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Bolivia: A pivotal moment for Populism and the pandemic response

By Evan Ellis / July 29, 2020



The landlocked South American nation of Bolivia does not often receive much attention from Washington. But as the region struggles with the health, economic, security, and political impacts of the COVID-19 pandemic, however, the possible return of leftist populism in Bolivia—and its implications for the region—has raised alarms. On October 18, Bolivia will hold the first round of repeatedly postponed elections that could bring the leftist Movement for Socialism (MAS) party of Evo Morales back to power amidst a divided center right, a President and eight members of her cabinet sick with COVID-19, and a healthcare system on the verge of collapse.

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Bolivia’s worsening health, economic, and political crises are each making the other worse, stretching the social fabric of the country to its breaking point. The country, as of late July, had almost 65,000 reported cases of COVID-19, and the highest per capita infection rate in South America, overtaking Ecuador—which held the dubious honor from the beginning of the crisis. For economic and other reasons, Bolivians have not fully obeyed government social distancing guidelines.

Public health officials anticipate a sustained peak between August and October of over 137,000 cases, though there is a significant knowledge deficit due to a significant lack of reporting. The public hospital system is at its limits, threatening to increase rates of lethality and leading the government to propose nationalizing private hospitals. In one public hospital in La Paz, 33 percent of the staff was officially infected by the virus, and 90 percent were on medical leave, driving hospital workers to go on strike over the risky conditions. Public security is also threatened, with an increase in robberies and home break-ins from desperate people, and as 1,100 Bolivian police officers are recorded to have been infected with COVID-19. The police are collecting bodies left in the streets, with 80-90 percent of the deceased believed to have died from the virus. Some poor Bolivians are burying their dead in cardboard boxes.

On the economic front, store closures resulted in an increase of the unemployment rate to an estimated 16 percent. According to the International Monetary Fund (IMF), GDP is expected to contract 2.9 percent this year, although some project it could shrink by almost 6 percent. A survey of businesses in July 2020 found that 73 percent expected to lay off more workers in the coming months.

In the face of such enormous needs, as elsewhere, the government is spending unsustainable quantities of borrowed money. Since declaring a national state of emergency on March 26, it has spent over \$1.1 billion in 20 different initiatives, creating an unprecedented level of foreign debt. Government infighting currently centers around future stimulus and relief efforts, with the MAS opposition insisting on a new \$250 million program that would provide 1,000 bolivars each to 3.5 million needy Bolivians, as opposed to the government's more modest, 500-bolivar per person "health bond." Current borrowing from international organizations for the pandemic response includes a \$327 million unconditional loan in progress from the IMF, \$350M from the Andean Development Corporation (CAF),

and \$200 million from the Inter-American Development Bank.

As in the United States, mutually reinforcing political tension and social mobilization threatens to make the health and economic crisis much worse. The latest postponement of the elections to October 18, while arguably necessary from a public health standpoint, adds to the division, and suspicions among the Bolivian left, who see the move as a continuation of a power grab by the right—which began with what they perceive as an unjustified invalidation of the October 2019 election, where their standard bearer, Evo Morales, registered the most votes.

The decision of transitional president Jeanine Áñez to join the race for president, despite her prior commitment not to so, added to divisions in the Bolivian center and right, while negative assessments of her management in office, including the takeoff of COVID-19 in the country, a series of corruption scandals, and the repeated postponement of elections, have torpedoed her popularity.

Luis Arce of the MAS party is the frontrunner ahead of former President Carlos Mesa, Santa Cruz Civic Committee leader Luis Camacho, and President Áñez. However, one July 20 poll has Arce and Mesa in a statistical tie, with Mesa winning a second round vote—having rallied moderate and conservative voters around him in an anti-populist alliance.

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While Arce, Bolivia's former Economy and Finance Minister, is considered more moderate and technocratic than his predecessor, Evo Morales, the return of the MAS to power would present significant challenges for Washington. As with elections in the U.S., Bolivia's direction will not be defined solely by its President, but by the allies he brings into government. In the case of Arce, that means a MAS-dominated National Assembly, including radical and other left-oriented unions and groups. If a future Arce government pardons Evo Morales and he returns to Bolivia to occupy a senate seat—which he is likely to win—the former president would continue to exert a strong populist voice in Bolivian politics.

With the abrupt changes in policy made by the transitional government of Jeanine Áñez, including seeking the incarceration of former President Evo Morales and pursuing criminal charges against other MAS government figures, the MAS' return will likely be “payback time” for the left. In regional politics, the return of the MAS will undercut the struggle for good government and against leftist populism in countries like Venezuela and Nicaragua—efforts led by the Lima Group and Organization of American States—just as leftist governments in Argentina and Mexico increasingly find their voice against Washington.

The return of the MAS will also likely reopen the door to an array of projects with loans from the People's Republic of China. Between 2013 and 2018, Chinese companies secured 25 contracts, worth almost \$3.3 billion, from the Morales government including mining concessions, hydroelectric and other infrastructure projects. Bolivia's economic needs and the Morales government's personal and political ties to China positions the PRC to expand its presence in the country should the MAS return to power.

A MAS government would also likely complicate security cooperation with the U.S. at a time in which the pandemic is transforming transnational

organized crime and propelling other sources of violence and social unrest across the region.

Regrettably, the U.S. arguably contributed to the problem—and an unnecessarily bad relationship with the Bolivian left if the MAS wins the presidency. For Washington, it was useful that the pro-U.S. Áñez rapidly made a number of significant changes in support of U.S. foreign policy objectives, including withdrawing from the leftist regional organization CELAC; supporting the re-election of Organization of American States head Luis Almagro in November 2019; joining the Lima Group in December; recognizing interim Venezuelan President Juan Guaidó; and, adding Bolivia's support to the coalition seeking to oust the Maduro regime and restore democracy to Venezuela.

Such moves arguably generated discomfort in Bolivia, where the electorate was tired of the corruption of Evo Morales, yet had not voted to take the country in such a radically different direction. Making matters worse, the Áñez government launched a series of criminal investigations and legal actions against Evo Morales, members of his government, and MAS politicians. While probably well founded, the investigations created alarm and resentment in the MAS support base due to the criminalization of the prior regime and its leadership.

Washington succumbed to the temptation of welcoming the helpful changes that Áñez made in Bolivia's foreign policy, instead of thinking long-term and publicly encouraging her to ease up until the will of the Bolivian people could be established through elections. Washington also missed an opportunity in not publicly discouraging her from joining the presidential race when she previously committed not to do so.

It is important for the U.S. to recognize the strategic significance of Bolivia's crisis, not just for the country, but the region, and to engage

Bolivia with attention, generosity, and even-handedness. The lesson in Bolivia is that Washington must think long-term in dealing with its friends as well as those who view it with suspicion or hostility. The U.S. should sincerely thank Áñez for the constructive direction she has taken Bolivia's foreign policy, yet privately counsel her to graciously withdraw from the race. It should also respectfully engage Carlos Mesa, Luis Arce, and the MAS, and Bolivia's other responsible and viable political forces to build bridges for the future.

Bolivia's current difficulties are not insurmountable, and call to mind another transitional president, Eduardo Rodríguez Veltzé (2005-2006), who shepherded Bolivia through a similarly tumultuous period following the resignations of Gonzalo Sánchez de Lozada and his then vice-president Carlos Mesa. Rodríguez could have capitalized on his transitional position to run for President, but chose not to, leaving the country stronger, and a legacy of respect for his tenure. Jeanine Áñez may wish to consider his example to guide her through this difficult moment in Bolivia's history.

Evan Ellis is Latin America Studies Professor with the U.S. Army War College. The views expressed in this article are his own, and do not necessarily represent his employer or the U.S. government.

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