ELEVEN YEARS OF THE “PROCESS OF CHANGE” IN EVO MORALES’ BOLIVIA

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Evo Morales will soon have been the president of Bolivia for 12 years, heralding the ascent of the indigenous social movements to governmental power. This ended the apartheid system against the indigenous that existed for 500 years in Bolivia. Morales won in 2005 with 53.7% of the vote, followed by re-elections in 2009 with 64.2% and 2014 with 61.3%.

The country has made great strides in economic development, national sovereignty, women’s and Original Peoples’ rights, respect for Mother Earth, raising the people’s standard of living, level of education, and health care.

His presidency, which has brought an era of relative social peace and economic growth, has been the longest in Bolivia’s history. Since 1825, Bolivia has had 83 presidents with 37, almost half, by means of coup d’etat. Previous presidents typically lacked social legitimacy, representing a political system that excluded participation of the indigenous peoples, plagued by social and economic inequality, subjugated to foreign interests, and complicit with the looting of natural resources. By 2002, after years of
neoliberal regimes serving foreign, mostly U.S. corporations, the proportion of the rural population living in extreme poverty had risen to 75%.

The election of “Evo,” a campesino movement leader and head of the Movimiento al Socialismo (Movement Toward Socialism, MAS), began what his government describes as the “Process of Change” that shifted power away from Bolivia’s traditional elite, the mostly white owners of industry and agriculture, and toward the majority, the mostly indigenous workers and campesinos.

Reflecting on the historic significance of the changes underway in Bolivia, Morales declared: “We are the indigenous blood of Mother Earth. Until now Bolivia has been ruled by a few families that have all the political and economic power. They despise, humiliate, marginalize and hate the majority of the indigenous population.” “After 525 years of colonization, we indigenous peoples are part of the construction of a new Plurinational State and we have full participation in international political organizations and forums.”

Why Has Economic Development Been so Successful During the Process of Change

The MAS government undertook an anti-neoliberal program, which has enabled the economy to grow an average 5% per year since 2006, compared to 2.8% during the years 1951-2005. As a result, the Gross Domestic Product has grown four-fold from $9 billion in 2005 to $36 billion today. Bolivia has become the fastest growing economy in Latin America.

Economic strategy focused on regaining national sovereignty over the country’s natural resources and using this wealth not to enrich foreign multinationals but to raise the standard of living of the neglected people of Bolivia. In 2006 Evo Morales asserted public ownership over the country’s gas and oil resources, making foreign companies turn over extractive industry resources to the state. The state now fully controls sales, transport and distribution as well as key decisions regarding the extraction and refining of raw materials. The nationalization decree also forced foreign oil companies to renegotiate contracts with the new administration. Today, foreign corporations still extract most of Bolivia’s natural gas, but do so as contractors hired by the state, on the state’s terms.

Prior to the nationalizations (not only of gas and oil, but telecommunications, water, electricity, and a number of mines), foreign corporations pocketed about 85% of the profits generated by natural gas production. Morales increased the country’s profit share from gas from about 15% before his presidency to between 80-90%. In 2005, before nationalization, government gas revenues totaled $0.6 billion; in 2015 it was over four times as much, $2.6 billion – in fact down from $4.5 billion in 2014. In 2015 all gas and oil revenues yielded $4 billion, making up nearly half of Bolivia’s export earnings.

Over ten years, Evo's Bolivia has gained $31.5 billion from the nationalizations, compared to a mere $2.5 billion earned during the previous ten years of neoliberal policies. This vastly increased revenue, largely
used to benefit the people, starkly exemplifies the extent the people have been robbed to serve foreign corporate interests.

By the end of 2013 the state-owned portion of the economy reached 35%, double that of previous neoliberal governments. The state has become the main generator of wealth, and public investment amounted to over $5 billion in 2016, compared to a mere $629 million in 2006. Much of this new revenue funds the country’s impressive development, infrastructure, community projects, such as schools, gyms, clinics, roads, and subsidies for agricultural production. It is spent on the people’s health and education, on price controls for staple foods, on wage increases, and social security benefits.

This humane redistribution of national wealth away from corporate interests to serving the poor majority has allowed one in five Bolivians, two million people, to escape a life of poverty. Even the World Bank has recognized the country as world champion in income growth for the poorest 40% of its population.

In the United States, the government is taking the opposite course, turning its back on the poor. Here the poverty has grown over the same period, from 12.3% to 12.7%.ii Vacant homes number 18,600,000 – enough for each homeless person to have 6. The government cut food stamps by $8.7 billion in 2014, cut 500,000 poor from the program in 2016, with plans to slash $19.3 billion per year for ten years. Yet Washington increases the military budget this year by $80 billion, an amount that could make public college free.

For Bolivia to industrialize and diversify the economy, to move away from dependence on natural resource exports, is a difficult long-term task. The country did create 485,000 jobs in the productive sector between 2006-2010, and developed industries to process natural resources.iii It advanced significantly its agricultural production, now providing 95% of the country’s food. Yet raw materials still account for 90% of Bolivia’s exports.

Big investments are underway in infrastructure construction, hydrocarbon exploration, industrialization of natural gas (for fertilizers and plastics), more lithium production, and electric power for export. “Here we have the presence of China, with cooperation without pre-conditions, with credit without conditions,” Evo Morales said, contrasting Chinese aid to Western aid.

**New Social Programs to Eliminate Poverty**

In Bolivia under Morales, poverty has declined from 60.6% of the population in 2005 to 38.6% in 2016. Extreme poverty (those living on less than $1.25 per day) fell from 38% to 16.8%. The real minimum wage has risen from 440 bolivars a month to 2,000 a month (from $57 to $287). Unemployment stands at under 4%, the lowest in Latin America, down from 8.5% in 2005.

Here are some of the measures to combat poverty:
1. Electricity has been brought to 66% of rural homes by 2015, up from 25% in 2001.

2. Over 127,000 homes have been created for low income Bolivians who lack housing. Another 23,000 homes will be built in 2018.

3. The Juancito Pinto program aims to increase school attendance and reduce child labor. It presently reaches 2 million children, who each receive $28 annually upon finishing their school year.

4. The Juana Azurduy program combats maternal and infant mortality, as well as malnutrition in children under two years old. Mothers can receive up to $266 from the program. UNICEF has pointed out the effectiveness of these social programs. Chronic undernourishment in children has sharply fallen from 27%, when the program started in 2009 to 16% now, and infant mortality has been cut in half just since 2008.

5. The Renta de la Dignidad is a payment to the 900,000 Bolivians over 60 years old, who would otherwise receive no pension. Incapacitated and disabled people now receive 250 bolivianos ($36) monthly and guaranteed job placement in public and private institutions.

More than 4.8 million Bolivians – in a country of just over 10 million – today benefit from these programs, programs that not just combat poverty, but improve public health and education.

Meanwhile in the United States, the bottom 90% of households are poorer today than they were in 1987.

Bolivia has cut income inequality by two-thirds, with the share of income of the top 10% vis-à-vis the poorest 10% has dropped from 128 to 1 in 2005 to 37 to 1 in 2016.

In the United States, after years of neoliberal programs, we have the shocking fact that the three richest Americans have more wealth than the bottom 50% of the population.

**Gains for Rights of Original Peoples**

The country, after a national discussion initiated by Bolivia’s five main indigenous campesino organizations, adopted a new constitution. The new document recognized Bolivia as a Plurinational State, with equal status and autonomy for Original Peoples, and also reclaimed control over natural resources. The new government has even established a Ministry of Decolonization (with a Depatriarchalization Unit) to further the uprooting of the previous apartheid system. By 2011, 90 of the 166 elected representatives of the national assembly came directly from the ranks of the progressive social movements.
Gains in Education and Health Care

Bolivia had an illiteracy rate of 13% when Evo Morales became president. After a mass literacy campaign that used Cuba’s YES I CAN program, 850,000 were educated and by 2008 Bolivia was declared free of illiteracy. The country is second to Cuba in Latin America in terms of funding education. There are now 16,000 educational establishments in the country, 4,500 of them were built since 2006 with the funds from the nationalized gas industry.

Life expectancy of Bolivians during Morales’ presidency has increased from 64 years to 71 years. This is partly the result of the almost 700 members of the Cuban medical brigade working in the country. Cuba’s Operation Miracle has also enabled 676,000 Bolivians to have had their vision restored. Moreover, around 5,000 Bolivians have obtained their medical degrees in Cuba, going back to their country to provide their services. The country now has 47 new hospitals and over 3,000 health centers being built.

Land Distribution and Food Self-Sufficiency

Before Evo became president, 5% of property owners owned 70% of the arable land. From 2006-2010 over 35 million hectares of land (one third of Bolivia), was handed over to Original Peoples’ peasant communities to be run communally. This included government lands, large estates, and forest. Another 21 million hectares previously occupied illegally by large landowners were declared public lands, mostly protected forests. The land reform law expropriated underutilized lands, and permitted seizure of property from landowners employing forced labor or debt peonage. In all, approximately 800,000 low-income peasants have benefited. Of those who received titles to their land, 46% have been women. For the first time since the European conquest, smallholders control 55% of all land. The government ensures that these small producers receive preferential access to equipment, supplies, loans, and state subsidized markets, key factors in enabling the country to become self-sufficient in food.

U.S. Interference and Regime Change Attempts

As John Perkins points out in Confessions of an Economic Hitman, any government pursuing anti-neoliberal economic policies or its own foreign policy independent of the United States, as the case with Rafael Correa’s Ecuador and Morales’ Bolivia, becomes a U.S. target for overthrow.

Evo Morales has become one of Washington’s most disfavored leaders in the Americas. Washington continues to be concerned about Evo revolutionizing the indigenous movements in the region, and tries to tarnish his reputation as an indigenous movement leader.
Wikileaks documents show that the United States tried to undermine the presidencies of Evo Morales and Rafael Correa even before they were elected. Right after Evo’s inauguration, the U.S. ambassador made it clear to him that funding by the Inter-American Development Bank (IDB), the World Bank and IMF depended on his “good behavior,” that is: back off nationalizing Bolivia’s petroleum resources. When Morales rejected these “orders,” including naming government ministers and military leaders without seeking prior U.S. embassy consent, Washington began financing Bolivian opposition groups seeking to overthrow the indigenous government.

Washington used USAID, NED [National Endowment for Democracy], IDB, World Bank, and IMF, to take punitive measures such as vetoing multilateral loans, postponing talks on alleviating Bolivia’s foreign debts, and discouraging international loans and grants. U.S. Ambassador Greenlee wrote in a cable, in January 2006, just months after Morales’ election, “U.S. assistance, the largest of any bilateral donor by a factor of three, is often hidden by our use of third parties to dispense aid with U.S. funds.” He noted “many USAID-administered economic programs run counter to the direction the GOB [Government of Bolivia] wishes to move the country.”

U.S. embassy cables showed Washington sought to create divisions in the social and indigenous movements that make up the support base of the country’s first indigenous-led government. Despite recognizing these were “traditionally confrontational organizations” vis-a-vis the United States, Greenlee believed that “working more closely with these social sector representatives” who expressed dissent towards Morales “seems to be most beneficial to [U.S. government] interests”.

USAID poured at least $85 million into Bolivia. Initially, the United States hoped to destabilize the government by training the separatists in the richer Santa Cruz area in the eastern lowlands. USAID money flowed to groups in these opposition-based areas, as part of “USAID’s larger effort to strengthen regional governments as a counter-balance to the central government.”

Soon these eastern regions, the Media Luna, were in open rebellion, demanding a referendum on autonomy. Resulting protests led to the killing of at least 20 MAS supporters who had mobilized to crush the rebellion. The separatists’ goal was to divide Bolivia into two separate republics: a poor one governed by an indigenous majority and a much wealthier one run by European descendants in the areas home to the gas transnationals and large agribusiness.

The United States never denounced opposition violence, not even after the massacre of the MAS supporters. Moreover, the U.S. Embassy knew in advance of the opposition plans to blow up gas lines, but did not report it, nor even attempt to dissuade the opposition from doing so. Morales was soon to expel U.S. Ambassador Goldberg for his interference. Nevertheless, USAID “still channeled at least $200 million into the country since 2009.” USAID was eventually expelled in 2013.

Once the Media Luna separatist plan collapsed, USAID switched to courting indigenous communities by using environmental NGOs. The Aymaras – Morales is one -- and Quechuas, Bolivia’s two largest indigenous peoples, live mostly in the highlands and central regions. The east is home to the remaining
34 indigenous peoples. In 2011 new anti-government protests in the east again arose, this time around a planned TIPNIS highway.

**Protests against the Government around the TIPNIS (Isiboro Sécure National Park and Indigenous Territory)**

The Bolivian government planned to build a highway – actually to widen, pave and connect two roads with a 20-40 mile new connector – going through the TIPNIS. Western funded NGOs along with some local indigenous groups organized an international campaign against the MAS government, claiming Evo was repressing the indigenous and destroying untouched nature. This campaign was partly funded by USAID and received sympathetic reporting in NA CLA, Upside Down World, Amazon Watch, and other liberal-left alternative media, which either omitted or discounted the U.S. role. Avaaz and allied NGOs in solidarity with the protest groups organized international petition of protest. This foreign interference served to exacerbate a resolvable internal Bolivian dispute.

Fred Fuentes and Cory Morningstar wrote several exposés of this Western campaign against Evo, the covering up of the facts surrounding the TIPNIS road and the protests, including the USAID funding. Evo Morales even revealed transcripts of phone calls between the anti-highway march organizers and U.S. embassy officials, including calls right before the march set out.

That the TIPNIS protest leaders supported the REDD (Reduce Emissions from Deforestation and Degradation), which would give Western NGOs and these indigenous groups funds for monitoring TIPNIS forests, was also not mentioned by liberal-left alternative media. REDD uses poor nations for carbon offsets so corporations in rich countries can continue polluting.

Many Western solidarity activists uncritically supported the anti-highway march. Many of their articles about the issue downplayed and made no mention of connections between the protest leaders and Washington and the Santa Cruz right wing. Eventually the issue was resolved through a consultation process, and 55 of the 69 TIPNIS indigenous communities agreed to the road.

**U.S. Manipulation Helped Cause Morales’ Loss in the 2016 Constitutional Referendum**

The United States again intervened to influence the February 21, 2016 referendum to change the constitution to allow Evo Morales to run again for the presidency. A smear campaign against him took place, including false stories of his corruption, nepotism, and fathering a child with a lover, which led to him losing the vote. The day is now recognized as the “Day of the Lie.” On the 2017 anniversary, mobilizations around the country backed the Process of Change and rejected the previous year’s vote. Washington is already at work to block his renomination in 2019.

**USAID and NED Funding of Oppositional Forces**

According to Bolivia’s Cabinet Chief Juan Ramon Quintana, from 2006-2015 NED funded around 40 institutions in Bolivia including economic and social centers, foundations and non-governmental
organizations, for a total of over $10 million. For 2013, the combined NED and USAID allocations for Cuba, Venezuela, Ecuador and Bolivia totaled over $60 million, with the bulk of these funds destined to Cuba and Ecuador.

The Issue of “Extractivism” in Bolivia

Linda Farthing notes that in world colonial and neocolonial history, “the exploitation of [Bolivia’s] considerable natural resources has also been nearly unparalleled.” It included Spain’s richest gold and silver mine, one the richest tin mines, two of today’s largest silver and iron ore mines, half of the world’s lithium, and South America’s second largest gas reserves. She adds, “It comes as no surprise that Bolivia’s history and environment have been dominated by relentless extraction.”

A central challenge facing Latin American governments is overcoming this dependency on raw material exports to a world market controlled by Western powers. This issue, who some present as “extractivism,” has become one of the main points of liberal-left and environmental NGO criticism of the positive changes in both Evo’s Bolivia and Correa’s Ecuador.

“Extractivism” is a deliberately politically neutral and ahistorical term that conceals the brutal history that created the present First World-Third World system. “Extractivism” glosses over what has been 500 years of mass murder of Original Peoples, their slavery and semi-slavery for the purpose of plundering their gold, silver and other natural resources.

The Third World remains dependent on raw material exports, with their economies fragmented into specialized extractive industries geared towards a world market controlled by the First World, alongside backward, low-tech domestic industries and a bloated informal sector. Bolivia cannot compete in industrial production with countries with more modern institutions, citizens with a higher educational level, developed infrastructure, and with access to the sea. To break free from being a low-cost provider of raw materials, whether mineral or agricultural, will be a long process.

As Fred Fuentes notes, the question of “extractivism” centers on how a Third World country like Bolivia can overcome centuries of colonialism and neocolonialism to provide its people with basic services while trying to respect the environment. The main culprits are not Bolivian, but the Western governments and their corporations. Defenders of the indigenous and Bolivia must demand the West pay its ecological debt and transfer the necessary technology for sustainable development to countries such as Bolivia. “Until this occurs, activists in rich nations have no right to tell Bolivians what they can and cannot do to satisfy the basic needs of their people. Otherwise, telling Bolivian people that they have no right to a highway or to extract gas to fund social programs (as some NGOs demanded), means telling Bolivians they have no right to develop their economy or fight poverty.”

Environmental Achievements
Bolivian Vice President Alvaro Linera points out that Bolivia contributes 0.1% of the world’s greenhouse gases, but its trees clean 2% of the world’s carbon dioxide, resupplying that as oxygen. He attacks the Western “colonial, elitist environmental NGOs” for imposing their environmental demands on the Third World, saying they are blind to the Third World’s right to development.

Fuentes called out Western so-called defenders of Bolivia’s environment who attack Evo Morales over extractivism, for not devoting a single article on how the government has drastically cut deforestation 64% between 2010-2013. He asked, “why have media outlets, seemingly so concerned about Bolivia’s environment, failed to investigate what might be the steepest reduction in greenhouse gas emission per capita of any country in the world?” They also do not mention that in South America, Bolivia has the greatest number of trees per inhabitant. Peru has 1,500, Brazil 1,400, Argentina 1,200, Colombia 1000, Ecuador, 600, Paraguay 2, 500. Bolivia has 5,400. And this year they will plant another 5 million.

Misrepresenting the Morales government’s environmental record often aims to delegitimize Morales’ position not only as a leading spokesperson for the indigenous but in the global fight against climate change. Evo has rejected the carbon offset REDD schemes many Western environmental NGOs supported and clearly blames global warming on the First World’s capitalist operations. “I’m convinced that capitalism is the worst enemy of humanity and the environment, enemy of the entire planet.” He has demanded the Western rich countries repay their climate debt by transfer of technology and funds to the Third World.

Bolivia as a center of anti-imperialist social movements

The Bolivian government has sought to build political alliances with other governments and social movements in order to help strengthen the global forces for fundamental change. Liberal-left critics of Evo Morales, who attack him around TIPNIS, “extractivism,” even for being a neoliberal, so often willing to offer a checklist of measures for how Bolivian socialism should be built, so often willing to portray Evo Morales as backtracking after he took office, tend to go mum on his anti-imperialist measures, conferences, and statements.

He has called for rich countries to pay climate reparation to those poorer ones suffering the effects of climate change. Warning of a coming “climate holocaust” that will destroy parts of Africa and many island nations, he called for an international climate court of justice to prosecute countries for climate crimes.

In 2016 he inaugurated a military “Anti-Imperialist Commando School,” saying “We want to build anti-colonial and anti-capitalist thinking with this school that binds the armed forces to social movements and counteracts the influence of the School of the Americas that always saw the indigenous as internal enemies.”

Besides expelling the U.S. ambassador and USAID for their roles in coup plotting, the Drug Enforcement Administration (DEA) was expelled in 2009 for its actions against social organizations and for interfering with the actual struggle against narcotrafficking. Evo Morales’ anti-cocaine program has resulted in land used for coca production being reduced by one-fifth since 2005. 

The OAS considers Bolivia’s program “a best practice…[worthy of] replication”; it is also praised by the UN Office of Drug Control. The DEA’s military base was transformed into the Cochabamba airport and renamed Soberania [Sovereignty].

“I am pleased to have expelled the U.S. ambassador, the Drug Enforcement Administration and to have closed the U.S. military base in Bolivia. Now, without a U.S. ambassador, there is less conspiracy, and more political stability and social stability.” And in reference to the IMF and World Bank, which had served to force Bolivia to divert funds away from social welfare programs, he added “Without the International Monetary Fund, we are better off economically.”

Speaking of the United States’ $700 billion military budget, Morales said “If that money was used for cooperation or to fight poverty, we could solve so many [of the world’s social and environmental] problems.” Instead, “The U.S. creates and perpetuates international conflicts for profit....The capitalist system that [it] represents is not a policy that embodies the people of the United States but a policy of the transnational corporations, especially those that commercialize weapons and push for an arms race...they use any pretext against the anti-imperialist countries to subdue and dominate them politically and rob them economically. They’re after our natural resources.”

Challenges Facing the Process of Change

Evo has said that “the retreat of the left in Latin America is due to the incapacity of progressive governments to face a media war and the lack of political training of the youth”. Vice-President Alvaro Garcia Linera also pointed out that progressive governments have failed to promote a kind of cultural revolution alongside the political revolution; social programs have successfully lifted many out of poverty, creating a new middle class with new consumerist attitudes, without promoting a corresponding new value system; progressive governments must do more to tackle the entrenched corruption of the neoliberal years; the question of the continuity of leadership remains a challenge; and Latin American economic integration remains a weakness despite considerable advances in political regional integration.
Three factors may cause Bolivia’s Process of Change to stagnate and be partially reversed. It has not moved beyond anti-neoliberalism policies, that have brought great benefits to the people, in a more anti-capitalist direction. While the MAS government has democratized the traditional Bolivian state, it has modified this bourgeois state but not replaced it with a new one that would be a superior tool for the indigenous campesino and working people to advance their struggle. It has not built an organization of activists committed to leading this struggle with the people.

Now coming on 12 years of the Process of Change, Bolivia is a new country under the leadership of Evo Morales and Garcia Linera. Each passing year is one more of social, political and economic transformation, of opening up national decision-making to the indigenous communities, peasant and worker social movements. Not only have the faces of those who govern radically changed, but the country itself. From one of the poorest countries in Latin America, it has become the leader in sustained economic growth. From a country founded on social exclusion to the point of apartheid, it has become a country of inclusion for all, where more than half the Congress consists of women, where illiteracy is eliminated, where the people have free health care and education, and have gained much greater control over the wealth of their natural resources.

Article available online here.
The Media Luna attempted coup broke under the pressure of several Latin American anti-neoliberal governments (Venezuela, Brazil, Argentina, Uruguay, Bolivia, El Salvador, Ecuador and Nicaragua) issued a declaration in support of Bolivia’s constitutional government. Nevertheless the US continued to maintain constant communication with the leaders of the separatist movement.

It included 61 signers, only two from Bolivia. US signers included Amazon Watch, Biofuelwatch, Democracy Center, Food and Water Watch, Global Exchange, NACLA, Rainforest Action Network.

Fred Fuentes, “Bad Left Government” versus “Good Left Social Movements”? in Latin America’s Radical Left (2014) pp. 120-121

Linda C. Farthing, Benjamin H. Kohl Evo’s Bolivia: Continuity and Change, Austin, University of Texas Press (2014) pp. 52-54

Drug seizures have almost tripled under Evo, Informe Presidencial, 22 de enero 2017