Bolivian Elections
Donna Lee Van Cott

Bolivia's recent national elections reflect two important political changes with profound implications for domestic and foreign policy: (1) the exhaustion of the post-transition political party system, and (2) the political inclusion of the majority indigenous population.

Between 1985 and 1997, political competition revolved around three parties that alternated power, leaving at least one of the others in the opposition: the center-right Movimiento Nacionalista Revolucionario (MNR) and Acción Democrática Nacionalista (ADN), and the center-left Movimiento de Izquierda Revolucionaria (MIR). These three parties combined attracted between 54% and 65% of the vote. While this year the MNR and MIR held their bases, the collapse of the ADN, attributable to the death of its founder, Hugo Banzer, and the unpopularity of his government, left the traditional three parties in the minority (42.2%) in a political spectrum now dominated by leftist and populist parties. In addition, two pragmatic populist parties, Unidad Cívica Solidaridad (UCS), and Conciencia de Patria (Condepa), that had been important alliance partners since 1989 failed to pull their usual 10-30%, winning a combined 5.88%.

Given the fragmentation of the party system, Bolivian elections are followed by the formation of a governing coalition by one of the top vote-getters (since 1997, one of the top two). This was achieved 25 days following the elections, when the MNR (with 22.5%) announced a “Co-government of National Responsibility” with the MIR, along with pledges of support for his election from the ADN and UCS, which are considering offers to join the government. Whereas in the past the pact had always excluded at least one of the major three parties, this year all three form a traditional bulwark against populist and leftist opposition forces. The alliance corresponds to 17 of 27 senators and 66 of 130 deputies – enough to elect Gonzalo Sánchez de Lozada (“Goni”) president, but only a slim majority (one vote) for passing legislation. Thus, the axis of competition within the old party system has been replaced with a dynamic pitting a declining old party system against “anti-systemic” forces.

The new pact is also unusual for the delay in its formation, which reflects the great reluctance of MIR leader Jaime Paz Zamora to support his bitter rival. In the tense weeks following the election, the MNR’s top three challengers (Movimiento Al Socialismo (MAS) 20.94%, Nueva Fuerza Republicana (NFR) 20.92%, and MIR 16.3%) announced their refusal to ally with Sánchez de Lozada, with whom they have both programmatic differences and personal enmities. The new Bolivian government is essentially a pact to prevent coca growers leader Evo Morales, the only other candidate constitutionally able to become president, from assuming that office, in the hopes of safeguarding Bolivian political and economic institutions until the next election cycle.
Morales, an Aymara Indian who was expelled from congress in January for his involvement in violent demonstrations against the government’s coca eradication policy, will lead the opposition. Morales’ Movimiento Al Socialismo finished less than 2 percentage points behind the winner, following inflammatory statements by the U.S. Ambassador that boosted Morales from 4th to 2nd place days before the poll. A second indigenous candidate, former guerrilla and national peasant confederation leader Felipe Quispe, won 6.1% of the vote heading his new Movimiento Indígena Pachakutik (MIP). The success of parties that champion the demands of the indigenous majority is revolutionary in a country where no indigenous party had won more than 3 percent of the votes in a national election. While Morales and Quispe hold radical economic and cultural views that will seriously impair governability in the near term, the political representation of the ethnically subordinate and impoverished majority is encouraging. Upon the installation of the new government, Bolivia’s major papers and political leaders applauded the new more representative legislature, which included the nation’s first female president of the Senate and two indigenous representatives in the leadership of the lower house. As Chamber of Deputies president Guido Añez said in his inaugural speech, “This Congress is, finally, the reflection of our motley national reality; the expression of a Bolivia that is diverse, contradictory and, thus, fecund and possible.” Moreover, Morales’s and Quispe’s refusal to ally with neoliberal parties represents a disruption of the long-standing practice of opportunistic alliances that have no ideological or policy coherence. It is more admirable than the current behavior of the UCS, which is negotiating the exchange of its support for as many positions in government as it can wheedle out of Goni.

The two indigenous leaders will be joined in the opposition by third-place finisher Nueva Fuerza Republicana, which has formed a pact with Morales to block passage of the pending Law of Constitutional Reform and other measures. Their block of 10 senators and 51 deputies will be joined by 7 deputies representing the MIP and Partido Socialista (PS), as well as at least 3 allies from the NFR’s loose coalition. This unstable balance of forces will make it difficult for Bolivia to continue its pro-U.S. coca eradication and economic policies, or to resolve polemical issues such as the location of and terms for the construction of a natural gas pipeline. The opposition’s disposition to obstruct government action was demonstrated on the second day of sessions when the MAS and MIP led a marathon series of speeches denouncing the governing coalition that pushed the pro-forma presidential vote from Saturday morning into Sunday afternoon. We can expect deadlocks within the legislature, and between the legislature and the executive, as well as continued massive demonstrations by highly mobilized social and economic sectors.

The much-dismissed “risk of contagion” from the Argentine crisis became a reality this August in Brazil and Uruguay. In early July, Uruguay abandoned its currency-band system in favour of floating the peso. The devaluation of the Argentine peso and the falling Brazilian real had made the Uruguayan economy too uncompetitive under its old currency regime.

The government of Jorge Batlle served notice that Uruguay was in real danger of following Argentina into financial crisis by declaring a banking holiday on July 30th that was later extended for a week. The Uruguayan financial system had been under increasing pressure as depositors, many of whom were presumed to be Argentines, withdrew large sums of money in recent months. Central Bank reserves had declined by 9.6% between July 26 to 30 and 79% between January and the end of July. This pressure was also reflected in the devaluation of the peso, which declined by 55% over the same period.

The government met on the weekend of August 3-4th to pass new banking legislation that included freezing dollar-denominated deposits in state banks. In marked contrast to its attitude to Argentina, the US Treasury declared its support for Uruguay with a $US 1.5 billion bridging loan to establish a Stability Fund for the financial sector. As a result most banks were able to reopen the following Monday.

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Chávez and Beyond
John W. Graham

Four months after the coup and counter-coup that returned Hugo Chávez to power, Venezuela remains a country in serious trouble. The deepening fractures in Venezuelan society, unless checked, could leave destabilizing scars. Both sides navigate with blinkers and hence inevitably collide. The government and its supporters wear much bigger blinkers, but the opposition, with some exceptions, also suffers from clouded vision. Until very recently there has been little inclination by either side to identify common ground.

Yet there is a major area of common ground and that is the absurd poverty that grips more than a third of the population in a country that is a cornucopia of resources. This is what genuinely animates Chávez. It is his route, his methods, his friends and his incompetence, not his motivations, which are impoverishing the country. The perceived objective for most of the opposition, civil society, the media and the traditional parties is simply to dump Chávez.

Yet the opposition, or at least important parts of it, is not insensitive to this criticism. On July 5th an acuerdo between major opposition NGOs and political parties, acknowledging the problems of poverty and alienation, was signed in Caracas. However, so far it has not been accompanied by any sustained opposition effort to build bridges across a polarized society.

Rising perceptions of insecurity on both sides contribute to the narrowing of focus and the growth of incendiary reciprocal suspicion. It is strongly alleged that the groups of Chávez militants (Círculos Bolivarianos) are being armed with military weapons. Also armed are the middle class groups that oppose them. These people have been armed for a generation or more. However, some are organizing and enlarging their ordinance. With both sides becoming increasingly insecure and mutually hostile, the longer-term dangers are obvious.

Chávez is also playing a racist card, which is inflaming tensions. Traditionally Venezuela has not been a racially embittered country. However, a large proportion of the poor are black or mestizo and the others are predominantly white. Hence, an emotive and tilted Chávez charge has resonance.

There should be more sensitivity to this peril and an immediate focus on prevention. The media (almost wholly anti-Chávez) could play this constructive role, but generally do not. In part, the weakness of the opposition civil society and of the media is a function of the lack of leadership. Since the emergence of Chávez’s populism, it is generally recognized that no effectively unifying leadership has appeared to combat it. It should be recognized that the media is playing an essential and often courageous role, but in its zeal to attack, there is also an editorial reluctance to locate the common ground. The result is that the media is often playing an unintended and perhaps even unconscious role of exacerbating divisions. There can be no doubt that the media remains free to criticize the government. However, after a few days of the Caracas press and TV, it is not difficult to understand the virulence of the government’s condemnation of the media. But the government and its supporters overreact. There is extensive and well-chronicled evidence of the harassment, often with violence, of the opposition media committed by para-military, police or other supporters of the Chávez administration.

Related to all of this is the problem of the rehabilitation of the traditional political parties. With little credibility they are not seen as viable political alternatives. They bear some real blame for the current shambles but not as much as Chávez pretends. While dialogue across the divide is not taking place elsewhere, there are signs of it in Congress where defections from Chávez’s party are producing a little more balance and debate. Meanwhile, the economy continues to slide and the levels of popular support for Chávez erode. However, there are many for whom the level of misery before was so bad that they are beyond further impoverishment. Chávez is the only leader who speaks directly to them.

There are, of course, other important issues: the erosion of institutional checks and balances in favour of ‘participatory’ democracy and the circle of Chávez’s special friends. Another element is Chávez’s reduced margin of manoeuvre since April. He is now apparently treading on thinner ice. He cannot fully command the military and in consequence is performing more cautiously - a situation of corrosive stalemate.

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Politics and Paralysis in Argentina

In a surprise announcement in early July, the President of Argentina, Eduardo Duhalde announced that he was calling early presidential elections for March 30, 2003. The Congress had originally appointed Duhalde to complete Fernando De la Rúa's term, which would have expired in September 2003. Duhalde justified his decision by citing the lack of support for his government and the possible conclusion of an initial agreement with the International Monetary Fund (IMF).

Rather than creating the political breathing room needed by the government in order to resolve the financial and economic crisis ongoing since December, the call for early elections has paralyzed the government and the ruling Peronists (PJ). The internal struggle for the PJ nomination has emerged as the dominant political theme as the political class has immersed itself in the preparations running up to the open primaries to be held on November 24th. A developing battle over the electoral "rules of the game" has underlined the political calculations behind the decision.

The week prior to Duhalde's announcement, the government passed with the support of the Radical party (UCR) a law requiring parties to hold simultaneous open primaries. Open primaries permit ordinary members of the public to vote in the internal elections of the political parties. In the current context in which the political class has been widely discredited, open primaries increase the likelihood that the Peronists can field a winning candidate by involving the public in the selection process.

Duhalde had hoped that this candidate would be popular Santa Fe governor Carlos Reutemann. However, Reutemann refused to participate citing the incomplete resolution of the crisis and the problems of governability that the next administration would invariably face. Polls show that the internal PJ struggle is between Adolfo Rodríguez Saá (president for one week last December), former president Carlos Menem (despite on-going doubts about whether he is constitutionally allowed to run, and his alleged role in various crimes including a conspiracy to cover up the bombing of the Jewish Community Centre in 1994), and Duhalde's new favourite José Manuel de la Sota, governor of Córdoba (poll in La Nación, 4 August 2002).

The Peronist candidate's principal opposition is likely to be Elisa Carrió, leader of the Alternativa por una República de Iguales (ARI), a new anti-corruption party. Carrió has the best public image of all politicians in Argentina, but her party is new and does not have the organizational strength of the PJ.

On August 7th, the IMF showed its support for Brazil with a $US 30 billion loan. The announcement helped calm concerns that Brazil may have been headed for an Argentine-style financial meltdown. It was also viewed as a calculated political move intended to ensure that Cardoso's successor follows market-friendly policies.
The violent uprising in Gonaïves, Haiti’s fourth-largest city, on August 2nd added confusion to an already chaotic political situation. A political faction, the Cannibal Army, was behind the incident. The faction attacked a prison in order to free all prisoners including their leader, Amiot Metayer. Metayer had been imprisoned for his involvement in the pro-government mob backlash against an attempted coup d’état last December. Now, Metayer and his followers are demanding the immediate resignation of Aristide.

Since the election of May 2000, Aristide and the Family Lavalas party have seen their political support erode. Claiming that Aristide’s election was a fraud, the political opposition has failed to reconcile with the Family Lavalas, despite ongoing negotiations. The international community has frozen $US 500 million in foreign aid until Aristide’s government reaches an agreement with the opposition (Convergence Démocratique) over the recognition of his government. Recently, in order to appease the opposition, Aristide proposed holding legislative elections for the Chamber of Deputies, and two-thirds of the Senate in November 2002.

Even if the opposition accepts Aristide’s proposal, the political situation is far from stable and more incidents such as the one in Gonaïves can be expected. This latest incident shows that Aristide’s political organization does not have complete control of the country and that he is running out of time and options.

President Fox continues to urge Mexico to find ways to modernize its energy sector as the key to economic progress. State ownership of oil and natural gas resources is enshrined in the Mexican Constitution along with the generation, transmission and distribution of electricity. But, as economic growth has boosted the demand for energy, the state’s stranglehold over its supply has become a huge obstacle for Mexico’s development.

With the world’s ninth-largest oil reserves, Mexico relies on the energy sector to provide 40% of the government’s income. Fox has backed away from outright privatization of the state-run oil company Pemex, calling instead for allowing greater private investment in the industry. The government recently developed a new legal formula called “multiple service contracts”. The contracts do not require constitutional change since they do not grant investing firms any share in Pemex. Profits come from meeting output goals set by Pemex. Fox has also hinted that a new electricity reform bill will soon be sent to congress. The bill would change enabling laws, though not the Constitution, to allow private investment in all areas of the electricity industry, except in direct service to the public. Power-plant developers would be allowed to sell electricity freely to major industrial and commercial consortia.

Duhalde) opened the possibility that members of one party could vote in the internal primaries of another. This change was denounced by Menem for allowing politically motivated interference in the primaries. Menem’s challenge, taken up by the congress and the judiciary, threatens the entire schedule for the open primaries and presidential elections.

On August 14th, Duhalde admitted that an unfavourable judicial ruling could force the abandonment of the open primary system. Although Menem’s real motivations remain opaque, it is clear that the electoral rules of the game have become the central battlefield for the internal struggle for the PJ nomination. The official nomination is still seen as necessary to winning the presidency. Hence the “rules of the game” and who they benefit is of crucial importance.

Far from giving the government room to manoeuvre, the call for early elections has plunged Argentina back into the uncooperative political environment and elite politicking that led it to the brink of collapse in the first place. Duhalde’s apparent concern for the electoral fortunes of the PJ over brokering a solution to the crisis may have condemned the next government to be yet another government of transition.

Paul Haslam, Southern Cone Analyst at FOCAL.
Political Turmoil Continues for Toledo

In response to plummeting political support, increasingly organized civic protest and unyielding opposition from political opponents, Peruvian President Toledo has shuffled his cabinet on several occasions in June and July in an attempt to shore up support prior to regional elections in November.

The cabinet’s economic hardliners including Finance Minister Pedro Pablo Kuczynski and Prime Minister Roberto Danino were replaced by more flexible ‘opposition-friendly’ politicians, in this case, Javier Silva Rute (of Paniagua’s caretaker government) and Luis Solís (former Health Minister) respectively. The appointment of Allan Wagner as Foreign Minister was also a conciliatory gesture towards Alan García’s centre-left Alianza Popular Revolucionaria Americana (APRA) party.

Privatization, which has sparked popular protest throughout the country (recently preventing the privatization of an electric company in Arequipa), is officially on hold until after the regional elections. However, the changes in cabinet are unlikely to bring about any significant policy shifts and are at best, a short-term measure.

Toledo’s first year has not witnessed the reinvigoration of democratic politics that was anticipated. Although it was clear that election promises and post-Fujimori expectations were inflated, Toledo’s rapid decline in popular support (from an initial 70% to below 20%) in less than a year has taken even the most conservative analysts by surprise, particularly as it has occurred during a period of macroeconomic growth.

Toledo’s declining popularity reflects his inability to deal with high unemployment and underemployment rates despite significant economic growth; his lack of a clear political agenda; as well as the public moral outrage about unresolved paternity allegations. Despite changes to cabinet and the favourable conditions for access to the U.S. market (including expansion of the Andean Trade Preferences Act), without tangible socio-economic gains Peruvians are likely to become increasingly disillusioned with the current state of democracy. It is unlikely that these setbacks will prevent Toledo from completing his term, however the growing opposition from the centre-left can be expected to influence future agendas for economic reform and foreign investment.

Toledo’s waning support is also indicative of declining faith in democratic leaders and neoliberal economic agendas through the region as a whole, as evidenced in Bolivia’s recent elections with the strong showing of coca farmer Evo Morales, leader of the socialist party MAS.

Judy Meltzer, Andean Analyst at FOCAL.
Young Cubans Defect in Toronto

The defection of 23 young Cubans, out of a delegation of 200 young Catholics, during Pope John Paul II’s visit to Toronto for the celebration of World Youth Day (WYD) in July, has become news in Canada, generating uncertainty in this country as to whether these individuals were justified in their actions.

This uncertainty is partially explained by a general lack of understanding of Cuban issues in Canada. Despite the large number of cooperative initiatives with Cuba under Canada’s policy of constructive engagement, there is surprisingly little informative analysis about what is really happening inside the island. Media coverage is infrequent, usually prompted by sporadic Canadian hooks to a story, and is generally low on context. Another factor is the continued utopian vision of the Cuban revolution put forward by a large number of Canadian non-governmental groups and academics, including those involved in cooperation programs with the island. No less important are the false impressions formed by the large number of Canadian tourists traveling to idyllic Cuban beaches, disconnected from the real Cuba.

It is within this context that declarations by the spokesperson of WYD, who expressed his discontent with the actions of these young people, and by Cuban Bishop Carlos Baladrón of Guantánamo, who was in charge of the Cuban delegation in Toronto, have been interpreted. Baladrón’s comments in particular, publicly criticizing the defections and denying the reasons identified, namely the political persecution for religious beliefs, generated confusion.

Bishop Baladrón’s statements must be understood within the context of the careful balancing act played by the Catholic Church in Cuba in its pursuit of greater space while avoiding confrontation with the Cuban state. Perceived by many as a social sector that opposes Castro’s government, the Church’s position has been recently clarified by the Archbishop of Havana, Cardinal Jaime Ortega, in an interview for the Catholic magazine Palabra Nueva: “Some demand from the Church what it cannot nor should give: a direct dialogue or a systematic confrontation with the structures of power. This ignores the nature of the Church and its real situation in Cuba. One can’t ask the Church to play a role that would correspond to a political opposition party that does not exist in Cuba.”

It is true that Catholics in Cuba today no longer face political persecution for their religious beliefs as was the case in the past, culminating in the 1960s when many were subject to forced labour in the Unidades Militares de Ayuda a la Producción (UMAP). Yet, despite some gains in religious liberties attained in the 1990s, Catholics continue to be viewed with suspicion and are subject to discrimination within a country that systematically violates civil and political rights. Furthermore, religious believers continue to face a number of restrictions in practicing their faith freely. As noted by

Nicaragua

The Bolaños Administration advanced its anti-corruption campaign this month. During a televised presentation on August 7th, President Enrique Bolaños accused former Nicaraguan president, Arnoldo Alemán (1997-2001), of money laundering and of illicitly using public funds to personally enrich his family and friends.

The evidence presented by President Bolaños is part of an ongoing investigation being carried out by the Attorney General’s Office. Former president Alemán is alleged to have transferred approximately $US 97.6 million in public funds to an account under the name of the Nicaraguan Democratic Foundation (FDN), which is managed by Alemán’s family and friends in Panama. The FDN, which was created in 1995 to defend democracy in Nicaragua, supposedly served as a façade for paying personal debts with public funds.

Former president Alemán is denying all charges and is claiming that this is a politically motivated “persecution” by Bolaños, who served as his vice-president until 2000. President Bolaños, on the other hand, maintains that Nicaragua cannot progress if corruption is widespread. "No one would be above the law," said Bolaños when demanding that Alemán be stripped of his parliamentary immunity from prosecution.

On August 13th the Attorney General’s Office submitted to the Board of Directors of the National Assembly an application to officially lift Alemán’s immunity. The Assembly, however, will not review this application until it returns from holidays on September 10th.
Cardinal Ortega, “Catholics do not have access to mass communication, there is no right to religious education in schools nor does the Church have the right to establish its own schools.”

Regardless of the specific issues facing religious believers in Cuba, the act of making a refugee claim is bound to tarnish these individuals and their families in the eyes of Cuban authorities since defection is viewed as a political act.

Cristina Warren and Ana J. Faya, FOCAL’s Research Forum on Cuba.

FOCAL’s Research Forum on Cuba fosters informed discussion on the immediate and long-term challenges facing Cuba and Canadian policy towards the island. FOCAL maintains a specialized website containing information on the program, our Background Briefings on Cuba, our monthly Chronicle on Cuba - a chronology of top news items (and related web links), as well as an annotated list of web links at: www.cubasource.org.