



Cover Image Attribute: The Skyline of La Paz, the Capital of Bolivia

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# Bolivia and US Dilemmas in Engaging with Problematic Regimes in Latin America

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By R. Evan Ellis



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relationship with the United States be better?" The instinctive response that came to my mind began with the Bolivian government's problematic relationships with Iran, China, and Russia, [President Arce's support for](#) Nicholas Maduro's blatant robbery of elections in Venezuela, and track record of [expelling the DEA, USAID](#), and former US Ambassador [Phillip Goldberg](#) from the country, among other details. Yet, as I reflected further on the matter, I also realized that Bolivia and its relationship with the US is more complicated and far less understood than how it is commonly treated by policymakers in Washington, DC. Indeed, the difficulties in the US relationship with Bolivia illustrate the dilemmas Washington faces more broadly in dealing with a range of ambiguously problematic, sovereign actors in the region.

Under the Presidencies of Evo Morales and now Luis Arce, Bolivia has consistently pursued policies unhelpful for or threatening to U.S. interests in the region, yet in a manner more limited than those of anti-US regimes such as Venezuela, Nicaragua, and Cuba. The Arce government signed a security cooperation [agreement with Iran](#) in July 2023, possibly including the supply of Iranian drones, yet did not meet with then-Iranian President Ebrahim Raisi and his Defense Minister Ashtiani when they [visited the region](#) just weeks before that. Bolivia has similarly [cooperated with Russia](#) on [defense matters](#) but has not acquired Russian military equipment, signed significant cooperation agreements, or received Russian delegations to the same extent as the Maduro regime in Venezuela, the Ortegas in Nicaragua, or the Diaz-Canel regime in Cuba. The Morales and Arce governments have engaged extensively with the People's Republic of China (PRC), including non-transparent, often problematic projects in sectors from lithium and other mining to trains, highways, hydroelectric facilities, and other electricity projects, and telecommunications, just to name a few. The Morales and Arce governments have also regularly [accepted donations](#) of Chinese military equipment, purchased [Chinese fighter aircraft, military helicopters, armored vehicles](#), and have almost exclusively leveraged PRC capabilities to [establish their space agency](#), including training its personnel and building two ground control facilities that could potentially be leveraged by the PRC during a conflict with the US. Still, Bolivia's regime has not signed a military alliance with the PRC nor allowed it to operate an autonomous space facility on Bolivian territory, as the prior Peronist government in Argentina [did on theirs](#).

My Bolivian colleague asked me what the differences are between the cold shoulder that the Biden

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Despite such distinctions, the other three cases of difficult US relations with left-leaning and populist governments in the region arguably showcase the dilemma of the Biden Administration's searches for areas to work with regimes that, like that of Arce in Bolivia, take actions that seriously undermine US interests. Indeed, in Honduras, Xiomara Castro's unilateral [cancellation of an extradition treaty](#) with the US, like the Maduro regime's failure to allow real democratic elections in Venezuela after the US [eased sanctions](#) to incentivize that path, both argue for realism instead of hopefulness, in recognizing when the interests of a regime fundamentally diverge from those of the US.

In the context of Nicholas Maduro's robbery of elections in Venezuela and his subsequent crackdown on the masses of indignant Venezuelans protesting that robbery, the [Arce government's recognition](#) of Maduro's fraudulent victory claim has not been helpful. Indeed, Arce's solidarity with Maduro invites troubling comparisons between the latter's [repression of protesters](#) and efforts to [arrest President-elect Edmundo Gonzalez](#) versus Bolivia's [imprisonment of former interim President Jeanine Añez](#) and Santa Cruz [governor Luis Camacho](#), even if the circumstances of those cases are different from the situation in Venezuela. Still, despite concerns over [corruption](#) and [anti-democratic behaviors](#) of the Morales and Arce governments, including the political weaponization of Bolivia's judicial institutions, there is a degree of pluralism and democratic voice in Bolivia that has been quashed in more fully authoritarian regimes in the region such as Cuba, Venezuela, and Nicaragua.

While Bolivia has the right to conduct its affairs within the limits of its laws, international commitments, and human rights, the country's deteriorating political, economic, and criminal environment raises concerns for the broader region.

Morales and Arce are locked in a struggle for control over the MAS, with a series of Congresses, each held under questionable conditions, dominated by supporters of one side, voting to [expel the leader of the other](#). The national judicial authority, the CNE, is struggling to resolve the dispute, although it is not clear if it will be able to do so in a fashion both sides accept. Although many ordinary Bolivians simply maintain a distance from the fight, the bitter fight between the political

In the economic domain, the prior Morales Administration's years of neglect of investment in the gas production which previously produced foreign currency earnings to fund social programs, means that gas production is now sharply falling. New fields such as the enormous 1.7 trillion cubic feet of reserves discovered in the Mayaya Centro-X1 IE field will require years to come online, even if they receive proper investment. That continuous decline in gas production and export has produced a corresponding drop in foreign currency reserves, which inhibits access to dollars to import goods or to buy diesel fuel critical for the transport sector. Heavy government subsidies for diesel have compounded the problem by keeping demand high, including contributing to a black market in selling the scarce fuel to neighboring countries. The consequent shortage of fuel and basic goods has fueled countless strikes, further paralyzing the economy and obligating the Arce government to spend money that it does not have to import even more fuel.

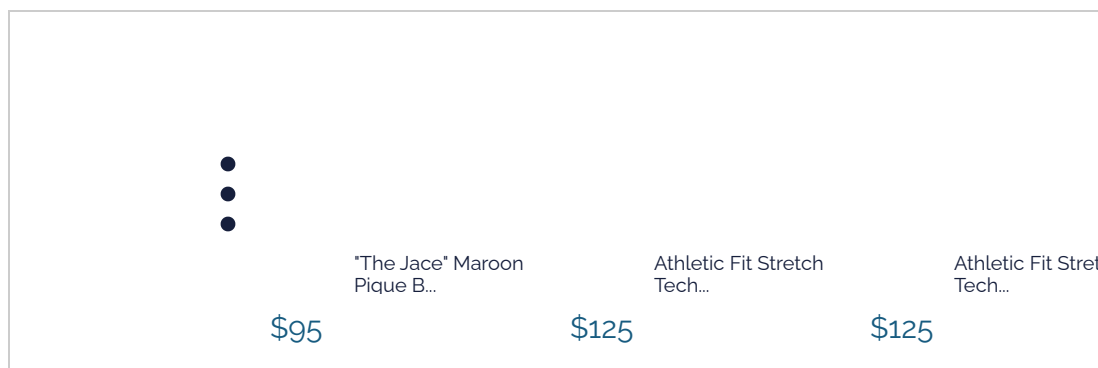
Compounding Bolivia's gas and currency-induced economic crisis, the national government recently published the results of a delayed census, the key to the distribution of resources and political representation in Bolivia's centralized system. The lack of confidence in the MAS government in Departments such as Santa Cruz, where the opposition is strongest, likely suppressed participation. When the government survey was released, showing almost one million people in Santa Cruz fewer than a prior survey done by the more conservative leadership of the Departmental government, further protests broke out because of the implications for the Department's receipt of national resources and power.

At the beginning of August, President Arce proposed a national referendum to address the difficult questions of eliminating the government's subsidies on diesel fuel and the issue of the presidential election, indirectly determining whether Evo Morales could stand for reelection. The move, being evaluated by Bolivia's constitutional court, temporarily suppressed some of the protests against Arce, although by September, protests were resuming.

Complicating the dynamics of Bolivia's political and economic crisis, it is important to note that the country has become a major transit country for cocaine bound for markets in Europe, Argentina, and Brazil, including that produced in neighboring Peru. Some of the cocaine also originates in the country itself, where growing coca leaves in (grossly ignored) limited quantities for

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As Bolivia moves toward elections in August 2025, its economy and institutions' deterioration and political paralysis appear to be accelerating. Political infighting has [effectively paralyzed meaningful actions](#) to address [falling gas production](#) and currency shortfalls, let alone longer term issues such as how the government could best leverage its new role as a [member of Mercosur](#) to expand its economy by producing for neighboring markets such as those of Brazil. The country's political paralysis also has ironically impeded the government's consideration of taking advantage of suitors such as the PRC, including the development of lithium projects granted to PRC-based companies [CATL and Citic Guoan](#) and [Russia's Uranium One](#). Bolivia's political infighting has also arguably impaired a range of other projects with the PRC, and others, including Western investors, focused on obtaining needed infrastructure and expanding revenue from exports from products from the agricultural and other sectors, in addition to petroleum.



President Arce's decision to [eliminate primary elections](#) ups the ante for who succeeds in taking control of the MAS. Given that support among Bolivians for both President Arce and Evo Morales are below 20%, there are even rumors of the MAS backing young cocalero [Andrónico Rodríguez](#), possibly in conjunction with the presentation of serious narcotrafficking charges against Evo Morales and [extraditing Maximiliano Dávila Pérez](#), former head of Bolivia's narcotrafficking organization FELCN, to the United States in a bid to clean-up its image and launch a better relationship with the US.

Beyond the MAS, Bolivian politics is fragmented among candidates whose political careers and presidential aspirations date back to the 1990s and before, including Jorge "Tuto" Quiroga, Carlos Mesa, Samuel Doria Medina, and Manfred Reyes Villa, among others. Although there has been talk



Whether or not the MAS remains in power, it is in the US interest to engage with the Bolivian government where possible, with eyes wide open to its significant levels of corruption and criminal affiliations and the areas where the interests of the MAS diverge significantly from those of the US. Bolivia is not yet Venezuela. The US should be open to opportunities to turn the relationship around, yet also, as with Venezuela, ready to act decisively to isolate the regime and the damage its ideological and criminal ties can do to the region if that does not prove possible.

### **About the Author:**

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