and ending a coca eradication program supported by the United States. The MAS’s strong showing in the presidential race and in the Chamber of Deputies was counterbalanced by opposition control of the Senate and of a majority of the nine prefectures.

**Mass Media:** Bolivia has nearly 200 privately owned television stations, but because rural regions of the country have few televisions and television reception is poor in many areas of the country, radio remains an important news disseminator. At last count, Bolivia had more than 480 radio stations, most of which were regional in scope. Bolivia also has eight national newspapers, in addition to many local ones. Of the national papers, four are based in La Paz, three in Santa Cruz, and one in Cochabamba. Most Bolivians continue to get their news from newspapers and radio broadcasts.

The Bolivian constitution protects freedom of the press and speech. Most newspapers take antigovernment positions. Both state-owned and privately owned radio stations operate without government censorship. Some restrictions do exist, however. The Penal Code demands jail time for those persons found guilty of slandering, insulting, or defaming public officials. In particular, the president, vice president, and ministers are protected by the Penal Code. Those charged with violating press standards are brought before the independent La Paz Press Tribunal.
Foreign Relations: Bolivia traditionally has had strong ties to the United States. Economically, the United States has been a long-standing consumer of Bolivian exports and a partner in development projects. Bolivia is heavily dependent on foreign aid. The country receives about US$500 million each year from 18 foreign institutions, including about US$150 million from the United States. In 1991 the United States forgave more than US$350 million owed by Bolivia to the U.S. Agency for International Development and the U.S. Department of Agriculture. Presently, about one-third of U.S. aid to Bolivia is earmarked for anti-drug trafficking programs.

More recently, Bolivia has attempted to strengthen its ties with neighboring South American countries. A bilateral agreement for natural gas exports with Argentina in 2004 represented a significant step in overcoming past hostilities to establish a mutually beneficial relationship. Bolivia’s diplomatic relationship with Chile remains strained, simmering still from the loss of Bolivia’s entire coastline to Chile in the late nineteenth century. Diplomatic relations between the two countries, reestablished briefly between 1975 and 1978, have been broken off at the ambassadorial level.

Membership in International Organizations: Bolivia is a member of the United Nations and many of its affiliated organizations. Regionally, Bolivia belongs to the Amazon Pact, Andean Community, Latin American Integration Association, Organization of American States, Common Market of the South (Mercosur), and Rio Group. Bolivia is also a member of the International Monetary Fund, International Parliamentary Union, International Telecommunications Satellite Organization, Non-Aligned Movement, World Health Organization, and World Trade Organization.

Major International Treaties: Bolivia is a party to many significant treaties, including international agreements on biological weapons, chemical weapons, copyright, human rights, intellectual property, nuclear weapons non-proliferation, and torture. In the environmental arena, Bolivia is a party to the following agreements: Biodiversity, Climate Change (including the Kyoto Protocol), Desertification, Endangered Species, Hazardous Wastes, Law of the Sea, Marine Dumping, Ozone Layer Protection, Ship Pollution, Tropical Timber 83 and 94, and Wetlands.

NATIONAL SECURITY

Armed Forces Overview: Although its political history has been dominated by military coups, Bolivia’s armed forces are relatively small and undeveloped. Bolivia currently has secure borders and few international threats, in comparison with previous times in its history. Efforts to reform and modernize the Bolivian armed forces have been suppressed as a result of the need to retain the support of the military establishment and because of more pressing political and civil issues. In spite of its weakness on the world scale, the Bolivian military historically has been the only institution that can maintain law and order in the country.

Foreign Military Relations: Bolivia receives military aid from the United States for its continuing fight against illicit drug production and trade. Bolivia and the United States have conducted joint training exercises, and Bolivia has received training funds through the
International Military Education and Training (IMET) program. Military relations with regional neighbors remain stable, but tensions between Peru and Chile have the potential to unbalance the military equilibrium currently governing South America. Bolivia opposes most Chilean interests as a result of lingering resentment over the War of the Pacific (1879–80).

**External Threats:** Since losing territory to Chile and Paraguay through military conflict in the early twentieth century, Bolivia has remained relatively safe from international threats. Internal riots and resistance represent a much more significant threat to Bolivian stability than do external threats.

**Defense Budget:** In 2004 Bolivia devoted US$132 million to military expenditures. Bolivia ranks near the bottom third of world countries in terms of both military spending and military expenditures as a percentage of GDP.

**Major Military Units:** Bolivia has three military services—the army, air force, and navy. The army has the majority of the military manpower, with 25,000 troops of the 31,500 in the Bolivian armed forces. The army is divided into six military divisions and includes a presidential guard infantry unit. The army still includes five horse-riding cavalry groups, along with one motorized cavalry group, one assault cavalry group, two airborne regiments, two mechanized infantry regiments, three motorized infantry regiments, six artillery regiments, six engineer battalions, and 21 infantry battalions. The 3,000-member air force is organized in two fighter squadrons; other squadrons are devoted to helicopters, weapons training, survey, air defense, and transport. Bolivia’s navy has 3,500 personnel, 1,700 of whom are marines. Without ocean access, Bolivia’s navy focuses on the country’s rivers and Lake Titicaca. Six naval districts cover the country. One battalion of marines operates in each of the six districts.

**Major Military Equipment:** Much of Bolivia’s military equipment is outdated. The army inventory includes 36 SK–105 Kuerassier light tanks, 24 Cascavel reconnaissance vehicles, and 59 armored personnel carriers. In terms of artillery, the army has 75-, 105-, and 122-millimeter towed guns. Additionally, the army has 81-millimeter and 107-millimeter mortars. Bolivia’s air force makes use of an aged fleet of planes. Presently, it has 37 combat aircraft and 16 armed helicopters. Bolivia’s fighter squadrons fly 18 AT–33AN fighter jets and 19 PC–7s. For transport and surveillance, a collection of Cessnas, Learjets, Saberliners, and King Air aircraft are used. Bolivia’s naval fleet consists of 60 riverine and 18 support craft.

**Military Service:** Military service is voluntary unless enlistments fail to meet government quotas, which has been the case in recent history. More than half (20,000) of Bolivia’s active troops are conscripted. Males become eligible for voluntary service at 18 but may be conscripted as young as 14. According to one estimate, nearly 40 percent of military personnel are less than 18 years of age. Active members of the armed services serve for periods of one year.

**Paramilitary Forces:** Bolivia’s paramilitary force is larger than its armed forces. More than 31,000 national police officers and 6,000 narcotics police officers serve Bolivia’s citizenry. The national police force is divided into nine brigades, two rapid response regiments, and 27 frontier units. Political instability and frequent civil unrest have made the paramilitary forces vital to Bolivia’s well-being.
Foreign Military Forces: In the 1980s, the U.S. military collaborated with Bolivian forces to attempt to eradicate drug production. Public outcries against the presence of U.S. military forces, however, led to the withdrawal of U.S. forces. Currently, no foreign forces reside in Bolivia.

Military Forces Abroad: Bolivia plays a limited role in international peacekeeping. In 2004 Bolivia sent 207 troops the Democratic Republic of the Congo to participate in peacekeeping operations. Additionally, Bolivia sent observers to United Nations operations in Côte d’Ivoire, East Timor, Haiti, Liberia, Serbia and Montenegro, and Sierra Leone.

Police: Bolivia has a national police force of 31,000 officers that is responsible for internal security and maintaining law and order. Unlike in most Latin American countries, the Bolivian police force always has been responsible to the national government rather than to state or local officials. The 1950 Organic Law of Police and Carabineers officially separated the police from the military. Frequently, however, the national police call upon the military for assistance in quelling riots and civil protests.

Internal Threat: Bolivia has internal conflicts stemming from a variety of sources. Coca farmers resisting government efforts at crop eradication frequently have resorted to protest and violence against national police forces. In 2003 coca farmers and Bolivian troops clashed repeatedly, leaving more than 60 dead. Similarly, indigenous groups have organized in opposition to the perceived injustice of exporting natural gas for the primary benefit of large companies. And more generally, Bolivia’s long-term poverty has produced instability and a rift between rural and urban communities. Although democratic participation is present in Bolivia, the fragmented political parties frequently serve as instigators of internal divisions rather than as functional outlets for varying opinions.

Terrorism: Bolivia is a signatory to the Inter-American Convention Against Terrorism and the Asunción Declaration of 2003, which unites Latin American countries to fight alongside the Colombian government against terrorism and drug trafficking. Despite its meager military budget, Bolivia has been one of the United States’ most reliable South American partners in the war on terrorism. Bolivia has shared financial information with the United States regarding suspected terrorists in the country. In 2004 Bolivia established a counterterrorism coordination unit to bring together police, military, and diplomatic leaders.

Bolivia’s efforts to eradicate the coca industry have been modestly successful. Increased pressure on coca farmers, however, has resulted in heightened domestic conflict and opened new possibilities for cooperation with terrorist organizations. Bolivia’s varied topography and porous borders make the country a possible haven for terrorist groups. However, no major terrorist actions have taken place on Bolivian soil, and there is no evidence of the presence of international terrorist organizations in the country.

Human Rights: Bolivia is in accord with general human rights standards. It affords its citizens freedom of the press, speech, religion, and assembly. Those accused of committing crimes in Bolivia enjoy the right to a trial by jury and to legal representation. Although the judiciary operates independently, low pay makes many judges susceptible to bribes. Prisoners do not enjoy
equal treatment. Those with money are able to buy larger cells and more food than those without access to funds.

Bolivians enjoy the right to vote in regular political elections and to assemble for political protests. Oftentimes, however, political protests have devolved into violence, and military and police forces have used violent measures to restore order. Bolivian political parties range from extreme conservative to extreme liberal, and citizens are unrestricted in joining the political party of their choice. Additionally, Bolivian workers have the right to unionize. About 25 percent of workers employed in the formal work sector belong to unions. A minimum wage and workweek standards exist, but enforcement has proved difficult.

Abuse of women and children is widespread and often unreported in Bolivia. Family violence, when reported, results in only a few days in jail and a small fine. The punishment for rape has become more severe in recent years. Those convicted of rape, including statutory rape, face significant jail time. However, a victim must press charges in order for rape to be a crime. Economic scarcity has led to human trafficking and child labor in Bolivia. Prostitution is legal in Bolivia, but many Bolivian women are taken against their will to other countries and forced to work in prostitution for little compensation. Children are often trafficked for labor. The Bolivian government, in cooperation with the United Nations, is working to curb abuse of Bolivian women and children both within Bolivia and abroad.
Bolivia
a country study

Federal Research Division
Library of Congress
Edited by
Rex A. Hudson and
Dennis M. Hanratty
Research Completed
December 1989
On the cover: The Twelfth of the Autumnal Equinox, main figure on the back of the Great Idol of Tiwanaku, a monolithic pillar excavated in 1932


Library of Congress Cataloging-in-Publication Data


Headquarters, Department of the Army
DA Pam 550-66
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Louis R. Mortimer
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Acknowledgments

The authors would like to acknowledge the contributions of Thomas E. Weil, Jan Knippers Black, Howard I. Blutstein, Hans J. Hoyer, Kathryn T. Johnston, and David S. McMorris, who wrote the 1973 edition of the Area Handbook for Bolivia. The present volume incorporates portions of their work.

The authors are grateful to individuals in various agencies of the United States government and private institutions who gave their time, research materials, and special knowledge to provide information and perspective. None of these agencies or institutions is in any way responsible for the work of the authors, however.

The authors also would like to thank those who contributed directly to the manuscript. These include Richard F. Nyrop, who reviewed all drafts and served as liaison with the sponsoring agency; Sandra W. Meditz, who performed the substantive review of all textual and graphic materials; Mimi Cantwell, who edited the chapters; Martha E. Hopkins, who managed editing; Andrea T. Merrill, who managed production; and Barbara Edgerton, Janie L. Gilchrist, and Izella Watson, who did the word processing. In addition, Beverly Wolpert performed the final prepublication editorial review, and Shirley Kessel compiled the index. Malinda B. Neale of the Library of Congress Printing and Processing Section performed phototypesetting, under the supervision of Peggy Pixley.

David P. Cabitto, who was assisted by Sandra K. Ferrell and Kimberly A. Lord, provided invaluable graphics support. David P. Cabitto prepared the illustrations, Sandra K. Ferrell prepared the ranks and insignia charts, and Kimberly A. Lord prepared all the maps except for the topography and drainage map, which was prepared by Harriett R. Blood. Tim Merrill provided geographic support.

Finally, the authors acknowledge the generosity of the individuals and the public and private agencies, as well as the Embassy of Bolivia, who allowed their photographs to be used in this study. The authors are particularly indebted to Kevin Healy of the Inter-American Foundation for providing many of the photographs used in this volume.
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Like its predecessor, this study is an attempt to examine objectively and concisely the dominant historical, social, economic, political, and military aspects of contemporary Bolivia. Sources of information included scholarly books, journals, monographs, official reports of governments and international organizations, numerous periodicals, and interviews with individuals having special competence in Bolivian affairs. Chapter bibliographies appear at the end of the book; brief comments on sources recommended for further reading appear at the end of each chapter. Measurements are given in the metric system; a conversion table is provided to assist readers unfamiliar with metric measurements (see table 1, Appendix). A glossary is also included.

Although there are numerous variations, Spanish surnames generally are composed of both the father’s and the mother’s family names, in that order. In the instance of Víctor Paz Estenssoro, for example, Paz is his patronymic, and Estenssoro is his mother’s maiden name. In informal use, the matronymic is often dropped, a practice that has usually been followed in this book except in cases where the individual is usually referred to by his double surname or could easily be confused with a relative. For example, to avoid confusing Paz Estenssoro with Jaime Paz Zamora, both their patronymics and matronymics are used.
Country Profile

Country

Formal Name: Republic of Bolivia (República de Bolivia).
Short Name: Bolivia.
Term for Citizens: Bolivian(s).
Capital: La Paz (seat of government); Sucre (legal capital and seat of judiciary).

Geography

Size: 1,098,581 square kilometers.

Topography: Landlocked. Land is 20 percent arid or desert, 40 percent rain forest, 25 percent pasture and meadow, 2 percent arable, 2 percent inland water, and 11 percent other, including
negligible percentage irrigated. Divided by two parallel Andean ranges or cordilleras, on roughly north-south axis, into three distinct ecozones: vast arid Altiplano plateau between western range (Cordillera Occidental) and eastern range (Cordillera Occidental), with Lake Titicaca on northern end; semitropical Yungas and temperate valleys of Cordillera Oriental; and eastern lowlands (Oriente), including semiarid Chaco region.

Climate: Tropical with heavy rainfall in northern lowlands to temperate in highland valleys and harsh, chilly conditions on windswept Altiplano, where daily temperatures fluctuate sharply. Uninhabited areas over 5,500 meters high have arctic climate.

Society

Population: Estimated 6.6 million in mid-1989 with 2.1 percent growth rate; projected annual growth rate of up to 2.6 percent to year 2000.

Education and Literacy: Compulsory attendance between ages seven and fourteen followed by three years of intermediate school. Four-year secondary education consisted of two-year general program followed by two-year specialized program. Higher education consisted of University of Bolivia and variety of public and private institutes. Estimated 75 percent literacy rate in mid-1980s.

Health: In mid-1980s Bolivia continued to record some of worst health indicators in Western Hemisphere. Life expectancy in 1989 fifty-two years for males and fifty-six years for females. Infant mortality 124.4 per 1,000 live births. Nutritional deficiencies affected 70 percent of population. Potable water inaccessible to 57 percent; adequate sanitary facilities unavailable to 76 percent.

Religion: Ninety-five percent Roman Catholic, but many only nominal adherents. Active Protestant minority, especially Evangelical Methodists. In 1980s Mormons, Jehovah’s Witnesses, Seventh-Day Adventists, and various Pentecostal denominations gained increasing adherents. Other denominations included Mennonites and Bahai faith and small Jewish community.

Language: Spanish, Quechua, and Aymara (all official).

Ethnic Groups: Quechua, 30 percent; Aymara, 25 percent; mixed, 25 to 30 percent; and whites (blancos), 5 to 15 percent. Lowland Indians, numbering about 100,000 in early 1980s, divided into nine major linguistic groups and nearly thirty subgroups.
Economy

**Gross Domestic Product (GDP):** US$4.35 billion in 1987, or roughly US$640 per capita. After growing unprecedented 5.5 percent per year in 1970s, economy ravaged by recessionary and hyperinflationary spiral peaking in 1985. Economy grew 2 to 3 percent per year in second half of 1980s. Unemployment averaged under 6 percent during 1970s but reached more than 20 percent by 1987.

**Agriculture:** Second most agricultural country in South America, with 60 percent of farmers in highlands and 20 percent in relatively fertile valleys. Accounted for 23 percent of GDP in 1987. Employed about half (46 percent) of official labor force estimated at 1.6 million in 1986. Accounted for only 15 percent of total exports in late 1980s. Farming technology primitive. Underground economy—based on contraband, coca production, and other commercial trading in informal sector—employed two-thirds of Bolivia's workers.

**Industry:** Employed 20 percent of work force in late 1980s. Silver and tin traditionally dominant mining industries, but mining sector declined after tin market collapse in 1985. In 1987 mining sector accounted for only 4 percent of GDP, 36 percent of exports, 2.5 percent of government revenues, and 2 percent of labor force. Coca/cocaine industry rivaled total legal exports but fueled inflation. Manufacturing sector played minor role (10 percent of GDP in 1987) in economy and consisted mainly of agriculture, hydrocarbons, and mining. Construction slowed in late 1980s to 3 percent of GDP.

**Energy:** Hydrocarbons, particularly natural gas, leading export and constituted critically important sector of economy in late 1980s. Substantial hydroelectric potential. Relatively low level of domestic energy consumption, destined for residential or commercial use (46 percent), followed by transportation (31 percent), industry (20 percent), and mining (3 percent).

**Services:** Employed 34 percent of work force in late 1980s. Sector included banking and other financial services, transportation, communications, and tourism. Despite small numbers and shaky financial status, commercial banks remained core of private financial sector in 1988, with US$357 million in assets.

**Exchange Rate:** Boliviano replaced Bolivian peso as official currency January 1, 1987. After floating against United States dollar, boliviano stabilized at B2.3 = US$1 by 1988; difference between official and black-market rates did not exceed 1 percent.
Imports: Officially, over US$777 million in 1987; unofficially, over US$1 billion, taking into account contraband imports. Most imports from Brazil in 1980s. In 1987 nearly 42 percent of total imports capital goods; 40 percent, raw materials and intermediate goods; 16 percent, consumer goods.

Exports: Official exports in 1987 totaled US$569 million, lowest level of 1980s, a period of declining terms of trade. Export competitiveness increased after 1985, when all export taxes were abolished and floating exchange rate was adopted. Coca-related exports often equaled or exceeded legal exports in 1980s, generating from US$600 million to US$1 billion annually, although estimated 1988 cocaine revenues fell below US$300 million. Hydrocarbons became leading export in 1980s, accounting for 11 percent of GDP and over 50 percent of government revenues in 1985. Natural gas replaced tin and other minerals as leading export, growing from 21 to 44 percent of exports in 1980-87; most went to Argentina and Brazil. Tin declined to just over 12 percent by 1987. Timber exports, mainly to Brazil, surpassed all other legal agricultural exports in 1987 and totaled US$31 million.


Fiscal Year: Calendar year.

Fiscal Policy: President Víctor Paz Estenssoro’s New Economic Policy (Nueva Política Económica—NPE), imposed in 1985, eliminated hyperinflation and reduced inflation to near zero, rising to 15 percent per year in late 1980s. Drastic NPE reforms froze spending by all state-owned enterprises, eliminated subsidies, lifted price controls, lowered import tariffs by introducing unified 20 percent duty, raised oil prices, undertook aggressive tax collection, radically restructured largest and most costly state-owned mining and oil-drilling companies, and dismantled Bolivian Development Corporation.

Transportation and Communications

Ports: No direct outlet to international ports since 1879. Employed ports and warehousing facilities at Arica and Antofagasta, Chile;
Matarani and Ilo, Peru; and Santos, Brazil. Also used free port facilities in Rosario, Argentina; Nueva Palmira, Uruguay; and Belém, Brazil.

**Railroads:** Most important transport system for external trade (excluding pipelines). System consisted of over 3,700 kilometers of rail and carried more than 535 million tons of freight and 2.4 million passengers a year.

**Roads:** Only 3 percent of the 41,000 kilometers of roads paved; 81 percent dirt and 16 percent gravel. Road maintenance haphazard and substandard. At least 110,000 vehicles registered in late 1980s.

**Airports:** Official airports numbered thirty-two (only six paved). La Paz and Santa Cruz each had international airport. Unofficial airstrips numbered 800, many in lowlands used for narcotics trafficking.

**Waterways:** About 14,000 kilometers of waterways in four main systems—Beni, Pilcomayo, Titicaca-Desaguadero, and Mamoré—open to navigation by light-draught vessels.

**Communications:** In 1988 population had some 3.5 million radios, access to over 125 mostly privately owned radio stations, 650,000 television sets, six main daily newspapers, and only 65,000 telephones.

**Government and Politics**

**Government:** Executive power vested in president of the republic, elected to four-year term either by majority popular vote or, in absence of majority winner, by National Congress (hereafter, Congress), which selects one of top three candidates. Reelection of incumbent not permitted until four years have elapsed. President heads Council of Ministers (representing sixteen ministries) and various other councils. Legislative power resides in bicameral Congress, consisting of Chamber of Deputies and Senate. Congress major actor in national politics, passing or modifying legislation and approving president’s annual budget, economic policy, government loans, and treaties and other international agreements. Needs two-thirds vote to override presidential veto. Convenes annually on August 6 in La Paz.

**Politics:** Jaime Paz Zamora, leader of social democratic-oriented Movement of the Revolutionary Left (Movimiento de la Izquierda Revolucionaria—MIR) and third-place runner-up in May 1989
popular elections, assumed presidency August 6, 1989, after being selected by Congress. Prior to nomination, Paz Zamora allied with former president and second-place runner-up Hugo Banzer Suárez and his Nationalist Democratic Action (Acción Democrática Nacionalista—ADN) party, whereby Banzer’s party was given vice presidency and half the cabinet positions. Paz Zamora succeeded his uncle, Víctor Paz Estenssoro, a founder of the Nationalist Revolutionary Movement (Movimiento Nacionalista Revolucionario—MNR). Despite leftist reputation, Paz Zamora vowed to continue predecessor’s antinarcotics efforts and successful economic reform policy.

**International Relations:** Long history of territorial losses to neighboring nations. Relations with United States have fluctuated since 1950s. Some sectors condemned United States support for rightist military regimes in 1960s and 1970s. United States human rights emphasis in late 1970s and nonrecognition of Bolivia’s right-wing military regimes in early 1980s established new pattern in bilateral relations. Bolivian-United States relations cordial during third Paz Estenssoro administration (1985—89). In 1989 relations with Argentina somewhat strained, owing to Argentinean arrears on natural gas payments. Relations with Brazil improving in 1989, because of joint construction agreements and antidrug-trafficking measures. Relations with Chile remained contentious in 1989, owing to Chile’s refusal to consider Bolivia’s requests to negotiate a port outlet.


**National Security**

**Armed Forces:** Included army (20,200), navy (3,800), and air force (4,000), with total strength estimated at 28,000 in 1989. Program launched to expand troops to 35,000.

**Military Units:** Army organized into ten divisions (consisting of eight cavalry regiments, twenty-two infantry battalions, two mechanized regiments, one motorized infantry regiment with two battalions, three ranger battalions, three artillery “regiments” (battalions), five artillery batteries, one paratroop battalion, and six
engineer battalions) and logistical and instructional support commands. Navy consisted of small motor launches operating on Lake Titicaca and northeastern rivers and organized into five naval districts, each with one flotilla, as well as one naval aviation counterinsurgency squadron. Air force organized into three air brigades with thirteen subordinate air groups.

**Equipment:** Ground forces armaments included mostly obsolete United States equipment but also Brazilian armored combat vehicles and personnel carriers. Naval fleet of several dozen patrol craft of various sizes. Air force inventory included modest number of poorly maintained light tactical aircraft, few transport aircraft and helicopters, and several dozen trainers.

**Police:** Subordinate to Ministry of Interior, Migration, and Justice. National Police Corps had estimated 15,000 personnel and consisted of General Administration section, 5,000-member paramilitary National Guard, Directorate of National Investigations, Customs Police, Traffic Police, and National Highway Service, as well as Fire Corps staffed by police personnel.

**Antinarcotics Forces:** Created in 1987, Ministry of Interior, Migration, and Justice’s Special Antinarcotics Force (Fuerza Especial de Lucha Contra el Narcotráfico—FELCN) evolved in 1989 into viable joint-service institution. Air force’s Task Force pilots supporting FELCN flew United States-loaned helicopters nearly 3,200 accident-free hours, and pilot proficiency continued to improve. Bolivian Navy Riverine Task Force remained FELCN’s least effective element, owing to corruption and command and operational shortcomings. The 640-member Rural Area Police Patrol Unit (Unidad Móvil Policial para Áreas Rurales—Umopar), FELCN’s principal interdiction component, continued to improve as an institution; its drug seizures increased. Umopar units, supported by FELCN helicopter and air force transport aircraft units, conducted several sophisticated air mobile assaults against trafficking targets in second half of 1989. Umopar’s training facility in Chapare region continued to improve.
Figure 1. Administrative Divisions of Bolivia, 1989
BOLIVIA'S WEALTH OF NATURAL wonders, colorful Indian traditions, and enigmatic ancient ruins make it one of the world's most unusual countries. The "Tibet" of South America, Bolivia is traversed by three massive Andean ranges, which include four of the world's highest eternally snow-topped mountains, towering to heights up to 6,550 meters (Sajama). Although the country is landlocked, it has Lake Titicaca, lying half in Bolivia and half in Peru, the world's second largest inland sea and highest navigable lake (3,810 meters above sea level), as well as one of the deepest (370 meters).

Bolivia is a land of sharp contrasts with climatic conditions ranging from arctic to tropical. It is divided into three distinct ecozones: the bleak, windswept, Tibetan-like plateau or "high plain" called the Altiplano (3,600 meters high) separating two generally parallel Andean cordilleras; the intermediary valley region (often referred to somewhat loosely by travel writers as the yungas, meaning warm valleys), which consists of both the eastern temperate high valleys and the only valley that Bolivians call the Yungas, the steep semitropical valley northeast of the city of La Paz; and the eastern tropical flat lowlands, which make up about 70 percent of the country, including part of the vast, semiarid Chaco region in the south. The first two of these ecozones constitute the highlands.

The central range, or Cordillera Real, forms a magnificent snow-capped backdrop for La Paz, which is the seat of government. No other major city in the world can boast of a higher, more immense mountain overlooking it than La Paz's Illimani (6,322 meters). Although La Paz is centered at the bottom of a deep, bowl-shaped canyon (protected from the chilly Altiplano winds), the city is 3,557 meters high, whereas rival Santa Cruz, the fastest-growing large city in the eastern lowlands and Bolivia's second-largest city, is only 416 meters in elevation.

One of the poorest countries in South America in the late 1980s (per capita income was US$640 in 1987), Bolivia also had some of the lowest health and other social indicators in Latin America, but it did not suffer from one common Third World problem, namely, overpopulation. Although larger than France and Spain combined, Bolivia had only about 7 percent of their total population (or fewer than 7 million inhabitants), one of the lowest population densities in the Western Hemisphere. The nation's population had more than doubled, however, since 1950, and its distribution,
slightly more rural than urban, was highly uneven, with most of the people living in the highlands. The urban population was concentrated in only six main highland cities and Santa Cruz. (Bolivia’s projected population of nearly 10 million in 2000 was expected to be more urban than rural.)

With 55 percent of its population Indian, Bolivia has the proportionately highest Indian population of any country in Latin America, although Guatemala and Peru both have larger numbers of Indian inhabitants. Nevertheless, the country was sharply divided in its ethnic composition, languages, and modes of living in 1989. The two principal highland Indian groups, the Quechua and Aymara, constituted 30 percent and 25 percent of the population, respectively. Cholos or mestizos (those of mixed blood) made up at most 30 percent. The Quechua and the Aymara traditionally had not intermarried and had always kept their languages, physical characteristics, and many social traditions distinct, thereby adding to the country’s deep regional and social cleavages. (In addition, very few of either group ever learned Spanish.) The two groups also inhabited different areas: the Aymara lived mainly in the northern part of the Altiplano and Yungas, and the Quechua lived in the two north-south mountain ranges east of the Altiplano and in the temperate valleys. Whites (mostly descendants of Spaniards) constituted less than 15 percent of the population. Although they inhabited the same cities, the whites had little in common with the Indians.

The Quechua, once part of the great Inca Empire (Tawantinsuyu) centered in Cuzco (Cusco) in present-day Peru, were valley people in pre-Incan times who adopted the language of the conquering Incas. The origins of the Aymara have remained somewhat obscure. The Aymara and the few surviving members of the Puquina-speaking Uru and Chipaya tribes, which the Aymara once oppressed, still ply Lake Titicaca in totora reed boats, as they have for almost a millennium. Archaeologists generally have held that the Aymara emerged as a distinct group about A.D. 1100 and that their ancestors were part of the great Aymara-speaking Tiwanakan Empire (or possibly only the Kolla Indians, who constituted its work force) that was centered at Tiwanaku (Tiahuanaco) at the southern end of Lake Titicaca.

Bolivia’s largely unknown Tiwanakan prehistory is as alien as the Altiplano’s topography. The origins of the Tiwanaks and their sudden disappearance have remained shrouded in mystery, myth, and controversy. Early Spanish chroniclers found that the Aymara lacked an ancestral memory or written record of the Tiwanakans. The Tiwanakans appeared as an already robust culture
in at least 600 B.C. (although some archaeologists date them back to around 1500 B.C.) and developed through at least five distinct stages over nearly two millennia, until becoming a lost civilization around A.D. 1200. During the culture’s final centuries, when it flourished, its religious influence extended throughout the Pacific Andean region as far north as Ecuador. According to archaeologists, much of the later Quechua-speaking Incan civilization was based on inherited Tiwanakan culture and technology.

Tiwanaku was the sun-worshiping empire’s lofty ceremonial and administrative center, located on what was then an island in Lake Titicaca. Over the centuries, the lake has receded, leaving the ruins some twenty kilometers from its shore (the ruins of at least one other ancient city have been discovered submerged). Tiwanaku occupied an area of almost six square kilometers and had a population ranging from 20,000 to 100,000. The site, although still only partially excavated, contains some of the most impressive prehistoric ruins in the Western Hemisphere. Its immense, open-sky stone edifices, such as the temple of Akapana and Palace of the Sarcophagi, are constructed on enormous foundations and contain polished walls. Pyramidal temples include the Sun Temple of Kalasasaya with its striking Calendar Gate, or Gateway of the Sun (Puerta del Sol), and another estimated to have been as large as Egypt’s Great Pyramid. The walls of these once brightly painted temples were adorned with gold-covered sculptured bas-reliefs. Over the centuries since the Spaniards arrived and began to systematically destroy the site, using it as a quarry, the ruins have been vandalized to such an extent that only the heaviest megalithic vestiges remain.

The Tiwanakan culture was as advanced in many respects as that of the ancient Egyptians. The Tiwanakans built an extensive system of roads, terraced mountain slopes, and huge raised terraces surrounded by deep, stone-block irrigation canals that made what is today a barren, dry region into fertile agricultural land for growing highly nutritious crops, such as a grain called quinoa (their sacred “mother grain”). Their buildings contained carved stone pipes for plumbing and were constructed of geometrically cut stone blocks linked with copper pins and clamps so tightly that mortar was unnecessary. The Tiwanakans used timber-built vessels to ferry andesite stone slabs weighing more than sixty tons forty-eight kilometers across the lake from quarries at the extinct volcano Kayappia, measured and cut them meticulously, and ground and burnished them smooth. Thousands of workers transported red sandstone blocks weighing up to 160 tons from a quarry ten kilometers away by dragging them along an embankment covered with
wet clay. Tiwanakan sculptors adorned their large pillar-like statues of the Sun God (Kon-Tiki Viracocha) and priest-kings and other slabs with an elaborately developed, but as yet undeciphered, iconography. Artisans created exquisite golden ornaments and ceramics, the latter containing brilliant colors and sculptured figures.

Investigators have postulated various theories to explain the mysterious disappearance of the Tiwanakan civilization. Some authors have speculated that the Aymara-speaking, warlike Kollas liquidated the Tiwanakans. Incan legend also spoke of a tribe from the Coquimbo Valley in Peru that attacked and massacred the bearded white men in a battle on an island in Lake Titicaca; only Kon-Tiki and a few others escaped and fled west. Some scientists have hypothesized that a dramatic drop in the water level of Lake Titicaca could have debilitated the Tiwanakans and made them vulnerable to attack by hostile tribes. Archaeologist Alan L. Kolata has determined that Tiwanaku's irrigation fields were no longer functional by A.D. 1000, possibly as a result of a severe drought lasting for decades. In any event, there seems to be general agreement that the scattered megalithic remnants of uncompleted projects provide evidence that Tiwanakan life came to an abrupt end. From 1200 to 1438, the Kollas assimilated the peoples who had lived under the Tiwanakan Empire. Thus, the Kollas are presumed to have inherited elements of the vanished culture, such as some stone-building skills, but not the more advanced aspects of the civilization.

The Incas of Peru emerged shortly after the collapse of the Tiwanakans and reached an equally advanced level of civilization during their relatively brief history of several hundred years. Incan legends also gave accounts of bearded white men who came from the shores of Lake Titicaca and brought them civilization and then went to the Pacific Coast and disappeared overseas. The Incas worshiped the sun and built sun temples on the Island of the Sun in Lake Titicaca. Architectural similarities with Tiwanakan culture included the trapezoidal shapes of doors and window openings and the masterfully cut and interlocked walls of large stone blocks.

In the late fifteenth century, the Incas, after meeting stubborn resistance, finally brought the Kollas under their control. According to legend, the Incas were awed by the then still magnificent ruins of Tiwanaku, which they found occupied by the Aymara. Nevertheless, the Incas kept their distance from the site as if it were taboo. They imposed only their religion on the Aymara and allowed them to keep their social traditions and language. The relatively brief Incan culture in Kollasuyo (present-day Bolivia) produced beautiful ceramics and brightly colored rectangular pack
cloths (*ahuayos*), styles that still characterize the work of the Quechua and Aymara. Incan outposts extended to the fringes of the eastern escarpment (east of Cochabamba), as evidenced by the important ruins of Incallacta and possibly Samaipata, although whether the latter, a colossal fortress carved out of solid rock on a mountain-top, is actually Incan or Tiwanakan has been disputed.

When Francisco Pizarro arrived in Tumbes (in present-day Peru) in 1532, the Incas thought he was Viracocha Inca returning. After conquering the Incas, the conquistadors systematically destroyed the Incan and other “backward” Indian cultures, including most of an estimated seventy species of exotic Incan crops, such as quinoa, that are only now being rediscovered and reintroduced around the world. For almost three centuries, the Spaniards exploited the rich silver mines of what they called Upper (Alto) Peru or Charcas (present-day Bolivia). They subjected the mainly Aymara Indians on the Altiplano and the Quechua Indians in the temperate valleys to a system of feudal peonage in the mines and textile mills (*obrajes*) and on the haciendas, denying them even the right to learn to read and write their own languages.

Imported African slaves died off so rapidly doing the strenuous high-altitude mining work and the Indians feared them so much that they were used mainly for domestic work in the silver-mining city of Potosí, for many years the richest and largest city in the Americas (160,000 residents in 1660). African slaves, however, became an Aymara-speaking subculture in the Yungas, which they colonized for coca cultivation. Chewing coca leaves (supposedly the exclusive right of the Incan elite in pre-Columbian times) enabled the Aymara to cope with the hardships of mining by numbing their senses to the cold and deadening their appetites.

After becoming an independent republic in 1825 under the presidency of its liberator and namesake, Simón Bolívar Palacios, Bolivia proved difficult to govern and hold together; its heterogeneous, illiterate population lacked any sense of national self-identity or patriotism. Regional rivalries that antedated independence remained rife. Because the Indians remained culturally and physically isolated and illiterate, most of them probably were unaware that they lived in a country called Bolivia until well into the twentieth century. The distinctive heritage of architecture, painting, and sculpture left by the Spaniards was of little use to the Indian masses, whose daily life was a struggle to survive. Furthermore, Bolivia was 2.2 million square kilometers, or more than twice its present size. During its first 110 years, the nation lost approximately half of its territory in wars and controversial bilateral deals. The most traumatic loss resulted from the War of the Pacific (1879–83),
in which Chile seized Bolivia's seacoast and rich nitrate fields in the Atacama Desert.

Bolivia has suffered from the rule of numerous despotic and incompetent caudillos during its history as an independent nation. None was crueler and more depraved and ignorant than General Mariano Melgarejo Valencia (1864–71), whose many victims included the conspiratorial General Manuel Isidoro Belzú Humérez (1848–55), murdered on being received in the presidential office after returning from exile. Melgarejo, a mining baron, squandered the country's treasury on his mistress, ceded an immense rubber-farming territory to Brazil in exchange for the right to use the Amazon River as a waterway, and initiated the government's seizure and sale of Indian communal lands. Belzú's frequently quoted valedictory, however, that "Bolivia is totally incapable of being governed," created an enduring stereotype. In Belzú's era, moreover, Bolivia's caudillos were so busy fighting for power among themselves that they had little time or energy left to govern the country effectively.

A number of exceptional leaders also have governed from the Palacio Quemado, or Burnt Palace (the unofficial name given the rebuilt Palace of Government after it was burned by a mob in 1875). In 1983 the La Paz newspaper Última Hora polled thirty-nine prominent Bolivians in various professions on which seven presidents they considered "most significant." The final list (in chronological order) consisted mostly of historical figures: General Antonio José de Sucre Alcalá (1825–28), General Andrés de Santa Cruz y Calahumana (1829–39), Belzú, Melgarejo (who received a record fifteen negative votes, as well as two positive ones), Aniceto Arce Ruiz (1888–92), Ismael Montes Gamboa (1904–09 and 1913–17), and Víctor Paz Estenssoro (1952–56, 1960–64, and 1985–89). Those garnering the most favorable votes were Santa Cruz and Paz Estenssoro (thirty-three and thirty-two, respectively). The next highest-rated president, Belzú, curiously garnered twenty-one favorable ballots and no negative ones, despite having ruled Bolivia with a reign of terror.

Other well-regarded nineteenth-century leaders included José María Linares Lizarazu (1857–61) and General José Ballivián y Segurola (1841–47). Linares had widespread support when he seized power as the first civilian president but lost it as he became dictatorial. Ballivián, although widely popular, resigned after tiring of putting down insurrections. His urbane and European-educated son, Adolfo Ballivián (1873–74), seemed to have the potential of becoming an outstanding president and probably would have changed Bolivia's involvement in the War of the Pacific had a mortal
illness not forced him to resign suddenly. Elected to the office (unlike his father), Adolfo Ballivián briefly restored honesty, tolerance, and liberty to government.

During the period of Conservative Party rule (1880–99), silver-mining magnates, such as Gregorio Pacheco Leyes (1884–88) and Arce Ruiz, followed the precedent set by Melgarejo of occupying the presidency, but did so legally. During the relatively stable Liberal Party era (1899–1920), when the tin industry boomed, the three tin-mining moguls—Simón I. Patiño, a Bolivian cholo who became one of the world’s richest men; Carlos Aramayo, a Bolivian; and Mauricio Hochschild, an Austrian-born Argentine—intervened in politics more indirectly by employing politicians and lawyers (la rosca—see Glossary) to represent the oligarchy’s interests. The mining and landowning elite kept the mine laborers and landless peasant migrants in a system of neofeudal peonage called pongaje and intensified the despoilment of the Indian communities of their ancestral land.

The disastrous war with Paraguay, the Chaco War (1932–35), cost Bolivia 65,000 lives, hundreds of millions of dollars, and most of its vast Chaco territory. Although the Chaco was nearly uninhabitable, it was of strategic importance as Bolivia’s only access to the Atlantic Ocean, by way of the Paraguay River. By discrediting the traditional oligarchy because of its inept civilian and military leadership, the Chaco War served as a turning point in Bolivia’s military, political, and cultural life. It opened the way for a series of coups by reformist military officers, none of whom fared well in office, the creation of new political groups, and political activism by the Indians. The Nationalist Revolutionary Movement (Movimiento Nacionalista Revolucionario—MNR) emerged as Bolivia’s first party of the masses.

Economic decline and social unrest during the post-World War II years came to a head in the form of the 1952 Revolution led by the MNR’s Paz Estenssoro and Hernán Siles Zuazo (1956–60 and 1982–85). One of Latin America’s three most significant agrarian revolutions of the century and the least violent of the three, it was aimed at the 6 percent of the landowners who fully controlled 92 percent of all cultivated land in the republic. In addition to sweeping land reform measures, including an end to the pongaje system, it returned to the Indians most of the land on the Altiplano taken from them in the past. The 1952 Revolution also resulted in civilian government, universal suffrage, and primary education in rural areas. It thus increased identification by the Indian peasants (campesinos) with the national society rather than simply their isolated village or hacienda. Moreover, the 1952 Revolution destroyed the
mining interests by nationalizing the tin mines and creating the Mining Corporation of Bolivia (Corporación Minera de Bolivia—Comibol) and Bolivian Labor Federation (Central Obrera Boliviana—COB). After the first years, however, the 1952 Revolution, dubbed by political scientist James M. Malloy as the “uncompleted Revolution,” lost its momentum; land reform in the highlands soon stagnated, and a new elite emerged.

In 1964 the military, having been rebuilt by the MNR government with United States assistance, reverted to its old ways of staging coups and remained in power for most of the next eighteen years. During that period, ten military dictators held office, and some relied heavily on the army to suppress labor protests by miners and peasants. In October 1967, the army defeated an ill-fated attempt by Cuba’s Ernesto “Che” Guevara to start a Cuban-style revolution in the politically apathetic Bolivian countryside. The news that the charismatic Cuban revolutionary hero, who had not been seen in public for two years, was leading an insurgency in Bolivia received worldwide publicity; his capture and summary execution earned Bolivia the enmity of the international left (the military officer in charge of the counterinsurgency operation was later assassinated in Paris).

In 1979–80 the country enjoyed a brief respite from military rule under Lidia Gueiler Tejada, the country’s first woman president, whom the National Congress (hereafter, Congress) appointed for a one-year mandate. Siles Zuazo, leader of the Nationalist Revolutionary Movement of the Left (Movimiento Nacionalista Revolucionario de Izquierda—MNRI), who had been democratically elected in 1980, was supposed to succeed Gueiler, but General Luis García Meza Tejada (1980–81) staged a bloody military coup in July 1980.

García Meza seized power with the help of cocaine traffickers and European mercenaries recruited by Klaus Barbie, longtime resident and former Gestapo chief in Lyons. As García Meza’s internal security adviser, Barbie gave his paramilitary unit, The Newlyweds of Death (Los Novios de la Muerte), free rein to practice neo-Nazi tactics of arbitrary arrests, torture, and disappearances. The regime’s brutal repression and deep involvement in cocaine trafficking isolated the country internationally and discredited and demoralized the Bolivian military, compelling it to oust García Meza and allow a transition to democracy.

The optimism engendered by the return to civilian rule under Siles Zuazo soon turned to widespread discontent and nationwide strikes called by the COB because the virtually bankrupt Siles Zuazo government failed to salvage the foundering economy. As the
government printed money to cover growing budget deficits, inflation skyrocketed out of control, at one point reaching an accumulated rate of about 24,000 percent, Latin America’s first recorded hyperinflation. For the most part, barter replaced the money economy. As a result of a 60 percent drop in the price of tin in late 1985, mining, which had dominated the Bolivian economy since colonial times, decreased radically. The Siles Zuazo government also alienated the United States by opening close relations with Cuba and criticizing United States policies toward Latin America.

Having failed completely to stabilize the economy, Siles Zuazo cut short his term of office by one year so that presidential and congressional elections could be held in July 1985. Paz Estenssoro’s third presidency (1985–89) was notable not only for being completed without a military coup but also for his successful, albeit economically harsh, efforts to bring hyperinflation under control and to restore a measure of economic and political stability, as well as good relations with the United States. Acting on the advice of a Harvard professor and several Chilean economists, Paz Estenssoro quickly applied orthodox free-market policies to cure Bolivia’s sick economy, which was choking from decades of state intervention. He implemented an austere stabilization program, the New Economic Policy (Nueva Política Económica—NPE), which slashed the government’s budget deficit, imposed a wage freeze and a tenfold increase in the price of gasoline, eliminated all price subsidies, laid off thousands of workers at inefficient state-owned companies, including three-quarters of the miners employed by Comibol (about four-fifths of its work force), liberalized trade, allowed the peso to float against the United States dollar, and loosened disclosure requirements for the Central Bank (Banco Central). He also enacted a state of siege to deal with the resulting labor unrest.

In a remarkable accomplishment, the government reduced inflation to nearly zero within weeks of the NPE. Monetary and fiscal achievements included cutting the budget deficit from 36 percent of the gross domestic product (GDP—see Glossary) to 4 percent, retiring more than US$600 million of the country’s burdensome foreign debt through an innovative buy-back and debt-equity swap program, and modernizing the complex, ineffective tax system. Bolivia enjoyed exceptional price stability during the rest of the decade, with inflation running at an annual rate of only 6 percent in late 1989.

The 1989 presidential elections, although characterized by widespread apathy, were peaceful, widely regarded as fair, and free
of any threat of military intervention. As such, they affirmed Bolivia’s progression along the democratic path and growing political maturity. According to political scientist Eduardo A. Gamarra, the key political question in 1989 was governability. In the first round in May, Jaime Paz Zamora, the social democratic candidate of Bolivia’s center-left Movement of the Revolutionary Left (Movimiento de la Izquierda Revolucionaria—MIR), placed third behind Hugo Banzer Suárez (1971–78), candidate of the right-of-center Nationalist Democratic Action (Acción Democrática Nacionalista—ADN), and the MNR’s Gonzalo Sánchez de Lozada. Because no candidate received a majority in the May elections, it once again fell on Congress to choose the president from among the three principal candidates.

Paz Zamora and his longtime political adversary, Banzer, who had once jailed Paz Zamora for six months, joined forces in an unlikely alliance, called the Patriotic Accord, thereby outmaneuvering front-runner Sánchez de Lozada of the MNR in the congressional lobbying. Congress subsequently chose Paz Zamora to be the country’s seventy-sixth president. It also selected Banzer’s running mate, Christian Democrat Luis Ossio Sanjinés, to be vice president. Many Bolivians, remembering Paz Zamora’s tumultuous record as vice president in 1983, initially viewed with anxiety and uncertainty the prospect of the one-time revolutionary assuming the presidency. On receiving the presidential sash and medal of 1825 from his uncle, Paz Estenssoro, in August 1989, Paz Zamora vowed to maintain a free-market economy, develop agriculture and small and medium-size industries, and continue the NPE. Paz Estenssoro was Bolivia’s first democratically elected head of state to complete his term of office in twenty-five years and to turn over power to an elected successor. Considering that Paz Zamora was Bolivia’s third successive democratically elected president and that almost half of Bolivia’s governments had been de facto military regimes, this democratic trend was no small accomplishment.

Despite its exaggerated image as one of Latin America’s most unstable and violent countries, Bolivia appeared at the end of 1989 to have decidedly put two of its traditional maladies—coup and inflation—behind it. Furthermore, Bolivia was relatively free of the rampant terrorism, insurgency, and criminal violence that afflicted the larger Andean nations of Colombia and Peru. With the main exception of the García Meza period, its politics in the twentieth century were not exceptionally violent. Only three presidents—Pedro Blanco Soto (1828–29), Augustín Morales Hernández (1871–72), and Gualberto Villarroel López (1943–46)—all of whom were
military men who had seized power, were assassinated while in office (the deranged Morales by his own nephew).

Among the formidable challenges confronting Bolivia’s new democratic government in the 1990s was the export-dependent economy, which was stagnant and prone to crises. Despite Paz Estenssoro’s considerable economic achievements, agricultural production was down, the unemployment rate was running at about 22 percent, and the terms of trade (see Glossary) had declined by almost 50 percent since 1985. Bolivia’s growth prospects were constrained by its dependence on Argentine payments for a large share of its export revenues, poorly diversified exports, low domestic savings, and high levels of foreign debt. In addition, Argentina had run up more than US$250 million in arrears for its purchases of Bolivian natural gas, causing havoc in Bolivia’s balance of payments and current account. Nevertheless, the economy grew by 2.2 percent in 1987 and 2.8 percent in 1988, spurred by a resurgent mining sector, which accounted for 44 percent of the country’s export income in 1988.

In mid-November 1989, Paz Zamora responded to his country’s first crisis, a strike by the 80,000 state teachers who were supported by the COB, by the usual method of imposing a state of siege (which banned strikes, public meetings, and demonstrations for ninety-days), arresting more than 850 union members, and banishing some 150 of them to internal exile. The teachers were demanding a special wage bonus of US$100 to supplement their meager monthly wage of about US$45. He brought the troublesome strike to an end the following spring, however, by offering them a 17 percent pay increase and paying them an already negotiated annual bonus.

Growing national security, social, and economic threats from cocaine trafficking and addiction also confronted the Paz Zamora government. About one-third of the work force of 1.6 million in 1989 was engaged in an underground subsistence economy based mainly on coca cultivation and contraband and estimated to be larger than the formal economy. The coca/cocaine industry posed a dilemma for Bolivia, the world’s second largest source of cocaine, because of the trade-off between its economic benefits and its political, social, and cultural costs. On the one hand, exports of unrefined coca paste and cocaine generated an annual income of US$1.5 billion, of which some US$600 million remained within the country in 1989. The cocaine industry had become Bolivia’s biggest employer, employing some 500,000 people in the production of coca and the transportation, sale, and manufacture of cocaine, according to Cochabamba’s Institute of Social and Economic Studies. The majority of the dismissed Comibol workers entered the coca
trade, many of them joining the Chapare region’s approximately 200,000 workers and peasants involved in cutting and burning the rain forest and in growing coca bushes, whose leaves were processed into coca paste and cocaine.

On the other hand, the cocaine industry enabled cocaine traffickers—nationals and foreigners alike—to threaten the national sovereignty and institutions with occasional acts of terrorism and increases in corruption at all levels of public institutions. Other by-products of the cocaine business included increased coca-paste addiction among Bolivia’s skyrocketing numbers of abandoned children, decreased production of relatively unprofitable traditional food crops, and a widening income disparity between the wealthy minority and the poor, who constituted the overwhelming majority. Moreover, Bolivia, known for centuries for its minerals—first silver and then tin—had become synonymous with cocaine.

In the late 1980s, Bolivia’s coca/cocaine industry dominated relations with the United States, the principal cocaine-consuming country. One of the most difficult challenges facing Paz Zamora was complying with a controversial coca eradication law in order to continue to qualify for United States economic aid. Although Bolivia was attempting, with United States support, to implement a program combining cocaine interdiction and coca eradication and substitution, its efforts were hampered by strong resistance from the increasingly militant and politically powerful peasant unions of coca growers, inadequate enforcement, constant expansion of coca fields, and corruption. Coca production actually increased by more than 20 percent in 1988, according to the United States Department of State.

Bolivia ruled out other more drastic eradication methods, such as repression of the coca farmers or herbicidal spraying of coca fields. A more effective approach than using coercive methods against the coca-growing small farmers, in the view of social scientist Kevin Healy, would be, in addition to reducing world demand for cocaine, to provide agricultural price supports for the otherwise unprofitable substitute crops, such as bananas, coffee, and cocoa.

December 15, 1989

In March 1990, the United States Department of State reported that progress in antinarcotics operations in 1989 was uneven and that coca eradication in Bolivia again had failed to keep pace with new production. It found, however, that the situation had begun

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to improve during the last quarter of the year as a result of the Paz Zamora government’s cooperation with the United States in preparing for the Andean Summit in mid-February 1990, its stepped-up coca-eradication efforts, and its decision to allow the United States to extradite notorious cocaine trafficker Luis Arce Gómez.

During the first five months of 1990, moreover, the Paz Zamora government appeared to have stemmed the annual trend of expanding production. With coca production no longer profitable for many small farmers in the Chapare because of a drastic drop in the price of coca paste, the farmers reportedly had eradicated more than 3,200 hectares of the region’s estimated 54,000 hectares of coca plants, more than in all of 1989. Chapare coca farmers were beginning to substitute alternative crops, such as fruit and spices. Coca’s precipitous, albeit temporary, fall from bonanza-to-bust status in Bolivia was attributed largely to a combination of Colombia’s crackdown on major drug traffickers and the Paz Zamora government’s vigorous enforcement of its policy to destroy coca-paste laboratories and crack down on wholesale buyers of coca paste.

Bolivia’s move away from a cocaine-based economy was expected to have significant economic costs. The Paz Zamora government estimated in early 1990 that US$627 million would be needed for crop substitution and rural development over the 1990-95 period. Without substantial assistance, the prospects that coca farmers could earn a living by producing alternative crops without a guaranteed market were uncertain at best. During his official visit to Washington in May 1990, Paz Zamora appealed for a major increase in financial aid to help extract the Bolivian economy from the cocaine business. In addition to financing the operations of Bolivia’s anti-narcotics police and the Bolivian operations of the United States Drug Enforcement Administration (DEA), the United States provided US$78 million in development aid and economic support in the 1990 fiscal year (FY—see Glossary). A small Peace Corps program was reestablished in Bolivia in March 1990.

Chapare coca farmers were not the only inhabitants of the eastern lowlands making their complaints known in 1990. In September more than 700 Indians representing ten tribes in Beni Department staged a 643-kilometer “march for dignity and territory” from Trinidad to La Paz. The Indians were protesting the destruction of the 560,000 hectares of the Chimane Forest that the government legally handed over to logging companies in 1987. In addition to ruining the forest’s flora and fauna, the Indians claimed that the loggers were threatening their culture. Critics faulted the logging companies for not reforesting, as required by Bolivian law. The
government attempted to strike a balance between the interests of the Indians and loggers by offering to rezone the logging region, but not to revoke all timber rights.

Paz Zamora's continuation of his predecessor's successful free-market policies, as well as the new government's success in taming Bolivia's inflation, settling its foreign debts, and adopting pro-business and pro-foreign investment policies, persuaded the Paris Club (see Glossary) creditor countries to grant the country a special debt-rescheduling package in March 1990. The government also hoped to increase GDP growth from 1989's meager 2 percent to 5 percent per year. To that end, it planned, under a five-year program, to sell off 100 of its 157 state-owned companies and use the estimated US$500 million in revenues for health, education, and public works.

In addition to its privatization program, the Paz Zamora government began to encourage foreign investment. In 1989 it opened a stock exchange in Bolivia and rewrote the Investment Law and Mining and Hydrocarbons codes to make them more favorable to foreign investment. Bolivia also joined with four other South American countries—Argentina, Brazil, Paraguay, and Uruguay—in a joint effort to call the attention of the world's investors, business people, and lending agencies to investment opportunities in the region. In the first quarter of 1990, a number of foreign companies expressed interest in joint-venture projects to tap Bolivia's vast mineral reserves, and several signed on to such undertakings. By September, however, Paz Zamora had had to retreat from his neoliberal, economically orthodox program under pressure from COB unions that had staged strikes and mobilized popular support against privatization of "strategic" state companies and foreign mining contracts.

November 30, 1990

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The question of "governability" under the Paz Zamora government that Gamarra raises in Chapter 4 was put to the test in December 1990 when the country's fledgling democratic system experienced what the daily La Razón somewhat hyperbolically described as its "worst political crisis" in a struggle over separation of powers. Quintessentially Bolivian, the constitutional crisis arose over the seemingly minor matter of the state's overturning a 15 percent increase in the levy a company was expected to pay on beer sales. On the initiative of the Paz Zamora administration's
parliamentary majority in the lower house, Congress suspended eight of the twelve members of the Supreme Court of Justice on grounds of incompetence. In response, the opposition MNR charged that the impeachment proceedings were a Kangaroo court and intended to concentrate all three state powers in the hands of Paz Zamora and his political partners. Ironically, the president of the Supreme Court of Justice called on the military to intervene. The spectacle, which Paz Zamora dismissed as "a tempest in a teacup," tarnished the international image of Bolivia's new democracy. On the positive side, however, the military's inaction seemed to reaffirm the democratic system. Indeed, the armed forces commander, General Jorge Moreira Rojas, appealed to government and opposition politicians to remain calm "for the good of the image of Bolivian democracy."

In one area at least, Bolivia's economy made a better impression of stability in 1990 with an annual inflation rate well below 15 percent, the lowest in Latin America. In other areas, however, economic prospects were less encouraging. A study found that during the 1980s the informal sector of the economy increased 10 percent, to 55 percent of all jobs, while unemployment increased drastically and real wages declined sharply. Growth of GDP in 1990 was expected to be less than 2.5 percent. Moreover, some observers expected 1991 to be a year of conflict between the workers and the administration as a result of higher fuel prices and the government's intention to proceed with plans to privatize most state-run enterprises and to allow foreign companies to develop natural resources.

March 15, 1991

Rex A. Hudson
Chapter 1. Historical Setting
Symbolism on the front of the Great Idol of Tiwanaku
THE HISTORY OF BOLIVIA reflects both its pre-Columbian and its colonial heritage. The ruins of Tiwanaku (Tiahuanaco) testify to the first great Andean empire. Bolivians still speak the languages of the Aymara kingdoms and of their Quechua conquerors; the society remains predominantly Indian and rural, and only a minority is monolingual in Spanish. Nevertheless, Spain also left its imprint in the political, economic, and social spheres. During 300 years of colonial rule, Spain imposed its institutions on the colony and concentrated on mineral exports, which are still the backbone of the Bolivian economy. Using forced Indian labor, local entrepreneurs extracted the mineral wealth—the silver deposits at Potosí were the largest in the Western world—and shipped it to Spain in accord with the prevailing mercantilist practices.

After Bolivia received independence from Spain in 1825, political instability became endemic. Rivalries among caudillos resulted in numerous coups and countercoups. Despite attempts at reform by the nation’s first three presidents, the economy did not recover from the disruptions caused by the wars of independence; taxes paid by the Indians were the main sources of income for the governments.

The War of the Pacific (1879–83), in which the country lost its access to the sea to Chile, had a profound impact on Bolivia. Civilian governments replaced the erratic caudillo rule, and for fifty years Bolivia enjoyed relative political stability. The economy improved with the dramatic rise of tin as the main source of wealth. Because Bolivians, rather than foreigners, dominated the tin-mining industry, the former made most political decisions. As a result, the parties in power—the Conservative Party, Liberal Party, and Republican Party—were remarkably alike in that they were primarily interested in the development of the mining sector. Increasing democratization benefited the middle class but still excluded the Indians.

The devastating defeat suffered by Bolivia at the hands of Paraguay in the Chaco War (1932–35) discredited the traditional leadership and brought the military back to politics. Between 1936 and 1939, military governments tried to reform the country from above with a program of “military socialism” that included social justice and the control of the country’s natural resources. In 1937 they nationalized the Standard Oil holdings, the first such step taken in Latin America. Although they failed because they were inconsistent in their rule and unable to marshal popular support, these governments were important because they facilitated the
formation of a number of new parties that, despite differences, agreed on the need to limit the power of the tin magnates.

Although members of the Conservative Party attempted to stop the growing trend toward reform in the 1940s, they could not contain the popular discontent. Unrest in the countryside increased, and the middle class resented the government’s inability to deal with economic stagnation and increasing inflation. The unifying force in the opposition was the Nationalist Revolutionary Movement, a primarily middle-class party that became more radical as it integrated the militant ideology and demands of the workers.

Bolivia’s 1952 Revolution, led by the Nationalist Revolutionary Movement, was a turning point in the country’s history. The government decreed universal suffrage without literacy or property requirements, an action that increased the electorate from some 200,000 to 1 million voters. It nationalized the mines of the three great companies—Patiño, Hochschild, and Aramayo—and distributed land to the campesinos under a far-reaching agrarian reform. The revolution remained incomplete and lost momentum, however, when the government’s policies produced a virtual bankruptcy of the economy. In exchange for massive assistance from the United States and the International Monetary Fund (IMF—see Glossary), the government agreed to cut social spending. This action produced renewed labor unrest and eroded support for President Víctor Paz Estenssoro (1952—56, 1960—64, and 1985—89). The government then made the fateful decision to rebuild the Bolivian armed forces, which had been purged and decimated in 1952. During the early 1960s, the military became the arbiters in Bolivian politics as widespread anarchy convinced many that only the armed forces could restore order. As a result, a military coup in 1964 led by General René Barrientos Ortuño and General Alfredo Ovando Candía had widespread support.

The military governments in power after 1964 varied in their ideological outlook. The armed forces were divided by personal ambitions, generational differences, and regional interests and lacked the corporate identity of a modern military. Barrientos’s conservative rule (president, 1964—65; copresident, May 1965—January 1966; and president, 1966—69), for example, encouraged foreign investment and suppression of the left, whereas the “Revolutionary Nationalist” governments of Ovando (copresident, May 1965—January 1966, and president, January—August 1966 and 1969—70) and Juan José Torres González (1970—71) nationalized United States holdings and courted the workers, peasants, and students. Another conservative, Colonel Hugo Banzer Suárez (1971—78), was forced out because of growing opposition and pressure from the United States to reestablish democracy. The attempt
at a transition to democracy after 1978 failed at first because no single party achieved a majority in three elections, and alliances of various groups could not break the deadlock. Military coups, including one led by the ruthless and corrupt General Luis García Meza Tejada (1980–81), overthrew civilian interim presidents. Only in 1982 did the military return the country to democratic government.

Pre-Columbian Civilizations

The Bolivian highlands, permanently settled for at least 21,000 years, were part of the culture of Andean South America before the arrival of the Spaniards. The records are fragmentary but suggest that agriculture started about 3000 B.C. and that the production of metal, especially copper, began 1,500 years later.

By 600 B.C., the first great Andean empire had emerged on the high plateau between the mountains known as the Altiplano. This empire, the Tiwanakan, was centered near the southeastern side of Lake Titicaca and included urban centers around the lake, as well as enclaves in different ecological zones from the eastern valleys to the Pacific Coast (see fig. 1). Tiwanaku was a great center of trade and religion, and the impact of its culture spread far beyond the boundaries of present-day Bolivia. Apparently, the Tiwanakan Empire was established through colonization rather than
through conquest. Its rapid expansion after 1000 and sudden col-
lapse around 1200 are still poorly understood.

The collapse of Tiwanakan influence resulted in the rise of seven
regional kingdoms of the Aymara, the most powerful states located
in the densely populated area around Lake Titicaca. The Aymara,
a belligerent people who lived in fortified hilltop towns, had an ex-
traordinary ability to adapt to the unique climatic conditions of
the region and increased their food supply through irrigation and
the process of freeze-drying crops. By maintaining colonists in the
semitropical valleys on the eastern slopes of the Andes and on the
Pacific Coast, they were able to produce both tropical and high-
land crops. Their basic social unit was the ayllu (see Glossary), a
kinship group or clan that organized work and distributed land
among its members.

The Aymara completely dominated the Uru, another major eth-
nic group in the pre-Columbian southern Andes. Although the Uru
might have preceded the Aymara in the region, by the twelfth cen-
tury they were poor fishermen and landless workers.

The Aymara, however, were not able to contain the expansion
of the Quechua, the third major ethnic group. After the collapse
of the Tiwanakan Empire, a Quechua-speaking state emerged in
the area around Cuzco (in present-day Peru). In the early fifteenth
century, the Quechua, who became known as the Incas when they
adopted the name of their rulers, were the most powerful group
in the northern highlands. As the Aymara kingdoms in the south
became weaker in the second half of the fifteenth century, the Incas
began to conquer them.

The Bolivian highlands became known as the Kollasuyo, a
densely populated area with great economic and mineral wealth
that constituted one of the four administrative units of the Inca
Empire. The highest official of the Kollasuyo was responsible only
to the Inca (the emperor) and supervised a group of provincial
governors, who in turn controlled members of the Aymara nobil-
ity. Under a draft system called the mita (see Glossary), the Incas
forced local Indians in the Kollasuyo to work in the mines or on
construction projects or to serve in the armies, compensating them
fully for their labor. Despite their goal of extreme centralization,
the Incas did not fundamentally change the organization of the
Aymara kingdoms, which remained relatively autonomous. Many
local chiefs kept many of their former powers and were, in gen-
eral, reinforced by Inca authority. They were also able to retain
their culture, their local religion, and their language. The regional
nobility, although forced to send their children to Cuzco for edu-
cation, continued to hold private property. Moreover, the system
of sending colonists to the eastern valleys and the coast was tolerated under Inca rule.

In 1470, however, several Aymara kingdoms rebelled against Inca rule. The Incas completely defeated two states and pacified the region by sending mitimaes, Quechua-speaking colonists, to Aymara territory, especially to the southern valleys and to the more central valley regions where Cochabamba and Sucre were later founded. By the beginning of the sixteenth century, the Incas had fully established their rule over the Kollasuyo. In the 1980s, the legacy of this resettlement policy could be seen in the predominance of Quechua speakers in many areas of Bolivia (see Ethnic Groups, ch. 2).

The Incas failed, however, to conquer the nomadic tribes in the eastern Bolivian lowlands. The remains of Incan fortresses there are evidence of this failure and suggest that the Incas could subdue only those cultures that were primarily based on agriculture. Thus, the Indian groups of the eastern two-thirds of Bolivia preserved their ways of life to a great extent, even after the Spanish conquest.

**Conquest and Colonial Rule, 1532–1809**

**Conquest and Settlement**

Francisco Pizarro, Diego de Almagro, and Hernando de Luque led the Spanish discovery and conquest of the Inca Empire. They first sailed south in 1524 along the Pacific Coast from Panama to confirm the legendary existence of a land of gold called “Biru.”

Because the rapidly expanding Inca Empire was internally weak, the conquest was remarkably easy. After the Inca Huayna Cápac died in 1527, his sons Huáscar and Atahualpa fought over the succession. Although Atahualpa defeated his brother, he had not yet consolidated his power when the Spaniards arrived in 1532, and he seriously misjudged their strength. Atahualpa did not attempt to defeat Pizarro when he arrived on the coast in 1532 because the Incan ruler was convinced that those who commanded the mountains also controlled the coast. When Pizarro formed alliances with Indians who resented Inca rule, Atahualpa did not modify the Inca ceremonial approach to warfare, which included launching attacks by the light of the full moon. On November 16, 1532, Pizarro took Atahualpa prisoner during their first encounter and later executed him, even after payment of a ransom equivalent to half a century of European production of gold and silver. One year later, Cuzco fell.

Despite Pizarro’s quick victory, Indian rebellions soon began and continued periodically throughout the colonial period. In 1537 Manco
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Inca, whom the Spanish had established as a puppet emperor, rebelled against the new rulers and restored a “neo-Inca” state. This state continued to challenge Spanish authority even after the Spanish suppressed the revolt and beheaded Túpac Amaru in the public square of Cuzco in 1572. Later revolts in the Bolivian highlands were usually organized by the elders of the community and remained local in nature, the exception being the great rebellion of Túpac Amaru II in the eighteenth century.

During the first two decades of Spanish rule, the settlement of the Bolivian highlands—now known as Upper (Alto) Peru or Charcas—was delayed by a civil war between the forces of Pizarro and those of Almagro. The two conquistadors had divided the Incan territory, with the north under the control of Pizarro and the south under that of Almagro. Fighting broke out in 1537, however, when Almagro seized Cuzco after suppressing the Manco Inca rebellion. Pizarro defeated and executed Almagro in 1538 but was himself assassinated three years later by former supporters of Almagro. Pizarro’s brother Gonzalo assumed control of Upper Peru but soon became embroiled in a rebellion against the Spanish crown. Only with the execution of Gonzalo Pizarro in 1548 did Spain succeed in reasserting its authority; later that year, colonial authorities established the city of La Paz, which soon became an important commercial and transshipment center.

Indian resistance delayed the conquest and settlement of the Bolivian lowlands. The Spanish established Santa Cruz de la Sierra (hereafter, Santa Cruz) in 1561, but the Gran Chaco, the colonial name for the arid Chaco region, remained a violent frontier throughout colonial rule. In the Chaco, the Indians, mostly Chiriguano, carried out unrelenting attacks against colonial settlements and remained independent of direct Spanish control.

The Economy of Upper Peru

Spain immediately recognized the enormous economic potential of Upper Peru. The highlands were rich in minerals, and Potosí had the Western world’s largest concentration of silver. The area was heavily populated and hence could supply workers for the silver mines. In addition, Upper Peru could provide food for the miners on the Altiplano.

Despite these conditions, silver production fluctuated dramatically during the colonial period. After an initial fifteen-year surge in production, output began to fall in 1560 as a result of a severe labor shortage caused by the Indian population’s inability to resist European diseases. Around the same time, Potosí’s rich surface deposits became depleted, which meant that even more labor would
be required to extract silver. The labor shortage was addressed by Francisco de Toledo, the energetic viceroy (the king’s personal representative) of Peru, during a visit to Upper Peru in the 1570s. Toledo used the pre-Columbian mita to extract forced labor for the mines at Potosí from some sixteen districts in the highlands, which were designated as areas supplying mita. Adult males could be required to spend every sixth year working in the mines. Henceforth, Potosí mining depended on the mita as well as on a labor system in which relatively free men worked alongside those who were coerced. Toledo also regulated the mining laws, established a mint at Potosí, and introduced the mercury amalgam process. Adoption of the amalgam process was particularly important, according to Herbert S. Klein, in that it eliminated Indian control over refining.

The second problem, the exhaustion of the high-content surface ores, required technological innovations. Hydraulic power took on increased importance because of the construction of large refining centers. By 1621 a system of artificial lakes with a storage capacity of several million tons provided a steady supply of water for refineries. With the labor and technological problems resolved, silver mining flourished. By the middle of the seventeenth century, silver mining at Potosí had become so important that the city had the largest population in the Western Hemisphere, approximately 160,000 inhabitants.
The end of the seventeenth-century boom, however, was followed by a major decline in the mining industry. The exhaustion of the first rich veins required deeper and more expensive shafts. The rapid decrease of the Indian population as a result of disease and exploitation by the *mita* also contributed to the reduction in silver output. After 1700 only small amounts of bullion from Upper Peru were shipped to Spain.

Kings from the Bourbon Dynasty in Spain tried to reform the colonial economy in the mid-eighteenth century by reviving mining. The Spanish crown provided the financial support necessary to develop deeper shafts, and in 1736 it agreed to lower the tax rate from 20 to 10 percent of the total output. The crown also helped create a minerals purchasing bank, the Banco de San Carlos, in 1751 and subsidized the price of mercury to local mines. The foundation of an academy of metallurgy in Potosí indicated the crown's concern with technical improvements in silver production. The attempts to revive the mining sector in Upper Peru were only partially successful, however, and could not halt the economic collapse of Potosí at the beginning of the nineteenth century. Nevertheless, mining remained critical to the economy of Upper Peru because food supplies sent from the valleys to mining centers on the Altiplano influenced agricultural production.

Farming at first took place on *encomiendas* (see Glossary). The crown granted a small number of conquistadors the right to the labor and produce of Indians living on the *encomienda*, and by the 1650s there were some eighty-two *encomiendas* in Upper Peru. *Encomenderos* tended to monopolize agricultural production, control the cheap Indian labor, and collect the tribute that the Indians had to pay to the crown. Because *encomenderos* were difficult to control and abused their laborers, however, the crown tried repeatedly to bring Indians under its direct jurisdiction and control.

In the second half of the seventeenth century, agricultural production shifted from *encomiendas* to large estates, on which Indians worked in exchange for the use of land. Cochabamba became a major producer of corn and wheat, and the valleys produced coca leaves in increasing amounts during colonial rule.

In addition to mining and agricultural production, Indian tribute (*alcabala*) became an increasingly important source of income for the crown despite Indian migration to avoid payment. An early effort to collect tribute from Indians by moving them into villages or indigenous communities (*comunidades indígenas*) was unsuccessful because of resistance from both *encomenderos* and Indians. But by the late eighteenth century, an increase in the Indian population, the extension of tribute payments to all Indian males (including
those who owned land), and a relative decline in income from the mines combined to make alcabala the second largest source of income in Upper Peru. Tribute payments also increased because Spanish absolutism made no concessions to human misfortune, such as natural disasters. The Indian tribute was increased by 1 million pesos annually.

State, Church, and Society

The longevity of Spain’s empire in South America can be explained partly by the successful administration of the colonies. Spain was at first primarily interested in controlling the independent-minded conquerors, but its main goal soon became maintaining the flow of revenue to the crown and collecting the tribute of goods and labor from the Indian population. To this end, Spain soon created an elaborate bureaucracy in the New World in which various institutions served as watchdogs over each other and local officials had considerable autonomy.

Upper Peru, at first a part of the Viceroyalty of Peru, joined the new Viceroyalty of Río de la Plata (whose capital was Buenos Aires) when it was created in 1776 (see fig. 2). The viceroy was aided by the audiencia (council), which was simultaneously the highest court of appeal in the jurisdiction and, in the absence of the viceroy, also had administrative and executive powers. The wealth of Upper Peru and its remoteness from Lima convinced the authorities in Lima to create an audiencia in the city of Chuquisaca (present-day Sucre) in 1558. Chuquisaca had become particularly important as Potosí’s administrative and agricultural supply center. The jurisdiction of the audiencia, known as Charcas, initially covered a radius of 100 “leagues” (179,600 hectares) around Chuquisaca, but it soon included Santa Cruz and territory belonging to present-day Paraguay and, until 1568, also the entire district of Cuzco. The president of the audiencia had judicial authority as well as administrative and executive powers in the region, but only in routine matters; more important decisions were made in Lima. This situation led to a competitive attitude and the reputation of Upper Peru for assertiveness, a condition reinforced by the economic importance of the region.

Spain exercised its control of smaller administrative units in the colonies through royal officials, such as the corregidor (see Glossary), who represented the king in the municipal governments that were elected by their citizens. By the early seventeenth century, there were four corregidores in Upper Peru.

In the late eighteenth century, Spain undertook an administrative reform to increase revenues of the crown and to eliminate a
number of abuses. It created an intendancy system, giving extensive powers to highly qualified officials who were directly responsible to the king. In 1784 Spain established four intendancies in Upper Peru, covering the present-day departments of La Paz, Cochabamba, Potosí, and Chuquisaca.

The Spanish crown at first controlled the local governments indirectly but centralized procedures as time went on. At first, Viceroy Francisco de Toledo confirmed the rights of local nobles and guaranteed them local autonomy. But the crown eventually came to employ Spanish officials, corregidores de indios, to collect tribute and taxes.
from the Indians. *Corregidores de indios* also imported goods and forced the Indians to buy them, a widely abused practice that proved to be an enormous source of wealth for these officials but caused much resentment among the Indian population.

With the first settlers in Upper Peru came the secular and regular clergy to begin the conversion of the Indians to Christianity. In 1552 the first bishopric in Upper Peru was established in La Plata; in 1605 La Paz and Santa Cruz also became bishoprics. In 1623 the Jesuits established the Royal and Pontifical Higher University of San Francisco Xavier of Chuquisaca, Upper Peru’s first university.

Indian reaction to colonial rule and conversion to Christianity varied. Many Indians adapted to Spanish ways by breaking with their traditions and actively attempting to enter the market economy. They also used the courts to protect their interests, especially against new tribute assessments. Others, however, clung to their customs as much as possible, and some rebelled against the white rulers. Local, mostly uncoordinated, rebellions occurred throughout colonial rule. More than 100 revolts occurred in the eighteenth century alone in Bolivia and Peru.

Although the official Incan religion disappeared rapidly, the Indians continued their local worship under the protection of local Indian rulers. But as Christianity influenced the Indians, a new folk-Catholicism developed, incorporating symbols of the indigenous religion (see Religion, ch. 2). Whereas early Indian rebellions were anti-Christian, the revolts at the end of the sixteenth century were based in messianic Christian symbolism that was Roman Catholic and anti-Spanish. The church was tolerant of local Indian religions. In 1582, for example, the bishop of La Plata permitted the Indians to build a sanctuary for the dark Virgen de Copacabana on the shores of Lake Titicaca (Copacabana has been a traditional Aymara religious center ever since).

The conquest and colonial rule were traumatic experiences for the Indians. Easily susceptible to European diseases, the native population decreased rapidly. The situation of the Indians worsened in the eighteenth century when Spain demanded higher tribute payments and increased *mita* obligations in an attempt to improve the mining output.

These profound economic and social changes and the breakup of native culture contributed to the increasing addiction of Indians to alcohol. Before the Spanish arrived, the Incas had consumed alcohol only during religious ceremonies. Indian use of the coca leaf also expanded, and, according to one chronicler, at the end of the sixteenth century “in Potosí alone, the trade in coca amounts
to over half a million pesos a year, for 95,000 baskets of it are consumed.”

Increasing Indian discontent with colonial rule sparked the great rebellion of Túpac Amaru II. Born José Gabriel Condorcanqui, this educated, Spanish-speaking Indian took the name of his ancestor, Túpac Amaru. During the 1770s, he became embittered over the harsh treatment of the Indians by the corregidores de indios. In November 1780, Túpac Amaru II and his followers seized and executed a particularly cruel corregidor de indios. Although Túpac Amaru II insisted that his movement was reformist and did not seek to overthrow Spanish rule, his demands included an autonomous region. The uprising quickly became a full-scale revolt. Approximately 60,000 Indians in the Peruvian and Bolivian Andes rallied to the cause. After scoring some initial victories, including defeating a Spanish army of 1,200 men, Túpac Amaru II was captured and killed in May 1781; nonetheless, the revolt continued, primarily in Upper Peru. There, a supporter of Túpac Amaru II, the Indian chief Tomás Catari, had led an uprising in Potosí during the early months of 1780. Catari was killed by the Spaniards a month before Túpac Amaru II. Another major revolt was led by Julián Apasa, a sexton who took the names of the two rebel martyrs by calling himself Túpac Catari (also spelled Katari). He besieged La Paz for more than 100 days. Spain did not succeed in putting down all of the revolts until 1783 and then proceeded to execute thousands of Indians.

In the late eighteenth century, a growing discontent with Spanish rule developed among the criollos (persons of pure Spanish descent born in the New World). Criollos began to assume active roles in the economy, especially in mining and agricultural production, and thus resented the trade barriers established by the mercantilist policies of the Spanish crown. In addition, criollos were incensed that Spain reserved all upper-level administrative positions for peninsulares (Spanish-born persons residing in the New World).

The Enlightenment, with its emphasis on reason, questioning of authority and tradition, and individualistic tendencies, also contributed to criollo discontent. The Inquisition had not kept the writings of Niccolò Machiavelli, Benjamin Franklin, Thomas Paine, Jean-Jacques Rousseau, John Locke, and others out of Spanish America; their ideas were often discussed by criollos, especially those educated at the university in Chuquisaca. At first the criollos of Upper Peru were influenced by the French Revolution, but they eventually rejected it as too violent. Although Upper Peru was fundamentally loyal to Spain, the ideas of the Enlightenment and
Independence from Spain continued to be discussed by scattered groups of radicals.

**Independence from Spain and the Early National Period, 1809–39**

**Struggle for Independence**

The invasion of the Iberian Peninsula in 1807–08 by Napoleon’s forces proved critical to the independence struggle in South America. The overthrow of the Bourbon Dynasty and the placement of Joseph Bonaparte on the Spanish throne tested the loyalty of the local elites in Upper Peru, who were suddenly confronted with several conflicting authorities. Most remained loyal to Spain. Taking a wait-and-see attitude, they supported the Junta Central (Central Junta) in Spain, a government in the name of the abdicated Ferdinand VII. Some liberals eagerly welcomed the reforms of colonial rule promised by Joseph Bonaparte. Others supported the claims of Carlota, Ferdinand’s sister, who governed Brazil with her husband, Prince Regent John of Portugal. Finally, a number of radical criollos wanted independence for Upper Peru.

This conflict of authority resulted in a local power struggle in Upper Peru between 1808 and 1810 and constituted the first phase of the efforts to achieve independence. In 1808 the president of
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the audiencia, Ramón García León de Pizarro, demanded affiliation with the Junta Central. The conservative judges of the audiencia were influenced, however, by their autocratic royalist philosophy and refused to recognize the authority of the junta because they saw it as a product of a popular rebellion. On May 25, 1809, tensions grew when radical criollos, also refusing to recognize the junta because they wanted independence, took to the streets. This revolt, one of the first in Latin America, was soon put down by the authorities.

On July 16, 1809, Pedro Domingo Murillo led another revolt by criollos and mestizos (those of mixed European and Indian ancestry) in La Paz and proclaimed an independent state in Upper Peru in the name of Ferdinand VII. The loyalty to Ferdinand was a pretense used to legitimize the independence movement. By November 1809, Cochabamba, Oruro, and Potosí had joined Murillo. Although the revolt was put down by royalist forces sent to La Paz by the viceroy of Peru and to Chuquisaca by the viceroy of Río de La Plata, Upper Peru was never again completely controlled by Spain.

During the following seven years, Upper Peru became the battleground for forces of the independent Argentine Republic and royalist troops from Peru. Although the royalists repulsed four Argentine invasions, guerrillas controlled most of the countryside, where they formed six major republíquetas, or zones of insurrection. In these zones, local patriotism would eventually develop into the fight for independence.

By 1817 Upper Peru was relatively quiet and under the control of Lima. After 1820 the Conservative Party criollos supported General Pedro Antonio de Olañeta, a Charcas native, who refused to accept the measures by the Spanish Cortes (legislature) to conciliate the colonies after the Liberal Party revolution in Spain. Olañeta, convinced that these measures threatened royal authority, refused to join the royalist forces or the rebel armies under the command of Simón Bolívar Palacios and Antonio José de Sucre Alcalá. Olañeta did not relinquish his command even after the Peruvian royalists included him and his forces in the capitulation agreement following their defeat in the Battle of Ayacucho in 1824, the final battle of the wars of independence in Latin America. Olañeta continued a quixotic war until Sucre’s forces defeated his forces, and he was killed by his own men on April 1, 1825, in a battle that effectively ended Spanish rule in Upper Peru.

Construction of Bolivia: Bolívar, Sucre, and Santa Cruz

In 1825 Bolívar, first president of what became known as Bolivia, transferred authority over Upper Peru to his lieutenant, Sucre
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(1825–28), who called a constituent assembly in Chuquisaca to determine the future of the region. Almost all delegates wanted an independent Upper Peru and rejected attachment to Argentina or Peru. On August 6, 1825, the assembly adopted a declaration of independence. Five days later, the assembly, hoping to placate Bolívar’s reservations about the independence of Upper Peru, resolved to name the new nation after him.

The new Republic of Bolivia, created in the territory that had formed the audiencia of Charcas, faced profound problems. The wars of independence had disrupted the economy. The entire mining industry was in decline because of destruction, flooding, and abandonment of mines. Lack of investment and scarcity of labor contributed to a sharp drop in silver production. Agricultural production was low, and Bolivia had to import food, even staples consumed by the Indian population. The government had serious financial difficulties because of the huge military expenditures and debt payments to Peru as compensation for the army of liberation. All these problems were aggravated by the isolation of the new republic from the outside world and the difficulties of securing its borders.

Bolívar entered La Paz triumphantly on August 8, 1825. During his brief rule of less than five months, he issued a flood of decrees, resolutions, and orders reflecting his ideas about government. He declared the equality of all citizens and abolished the tribute payments, replacing them with a “direct contribution” (contribución directa) that amounted to less than half of the previous payments. Bolívar also decreed a land reform to distribute land, preferably to Indians, and tried to reduce the influence of the Roman Catholic Church in politics. Most of his decrees could not be implemented during his short tenure, but they were included in the constitution he wrote for Bolivia after his departure in January 1826.

Despite his efforts at reform, Bolívar was outspoken about his doubts as to the ability of Bolivians to govern themselves. He was careful to avoid recognizing Bolivia’s independence, always referring to the country as Upper Peru and signing his decrees as dictator of Peru. Only in January 1826, when he turned the country over to Sucre, did he promise that the Peruvian legislature would approve Bolivia’s independence.

Sucre succeeded Bolívar in January 1826 and continued to rule by decree. He was formally installed as Bolivia’s first elected president after the Constituent Assembly convened in May and elected him. During his three-year rule, the government tried to solve its grave financial problems, which were aggravated by the
lack of foreign credit. Sucre reformed the existing tax structure in an effort to finance public expenditures and tried to revive silver mining by attracting foreign capital and technology. In one of the most radical attacks on the church anywhere in Latin America, he confiscated church wealth in Bolivia and closed down many monasteries. The Roman Catholic Church in Bolivia never recovered the powerful role that it had held. Import duties and taxes on the internal movement of goods were also important sources of state revenue. In addition, Sucre reestablished tribute payments in an attempt to solve the country's financial crisis.

Sucre's attempts at reform were only partially successful because Bolivia lacked the administration to carry them out. Many Conservative Party criollos turned away when his reforms threatened to challenge the economic and social patterns of the colonial past. As opposition increased, the local nationalist elite came to resent the leadership of their Venezuelan-born president. The invasion of Bolivia by the Peruvian general Agustín Gamarra and an assassination attempt in April 1827 led to Sucre's resignation in 1828. Sucre left the country for voluntary exile, convinced that "the solution was impossible." Given troop command by Bolívar, however, Sucre routed General Gamarra's much larger force (8,000) in a decisive battle at Tarqui on February 27, 1829.

Despite the fall of his government, Sucre's policies formed the basis for the ten-year rule of Andrés de Santa Cruz y Calahumana (1829–39), the first native-born president, who was sworn into office in May 1829 after a series of short-term rulers. Santa Cruz, a mestizo, had a brilliant military career fighting for independence in the armies of Bolívar. His close connection with Bolívar had led to a short interlude as the president of Peru in 1826. It also made him a strong candidate to become Bolivia's new president after Sucre's resignation.

Santa Cruz created a relatively stable economic, social, and political order in Bolivia. In an attempt to overcome Bolivia's isolation, Santa Cruz opened the port of Cóbija on the Pacific Coast. He also devalued the silver currency to finance government activities, instituted protective tariffs in support of the local cotton cloth (tucuyo) industry, and reduced the mining tax, thereby increasing mining output. In addition, Santa Cruz codified the country's laws and enacted Latin America's first civil and commercial codes. The Higher University of San Andrés in La Paz was also founded during his rule. Although Santa Cruz approved a democratic constitution, he ruled virtually as a dictator and did not tolerate opposition.
Santa Cruz continued his political ambitions in Peru while president of Bolivia. He established the Peru-Bolivia Confederation in 1836, justifying his act with the threat of Chile’s expansion to the north. This threat, together with the constant turmoil in Peru and repeated attempts by Gamarra to invade Bolivia, had made Sucre’s military intervention in a Peruvian civil war in 1835 a matter of life and death for Bolivia. After winning a number of battles in Peru, Santa Cruz reorganized that country into two autonomous states—Northern Peru and Southern Peru—and joined them with Bolivia in the Peru-Bolivia Confederation with himself as protector. The potential power of this confederation aroused the opposition of Argentina and, above all, Chile; both nations declared war on the confederation. Although Santa Cruz repelled an attack by Argentina, he failed to stop the Chilean expansion into the disputed territories on its northern frontier. His decisive defeat by Chilean forces in the Battle of Yungay in January 1839 resulted in the breakup of the confederation and ended the career of Bolivia’s ablest nineteenth-century president. Santa Cruz went into exile in Ecuador.

Political Instability and Economic Decline, 1839–79

Bolivia was characterized for the forty years after 1839 by a chaotic political situation and a declining economy. The country relied on taxes paid by the Indians as its main source of income. Although some of the government’s leaders during this period tried to reform the country, most fit the description of caudillos bárbaros (barbaric caudillos), a term used by Bolivian writer Alcides Arguedas for inept and corrupt rulers.

Santa Cruz was succeeded in June 1839 by General José Miguel de Velasco Franco (1828, 1829, and 1839–41), who tried to control the political intrigues and maneuvering between the supporters and opponents of Santa Cruz. After failing to repel yet another invasion by Gamarra, Velasco was overthrown. Gamarra was killed in November 1841 near La Paz in the Battle of Ingaví, in which General José Ballivián y Segurola defeated the Peruvian forces and ended Peruvian expansionism.

Ballivián y Segurola (1841–47) is remembered for restoring relative calm to the nation between 1842 and 1847. Reversing Santa Cruz’s protectionist policies, Ballivián y Segurola encouraged free trade. He also promoted the colonization of the Beni. Nonetheless, the main income continued to come from the taxes paid by rural Indians. These included not only a head tax but also a tax on coca leaves, which were consumed almost exclusively by the Indian population. Although nearly 90 percent of all Bolivians lived
in rural areas according to the 1846 census, agriculture generated little revenue. Most haciendas stagnated, and only the collection of cinchona bark (for the production of quinine) and coca leaves increased in the valleys.

After the overthrow of Ballivián y Segurola in 1847, Manuel Isidoro Belzú Humérez (1848—55) emerged as the most powerful figure in Bolivia. Unlike his predecessors, Belzú sought the support of the masses. In order to gain the backing of the Indians, he started a campaign against the aristocratic landowners, seized their land, and incited the Indians to destroy the homes of the landowners. He also hoped to get the support of the artisans who had been hurt by the free-trade policies of Ballivián y Segurola by restricting the role of foreign merchants in Bolivia and limiting imports.

Belzú’s effort succeeded in one sense because he fended off forty-two coup attempts during his rule. “Tata” Belzú, as he was called by the Indians (like the head of the ayllu in pre-Columbian times), has been seen as the precursor of Andean populism. Attempting to stir the masses in demagogic speeches, Belzú completely alienated the Bolivian establishment with his reign of terror. As efforts to overthrow him increased, he resigned in 1855 and left for Europe.

José María Linares Lizarazu (1857—61), a member of the elite that had opposed Belzú, overthrew Belzú’s son-in-law, General Jorge Córdova (1855—57), and became the first civilian president. Linares reversed Belzú’s protective policies and encouraged free trade and foreign investment, mainly from Britain and Chile. During his presidency, mining output increased because of technological innovations, such as the steam engine, and the discovery of huge nitrate deposits in the Atacama Desert (in present-day Chile).

Although the mining sector improved, it failed to stimulate agricultural production, and most haciendas continued in a relative state of stagnation. This malaise contributed to the survival of campesino communities during the nineteenth century, despite repeated assaults on their common landholdings by various governments. But the tax burden on the Indians resulted in campesino revolts in Copacabana.

The overthrow of Linares by a military coup in 1861 initiated one of the most violent periods in Bolivian history, under General José María de Achá Valiente (1861—64). Achá is remembered for the “murders of Yáñez,” the massacre of seventy-one Belzú supporters (Belcistas), including General Córdova, ordered by Colonel Plácido Yáñez, the military commander in La Paz, in 1861.

In late 1864, General Mariano Melgarejo Valencia (1864—71) seized the presidency and became the most notorious of Bolivia’s
Aymara Indians playing wind instruments in Achispaya, Larecaja Province, La Paz Department

A Tinku ritual fight in Macha, Chayanta Province, Potosí Department

Photos courtesy Inter-American Foundation (Kevin Healy)
caudillos. Relying primarily on the military, he remained in power for more than six years despite his mismanagement, drunkenness, and corruption, as well as constant intrigues against him. Hoping to improve the economy by opening up the country to foreigners, Melgarejo signed a series of treaties with Chile and Peru for free trade. In an 1867 treaty with Brazil to secure water rights to the Atlantic Ocean, he ceded 102,400 square kilometers of territory, hoping to break Bolivia’s isolation (see fig. 3).

Melgarejo started a formidable assault on Indian communal land, ostensibly in order to improve agricultural production. He decreed that the Indians were the owners of their parcels only if they paid a large fee within sixty days. If they failed to do so, their land would be auctioned off. The resulting sales increased the size of the haciendas, and massive Indian uprisings against his rule became more violent. Opposition against Melgarejo mounted in all sectors of society as the term melgarejismo came to signify amoral militarism; in 1871 he was overthrown and later murdered in Lima.

Agustín Morales Hernández (1871—72) continued Melgarejo’s ruling style, despite his promise of “more liberty and less government.” Morales was assassinated, however, by a nephew in 1873. Two presidents with high integrity, Tomás Frías Ametller (1872-73) and General Adolfo Ballivián (1873—74), did not last long because of constant intrigues. Under their rule, Bolivia opened the port of Mollendo in Peru, which reduced the country’s isolation by connecting the Altiplano by train and steamship on Lake Titicaca to the Pacific Coast. But in 1876 Hilarión Daza Groselle (1876—79) seized power and became another military caudilo, as brutal and incompetent as Melgarejo. He faced many insurrections, a massive demonstration by artisans in Sucre, and widespread opposition. Hoping to gather the support of nationalist Bolivians to strengthen his internal position, Daza involved his country in the disastrous War of the Pacific.

From the War of the Pacific to the Chaco War, 1879–1935

War of the Pacific

The War of the Pacific resulted from a dispute between Bolivia and Chile over sovereignty of the mineral-rich coastal area of the Atacama Desert. In the mid-1860s, the two nations had come to the brink of war because of disagreement over their boundaries. In 1874 Chile agreed to fix the border at 24° south latitude in return for Bolivia’s promise not to increase taxes on Chilean nitrate enterprises for twenty-five years. But in 1878, Daza imposed a slight
increase on export taxes. Chile immediately objected, and when Daza refused to revoke the tax hike, Chile landed troops on February 14, 1879. Bolivia, in alliance with Peru, declared war on Chile on March 1, but Bolivia’s troops in the coastal territory were easily defeated, in part because of Daza’s military incompetence. Driven from office by a popular revolt, Daza fled to Europe with a sizable portion of Bolivia’s treasury. The attempt of General Narcisco Campero Leyes (1880—84) to come to the aid of Peru, Bolivia’s ally in the war, was unsuccessful, and the combined armies were defeated by Chile in 1880. Having lost its entire coastal territory, Bolivia withdrew from the war. It ceded the territory officially to Chile twenty-four years later, in 1904, under the Treaty of Peace and Friendship.

The War of the Pacific was a turning point in Bolivian history. Bolivian politicians were able to rally Bolivians by blaming the war on Chilean aggression. Bolivian writers were convinced that Chile’s victory would help Bolivia to overcome its backwardness because the defeat strengthened the “national soul.” Even today, Bolivia has not relinquished the hope of regaining an outlet to the Pacific Ocean.

After the war, a vigorous debate among civilian elites spawned the development of new political parties. Mining entrepreneurs, who had become the most important economic group in the country because of increasing production, created the Conservative Party (Partido Conservador). Conservatives favored reaching a quick peace settlement with Chile that would include indemnification for lost territories and enable Bolivia to construct a railroad for mining exports. The Liberal Party (Partido Liberal) denounced the pacifism of the Conservatives. It also resented the economic dependence of the mining sector on Chilean and British capital and hoped to attract United States investment. Despite these differences, both parties were primarily interested in political and economic modernization, and their ideological outlooks were similar. Civilian politicians reorganized, reequipped, and professionalized the discredited armed forces and tried to subject them to civilian control. Still, both Conservatives and Liberals initially supported military candidates for the presidency. The governments in power from 1880 to 1920—elected by a small, literate, and Spanish-speaking electorate—brought Bolivia its first relative political stability and prosperity.

Reconstruction and the Rule of the Conservatives

The Conservatives ruled Bolivia from 1880 until 1899. General Campero completed his legal term in office and presided over free
elections in 1884 that brought to power Gregorio Pacheco Leyes (1884–88), one of Bolivia’s most important mine owners. After Pachecho’s term, however, fraudulent elections resulted repeatedly in Liberal revolts. Although the Liberal Party was allowed to participate in the National Congress (hereafter, Congress), it had no chance to win a presidential election.

Under the Conservatives, the high world price of silver and increased production of copper, lead, zinc, and tin combined to create a period of relative prosperity. The Conservative governments encouraged the mining industry through the development of a rail network to the Chilean coast. The growth of commercial agriculture, such as the development of Bolivia’s natural rubber resources, also contributed to an apparently stronger economy. Agricultural production in the highlands increased as the haciendas expanded in some regions.
Aniceto Arce Ruiz (1888–92), although elected legally, was an autocrat who managed to stay in power only through repression. His main economic accomplishment was to extend the Antofagasta-Calama Railroad to Oruro. The extension of the railroad drastically reduced the cost of transporting minerals to the Pacific Coast. Economic growth was skewed, however, as railroads that were built to export minerals started to bring imported wheat from Chile; in 1890 Chilean wheat was cheaper in La Paz than wheat from Cochabamba. The open economy also hurt local industry. The expansion of the haciendas at the expense of the free Indian communities resulted in numerous uprisings and forced many Indians to work for their landlords or to migrate to the cities. As a result of this migration, the census of 1900 noted an increase of the mestizo population, but Bolivia remained a predominantly Indian and rural nation, in which the Spanish-speaking minority continued to exclude the Indians.

The Liberal Party and the Rise of Tin

In 1899 the Liberal Party overthrew the Conservatives in the “Federal Revolution.” Although the Liberals resented the long rule of the Conservatives, the main reasons for the revolt were regionalism and federalism. The Liberal Party drew most of its support from the tin-mining entrepreneurs in and around La Paz, whereas Conservative governments had ruled with an eye on the interests of the silver mine owners and great landowners in Potosí and Sucre. The immediate cause of the conflict was the Liberal demand to move the capital from Sucre to the more developed La Paz.

The Federal Revolution differed from previous revolts in Bolivia in that Indian peasants actively participated in the fighting. Indian discontent had increased because of the massive assault on their communal landholdings. The campesinos supported the Liberal leader, José Manuel Pando, when he promised to improve their situation.

Pando, however, reneged on his promises and allowed the assault on Indian land to continue. The government suppressed a series of campesino uprisings and executed the leaders. One of these revolts, led by Pablo Zárate Willka, was one of the largest Indian rebellions in the history of the republic. It frightened whites and mestizos, who once again successfully isolated the Indians from national life.

Like their Conservative predecessors, the Liberals controlled the presidential elections but left the elections for Congress relatively free. They also continued to professionalize the Bolivian
military, with the aid of a German military mission (see Evolution of the Military Role in Society and Government, ch. 5). President Ismael Montes Gamboa (1904–09 and 1913–17) dominated the Liberal era.

Liberal administrations gave priority to the settlement of border disputes. Bolivia's inability to protect and integrate the frontier with Brazil had led to the encroachment of Brazilian rubber gatherers. In 1900 they began an active secessionist movement in the eastern province of Acre and after three years of small-scale fighting won annexation by Brazil. In the Treaty of Petrópolis in 1903, Bolivia relinquished its claims to 191,000 square kilometers of Acre territory in return for two areas on the Madeira and the Paraguay rivers totaling 5,200 square kilometers, the equivalent of US$10 million, and the use of a railroad to be constructed around the rapids of the Madeira in Brazilian territory. In 1904 Bolivia finally concluded a peace treaty with Chile under which it officially ceded Bolivia's former territory on the coast in return for indemnification of US$8.5 million, less the value of the Bolivian section of a new railroad that Chile would construct from La Paz to the Pacific Coast at Arica. The payment was used to expand the transportation system in Bolivia. By 1920 most major Bolivian cities were connected by rail.

Liberal governments also changed the seat of government and the nature of church-state relations. The presidency and Congress were moved to La Paz, which became the de facto capital, but the Supreme Court of Justice remained in Sucre. Liberal presidents canceled the special privileges officially granted to the Roman Catholic Church. In 1905 they legalized public worship by other faiths, and in 1911 they made civil marriage a requirement.

Perhaps the most significant development of the Liberal era was the dramatic rise of Bolivian tin production. Since the colonial period, tin had been mined in the Potosí region; nonetheless, Bolivia historically lacked the transportation system necessary to ship large quantities of tin to European markets. The extension of the rail link to Oruro in the 1890s, however, made tin mining a highly profitable business. The decline in European tin production also contributed to the Bolivian tin boom at the beginning of the twentieth century. With the development of huge mines in southern Oruro and northern Potosí, La Paz eclipsed Potosí as the mining industry's financial and service center.

Tin production in Bolivia came to be concentrated in the hands of Bolivian nationals, although the regimes encouraged foreign investment. At first, foreign interests and Bolivians with foreign associations took the major share. This changed, however, when
Historical Setting

Bolivian tin-mining entrepreneurs realized that smelters in competing countries depended on Bolivian tin. Simón Patiño was the most successful of these tin magnates. Of poor mestizo background, he started as a mining apprentice. By 1924 he owned 50 percent of the national production and controlled the European refining of Bolivian tin. Although Patiño lived permanently abroad by the early 1920s, the two other leading tin-mining entrepreneurs, Carlos Aramayo and Mauricio Hochschild, resided primarily in Bolivia.

Because taxes and fees from tin production were critically important to national revenues, Patiño, Aramayo, and Hochschild exercised considerable influence over government policy. Unlike the silver-mining entrepreneurs of the Conservative period, the tin-mining magnates did not directly intervene in politics but employed politicians and lawyers—known as the rosca (see Glossary)—to represent their interests.

The tin boom also contributed to increased social tensions. Indian peasants, who provided most of the labor for the mines, moved from their rural communities to the rapidly growing mining towns, where they lived and worked in precarious situations. Bolivia's First National Congress of Workers met in La Paz in 1912, and in the following years the mining centers witnessed an increasing number of strikes.

Liberal governments at first did not face any serious opposition because the Conservative Party remained weak after its overthrow in 1899. By 1914, however, opposition to political abuses and the loss of national territory led to the formation of the Republican Party (Partido Republicano). Republican support increased when mineral exports declined because of the crisis in international trade before World War I, and agricultural production decreased because of severe droughts. In 1917 the Republicans were defeated at the polls when José Gutiérrez Guerra (1917–20), the last Liberal president, was elected. But the long rule of the Liberals, one of the most stable periods in Bolivian history, ended when the Republicans seized the presidency in a bloodless coup in 1920.

The Republican Party and the Great Depression

The advent of the Republican Party did not at first indicate any profound change in Bolivian politics. Fernando Díez de Medina, a Bolivian writer, commented on the change: "Twenty years of privilege for one group ends, and ten years of privilege for another begins." The 1920s, however, was also a period of political change. New parties emerged as the Republican Party split into several factions. One major opposing branch was led by Bautista Saavedra Mallea, who had the support of the urban middle class, and the
other was led by the more conservative Daniel Salamanca Urey (1931-34). A number of minor political parties influenced by socialist or Marxist thought also emerged.

During Republican rule, the Bolivian economy underwent a profound change. Tin prices started to decline in the 1920s. After peaking in 1929, tin production declined dramatically as the Great Depression nearly destroyed the international tin market. This decline was also caused by the decrease in the tin content of ore and the end of new investment in the mines in Bolivia. As economic growth slowed, Republican presidents relied on foreign loans. Saavedra (1920-25) and Hernando Siles Reyes (1926-30) borrowed heavily in the United States to finance major development projects, despite opposition by Bolivian nationalists to the favorable terms for the lender. The so-called Nicolaus loan aroused national indignation because it gave the United States control over Bolivia’s tax collections in return for a private banking loan of US$33 million.

During the 1920s, Bolivia faced growing social turmoil. Labor unrest, such as the miners’ strike in Uncia in 1923, was brutally suppressed. But the unrest reached new heights of violence after the drastic reduction of the work force during the Great Depression. Indian peasants continued to rebel in the countryside, although they had been disarmed and their leaders had been executed after participating in the overthrow of the Conservative Party in 1899. Now, for the first time, the Indians found support for their cause among the elite. Gustavo Navarro, who took the name Tristán Marof, was Bolivia’s most important Indianist. He saw in the Inca past the first successful socialism and the model to solve rural problems. As Indian uprisings continued during Liberal rule, Siles Reyes promised to improve their situation and organized the National Crusade in Favor of Indians.

The social legislation of the Republican governments was weak, however, because neither Saavedra nor Siles Reyes wanted to challenge the rosca. Siles Reyes’s four years of inconsistent rule and unfulfilled promises of radical changes frustrated workers and students. In 1930 he was overthrown when he tried to bypass the constitutional provision forbidding reelection by resigning in order to run again. A military junta ruled until March 1931, when Salamanca (1931-34) was elected as a coalition candidate.

Although he was an esteemed economist before taking office, Salamanca was unable to suppress social unrest and to solve the severe economic problems caused by the Great Depression. Criticism of his administration mounted in all sectors of Bolivian society. Initially reluctant to enter into an armed conflict with Paraguay,
he nevertheless led Bolivia into war, a move supported by the military and traditional groups.

The Chaco War

The origin of the war was a border dispute between Bolivia and Paraguay over the Chaco. This vast area was largely undeveloped except for some minor oil discoveries by Standard Oil in Bolivia and Royal Dutch Shell in Paraguay. The Chaco, which Bolivia traditionally regarded as a province (Gran Chaco), became more significant to Bolivia after the latter lost its Pacific Ocean outlet to Chile. Bolivia hoped to gain access to the Atlantic Ocean with an oil pipeline across the Chaco to the Paraguay River. Despite mediation attempts by various countries, the increased number of border incidents led the military high commands of Bolivia and Paraguay to believe in the inevitability of war.

Salamanca used one of the border incidents to break diplomatic relations with Paraguay and increase Bolivia’s military budget, even though the country had severe economic problems. Convinced that Bolivia’s better-equipped, German-trained troops, which outnumbered the Paraguayan army, could win the war, Salamanca went to war in 1932.

The war raged for the next three years. The Bolivians were defeated in all major battles, and by the end of 1934 they had been driven back 482 kilometers from their original positions deep in the Chaco to the foothills of the Andes. Serious strategic errors, poor intelligence, and logistical problems in reaching the distant battle lines contributed to the losses. In addition, the morale of the Bolivian troops was low, and the highland Indians could not adapt to the extreme climate in the low-lying Chaco. Despite the high command’s decision to end the war, Salamanca was determined to continue at all costs. In 1934, when he traveled to the Chaco to take command of the war, Salamanca was arrested by the high command and forced to resign. His vice president, José Luis Tejada Sorzano, who was known to favor peace, was accepted as president (1934–36).

Salamanca’s overthrow was a turning point in the Chaco War. The Paraguayan troops were stopped by new, more capable Bolivian officers, who fought closer to Bolivian supply lines. On June 14, 1935, a commission of neutral nations (Argentina, Brazil, Chile, Colombia, Peru, and the United States) declared an armistice; a definite settlement was finally reached in 1938. Bolivia lost the Chaco but retained the petroleum fields, which Paraguay had failed to reach. Both countries suffered heavy losses in the war.
In Bolivia alone, an estimated 65,000 people were killed and 35,000 wounded or captured out of a population of just under 3 million.

The humiliating disaster of the Chaco War had a profound impact in Bolivia, where it was seen as dividing the history of the twentieth century "like a knife." The traditional oligarchy was discredited because of its inept civilian and military leadership in the war. Unable to deal with growing criticism, its members blamed the loss of the war on the low potential of the Bolivians and saw the earlier pessimistic assessment in Argüendas's famous novel Pueblo Enférmo (A Sick People) confirmed.

After the war, a group of middle-class professionals, writers, and young officers questioned the traditional leadership. This group, which came to be known as the "Chaco Generation," searched for new ways to deal with the nation's problems. It resented the service of the rosca on behalf of the tin-mining entrepreneurs and criticized Standard Oil, which had delivered oil to Paraguay clandestinely through Argentine intermediaries during the war. The Chaco Generation was convinced of the need for social change. Gustavo Navarro, now more radical than during the 1920s, raised the famous slogan "land to the Indians, mines to the state." The military, which came to power in 1936, tried to bring about change with popular support.

**Prelude to Revolution, 1935–52**

**Radical Military Government**

On May 17, 1936, Colonel David Toro Ruilova (1936–37) overthrew Tejada in a military coup. Because the officer corps wanted to avoid a civilian investigation of the military's wartime leadership, military backing for the coup came from all ranks. The main backers, however, were a group of younger officers who wanted to bring profound change to Bolivia. Toro, the leader of this group, hoped to reform the country from the top down. His program of "military socialism" included social and economic justice and government control over natural resources. He also planned to set up a corporate-style political system to replace the democratic system established in 1825.

Toro attempted to get civilian support with far-reaching social legislation and nominated a print worker as the first labor secretary in Bolivia. He also nationalized the holdings of Standard Oil without compensation and called for the convening of a constitutional congress that would include the traditional parties, as well as new reformist groups and the labor movement.
Historical Setting

Toro was unable, however, to enlist lasting popular support. A group of more radical officers resented his reluctance to challenge the rosca, and they supported a coup by Colonel Germán Busch Becerra (1937–39) in 1937. A new constitution, promulgated in 1938, stressed the primacy of the common good over private property and favored government intervention in social and economic relations. It also legally recognized the Indian communities and included a labor code. In 1939 Busch challenged the interests of the mine owners for the first time by issuing a decree that would prevent the mining companies from removing capital from the country. None of his policies, however, resulted in significant popular and military support, and they completely alienated the conservative forces. Frustrated by his inability to bring about change, Busch committed suicide in 1939.

Despite the weakness of the Toro and Busch regimes, their policies had a profound impact on Bolivia. Reformist decrees raised expectations among the middle class, but when they failed to be implemented, they contributed to the growth of the left. The constitutional convention gave the new forces for the first time a nationwide platform and the possibility of forming alliances. The military socialist regimes also prompted the conservatives to join forces to stem the growth of the left.

The Rise of New Political Groups

After a few months under the provisional presidency of General Carlos Quintanilla Quiroga (1939–40), the chief of staff during the Busch regime, the government changed hands again. General Enrique Peñaranda Castillo (1940–43) was elected president in the spring of 1940. Peñaranda’s support came from the traditional parties, the Liberals, and the two wings of the Republicans, who had formed a concordancia to stem the growth of the movement toward reform.

The trend toward reform, however, could not be halted, and a number of new groups gained control of Congress during Peñaranda’s presidency. These groups, although very different in their ideological outlooks, agreed on the need to change the status quo. They included the Trotskyite Revolutionary Workers Party (Partido Obrero Revolucionario—POR), which had already been formed in 1934, as well as the Bolivian Socialist Falange (Falange Socialista Boliviana—FSB), founded in 1937 and patterned on the Spanish model. The Leftist Revolutionary Party (Partido de Izquierda Revolucionaria—PIR) was founded in 1940 by a coalition of radical Marxist groups.
The most important opposition to the concordancia came from the Nationalist Revolutionary Movement (Movimiento Nacionalista Revolucionario—MNR). The first party with widespread support in Bolivian history, the MNR had a membership that included intellectuals and both white-collar and blue-collar workers. It was founded in 1941 by a small group of intellectual dissidents from the middle and upper classes and represented persons from a wide range of political persuasions who were united by their discontent with the status quo. Among its leaders were Víctor Paz Estenssoro, a professor of economics; Hernán Siles Zuazo, the son of former President Siles Reyes; and several influential writers. The party’s program included nationalization of all of Bolivia’s natural resources and far-reaching social reforms. Its anti-Semitic statements resulted not only in the imprisonment of MNR leaders but also in charges by the United States government that MNR was under the influence of Nazi fascism.

As the leader of the congressional opposition, the MNR denounced Peñaranda’s close cooperation with the United States and was especially critical of his agreement to compensate Standard Oil for its nationalized holdings. The MNR members of Congress also began an investigation of the massacre of striking miners and their families by government troops at one of the Patiño mines in Catavi in 1942. MNR influence with the miners increased when Paz Estenssoro led the congressional interrogation of government ministers.

The MNR had contacts with reformist military officers, who were organized in a secret military lodge named the Fatherland’s Cause (Razón de Patria—Radepa). Radepa was founded in 1934 by Bolivian prisoners of war in Paraguay. It sought mass support, backed military intervention in politics, and hoped to prevent excessive foreign control over Bolivia’s natural resources.

In December 1943, the Radepa-MNR alliance overthrew the Peñaranda regime. Major Gualberto Villarroel López (1943-46) became president, and three MNR members, including Paz Estenssoro, joined his cabinet. The MNR ministers resigned, however, when the United States refused recognition, repeating its charge of ties between the MNR and Nazi Germany. The ministers returned to their posts in 1944, after the party had won a majority in the election and the United States had recognized the government. Villarroel’s government emphasized continuity with the reformist regimes of Toro and Busch. Paz Estenssoro, who served as minister of finance, hoped to get popular support with a budget that emphasized social spending over economic development. But the salary increase for miners did not bring about their
consistent backing of the government and only managed to strengthen the ties between the MNR and miners. The Villarroel government also tried for the first time to get the support of the campesinos. In 1945 it created the National Indigenous Congress to discuss the problems in the countryside and to improve the situation of the peasants. However, most of the social legislation, such as the abolition of the labor obligation of the campesinos to their landlords, was never put in effect.

Villarroel was overthrown in 1946. He had been unable to organize popular support and faced opposition from conservative groups and increasing political terrorism that included murders of the government's opponents. Rivalry between the MNR and the military in the governing coalition also contributed to his downfall. In 1946 mobs of students, teachers, and workers seized arms from the arsenal and moved to the presidential palace. They captured and shot Villarroel and suspended his body from a lamppost in the main square, while the army remained aloof in the barracks.

The "Sexenio," 1946–52

The six years preceding the 1952 Revolution are known as the sexenio. During this period, members of the Conservative Party tried to stem the growth of the left, but they ultimately failed because they could not halt the economic decline and control the growing social unrest. Enrique Hertzog Garaizabal (1947–49), who was
elected president in 1947 after the interim rule of a provisional junta, formed a coalition cabinet that included not only the concordancia but also the PIR. He hoped to retain the backing of the Conservative Party forces by not increasing taxes, but he tried also to gain labor support, relying on the PIR to mobilize the workers.

The labor sector did not cooperate with the government, however, and the PIR became discredited because of its alliance with the conservative forces. In 1946 the workers endorsed the Thesis of Pulacayo, in which the miners called for permanent revolution and violent armed struggle for the working class. As the labor sector became more radical, the government resorted more and more to oppression, and confrontations increased. The dismissal of 7,000 miners and the brutal suppression of yet another uprising in Catavi in 1949 made any cooperation between the government and the workers impossible.

The MNR emerged as the dominant opposition group. Although most of its leaders, including Paz Estenssoro, were in exile in Argentina, the party continued to be represented in the Chamber of Deputies and the Senate. During the sexenio, the party, despite its predominantly middle-class background, repeatedly took the side of the workers and adopted their ideology. The MNR also came to support the defense of Indian rights, as violence in the countryside increased when the promises given at the National Indigenous Congress were not fulfilled.

The MNR’s attempts to gain power during the sexenio were unsuccessful. Its 1949 coup attempt failed, although with the support of the workers and some military officers it succeeded in gaining control of most major cities except La Paz. The MNR’s attempt to gain power by legal means in 1951 also failed. In the presidential election of May 1951, the MNR’s Paz Estenssoro, who remained in exile in Argentina, ran for president and Siles Zuazo ran for vice president, both on a platform of nationalization and land reform. With the support of the POR and the newly formed Bolivian Communist Party (Partido Comunista Boliviano—PCB), the MNR won with a clear plurality. The outgoing president, however, persuaded the military to step in and prevent the MNR from taking power. Mamerto Urriolagoitia Harriague (1949–51), who had succeeded the ailing Hertzog in 1949, backed a military junta under General Hugo Ballivián Rojas (1951–52). Under Ballivián, the government made a last futile attempt to suppress the growing unrest throughout the country.

By 1952 the Bolivian economy had deteriorated even further. The governments of the sexenio had been reluctant to increase taxes for the upper class and to reduce social spending, resulting in high
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inflation. The tin industry had stagnated since the Great Depression, despite short revivals during World War II. Ore content had declined, and the richer veins were depleted, increasing tin production costs; at the same time, tin prices on the international market fell. A disagreement with the United States over tin prices halted exports temporarily and caused a decline in income that further hurt the economy. The agricultural sector lacked capital, and food imports had increased, reaching 19 percent of total imports in 1950. Land was unequally distributed—92 percent of the cultivable land was held by estates of 1,000 hectares or more.

The social unrest that resulted from this economic decline increased during the last weeks before the 1952 Revolution, when a hunger march through La Paz attracted most sectors of society. The military was severely demoralized, and the high command called unsuccessfully for unity in the armed forces; many officers assigned themselves abroad, charged each other with coup attempts, or deserted.

By the beginning of 1952, the MNR again tried to gain power by force, plotting with General Antonio Seleme, the junta member in control of internal administration and the National Police (Policía Nacional). On April 9, the MNR launched the rebellion in La Paz by seizing arsenals and distributing arms to civilians. Armed miners marched on La Paz and blocked troops on their way to reinforce the city. After three days of fighting, the desertion of Seleme, and the loss of 600 lives, the army completely surrendered; Paz Estenssoro assumed the presidency on April 16, 1952.

The Bolivian National Revolution, 1952–64

Radical Reforms

The "reluctant revolutionaries," as the leaders of the multiclass MNR were called by some, looked more to Mexico than to the Soviet Union for a model. But during the first year of Paz Estenssoro’s presidency, the radical faction in the party, which had gained strength during the sexenio when the party embraced the workers and their ideology, forced the MNR leaders to act quickly. In July 1952, the government established universal suffrage, with neither literacy nor property requirements. In the first postrevolutionary elections in 1956, the population of eligible voters increased from approximately 200,000 to nearly 1 million voters. The government also moved quickly to control the armed forces, purging many officers associated with past Conservative Party regimes and drastically reducing the forces’ size and budget. The government also closed the Military Academy (Colegio Militar) and required that officers take an oath to the MNR.
The government then began the process of nationalizing all mines of the three great tin companies. First, it made the export and sale of all minerals a state monopoly to be administered by the state-owned Mining Bank of Bolivia (Banco Minero de Bolivia—Bamin). Then it set up the Mining Corporation of Bolivia (Corporación Minera de Bolivia—Comibol) as a semiautonomous enterprise to run state-owned mines. On October 31, 1952, the government nationalized the three big tin companies, leaving the medium-sized mines untouched, and promising compensation. In this process, two-thirds of Bolivia’s mining industry was turned over to Comibol.

A far-reaching agrarian reform was the final important step taken by the revolutionary government. In January 1953, the government established the Agrarian Reform Commission, using advisers from Mexico, and decreed the Agrarian Reform Law the following August. The law abolished forced labor and established a program of expropriation and distribution of the rural property of the traditional landlords to the Indian peasants. Only estates with low productivity were completely distributed. More productive small and medium-sized farms were allowed to keep part of their land and were encouraged to invest new capital to increase agricultural production. The Agrarian Reform Law also provided for compensation for landlords to be paid in the form of twenty-five-year government bonds. The amount of compensation was based on the value of the property declared for taxes.

During the first years of the revolution, miners wielded extraordinary influence within the government. In part, this influence was based on the miners' decisive role in the fighting of April 1952. In addition, however, armed militias of miners formed by the government to counterbalance the military had become a powerful force in their own right. Miners immediately organized the Bolivian Labor Federation (Central Obrera Boliviana—COB), which demanded radical change as well as participation in the government and benefits for its members. As a result, the government included three pro-COB ministers in the cabinet and accepted the demand for fuero sindical, the legally autonomous status that granted the COB semisovereign control over the workers of Bolivia. The MNR regime gave worker representatives veto power in all Comibol decisions and allowed for a cogovernment in mine administration. The government also established special stores for the miners, increased their salaries, and rehired fired workers.

The peasants also exerted a powerful influence. At first, the government was unable to control the occupation of land by the peasants. As a result, it could not enforce the provisions of the land reform decree to keep medium-sized productive estates intact. But
the MNR eventually gained the support of the campesinos when the Ministry of Peasant Affairs was created and when peasants were organized into syndicates. Peasants were not only granted land but their militias also were given large supplies of arms. The peasants remained a powerful political force in Bolivia during all subsequent governments.

**The Unfinished Revolution**

Although these major steps were never reversed, observers have regarded the revolution as unfinished because it lost momentum after the first years. The divisions within the MNR seriously weakened its attempt to incorporate the support of the Indian peasants, the workers, and the middle class for the government. In 1952 the MNR was a broad coalition of groups with different interests. Juan Oquendo Lechin led the left wing of the party and had the support of the labor sector. Siles Zuazo represented the right wing and had the backing of the middle class. Paz Estenssoro was initially the neutral leader. Because the majority of the MNR elite wanted a moderate course and the left wing demanded radical change, the polarization increased and led eventually to the destruction of the MNR in 1964.

The country faced severe economic problems as a result of the changes enacted by the government. The nationalization of the mines had a negative effect on the economy. The mines of Comibol produced at a loss because of the lack of technical expertise and capital to modernize the aging plants and nearly depleted deposits of low-grade ore. Declining tin prices on the world market contributed to the economic problems in the mining sector. Nevertheless, workers in the management of Comibol increased salaries and the work force by nearly 50 percent.

The decline of agricultural production contributed to the rapidly deteriorating economy during the first years of the revolution. Although anarchy in the countryside was the main reason for the decrease in production, the peasants’ inability to produce for a market economy and the lack of transport facilities contributed to the problem. The attempt to increase agricultural production by colonizing the less densely populated valleys was not successful at first. As a result, the food supply for the urban population decreased, and Bolivia had to import food.

High inflation, primarily caused by social spending, also hurt the economy. The value of the peso, Bolivia’s former currency, fell from 60 to 12,000 to the United States dollar between 1952 and 1956, affecting primarily the urban middle class, which began to support the opposition.
The bankrupt economy increased the factionalism within the MNR. Whereas the left wing demanded more government control over the economy, the right wing hoped to solve the nation's problems with aid from the United States. The government had sought cooperation with the United States as early as 1953, a move that had given the United States influence over Bolivia's economy. Because of United States pressure, the Bolivian government promised to compensate the owners of nationalized tin mines and drew up a new petroleum code, which again allowed United States investments in Bolivian oil.

During the presidency of Siles Zuazo (1956-60 and 1982-85), who won the election with 84 percent of the vote, United States aid reached its highest level. In 1957 the United States subsidized more than 30 percent of the Bolivian government's central budget. Advised by the United States government and the IMF, the Siles Zuazo regime then in power reduced inflation with a number of politically dangerous measures, such as the freezing of wages and the ending of the government-subsidized miners' stores.

Siles Zuazo's stabilization plan seriously damaged the coalition between the MNR and the COB. The COB called immediately for a general strike, which threatened to destroy an already disrupted economy; the strike was called off only after impassioned appeals by the president. But the conflict between the government and the miners' militias continued as the militias constantly challenged the government's authority. Siles Zuazo faced not only labor unrest in the mines but also discontent in the countryside, where peasant leaders were competing for power. In an effort to quell the unrest, he decided to rebuild the armed forces.

During the Siles Zuazo administration, the strength of the armed forces grew as a result of a new concern for professionalism and training, technical assistance from the United States, and an increase in the size and budget of the military. In addition, the military's role in containing unrest gave it increasing influence within the MNR government.

Although the stabilization plan and the strengthening of the armed forces were resented by Lechín's faction of the party, the first formal dissent came from Walter Guevara Arze and the MNR right wing. Guevara Arze, who had been foreign minister and then minister of government in the first Paz Estenssoro government, split from the MNR to form the Authentic Nationalist Revolutionary Movement (Movimiento Nacionalista Revolucionario Auténtico—MNRA) in 1960, when his presidential hopes were destroyed by Paz Estenssoro's candidacy. Guevara Arze charged that
the MNR had betrayed the revolution, and he posed a formidable opposition in the presidential election of 1960.

Conflicts within the MNR increased during Paz Estenssoro's second term (1960–64). Together with the United States and the Federal Republic of Germany (West Germany), Paz Estenssoro endorsed the "Triangular Plan," which called for a restructuring of the tin-mining industry. The plan demanded the end of the workers' control over Comibol operations, the firing of workers, and a reduction in their salaries and benefits; it was strongly opposed by the COB and Lechín's MNR faction.

In 1964 Paz Estenssoro decided to run again for president, using a revision of the 1961 constitution that would allow for a consecutive term, and he forced his nomination at a party convention. Lechín, who had hoped to become the presidential candidate, broke away to form the National Leftist Revolutionary Party (Partido Revolucionario de la Izquierda Nacional—PRIN). With his support in the MNR dwindling and opposition from the labor sector mounting, Paz Estenssoro accepted General René Barrientos Ortuño as vice presidential candidate. Because most opposition groups abstained, Paz Estenssoro was reelected with the support of the military and the peasants. Paz Estenssoro had come to rely increasingly on the military, whose role as a peacekeeper had made it an arbiter in politics. But this support was to prove unreliable; the military was already planning to overthrow him. Moreover, rivalry among peasant groups often resulted in bloody feuds that further weakened the Paz Estenssoro government.

During its twelve-year rule, the MNR had failed to build a firm basis for democratic, civilian government. Increasing factionalism, open dissent, ideological differences, policy errors, and corruption weakened the party and made it impossible to establish an institutional framework for the reforms. Not even the peasants, who were the main beneficiaries of the revolution, consistently supported the MNR.

Military Rule, 1964–82

The Presidency of Barrientos

On November 4, 1964, Barrientos (president, 1964–65; copresident, May 1965–January 1966; and president, 1966–69) and General Alfredo Ovando Candía occupied the presidential palace and declared themselves copresidents. But as the crowd, which had gathered outside the palace, persisted in shouting its preference for the more charismatic Barrientos, Ovando allowed Barrientos to assume the presidency alone, while he occupied the post of commander in chief of the armed forces.
Barrientos insisted that his assumption of power was not a counterrevolutionary move and promised to restore the revolution to its "true path," from which the MNR had deviated during its twelve-year rule. Nevertheless, his government continued many of the policies of the second Paz Estenssoro administration, including the IMF stabilization plan and the Triangular Plan. The emphasis on reducing social costs remained in effect. In May 1965, the army forced Barrientos to accept Ovando as his copresident as a sort of reward for suppressing an uprising by miners and factory workers.

The economy improved during the Barrientos regime at a growth rate averaging 6.5 percent per year. The rise of tin prices resulted in the first profit for Comibol in 1966 and contributed to increased production in the medium-sized mines that had remained in private hands. Barrientos encouraged the private sector and foreign investment and gave Gulf Oil Company permission to export petroleum and natural gas from Bolivia.

In 1966 Barrientos legitimized his rule by winning the presidential election. He formed the Popular Christian Movement (Movimiento Popular Cristiano—MPC) as his base of support. Although the MPC was not very successful, he won the election with a coalition of conservative politicians, the business community, and the peasants.

Barrientos's efforts to build support in the countryside succeeded at first with the signing in February 1964 of the Military-Peasant Pact (Pacto Militar-Campesino). Under the agreement, the campesino militias agreed to adopt an antileftist stance and to subordinate themselves to the army. But his attempt to impose taxes on peasants resulted in a violent response and loss of support in rural areas.

Determined to keep the labor sector under control, Barrientos took away most of the gains it had achieved during the MNR's rule. He placed Comibol under the control of a military director and abolished the veto power of union leaders in management decisions. The president also cut the pay of the miners to the equivalent of US$0.80 a day and reduced the mining work force and the enormous Comibol bureaucracy by 10 percent. Finally, he destroyed the COB and the mine workers' union, suppressed all strike activity, disarmed the miners' militias, and exiled union leaders. Military troops again occupied the mines, and in 1967 they massacred miners and their families at the Catavi-Siglo XX mines.

But Barrientos could not completely silence the labor sector; miners led the growing opposition to his rule. The various groups opposing his rule joined in denouncing Barrientos's selling of natural
resources to the United States under favorable terms. They resented his invitation to United States private investment in Bolivia because he offered greater privileges to foreign investors. The defection of Barrientos's close friend and minister of interior, Colonel Antonio Arguedas, to Cuba after his announcement that he had been an agent for the United States Central Intelligence Agency (CIA) aroused national indignation. The military also resented the key role of United States officers in the capture and killing of Ernesto "Che" Guevara in 1967 in Bolivia, where he had tried to start a guerrilla movement (see The Counterinsurgency Decade, ch. 5).

The death of Barrientos in a helicopter crash on April 27, 1969, initially left control in the hands of his vice president, Luis Adolfo Siles Salinas (1969). Real power, however, remained with the armed forces under its commander in chief, General Ovando, who took power on September 26, 1969, in a coup that was supported by reformist officers.

**Revolutionary Nationalism: Ovando and Torres**

Ovando (copresident, May 1965–January 1966, and president, January–August 1966 and 1969–70) annulled the elections scheduled for 1970, dismissed the Congress, and appointed a cabinet that included independent reformist civilians who had opposed the policies of Barrientos. Ovando hoped to gain civilian and military support with a program of "revolutionary nationalism," which he had outlined in the "Revolutionary Mandate of the Armed Forces." Revolutionary nationalism reflected the heritage and rhetoric of the military reformist regimes of the past, as well as the spirit of the 1952 Revolution. It also showed the influence of the Peruvian government of General Juan Velasco Alvarado. Many Bolivian officers believed that the military had to intervene in politics to lead the country toward reform because civilian governments had failed in that undertaking. They were convinced that it was in the main interest of the armed forces to end underdevelopment, which they saw as the cause of insurgency. The military would therefore fight on the internal frontiers against social injustice and economic dependence.

Despite highly popular measures, such as the nationalization of the holdings of the North American-owned Gulf Oil Company, Ovando failed to gain popular support. Popular enthusiasm over the nationalization was short lived. Disagreement over compensation, a boycott of Bolivian crude oil on the international market, and a general downturn in the economy became divisive factors. Even though Ovando legalized the COB and withdrew troops from the mining camps, lasting worker support for the regime was not
ensured. Frustrated expectations, broken promises, and the massacre of miners by the military in Catavi in 1967 had radicalized the workers, who now refused to cooperate with the military government.

While the left became radicalized, the right became weary of Ovando’s vacillating statements, which included the suggestion that private property be abolished. Even when Ovando moved right during the last months of his regime, he was unable to enlist the support of the conservative groups in the country because this move only emphasized his weakness.

Ovando’s reform program also polarized the military. Reformist officers, concerned about the decline in popular support for the military since the Barrientos regime, shifted their support to the more radical General Juan José Torres González (1970–71), whom Ovando had dismissed as his commander in chief; the right backed General Rogelio Miranda. The chaos surrounding the overthrow of Ovando highlighted the division in the armed forces. Military officers demanded the resignation of Ovando and Miranda after a failed coup attempt by the latter on October 5, 1970. A triumvirate, formed on October 6, failed to consolidate support. On October 7, as the country moved toward civil war after the COB had declared a general strike, General Torres emerged as the compromise candidate and became president of Bolivia.

The main feature of Torres’s presidency was a lack of authority. Rather than taking the initiative on policies, Torres primarily reacted to pressure from different groups. His minister of interior, Jorge Gallardo Lozada, labeled the Torres government the “ten months of emergency.”

Torres hoped to retain civilian support by moving to the left. He nationalized some United States property, such as the waste-processing operation of the Catavi tin mines and the Matilde zinc mine, and he ordered the Peace Corps, a United States program, out of Bolivia. While limiting United States influence in Bolivia, Torres increased cooperation with the Soviet Union and its allies in the economic and technical sectors.

Because of his lack of a clear strategy and political experience, however, Torres soon succeeded in alienating all sectors of Bolivian society. He found it very difficult to organize groups on the left because they confronted him with demands that he could not meet, such as giving them half of all cabinet seats. The workers, students, and parties of the left wanted a socialist state and saw the Torres government only as a step in that direction.

In June 1970, the Torres regime established the Popular Assembly (Asamblea Popular) in an attempt to form an alternative popular
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government. Consisting mainly of representatives of workers' and peasants' organizations, the Popular Assembly was intended to serve as a base for the radical transformation of society. However, the left remained divided by ideological differences and rivalry for leadership. They could not agree on controversial issues dealing with full worker participation in state and private enterprises, the creation of armed militias, and the establishment of popular tribunals having legal jurisdiction over crimes against the working class. No consensus was achieved, and many delegates, resenting the lack of power to enforce the resolutions and running short of funds, returned home prematurely. The Popular Assembly did, however, succeed in weakening the government by creating a climate in which popular organizations acted independently from the state.

Torres's hope of placating conservative opposition by avoiding radical change did not win him the support of the right, especially of the powerful business community. Conservative groups unified in their opposition because they saw a chance for a political comeback in alliance with rightist officers. The military, in turn, became increasingly polarized because of their discontent with Torres's chaotic leadership. Torres had cut the defense budget to free money for education and allowed civilian interference in strictly military matters. He often permitted military disobedience to go unpunished. The last step of institutional decay was a manifesto written during the last weeks of the Torres regime by a group of junior officers who questioned military authority. It resulted in widespread military support for the coup on August 21, 1971, by Colonel Hugo Banzer Suárez, the former Military Academy commander whom Torres had exiled.

The Banzer Regime

Colonel Hugo Banzer (1971–78), a highly respected officer who had repeatedly attempted to overthrow the Torres regime, ruled for six years, the longest continuous presidential term in recent Bolivian history. Banzer's presidency was characterized by relative political stability and unprecedented economic growth. At first he was supported by the Nationalist Popular Front (Frente Popular Nacionalista—FPN), an alliance between the MNR under Paz Estenssoro, who was allowed to return from exile in Lima, and the FSB under Mario Gutiérrez. Both parties had been enemies until the chaos of the Torres regime gave them a chance for a political comeback in league with conservative elements in the armed forces.
During the first years of the Banzer presidency, the economy improved rapidly (see Growth and Structure of the Economy, ch. 3). Exports tripled between 1970 and 1974 because of increased production of petroleum, natural gas, and tin, which was then refined in Bolivian smelters. The production of cotton in the Santa Cruz area in eastern Bolivia also tripled between 1970 and 1975.

Despite this economic growth, Bolivia reverted to the repression of earlier regimes. The new minister of interior, Colonel Andrés Sélitch, ordered a massive crackdown on the left, abolishing labor unions and closing the universities. The government brutally suppressed a general strike against the devaluation of the Bolivian peso in 1972. In 1974 price increases for basic goods and control of food prices resulted in roadblocks by peasants in the Cochabamba Valley and their subsequent massacre by the military.

The governing alliance disintegrated almost immediately when the MNR and the FSB split. They proved an unreliable support for Banzer because only small factions remained in the FPN. The armed forces were also divided, and various factions tried to overthrow the regime. On June 5, 1974, younger officers belonging to the Generational Group (Grupo Generacional) and led by General Gary Prado Salmón attempted a coup, demanding that Banzer legitimize his rule. It failed, however, as did another on November 7 that was supported by military, MNR, and FSB elements in Santa Cruz.

The November 7, 1974, coup has been called an auto-golpe (self-made coup) because it gave Banzer a reason to rule without civilian interference. Influenced by the Brazilian model, he announced the complete reorganization of the Bolivian political system and the formation of a “new Bolivia” under military rule. Banzer hoped to keep the support of the business community, the mine owners, the agricultural entrepreneurs in Santa Cruz, and the growing number of loyal bureaucrats.

The government, however, soon began to face serious problems. The “economic miracle” turned out to be a myth, the production of petroleum declined sharply, and Comibol produced at a loss, despite high mineral prices, because it was subsidizing other state agencies. Cotton production also declined when world prices fell.

The stability of the Banzer regime was superficial because the military remained divided by personal rivalry, ideological differences, and a generational gap. Growing civilian opposition was centered in the labor sector, despite the renewed military occupation of the mines. Radical students and the progressive sector of the Roman Catholic Church became spokespersons for the oppressed groups; the peasants also criticized the government.
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External factions contributed to the weakening of the Banzer regime as well. The negotiation with Chile for an outlet to the sea had raised hopes in 1974. When an agreement between Banzer and General Augusto Pinochet Ugarte failed because of the opposition of Chilean nationalists, Banzer's position was weakened. After Jimmy Carter assumed the United States presidency in 1976, the United States pressured Banzer to hold elections.

In 1977, with opposition from civilian groups and the military mounting and pressure from the United States increasing, Banzer announced a presidential election for 1980, hoping to remain in control, but labor unrest and hostility to his regime forced him to set the date for 1978. However, General Juan Pereda Asbún, Banzer's handpicked candidate, carried out a coup in July 1978 after the National Electoral Court annulled the elections because of widespread fraud by Pereda's supporters. Although Bolivia continued under military rule, the 1978 election marked the beginning of Bolivia's traumatic transition to democracy during the following four years.

The Tumultuous Transition to Democracy, 1978–82

Between 1978 and 1980, Bolivia was constantly in a state of crisis. The fragmentation of political forces made it impossible for any party to dominate. In the three elections held during this period, no party achieved a majority, and alliances of various groups could not break the deadlock. Social unrest increased as peasants began to agitate again on a large scale for the first time since their rebellion in the late colonial period. The Bolivian workers were more radical than ever, and in 1979, during the COB's first congress since 1970, they vehemently protested the economic austerity measures dictated by the IMF.

The division in the armed forces and the increasing visibility of paramilitary groups reflected the institutional decay of the military. A civilian investigation into human rights violations committed during the Banzer regime further demoralized the officer corps.

General Pereda did not call for elections, despite his promise to do so, and he was overthrown in a bloodless coup in November 1978 by General David Padilla Arancibia (1978–79), who was supported by the younger institutionalist faction of the military. He saw the main role of the military as the defense of the country rather than political intervention and announced elections for 1979 without naming an official government candidate. Electoral reforms simplified voter registration, and 90 percent of the electorate chose among eight presidential candidates in honest elections.
When none of the main candidates gained a majority, Congress appointed former MNRA head Guevara Arze as interim president on August 8, 1979. This first civilian regime since the brief term of Siles Salinas in 1969 was overthrown, however, by a bloody coup under Colonel Alberto Natusch Busch in November. When Natusch stepped down after two weeks because of intense civilian opposition and only limited military support, as well as United States diplomatic action to prevent recognition of the Natusch government, another interim president was appointed. Lidia Gueiler Tejada (1979–80), head of the Chamber of Deputies and a veteran MNR politician, became the first woman president of Bolivia. In 1980 Gueiler presided over elections in which the parties of the left gained a clear majority of the vote. Siles Zuazo and his Democratic and Popular Unity (Unidad Democrática y Popular—UDP) coalition alone got 38 percent of the votes; Congress was certain to name him president on August 6, 1980.

The process was disrupted on July 17, 1980, however, by the ruthless military coup of General Luis García Meza Tejada. Reportedly financed by cocaine traffickers and supported by European mercenaries recruited by Klaus Barbie, former Gestapo chief in Lyons, the coup began one of the darkest periods in Bolivian history. Arbitrary arrest by paramilitary units, torture, and disappearances—with the assistance of Argentine advisers—destroyed the opposition. Government involvement in cocaine trafficking resulted in international isolation for Bolivia. Cocaine exports reportedly totaled US$850 million in the 1980–81 period of the García Meza regime, twice the value of official government exports. The “coca dollars” were used to buy the silence or active support of military officers. But García Meza, who failed to gain support in the military, faced repeated coup attempts and was pressured to resign on August 4, 1981.

The ruthlessness, extreme corruption, and international isolation of the García Meza government completely demoralized and discredited the military; many officers wanted to return to democracy. However, President General Celso Torrelio Villa (1981–82), who had emerged as a compromise candidate of the military after García Meza’s resignation, was reluctant to call for elections. In July 1982, after yet another attempt by the García Meza clique to return to power, he was replaced by General Guido Vildoso Calderón (1982), who was named by the high command to return the country to democratic rule. On September 17, 1982, during a general strike that brought the country close to civil war, the military decided to step down, to convene the 1980 Congress, and to accept its choice as president. Accordingly, Siles Zuazo assumed
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the presidency on October 10, 1982 (see The Tortuous Transition to Democracy, ch. 4).

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A good survey of Bolivian history is Herbert S. Klein's *Bolivia: The Evolution of a Multi-Ethnic Society*. The impact of the conquest on the Indians and their role during colonial rule and in the Republic of Bolivia have recently received more attention in two anthologies: *Resistance, Rebellion, and Consciousness in the Andean Peasant World*, edited by Steve J. Stern, and *Bolivia: La fuerza histórica del campesinado*, edited by Fernando Calderón and Jorge Dandier.


The 1952 Revolution is treated in James M. Malloy's *Bolivia: The Uncompleted Revolution* and in the anthology edited by James M. Malloy and Richard S. Thorn, *Beyond the Revolution*. Christopher Mitchell's monograph *The Legacy of Populism in Bolivia* offers critical evaluation of the MNR. The period after 1964 is treated in *Revolution and Reaction* by James M. Malloy and Eduardo A. Gamarra and in the anthology *Modern Day Bolivia*, edited by Jerry R. Ladman. (For further information and complete citations, see Bibliography.)
Chapter 2. The Society and Its Environment
Symbolism on the back of the Great Idol of Tiwanaku
BOLIVIAN SOCIETY IN THE LATE 1980s remained fragmented along lines of region, ethnic affiliation, and class. Profound differences existed between the Andean area and the eastern lowlands. With the exception of the Santa Cruz area in the lowlands, the Andes remained the most heavily settled region. The lowlands had a distinct culture, ecology, and economic history, reflecting in part a long history of isolation from most of national life. The 1952 Revolution and subsequent far-reaching changes affected the lowlands and highlands in strikingly different ways.

Indians made up more than half of the population in the late 1980s; mestizos and whites accounted for most of the remainder. Each of these groups differed widely in worldview, language, and way of life. For most of Bolivia’s history, Indians lived in isolated rural communities where they remained socially and politically marginal. Whites and mestizos controlled the land and commerce and dominated the countryside where most Indians lived. A regionalism reinforced by strong geographic barriers further contributed to this ethnic diversity.

Changes beginning in the 1950s broke down much of the traditional isolation of Indian communities. Land reform, increased educational opportunities, universal suffrage, and improved transportation brought Indians into greater contact with national society and undermined the hegemony of whites and mestizos. These changes also permitted a modicum of social mobility.

Class loyalties and affiliation reflected ethnic identification. The upper class consisted of a white elite that based its sense of privilege not merely on wealth but on proper lineage and breeding as well. The middle class—a diverse, vaguely defined group including everyone from small shopkeepers to prosperous professionals and business owners without the elite family background—was mestizo. It arose as a politically self-conscious group during the twentieth-century mining boom and joined with wage earners in the 1952 Revolution to bring about much of the present configuration of society.

The working class, too, was a child of the mining boom. Miners and transportation workers formed its nucleus. Following the revolution, city-bound migrants swelled the ranks of the working class. The urban population grew rapidly; by the early 1980s, nearly half of all Bolivians lived in cities. Urbanization transformed social relations as migrants remade the face of the city and the village alike.
Despite far-reaching social changes, society remained profoundly oriented to kin and family. People of all classes and ethnic groups focused their deepest loyalties on their small community or neighborhood and a close-knit group of relatives. Family and kin offered a haven amid the economic uncertainties and political turmoil of the 1980s, providing a safety net for poorer Bolivians and a pool of trusted allies for those of greater means. Individuals consulted with kin on all important decisions, and social life centered mainly on family visits.

Geography

Landlocked Bolivia sits astride the Andes in the west-central part of the South American continent. With an area of 1,098,581 square kilometers, the country is about the size of Texas and California combined, or twice the size of Spain. Bolivia has 6,083 kilometers of land boundaries, which adjoin five countries. The country is bounded by Brazil to the north and east, Paraguay to the southeast, Argentina to the south, Chile to the southwest, and Peru to the northwest (see fig. 1).

Natural Regions

Stretching in a broad arc across western Bolivia, the Andes define the country’s three geographic zones: the mountains and Altiplano in the west, the semitropical Yungas and temperate valleys of the eastern mountain slopes, and the tropical lowlands or plains (llanos) of the eastern lowlands, or Oriente. The Andes run in two great parallel ranges or cordilleras. The western range (Cordillera Occidental) runs along the Peruvian and Chilean borders. The eastern range (Cordillera Oriental) is a broad and towering system of mountains stretching from Peru to Argentina. Between the two ranges lies the Altiplano, a lofty plateau 805 kilometers long and 129 kilometers wide (see fig. 4).

Mountains and Altiplano

The Cordillera Occidental is a chain of dormant volcanoes and solfataras, volcanic vents emitting sulfurous gases. Bolivia’s highest peak, the snowcapped Sajama (6,550 meters), is located here. The entire cordillera is of volcanic origin and an extension of the volcanic region found in southern Peru. Most of the northern part of this range has an elevation of about 4,000 meters; the southern part is somewhat lower. Rainfall, although scanty everywhere, is greater in the northern half, where the land is covered with scrub vegetation. The southern area receives almost no precipitation, and the landscape consists mostly of barren rocks. All of the Cordillera
Occidental region is sparsely populated, and the south is virtually uninhabited.

The Altiplano, the high plateau between the two cordilleras, comprises four major basins formed by mountainous spurs that jut eastward from the Cordillera Occidental about halfway to the Cordillera Oriental. Along the Altiplano's eastern side is a continuous flat area, which has served as Bolivia's principal north-south transportation corridor since colonial times. The entire Altiplano was originally a deep rift between the cordilleras that gradually filled with highly porous sedimentary debris washed down from the peaks. This sedimentary origin explains its gradual slope from north to south; greater rainfall in the north has washed a larger quantity of debris onto the platform floor.

The most prominent feature of the Altiplano is the large lake at its northern end, Lake Titicaca. At 3,810 meters above sea level, it is the highest navigable body of water in the world. With a surface area of 9,064 square kilometers, it is larger than Puerto Rico and is South America's largest lake. Lake Titicaca is also deep, about 370 meters at its maximum, but with an average depth of 215 meters; its volume of water is large enough to maintain a constant temperature of 10°C. The lake actually moderates the climate for a considerable distance around it, making crops of corn and wheat possible in sheltered areas.

Lake Titicaca drains southward through the slow-moving, reed-filled Desaguadero River to Lake Poopó. In contrast to the freshwater Lake Titicaca, Lake Poopó is salty and shallow, with depths seldom more than four meters. Because it is totally dependent on seasonal rainfall and the overflow from Lake Titicaca, Lake Poopó's size varies considerably. Several times in the twentieth century, it nearly dried up when rainfall was low or the Desaguadero River silted. In years of heavy rainfall, however, Lake Poopó has overflowed to the west, filling the Coipasa Saltpan with shallow water.

Rainfall in the Altiplano decreases toward the south, and the scrub vegetation grows more sparse, eventually giving way to barren rocks and dry red clay. The land contains several salt flats, the dried remnants of ancient lakes. The largest of these is the Uyuni Saltpan, which covers over 9,000 square kilometers. The salt is more than five meters deep in the center of this flat. In the dry season, the lake bed can be traversed by heavy trucks. Near the Argentine border, the floor of the Altiplano rises again, creating hills and volcanoes that span the gap between the eastern and western cordilleras of the Andes.

The much older Cordillera Oriental enters Bolivia on the north side of Lake Titicaca, extends southeastward to approximately 17°
south latitude, then broadens and stretches south to the Argentine border. The northernmost part of the Cordillera Oriental, the Cordillera Real, is an impressive snow-capped series of granite mountains. Many of these peaks exceed 6,000 meters, and two—Illimani (6,322 meters), which overlooks the city of La Paz, and Illampu (6,424 meters)—have large glaciers on their upper slopes. South of 17° south latitude, the range changes character. Called the Cordillera Central here, the land is actually a large block of the earth's crust that has been lifted and tilted eastward. The western edge of this block rises in a series of steep cliffs from the Altiplano. The backbone of the cordillera is a high, rolling plain, with elevations from 4,200 to 4,400 meters, interspersed with irregularly
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spaced high peaks. Too high to be exploited for large-scale commercial grazing, this area takes its name from the predominant vegetation type, the *puna*.

**Yungas and Other Valleys**

The northeastern flank of the Cordillera Real is known as the Yungas, from the Aymara word meaning "warm valleys." The steep, almost inaccessible slopes and peaks of this mainly semitropical valley area northeast of La Paz offer some of the most spectacular scenery in Bolivia. Rainfall is heavy, and lush vegetation clings to the sides of narrow river valleys. The land is among the most fertile in Bolivia, but poor transportation has hindered its agricultural development. The government attempted to build a railroad through the Yungas in 1917 to connect La Paz with the eastern lowlands. The railroad was abandoned, however, after completion of only 150 kilometers.

The eastern slopes of the Cordillera Central descend gradually in a series of complex north-south ranges and hills. Rivers, draining to the east, have cut long narrow valleys; these valleys and the basins between the ranges are favorable areas for crops and settlement. Rich alluvial soils fill the low areas, but erosion has followed the removal of vegetation in some places. The valley floors range from 2,000 to 3,000 meters above sea level, and this lower elevation means milder temperatures than those of the Altiplano. Two of Bolivia’s most important cities, Sucre and Cochabamba, are located in basins in this region.

**Lowlands**

The eastern lowlands include all of Bolivia north and east of the Andes. Although comprising over two-thirds of the national territory, the region is sparsely populated and, until recently, has played a minor role in the economy.

Differences in topography and climate separate the lowlands into three areas. The flat northern area, made up of Beni and Pando departments and the northern part of Cochabamba Department, consists of tropical rain forest. Because much of the topsoil is underlain by clay hardpan, drainage is poor, and heavy rainfall periodically converts vast parts of the region to swamp. The central area, comprising the northern half of Santa Cruz Department, has gently rolling hills and a drier climate than the north. Forests alternate with savanna, and much of the land has been cleared for cultivation. Santa Cruz, the largest city in the lowlands, is located here, as are most of Bolivia’s petroleum and natural gas reserves. The southeastern part of the lowlands is a continuation of the Chaco.
of Paraguay. Virtually rainless for nine months of the year, this area becomes a swamp for the three months of heavy rains. The extreme variation in rainfall supports only thorny scrub vegetation and cattle grazing, although recent discoveries of natural gas and petroleum near the foothills of the Andes have attracted some settlers to the region.

Most of Bolivia’s important rivers are found in the water-rich northern parts of the lowlands, particularly in the Alto Beni (Upper Beni), where the land is suitable for crops such as coffee and cocoa. The northern lowlands are drained by wide, slow-moving rivers, the three largest of which—the Mamoré, Beni, and Madre de Dios—all flow northward into the Madeira River in Brazil and eventually into the Amazon. Riverboats along the Beni and the Mamoré carry both passenger and freight traffic; rapids on the Madeira prevent river traffic farther into Brazil. Near the Paraguayan border, shallow sandy streams carry the seasonal runoff into the Pilcomayo or Paraguay rivers.

Climate

Although Bolivia lies entirely within tropical latitudes, climatic conditions vary widely from tropical in the lowlands to polar in the highest parts of the Andes. Temperatures depend primarily on elevation and show little seasonal variation. In most locations, rainfall is heaviest during the Southern Hemisphere summer, and yearly amounts tend to decrease from north to south.

Northern lowland areas have a tropical wet climate with year-round high temperatures, high humidity, and heavy rainfall. Daytime highs average more than 30°C all year in most locations. The rain-bearing northeast trade winds, blowing across the Amazon Basin, bring significant rainfall amounts. Rain often falls in brief thunderstorms, sometimes accompanied by strong winds and hail.

Central lowland areas have a tropical wet and dry climate. From October through April, northeast trade winds predominate, and the weather is hot, humid, and rainy. From May through September, however, dry southeast trade winds take control, and precipitation is minimal. During this season, clear days and cloudless nights allow for higher daily maximums and lower nightly minimums than occur during the rainy season. Occasional incursions of strong winds from the south, called surazos, can reach this region during winter and bring cool temperatures for several days.

The Chaco has a semitropical, semiarid climate. The northeast trade winds bring rain and hot humid conditions only from January through March; the other months are dry with hot days and cool nights. Bolivia’s highest maximum temperature, 47°C, was
A view of the Alto Beni
Courtesy Inter-American Foundation (Kevin Healy)

A village in the Alto Beni
Courtesy Inter-American Foundation (Jane Regan)
recorded here. Surazos also affect the Chaco; their approach is usually signaled by a squall line.

Temperatures and rainfall amounts in mountain areas vary considerably. The Yungas, where the moist northeast trade winds are pushed up by the mountains, is the cloudiest, most humid, and rainiest area, receiving up to 152 centimeters annually. Sheltered valleys and basins throughout the Cordillera Oriental have mild temperatures and moderate rainfall amounts, averaging from 64 to 76 centimeters annually. Temperatures drop with increasing elevation, however. Snowfall is possible at elevations above 2,000 meters, and the permanent snow line is at 4,600 meters. Areas over 5,500 meters have a polar climate, with glaciated zones. The Cordillera Occidental is a high desert with cold, windswept peaks.

The Altiplano, which also is swept by strong, cold winds, has an arid, chilly climate, with sharp differences in daily temperature and decreasing amounts of rainfall from north to south. Average highs during the day range from 15°C to 20°C, but in the summer tropical sun, temperatures may exceed 27°C. After nightfall, however, the thin air retains little heat, and temperatures rapidly drop to just above freezing. Lake Titicaca exerts a moderating influence, but even on its shores, frosts occur in almost every month, and snow is not uncommon.

Population and Regional Distribution

Bolivia's distinctive topography and ecology have had an enduring impact on settlement patterns. They also have figured in the relations among the country's diverse groups because the isolation most communities and regions faced until at least the 1950s contributed to cultural diversity.

In mid-1989 Bolivia had an estimated population of 6.6 million with a projected annual growth rate of 2.5 to 2.6 percent from 1980 to 2000. The estimated population growth rate in 1989 was 2.1 percent. A death rate of 13 per 1,000 inhabitants and a life expectancy of fifty-two years for males and fifty-six years for females in 1989 contributed to a population that was predominantly young (see fig. 5). Population was concentrated in the Altiplano and valleys. Even the steeper Yungas were moderately settled. The lowlands, the region with the most dramatic rise in population in recent decades, remained relatively sparsely settled. In the mid-1980s, over half of all Bolivians lived in the Altiplano, nearly 30 percent in the valleys and the Yungas, and about 20 percent in the lowlands (see table 2, Appendix).

Settlement patterns were uneven as well. Around Lake Titicaca, the mild climate and favorable growing conditions resulted in high
population densities. Settlement dropped off to the south, but communities existed wherever there was adequate water along the Desaguadero River. East of Lake Poopó, settlements lay along the west-facing flank of the Cordillera Real on the alluvial fans of streams flowing from the mountains. There were also small settled valleys in the northern part of the Cordillera Occidental. In the south, the semiarid plateau supported only seminomadic shepherds.

The population of the valleys clustered in the crowded environs of Cochabamba, Sucre, and Tarija. In the Yungas to the north, the convoluted terrain limited exploitation of the fertile soils, and the population was concentrated in areas with relatively ready access to La Paz. Settlement increased in response to population pressure in the Altiplano and government support for colonization in the decades following land reform. Population growth followed access and feeder roads in the region and was concentrated at the middle elevations.

The lowlands’ small population was scattered, except for the concentration near Santa Cruz. Significant colonization developed along the Santa Cruz-Cochabamba highway. Large commercial farms producing cotton, rice, or sugarcane occupied the areas accessible to Santa Cruz. Elsewhere, large ranches, small towns, and settlements clustered along riverbanks where roads had not penetrated. Small subsistence farms were scattered along the perimeter of larger holdings and represented the spearhead of penetration into the forest. Indian tribes inhabited the sparsely settled northern half of the lowlands.

**Ethnic Groups**

The conquest of the Inca Empire brought the Spanish into contact with a stratified and ethnically diverse population in the region of present-day Peru and the Bolivian Altiplano, Yungas, and valleys. The scant eighty years of Inca rule over the Aymara tribes brought large-scale population movements within the empire. Inca policies included the forced migration of potentially hostile (usually recently conquered) groups and their replacement by Quechua-speaking colonists (*mitimaes*) of unquestioned loyalty. *Mitimaes* resettled in the valleys around Cochabamba and Sucre; many Aymara were expelled to the extreme boundaries of the empire (see Pre-Columbian Civilizations, ch. 1).

Spanish rule created a racially stratified society in which whites (*blancos*) and mestizos controlled Indians living in a form of indented servitude (*pongaje*) on haciendas. The Spanish justified colonial policies as a means of converting the Indians to Christianity, a goal that was often subordinated to other needs.
However humane Spanish colonial policy was in theory, in practice the system was filled with abuses. The policies were frequently used to exact tribute from the Indians to underwrite the colonization effort. In the encomienda (see Glossary) system, for example, the Spanish overlords collected tribute from the Indian communities and, in return, were to see to their religious instruction (see The Economy of Upper Peru, ch. 1). Encomenderos, however, often exacted excessive tribute and appropriated Indian lands. The Spanish also employed the pre-Columbian mita (see Glossary) to require all able-bodied adult males to report for labor in the mines at prescribed intervals. This conscripted labor, coming at a time when European diseases caused unprecedented epidemics among the Indian population, ruptured many communities and Indian kin-groups. The resulting elevated mortality rates, coupled with arbitrary increases in the length of service, left some villages virtually devoid of adult males.

Indians fled to escape the intolerable conditions, many to the periphery of the mining communities themselves where they survived by a variety of illegal, if widely tolerated, means. Others sought refuge on haciendas, where they were exempt from the mita. Urban domestic servants and artisans, called yanaconas, were exempt
as well. The general upheaval of the colonial period spawned a floating, rootless population unattached to any specific Indian community. Such individuals often abandoned their native language and way of life; they formed the basis of a class that was neither socially nor culturally Indian.

This group, added to the offspring of Spanish-Indian unions, rapidly gave rise to a population of mestizos of uncertain social position. Mestizo offspring of marriages recognized by the dominant Hispanic rulers were frequently assimilated by the ruling group. Illegitimate offspring of Spanish men and Indian women were usually taken in by their mother's kin. Alternately, if they had received some education or training, they joined the ranks of urban artisans and petty merchants. They swelled the ranks of a distinct social group that was Spanish speaking and closer in culture to the rulers than to the mass of rural Indians, yet clearly separate from the Hispanic elite.

With the gradual decline of the mining enterprises and the end of the colonial period, most Indians found themselves tenants on large estates that depended on entailed labor to turn a profit. Free Indian communities remained on the less desirable lands. Pressures on these communities from further expansion of the haciendas depended on the level of agricultural profits in a given region. Independence brought little change; the small white elite remained firmly in control. Their wealth throughout most of the postindependence era rested on their agricultural estates, and they firmly resisted any effort to change the status or outlook of their resident labor force, the Indian peons. As a result, the economic and social culture of the hacienda, and with it that of the Indians, continued into the twentieth century.

Ethnicity remained the focus of much of national life in the 1980s. It was a continuing force in the social relations of individuals and communities. Ethnic identity—always somewhat fluid—became considerably more so following the changes of the 1952 Revolution. The ethnic hierarchy with whites at the pinnacle and the mass of Indians at the bottom continued, although the possibilities for those at the lower level to rise improved.

Bolivia's principal groups were a small number of whites, a larger, more fluid and diverse group of mestizos, and a majority of Quechua or Aymara Indians. Whites were sometimes lumped with mestizos and called mistis (the Aymara version of mestizo). One commonly used term, cholo, referred to an upwardly mobile Indian—one anxious to assume the norms and identity of a mestizo. Terminology varied by the region, class, and ethnic affiliation of the speaker.
A number of minority groups also existed. The Callahuaya, a linguistically distinct subgroup of the Aymara, lived in Muñecas and Franz Tamayo provinces in La Paz Department. The group was widely known for its folk medicine, and many, if not most, of the men earned their livelihoods traveling among the weekly markets held throughout the Andes. Those who marketed might speak Quechua, Aymara, and Spanish in addition to their native Callahuaya. There were also a small number of blacks, the descendants of the few slaves imported during the colonial era. The Spanish rejected African slaves as a source of labor for the mines, regarding them as being unable to stand the rigors of the cold or the altitude. Most blacks lived in the provinces of Nor Yungas and Sur Yungas in La Paz Department. Significant numbers of Europeans migrated before and during World War II. In the mid-1980s, large German-speaking communities existed in La Paz and Santa Cruz. Colonization in the Oriente in the 1960s and 1970s also brought small numbers of Asians to the region around Santa Cruz.

Lowland Indians

Before Spanish intrusion, the eastern lowlands were an area of extreme cultural and linguistic diversity. The region was the terminus of several major population movements. Tribes ran the gamut of technology and social organization from nomadic hunters and gatherers to sedentary agricultural chiefdoms. The largest and best known of these groups, the Chiriguano, successfully resisted a number of Inca military forays into their territory. Considerable trade also occurred between the chiefdoms in the Altiplano, Yungas, and valleys and these tribes in the lowlands.

The Spanish sent periodic expeditions through the area in search of the land of the Great Tiger Lord (El Gran Paititi), whose wealth was rumored to rival even that of the Inca. The indigenous population’s primary contact with Europeans, however, came through the Jesuit missions of the seventeenth and eighteenth centuries. The mission territory remained off-limits to other Spaniards until the Jesuits’ expulsion from the New World in 1767, thus sparing the Indians there the worst abuses of colonial rule. Settlers then entered the region, bringing new diseases and instituting a level of exploitation that ranged from forced labor to outright slavery. Conditions reached their nadir during the Rubber Boom in the early twentieth century. Some Indians survived by fleeing to less accessible areas of the tropical forest; others adopted the way of life of the Oriente lower class.

Both the numbers and the way of life of the lowland Indians continued to decline through the 1980s. Rough estimates put the
lowland Indian population at perhaps 100,000 in the early 1980s. The main ethnic groups or linguistic families were Pano, Mataco-Mac’a, Uru-Chipaya, Quechua, Tacana, Arawak (Mojo), Tupi-Guarani, Chiquitano, and Aymara. These were divided into nearly thirty subgroups ranging in size from 10 to 20,000 persons (see fig. 6).

Bolivia lacked a coherent national policy on Indian affairs. The criminal code made some provision for defendants deemed "without civilization" and therefore not criminally responsible for their transgressions. The national government made only sporadic attempts to protect the remaining Indians from abuses or displacement by the growing numbers of settlers. Missionaries, including the New Tribes Mission, the South American Mission, and the Summer Institute of Linguistics, actively proselytized among the tribes. Fundamentalist groups were particularly interested in "untouched tribes." Critics charged that the missionaries undermined the indigenous way of life and left their converts vulnerable to exploitation by others. Others suggested that the missionaries at least protected their charges from the worst abuses of whites and mestizos.

Altiplano, Yungas, and Valley Indians

In 1989 about 25 percent of Bolivians spoke Aymara and 30 percent Quechua. La Paz Department had the heaviest concentrations of Aymara speakers, although small communities of Aymara were scattered throughout the Altiplano. Increased migration in the 1950s gave rise to a sizable urban contingent of Aymara in La Paz, as well as significant numbers in the Yungas and the lowlands.

Quechua were found throughout the Altiplano and the intermontane valleys of central and southern Bolivia. The largest populations resided in the departments of Cochabamba, Oruro, Potosí, Chuquisaca, and Tarija. The diversity of habitats that they occupied contributed to significant regional variation. Some authors noted more dialectal diversity in Bolivian Quechua than in Aymara. In both languages, Bolivian dialects were mutually intelligible to all other speakers of the tongue.

Language served a major role in shaping ethnic identification and relations. Traditionally, the inability to speak Spanish had contributed to the vulnerability of the Indians. Mestizos and whites controlled access to the larger society through their command of Spanish. Until the latter part of the twentieth century, only minute numbers of Quechua and Aymara were bilingual; for many of these, competence in Spanish was simply a step in severing their links to their Indian identity.
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Figure 6. Major Ethnolinguistic Groups, 1988

Source: Based on information from Instituto Boliviano de Cultura, Instituto Nacional de Antropologia, and Sede Nacional del Instituto Andino de Artes Populares, Mapa Etnolingüístico de Bolivia, La Paz, 1988.
Data from the 1976 census revealed that, for the first time in the country’s history, a majority of Bolivians spoke Spanish, one of three official national languages. Slightly more than one-third of the population were monolingual Spanish speakers; the same proportion were bilingual or trilingual in Spanish and one or more indigenous languages. Official figures showed an absolute and relative drop in the number of monolingual Indians. Between 1950 and 1976, the number of monolingual Quechua Indians dropped by nearly 40 percent. The number of monolingual Aymara speakers declined by more than half over the same period. In 1950 more than 60 percent of all Bolivians were monolingual speakers of an indigenous language; by 1976, however, only one-fifth fit this classification. This trend was even more pronounced in larger cities. By the mid-1980s, surveys found a scant 1 percent of the population of department capitals to be monolingual Quechua or Aymara speakers. Sociolinguist Xavier Albó cautioned, however, that these surveys underestimated the number of monolingual Indian speakers.

In practice, Spanish and indigenous languages were intermixed to a large extent in regional dialects. Indeed, Quechua and Spanish in Cochabamba were so intermingled that observers dubbed the local dialect Quechuañol. In other regions, too, Aymara or Quechua vocabulary relied on extensive borrowing from Spanish coupled with indigenous suffixes. A lexicon of Spanish borrowings included kinship terms, forms of address, place-names, and much of the vocabulary for food, clothing, and tools.

So-called social dialects also reflected this intermixture of Spanish and indigenous languages. For example, three Aymara dialects—known as patrón, radio, and missionary—differed from the version spoken by natives as a result of the influence of Spanish. Patrón Aymara, used by Spanish speakers in positions of authority over monolingual Indians, had a limited lexicon and relied on extensive Spanish borrowings. Radio Aymara was used by radio announcers who, although they were native speakers of the language, were translating directly from Spanish. It tended to appropriate Spanish linguistic categories and also borrowed many words. Missionary Aymara also superimposed Spanish on the indigenous languages to a large extent.

As the numbers of bilingual Indians grew, a shift in the pattern of bilingualism occurred. Early in the twentieth century, for example, virtually everyone in the city of La Paz spoke or understood Aymara. Spanish speakers learned it in childhood. Until the Chaco War (1932-35), Aymara was the only means of communicating with underlings. Among contemporary paceños (residents of La
Paz), however, the Aymara were bilingual, whereas native Spanish speakers were monolingual.

Changes beginning in the 1950s brought Indians into greater contact with national society. Increasingly, Indians themselves gained access to national political institutions at the same time that reforms gave them a greater measure of control over their lives. Whole communities gained access to consumer goods, governmental services, and educational opportunities unavailable a generation earlier. Those accustomed to dealing with Indians as a subservient underclass, however, found these improvements hard to accept.

Despite extensive changes in the relations among ethnic groups, the cultural categories and vocabulary that non-Indians customarily used in talking about ethnicity remained in general use. Indio (Indian) was still a term of disparagement, carrying with it a variety of negative connotations and implying intellectual inferiority and backwardness. In response to the pejorative meanings commonly attached to indio, the government substituted the term peasant (campesino) in official pronouncements following the 1952 Revolution. Nonetheless, improvement in social status usually meant becoming a mestizo.

Indians focused their loyalties on their local community rather than on some abstract sense of a common ethnic identity. These loyalties extended outward in concentric circles from family to neighborhood to village. Regardless of how much neighbors might fight and litigate with each other, they united in quarrels with rival villages. Factionalism and solidarity existed side by side in the local setting, implying simply a different arena of action.

By the late 1960s, small but growing numbers of educated Indians could be found in the professions, especially teaching. Although education was predicated on the goal of "Hispanicizing" the individual, some educated Indians—especially those teaching in more remote areas and those with fewer years of teaching experience—retained a strong positive orientation toward their ethnic background. These educated Aymara and Quechua speakers formed the nucleus of a genuinely Indian intelligentsia. The 1970s and 1980s saw a fluorescence of Indian intellectual groups and centers.

**Mestizos and Cholos**

Mestizos and cholos, technically those of Spanish and Indian descent, constituted 25 to 30 percent of the population. Geographically, this was the most widely distributed of ethnic groups; economically and socially, the position of mestizos was equivocal. Because all of the so-called racial terms connoted social status rather than racial background, they were applied indiscriminately and
An Aymara woman knitting an alpaca sweater
Courtesy Inter-American Foundation (Jane Regan)
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often interchangeably. A wealthy, upper-class person of mixed blood, for example, might be considered white, whereas a poorer one might be termed a mestizo. An Indian might be called a cholo in one situation or a campesino in another.

During the colonial era, cholo was a generic term used to describe any person who had at least one Spanish grandparent. Over the years, a more specifically value-laden meaning evolved. Although it still carried a purely racial denotation, it also connoted an upwardly mobile Indian, in the somewhat negative sense of an aggressive social climber. Some writers have viewed cholos as an intermediate, transitional group between mestizos and Indians.

Regardless of the status differences between cholos and mestizos, the cultural criteria of language, urban orientation, livelihood, manners, and dress defined both. Traditionally, mestizos and cholos filled the intermediate positions, such as clerk, small-scale merchant, hacienda overseer, and lower-level government official. Often those who had recently begun the transition to cholo were unskilled laborers or self-employed vendors and artisans.

The transition from Indian to cholo or mestizo required at least a change in residence. By migrating to an urban area, an Indian might assimilate and become thoroughly mestizo in aspirations and identity. Assuming mestizo identity required not only a change in style of clothing and livelihood but also sufficient facility in Spanish to speak with a locally acceptable accent. Complete assimilation was difficult to accomplish in one generation, however. More typically, the migrant's children came to consider themselves mestizos or cholos as they were educated and became adapted to urban ways (see Urbanization, this ch.). Within individual families, such social mobility often engendered tension. The ambiguity surrounding ethnic categories and classification extended to the nuclear family. Full siblings could be viewed as members of different ethnic groups. Children who were relatively successful and adopted the dress and manners of cholos or mestizos deprecated their Indian parents and those siblings who were less educated or spoke Spanish poorly.

The 1952 Revolution changed the pattern of mestizo-Indian interaction. Traditionally, an elaborate etiquette ensured that mestizos, who considered themselves to be of higher status, received proper respect. Mestizos whose socioeconomic status declined after land reform, however, still wished to be treated with deference by Indians. Some, such as former landowners who had become impoverished, responded by refusing to interact with Indians. Others, who had entered commerce and marketing, interacted socially with peasants who were their trading partners but avoided dealings with
their own former peons. Interethnic drinking patterns also changed in the years following the revolution, ceasing entirely in some regions, and becoming a new ethnic interaction in other regions.

Whites

Whites, or blancos, also known as the gente decente or gente buena (decent or good people), sat atop the ethnic pyramid of the late 1980s. They represented roughly 5 to 15 percent of the population. Socioeconomic and cultural boundaries rather than narrow racial criteria marked blanco status, although the vocabulary describing whites (as well as other ethnic groups) was rife with racial terminology. Although whites were well aware of the admixture of Indian genes in their ranks, their sense of superiority rested largely upon the notion of “purity of the blood” based on a strong sense of aristocracy and good lineage.

The standards for membership in the white elite varied by region, as did the degree of traditionalism and adherence to the Spanish heritage. In general, the white elite was culturally homogeneous and true to its Spanish heritage. Its members preserved the Hispanic traditions that dominated national society, even though these were not shared to a great degree by the mestizo and Indian majority.

Whites were not as widely distributed geographically as mestizos, but they resided in both urban and rural areas. In the large cities and smaller towns, they traditionally held high-status positions as professionals, wealthy merchants, or high-ranking government officials. In rural Bolivia, whites were the wealthy and influential patrones. Patrón status implied not only financial independence but also a European life-style, a particular code of moral behavior, a lineage traceable to colonial roots, local origin, and a leisurely attitude toward work.

Whites saw their own sense of honor and morality as much stronger than that of mestizos or Indians. Theft, drunkenness, premarital pregnancy, and physical violence were censured among whites but expected among those of lesser status and, presumably, breeding. Whites viewed upwardly mobile Indians or mestizos, even those mestizos who had amassed great wealth, as inveterate social climbers and pretentious upstarts. Deficiencies of lineage notwithstanding, mestizos or cholos of financial means could gain a measure of social acceptance through marriage to a daughter of an impoverished white family. The children of such a match, depending on their education and good fortune, were usually accepted as whites.
Rural society reflected the complex history that communities experienced during the past several centuries. Hacienda expansion, mining, and land reform affected regions and the communities within them differently. The uneven impact of national political and economic developments combined with ethnic diversity and ecological complexity to create a highly variegated social landscape. The contrasts between communities that had been free Indian settlements and those that had been dominated by a hacienda persisted into the land-reform era. Regions with a lengthy history of commercial farming differed from those geared primarily to subsistence agriculture. Finally, a basic cleavage existed between haciendas of the densely populated Quechua and Aymara settlements in the Altiplano, valleys, and Yungas and plantations of the mestizo Oriente.

Historically, Quechua and Aymara settlements were organized either as haciendas, with a resident labor force of peons who owed labor to the landowner, or as free communities. Social and economic differences characterized both types of settlements. On the haciendas, residents received different-sized plots of land in return for varying amounts of service. The holdings of former peons reflected these initial inequities, as well as different levels of success in the decades following land reform. Free communities distinguished two or three different categories of members. Those descended from the original villagers had full access to and security of land tenure. Others who came as landless laborers in the nineteenth century generally had less land and less security. Still others were landless and relied on the ties of kinship or ritual kinship and an ingrained community ethos about sharing to gain access to a field. If surplus land existed, the landless generally could obtain a plot for nominal rent.

Hacienda owners were casualties of the land reform. The wealthiest left Bolivia or moved to La Paz. Many owners of medium-sized haciendas moved to a provincial town and entered commerce. In some regions, land reform proved to be merely the final in a series of economic reversals that had begun decades earlier. In Cochabamba, for example, hacienda owners had faced the combined problems of estate fragmentation, a contracting market, and a well-organized and militant peasantry since the turn of the century. For them land reform was the coup de grace.

In other regions, land reform had a very minimal impact. Haciendas in the lowlands, the mid-sized haciendas of Monteagudo in Chuquisaca Department, and the vineyards of the Cinti Valley,
also in Chuquisaca Department, were generally spared. Santa Cruz lacked the large, well-organized Indian population of the Altiplano, valleys, and Yungas. Landholders there not only escaped land reform but also received the benefits of government development plans for the lowlands. Their major problem was securing an adequate (and adequately docile) labor force. They hired local subsistence farmers when possible and contracted with labor recruiters who toured Aymara and Quechua settlements hiring laborers for the sugarcane and cotton harvests.

In regions of limited hacienda expansion, preconquest settlement and land-use patterns sometimes persisted. Individual extended kin-groups known as ayllus (see Glossary) tried to gain access to the resources of as many different ecological zones as possible. During the Inca era, ayllus maintained permanent resident colonies in each of the three natural regions, creating what anthropologist John V. Murra has termed a "vertical archipelago." These colonies ensured the Incas access to the varied products of plateau pasture and field, transitional zones, valleys, and tropics.

Peasants in the Altiplano, valleys, and Yungas preferred dispersed plots within a single natural region as well; in addition, some cultivated scattered plots in different regions. Such land-use strategies served as a hedge against the considerable uncertainty of farming in the Andes. Planting small amounts of a crop in a variety of different locations ensured against total loss in such unpredictable localized disasters as hail and frost. In addition, these agricultural practices took full advantage of the extreme variation in environment within even short distances.

The pattern persisted despite the upheavals of the colonial, post-independence, and modern eras. Under land-reform legislation, a kin-group’s lowland holdings could be declared "haciendas" and made liable to expropriation. Development specialists frequently saw this mode of land use, scattering small plots at considerable distances from one another, as an impediment to agricultural production and economic development. Nonetheless, Andean peasants resisted efforts to consolidate their landholdings and acted to maintain their dispersed and diversified plots wherever possible.

In the late 1970s, anthropologists found ayllus in northern Potosí Department farming roughly the same territory they had held in the sixteenth century. The territory used by these ayllus encompassed regions from the high plateau to semitropical valley bottoms. The distance from the highest pastures to the lowest fields was more than 100 kilometers and as much as 2,000 meters in altitude. It took two weeks with fully loaded llamas to traverse the
territory. Households had access to the products of each region either by producing or by exchanging them with kin.

The typical pattern of exchange saw llama herders loading their pack animals after harvest and traveling to the valley bottoms. Even households that did not have formal control of plots in other regions would spend a good part of the year in different territories. This seasonal movement gave all inhabitants a detailed, extensive knowledge of the habitats their territory encompassed.

Before 1952 most villages shared little sense of community with neighboring groups or the nation as a whole. Political participation, especially in Indian communities, was negligible; powerful outsiders—mestizos or whites—mediated links to the larger society. In either case, the community itself remained a largely self-sufficient, nonmonetary society with the nuclear family as the basic social unit. Strong kinship and ritual kinship ties contributed to social cohesion, but little additional community solidarity existed. A family’s existence centered on its lands and a complex system of community work and fiesta obligations.

The reforms in the 1950s brought extensive changes to Aymara and Quechua communities. Agrarian reform and universal suffrage meant more than simply transferring land titles, eliminating onerous work obligations, or conferring voting rights. Many of these reforms had already been reiterated in every legal and constitutional change since the time of Simón Bolívar Palacios, who began the postindependence era with decrees calling for distribution of land to landless Indians, equality for all, and the end of compulsory labor. The changes of the 1950s fundamentally altered Indians’ relationship to the larger society. Political and economic links to town, city, and nation no longer remained the exclusive monopoly of mestizos and whites. Increasingly, Indians themselves served as their own intermediaries and power brokers (see Ethnic Groups, this ch.).

Overall, the postrevolutionary period from the 1950s to the 1980s did much to erode the isolation of rural society; peasants came into contact with national society in ways unanticipated by an earlier generation. Improvements in communications (radios) and transportation (roads) made peasants aware of alternatives. Before the 1952 Revolution, only a few peasant products had been sold through mestizo intermediaries or hacendados. The revolutionary reforms generated an explosion of markets and of marketing networks. In some regions, mestizo intermediaries still played a prominent role; indeed, many former hacendados became intermediaries when they lost their lands. In many areas, however, marketing became a career for Indian and cholo women.
Increasing population pressure in the Altiplano and expanding economic opportunities elsewhere led to large-scale migration. Migrants' experience with the world beyond the hacienda gave villagers a new and very different connection with national society. Educational opportunities increased dramatically at every level. Traditionally, hacienda owners had done everything possible to limit their laborers' access to schools. Some even expelled peons who dared to send their children to school. Increased educational opportunities for young Indians expanded their options for earning a living. Like migrants (and the educated were frequently those who migrated), these individuals became a resource for their families and communities. So, too, did the increasing numbers of young men serving in the military (see Urbanization, this ch.).

The rise of peasant organizations and administrative reforms meant job opportunities on the local level. Peasant organizations offered many individuals a springboard to improve their own status at the same time that they gave communities some control over local affairs. These developments sharpened factionalism among communities. Neighboring settlements, which might have had little interest in each other's existence a decade earlier, for example, found themselves vying to be designated as the canton seat (see Departmental and Local Government, ch. 4). Land reform made ex-hacienda peons and Indians in neighboring free communities rivals for haciendas acquired in the twentieth century.

Factionalism within communities sharpened as well. The various hamlets making up a single settlement often found little besides the community's school and fiestas as points of common interest. Marriages between various hamlets were a valuable link, as in-laws could serve as go-betweens in disputes.

Consensus formed the basis of community decision making; strong disagreement meant that a decision had to be postponed, or participants would seek another solution. In order to resolve pressing business, communities sometimes scheduled meetings at times that were inconvenient to opponents. The strong-minded could boycott meetings and refuse to comply with community decisions. Households that felt deeply about a project would sometimes go ahead and begin work in the hope that the recalcitrant would eventually follow suit. Such community-wide projects as road improvements and school buildings often existed in varying stages of completion, waiting for needed funds or for disinterested parties to finish their portion of the work. Villages were reluctant to involve outside authorities to pressure dissenters into compliance.

The reforms of the 1950s highlighted the need for a knowledge of Spanish as communities increased their dealings with the government. Migrants who returned to their home communities
during the 1950s and 1960s having learned Spanish played a more prominent role in community affairs. As most communities resolved disputes stemming from land reform, however, the volume of dealings with the national government declined. An older pattern of leadership reasserted itself, and seniority and success in the fiesta system again emerged as major criteria in selecting leaders. The fiesta system in its classic form consisted of a hierarchy of civil and religious offices, each of which entailed specific duties (cargos) and obligations. An individual gained prestige through completion of the cargos and upon finishing the entire hierarchy became a respected community elder. The most prominent offices were those where an individual assumed the sponsorship of a community fiesta celebrating a Roman Catholic feast or saint’s day.

The organization of fiestas varied. Mestizo sponsors could canvass their settlements for donations, which limited their own financial outlays. In Indian communities, where the sponsor bore most of the cost, the fiesta required a major financial sacrifice. In one survey, sponsors of major community fiestas spent from 12 to 80 percent of their cash income from the sale of agricultural products to discharge their fiesta responsibilities. On the whole, however, communities spent much less than they had before agrarian reform. Fiestas also required an enormous expenditure of time, as sponsors began planning for the most prominent fiestas years in advance.

The fiesta was a forum for the acceptable display of wealth and socioeconomic status. An individual gained significantly in prestige and standing by sponsoring the major fiestas. Friends and relatives often helped by offering food, drinks, and money. Those who provided the assistance could expect similar help when they assumed a comparable office. Gifts were recorded in written form, and participants had a strong obligation to reciprocate.

The late 1970s and 1980s were not easy for rural Bolivians. The peasant-military alliance that had been forged in the 1960s ended in 1974 with the bloody repression of a peasant demonstration (see Political Forces and Interest Groups, ch. 4). In general, the turnstile governments of the late 1970s and early 1980s were unsympathetic to peasants. Economic stabilization packages exacted a heavy toll. The generally difficult economic situation of the 1980s curtailed nonfarm employment at the same time that increasing population put pressure on land.

Urban Society

The Working Class

Urban artisans, street hawkers, and servants had been part of city life since the colonial period. Bolivia’s modern working class,
A Quechua Indian musician in Potosí Department

however, had its roots in the tin-mining boom of the late nineteenth and early twentieth centuries (see The Liberal Party and the Rise of Tin, ch. 1). Miners, transport workers, and manufacturing employees formed the core of this group. Added to this were a motley crew of self-employed artisans and small-scale retailers.

The prosperity of the various segments of the working class varied significantly. Wage earners who were permanently employed in well-established factories represented an elite. They benefited from the reforms of the 1952 Revolution. The self-employed, who were far more numerous, were generally not so fortunate. At best, their activities could be as profitable as contract work or comparable to regular wages. At worst, their position was marginal indeed. Competition was intense; artisans and small manufacturers were handicapped not only by their sheer numbers but also by illegal imports of cheap manufactured goods. They received little in the way of government assistance, although the Roman Catholic Church and some international aid agencies helped by offering technical assistance and organizing cooperatives.

The self-employed who were successful were generally able to specialize, to remain flexible in their economic activities, and to coordinate effectively the family's efforts to secure a livelihood. Families did well when they were able to pursue diverse activities as their own options varied and the market changed. The economic activities of women were an essential component in the family's
success or failure. They embodied flexibility as they balanced the demands of marketplace and family.

The working class as a whole experienced numerous economic difficulties in the 1980s. Wage earners suffered from the rampant inflation of the early to mid-1980s (see Growth and Structure of the Economy, ch. 3). Unionized workers frequently protested that they bore an unfair burden under the economic stabilization packages enacted by the government of Víctor Paz Estenssoro (see Formal Sector, ch. 3). Miners, facing reduced employment in that industry, were especially militant.

An ideology rooted in the shared struggle for improved conditions united organized workers. Railroad workers began union organizing early in the twentieth century; miners organized in the 1910s. Labor leaders mobilized their followers through appeals to the memory of such massacres as those at Uncia in 1923, Catavi in 1942, Villa Victoria in 1949, and, more recently, the Catavi-Siglo XX mines in 1967 (see The Republican Party and the Great Depression; the Rise of New Political Groups, ch. 1).

The sense of class consciousness and camaraderie that marked the working-class ethos at times conflicted with other values. Sentiments of class solidarity, for example, might be overshadowed by the overwhelming desire for upward mobility both for the worker and for his or her children. To attain this end, lower-status persons were always ready to enlist the support of a patrón, a powerful, influential person of higher status, such as a local landowner, who could help a client, such as a peasant, with favors such as obtaining a license for selling produce in a local market. In return, the patrón would gain the personal support of the client. Patrón-client ties thus cut across class boundaries.

A significant portion of the working class was bilingual. In department capitals, more than one-third of the population was trilingual or bilingual in Spanish and Quechua and/or Aymara. The Spanish spoken by these individuals might be heavily accented, but it was understandable. They were frequently better educated than peasants and usually at least minimally literate.

Cities, and in particular mining centers, were a linguistic melting pot. Although Quechua predominated among the workers, many spoke Aymara and Spanish as well. Aymara speakers learned Quechua in order to communicate with the majority of miners. Spanish became the preferred language in marriages where the couple spoke different languages, in part because parents recognized that their children needed a solid grounding in that language for social advancement.
Despite the sharp dichotomy between city and countryside in life-style and livelihood, working-class families maintained numerous links between the two. Mining provided an excellent example of the complex, ongoing relations between the urban working class and the countryside. Even before the sharp drop in employment in mining in the 1980s, the transition from farming to full-time employment in the mines was a lengthy one. Peasants might begin with part-time seasonal or piece-rate work—a strategy that could continue indefinitely as a supplement to earnings in agriculture or one that could evolve into regular full-time employment.

Even full-time miners depended on peasants for critical supplements to their livelihood. Miners' wives toured the surrounding countryside after harvest, trading commissary goods that they had obtained relatively cheaply for agricultural products. They timed their purchases to take full advantage of the fall in food prices immediately after the harvest.

Miners' families also reflected their rural Indian heritage by following a pattern of exchange, sharing, and cooperation. The techniques that peasant communities had long used to ensure families a minimum subsistence in difficult times were adapted to the mining town. Families created both money and labor pools to increase their productive power. In addition, they continued to plant gardens to produce at least part of their subsistence.

In larger cities, working-class life was organized around a variety of associations. In addition to union locals, neighborhoods often had a women's association, soccer team, and councils to mobilize for civic action. Overlapping membership in neighborhood associations cut across occupational specialties. Factory workers, petty merchants, and artisans were drawn into a social life that reinforced class consciousness.

The urban working class was also linked through its own fiesta system. Urban fiestas were organized by neighborhood and by occupational group. Factories held their own fiestas, and older establishments often had a shrine to their patron saint on the premises. A senior employee typically sponsored the annual fiesta, sometimes helped by a cash advance from the employer. Celebrations were less elaborate during economic downturns. From time to time, municipal governments regulated various aspects of fiestas as either too expensive or "inappropriate to urban living." Although the details of urban fiestas differed significantly from those held in rural communities, they were understandable to all potential participants.

**The Upper Class**

The traditional Bolivian upper class built its status on the triangular base of wealth, political power, and Spanish heritage. Its
wealth was based on a virtual monopoly of agricultural production, mineral resources, and commerce. For most of the country’s history, the upper class constituted the only educated sector of society and the only one that had contact with and an understanding of the world beyond Bolivia. Although generally of mestizo origin, its members considered themselves white and identified with European culture. They formed a cohesive enclave who kept their status intact through intermarriage and regarded their privileged position as a birthright.

The 1952 Revolution had a profound impact on the elite. They retained a prominent position in society, but the very foundations of their status became subject to challenge. The concepts of racial superiority and purity of the blood, nonetheless, continued to be central to the elite’s class consciousness (see Ethnic Groups, this ch.). Outsiders, except for European Roman Catholics, found acceptance by this group difficult. An aspirant to upper-class status faced a critical appraisal of his physical features and his name (for signs of Indian derivation). Social climbers merited disdain, often expressed in terms of prejudice toward those of Indian or cholo origin.

The changes begun in the 1950s made both upward and downward mobility increasingly possible. Growing numbers of Bolivians with “new money” emulated the life-styles of the elite. At the same time, the loss of land relegated some former hacienda owners to regular jobs in the city or even to poverty and dependence on the generosity of relatives.

Despite the change in actors, traditional values and social roles remained relatively intact. Men continued to follow the ideals of machismo (see Glossary) and the patrón. Machismo demanded that a man demonstrate heroism, forcefulness, a zest for action, and sexual prowess. The patrón dispensed favors to his underlings—an action that demonstrated his power—and expected loyalty in return. The ideal of womanhood still emphasized the qualities of modesty, sacrifice, and motherhood.

The Middle Class

The middle class occupied an equivocal position. It ran the gamut in prestige and position from truck drivers and petty merchants to highly paid professionals and business owners and operators. Almost as much range existed within this class as between the two adjoining groups. For lack of common criteria, the middle class was defined largely in terms of occupational specialization and economic status: its members were successful merchants, white-collar workers in commerce or government service, and educated
professionals lacking the family requirements for upper-class status. At its lower levels, the middle class faded into the more prosperous elements of the working class. In many ways, the differences between the middle class at its fringes and the adjoining upper and lower groups were of degree rather than kind. Both in ethos and in livelihood, the middle class shared much with those above and below it on the social scale.

Social mobility and elite exclusiveness were the dynamics that formed the middle class. The group emerged from the upheaval of colonial society both through intermarriage between Spaniards and Indians and through the general influx of Indians into cities and towns. The modern middle class, however, received its impetus from the tin-mining boom. Tin mining created demand for educated administrators and expanded the opportunities available to the middle echelons traditionally tied to commerce. Between 1900 and 1950, the composition of the country's university-educated elite changed. Its percentage of clergy, doctors, and lawyers declined, while that of teachers and engineers grew. As with other wage earners, salaried professionals remained vulnerable to economic reversals.

The wealthier members of the middle class tended to follow elite mores and aspired to an upper-class life-style and acceptance into that group. As one moved down the social scale, these values became less pronounced. Cholos, who were typically bilingual in Spanish and one or more Indian languages, made up the lower levels of the middle class. They adhered less to Hispanic norms than did other members of the middle class, and they actually reflected the influence of their Indian heritage. A dichotomy existed between the identification and values of cholo men and women. Men adhered to Hispanic norms and values more closely, attempting to emulate that life-style. Women adopted an identity that blended indigenous and Hispanic elements. They often engaged in commerce and were formidable businesswomen.

Family and Kin

A stable family life and widely extended bonds of kinship provided the most effective source of personal security. Although family and kinship practices varied among the disparate ethnic groups, both Hispanic and Indian traditions placed great stress upon bonds of responsibility among kins. No other institution endured as the family had, and none commanded greater loyalty.

The nuclear household—a father and mother with their unmarried and dependent children—constituted the basic unit of family organization among the upper and urban middle classes. Within
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this household, children were reared, women played their major social roles, and men owed their primary obligations of economic support. Almost invariably based upon formal matrimony, including both civil and religious ceremonies, the family was extremely stable.

The nuclear family seldom existed as a wholly independent unit. Partly as a result of the social and economic conditions of Bolivian life, bonds of loyalty, affection, and mutual responsibility with the extended kin of both spouses were strong and abiding. Few of an individual's activities or decisions did not, in the Hispanic view, affect the wider circle of family and kin.

The ties of solidarity among kin were expressed in an active and highly ceremonial pattern of social life. The nuclear family spent much of its time making formal calls upon relatives and receiving such calls in return. Weddings, baptisms, and funerals were command performances, even in cases involving distant relatives. Indeed, visits to kin and the round of family fiestas that accompanied each transition in an individual's life formed almost the entire social life of many women.

For the Quechua- and Aymara-speaking Indians, family and kin always provided a first line of defense against precarious economic circumstances. In many communities, the cooperative sharing of goods and labor among members of *ayllus* bolstered community stability throughout the vagaries of the past several centuries. *Ayllus* exercised control over the inheritance and use of lands held both collectively and individually by their members, and thus they protected themselves from encroachments by outsiders. Strong bonds of kinship and intermarriage reinforced cohesion and a sense of community within the kin-group and the village.

The Aymara and Quechua had a highly stable basic family unit. Marriage was the most significant social event in an individual's life. An elaborate series of rituals marked the highland marriages: courtship, formal betrothal, a number of different wedding ceremonies, the formal Roman Catholic marriage, the feast of the marriage godparents, the inheritance feast, the planting ritual, and the house roofing. The completion of the full series marked not just a new union of the couple and their families but the transition of the man and the woman to full adulthood in the community's eyes.

Although the Indian couple typically began living together slightly before the betrothal, the actual ceremonies could extend over several years. When they were finally completed, the couple had received the wherewithal to function as an autonomous household. The community had approved of their new social identity on numerous
occasions. All that they received in the numerous ceremonies involved them in enough reciprocal obligations to last a lifetime.

Kinship ties at all levels of Bolivian society remained so strong that those unrelated to one another often sought to establish bonds of ritual kinship through the set of relationships among a child, the child’s parents, and his or her godparents, known as compadrazgo (see Glossary). In Hispanic and Indian traditions alike, persons related through compadrazgo—called compadres—should manifest the highest regard and loyalty toward one another. Among Indians, in addition, sexual relations between compadres (and sometimes their relatives) were considered incestuous and strongly condemned. For many of the historically dominant whites, compadrazgo extended the bonds of kinship and formalized pre-existing ties of friendship. For Indians and cholos, compadrazgo represented one of the few relations of trust with members of the dominant ethnic groups.

Godparents were commonly selected at baptism and marriage. The compadres of baptism had well-defined ritual and economic obligations at the ceremony itself, as well as for the feast that followed. The relationship established was between the child’s parents and the godparents. The reciprocal obligations linking the two couples continued beyond the occasion; indeed, the tie continued even if the godchild died. At marriage, compadrazgo established a four-way relationship linking the couple, the compadres, and each spouse’s parents. As in baptism, the godparents became obliged to contribute to the marriage ceremonies in specific ritual and material ways. Compadres had a moral obligation to take an ongoing interest in the success of the union. If the marriage failed, they were blamed as well as the couple and the respective families.

Compadrazgo ties often cut across the boundaries of class and ethnic groups. Indians and cholos could ask wealthy and influential mestizos or whites to serve as godparents. In asking couples of higher status, a person was establishing a link of patronage. The lower-status person expected to gain assistance in dealing with the authorities and to share, by reflection, in his or her status as compadre. In return, the influential person received occasional small gifts of produce and personal services and, equally important, a loyal follower. The choice of godparents was a sensitive barometer of ethnic loyalties and identification. Ambitious cholos, anxious for their children’s advancement, would choose higher-status mestizos in the hope that the godparents could assist the child’s education and career.

Compadres could also be of equal status. In this case, an individual might ask distant kin, close friends, or neighbors to be godparents. The advantage in asking neighbors or kin was that the parents knew
their reputation and standing in the community more thoroughly. Among compadres of equal status, individuals tried to match the economic resources of the couples involved, so that the reciprocal obligations and gifts between the two families would balance more evenly.

Migration and Urbanization

Migration

Migration has transformed social relations since the 1952 Revolution. Before the revolution, the average peasant’s horizons were delineated by his or her village, those similar settlements surrounding it, and a nearby mestizo town. Contact with the world beyond was limited to an occasional trip to the landlord’s city residence or his other haciendas. Few peasants had actually lived in a city, worked in the mines, or served in the military.

By the 1970s, however, most rural young adults could expect to spend at least part of their lives away from home. Many of these would migrate permanently to a city. Others would seek occasional wage labor to supplement their farm earnings. Some also migrated to foreign countries, seeking seasonal work on plantations in Argentina, in the ports of northern Chile, or in the Brazilian Amazon.

Rural-to-urban migration typically constituted a lengthy process. A peasant might begin by working in a city during slack agricultural periods. Young men and women often had their introduction to the city through marketing their families’ farm products. In addition, military service gave young men an awareness of the larger society, as well as some experience in nonagricultural work.

Migration rarely represented a decisive break with the community of origin. Migrants maintained complex, ongoing, and mutually fruitful relations with their natal communities. They also served as liaisons with national society. The migrants’ knowledge of Spanish and greater familiarity with the government bureaucracy were invaluable resources. Former residents became particularly important after the 1953 enactment of the Agrarian Reform Law. In addition to helping obtain land titles and working out agreements with the former landowners, they also continued to mediate between their villages and the nation.

Aid from kin and fellow villagers was essential to the success of migrants. Earlier migrants assisted those who followed by providing temporary housing and help in finding work. Most migrants belonged to an association of former residents of their native village. These organizations offered recreation and assistance to
migrants. The idiosyncratic job choices of individual migrants spawned unique patterns of occupational specialization. The majority of the migrants from one village, for example, became tailors with the help of an early migrant from the same settlement. In other instances, regional agricultural specializations formed the basis for occupational choices; butchers, for example, often came from cattle-raising areas.

Even highly successful, long-term migrants did not sever their ties with relatives and neighbors in the countryside. Migrants retained their rights to land. Women and children spent years in the village while husbands and fathers remained semipermanent city residents. Families routinely returned to the countryside to help during harvesting and planting. Grandchildren spent their vacations with grandparents in the village. Many migrants continued to participate in community fiestas, concrete evidence of their willingness to continue to fulfill community obligations beyond those owed to kin.

Bolivian governments had long promoted the notion of colonization, especially in the lowlands. Plans were first put forth in the 1830s, and formal proposals were outlined in legislation in 1886, 1890, and 1905. Colonization did not occur, however, until after the 1952 Revolution. One of the goals of the victorious Nationalist Revolutionary Movement (Movimiento Nacionalista Revolucionario—MNR) was to provide a safety valve for population pressure in the Altiplano by promoting “Bolivianization” of the frontier. Other objectives were to increase the production of domestic food crops and to integrate more farm families into the national economy. In the next three decades, both government-sponsored and spontaneous settlements fueled a population explosion. The main zones of growth were the region around Santa Cruz (Santa Cruz Department), the Alto Beni (Beni Department), and the Chapare (Cochabamba Department). From 1900 to 1950, Santa Cruz’s population grew at less than 1 percent annually; between 1950 and 1976, however, the annual rate climbed to more than 4 percent. The sheer numbers of migrants created a land-rush atmosphere. In the province of Obispo Santisteban (Santa Cruz Department), authorities granted titles to 55 percent more land than the province encompassed.

Because most migrants came from the overpopulated Altiplano, they entered sharply different environments. The Oriente had a highly distinct regional culture. A unique dialect of Spanish, known as castellano camba, identified Oriente natives. Plantations in the region, unscathed by the land reform, still had a resident labor force, but it was not organized into the cohesive community
characteristic of the traditional hacienda. Farming and herding in the Andes had little in common with the requirements of agriculture in the tropical lowlands.

Official settlement projects ranged in approach from meticulously detailed planned colonies to the simple provision of a plot of land, some technical orientation, and assistance in gaining a land title. In general, government projects suffered from a lack of competent technicians, poor coordination among the various agencies charged with assisting the colonists, and lack of continuity at the upper administrative levels. Land titles were rarely granted within the amount of time specified on the project. Roads were neither completed nor maintained according to plans. About half of the colonists abandoned their plots and moved on (see Land Reform and Land Policy, ch. 3).

Only about 15 percent of the settlers who migrated to the region from the early 1950s through the early 1980s came as part of government-sponsored colonies. Nonetheless, spontaneous settlements, too, suffered from the poorly developed infrastructure. Migrants resorted to a variety of methods to produce cash crops and market them without losing most of the profit to intermediaries. In some colonies, settlers cut their own feeder roads. Like those in government-sponsored settlements, spontaneous colonists often had difficulty getting land titles. They lacked technical advice and access to agricultural credit. In general, however, spontaneous settlers managed to form organizations and to develop sufficient organizational savvy and community spirit to deal with the logistics of establishing farms in the Oriente. Surveys found that income in spontaneous colonies averaged 75 percent higher than in government-sponsored projects.

One of the fastest-growing colonization regions in the 1980s was the Chapare, Bolivia’s principal coca-cultivating area. Major reasons for the influx of colonists to this tropical New Jersey-size region were the completion of a United States-financed paved road from Cochabamba in 1972 and the take-off of the cocaine-exporting industry in the late 1970s. By 1985 the population had burgeoned to 120,000, as compared with 80,000 in 1981 and 26,000 in 1967 (see Narcotics Trafficking, ch. 5). Some press reports in 1988-89 cited Chapare population figures as high as 200,000. A 1981 survey found that most small-scale farmers in the Chapare were former highlanders, mainly from the upper Cochabamba Valley but also from Potosí Department, who resettled and cleared land for food and coca cultivation.

The Oriente also attracted small numbers of Italian, Japanese, Okinawan, and North American Mennonite settlers. In contrast
to native Bolivians, these settlers were often more educated, had better technical training, came with more capital, received larger parcels of land in better locations, and had more ongoing support from their own governments or sponsoring agencies. They usually succeeded, although the turnover in a settlement’s early years often nearly approximated the rates encountered in government colonies.

The first settlers in a new community typically consisted of a group of men who began clearing plots. Most brought their families to join them as quickly as possible; beginning farming in the tropical forest required the whole family’s labor. A colony’s founders were frequently kin and compadres; these ties helped create a spirit of cooperation and community solidarity. Settlers used the same kinds of strategies that had permitted Andeans to survive through the centuries. Colonization itself was an extension of the “vertical archipelago.” Colonists expanded their regional ties by farming in the new settlement zones. Like rural-urban migrants, they maintained their links with their home villages. Kin sent gifts of food; colonists reciprocated with items of lowland produce. Those with land in the Altiplano continued to farm it and spent a good portion of the year there.

Community organizations were synonymous with the community itself in a settlement’s early years. They agitated for land titles and maintained order, settling everything from marital disputes to property boundaries. They functioned as self-made extension agencies: their meetings were a forum for sharing experiences, organizing for joint endeavors, and overcoming the isolation of the frontier. The organizations’ influence often waned as a community aged, reflecting both the politico-economic climate and the community dynamics. Solidarity declined as some settlers moved on and others spent more time away from their farms as wage laborers. New settlers, often members of a different ethnic group, bought out the original colonists, adding another element of divisiveness.

The migrants’ degree of success varied considerably. Some were supported by their families in the Altiplano, who did not own enough land for all their children but who could send a son or daughter to the Oriente. These moderately capitalized migrants became veritable entrepreneurs in the expanding Santa Cruz economy. Many others simply transplanted a marginal subsistence holding from the Altiplano to the tropical forest. Unsuccessful colonists generally cleared subsistence plots, farmed them for a few years, and then sold out to more capitalized farmers. Poorer settlers moved farther on toward the frontier, often clearing the land with destructive methods. Many of these settlers destroyed tropical rain