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Man of the people

Bolivia's first indigenous president's ability to tune into popular feeling worries fellow politicians, says **James Dunkerley**

Evo Morales is probably the most travelled of Bolivia's 63 heads of state since its foundation in 1825, even though Simón Bolívar, the first holder of that office, is better known abroad.

Morales, elected in January 2006, is Bolivia's first indigenous president and a radical "man of the people". He has worked hard to keep his foreign alliances in good order and to maintain a viable international profile for the land-locked country. Although he is not above some mischief, he is far less impulsive than some believe.

The rhetoric of the Morales government certainly chimes with that of the anti-Washington Consensus regimes, which sprang up in Latin America during the early years of this century. In substance, however, the macro-economic policies implemented by La Paz are often quite conservative. Andean peasants are not averse to markets but want "fair" ones. So the president increasingly appears more concerned about regaining a strategic exit to the sea than to nationalise industries at home.

Likewise, diplomatic relations with Chile have become a prominent feature in domestic as well as foreign policy. The loss of the Pacific littoral to Chile after the War of the Pacific (1879-1884) has always provoked more nationalist sentiment

than have wars with Argentina, Peru, Brazil and Paraguay, which also resulted in loss of territory and lives. Today, Chile is widely perceived as continuing to exploit a historic wrong because of the condescension of its elite, dominated by families of European descent, and by practising a legalistic subversion of neighbourliness. So the ruling last month by the International Court of Justice in The Hague that it is qualified to hear Bolivia's case in the territorial dispute with Chile was received with great popular acclaim.

Bolivia, of course, has an unenviable reputation for internal conflict as well as for the fragility of its frontiers. Morales came to power on the back of a series of protests against foreign ownership of water (2001-02) and the export of natural gas to Chile (2003-2005) — fierce conflicts that were soon dubbed "wars" and involved sufficient loss of life for that description to stick.

Morales is viewed as being parochial because of his rural origins and defence of coca farmers, whose unions and anti-US feelings provide his core political following.

Few of the national elite came to his aid, for example, when he was unceremoniously ejected from congress in 2002, as he was deemed to not have met the formal conditions for political party registration. Many of this elite see the indigenous features of his government as a dangerous and divisive

aberration. The president also lacks a wide range of reliable domestic allies. His government has secured the acquiescence of the armed forces, but the administration rests on an unpredictable popular movement that brought it to power via the ballot box precisely because he faced down the troops.

For these reasons Morales cannot stoke up nationalist sentiment too sharply without the risk of severe public disappointment. So far, he has kept in tune with the popular temper over relations with the US and Chile, recently enlisting the approval of almost all the ex-presidents, for the diplomatic campaign in pursuit of an exit to the sea. They in turn have distanced that support from any endorsement of the regime's domestic policies.

However, the difference between participating in the exit to the sea and endorsing the rest of the administration's policies, is not so clear-cut. In Bolivia any bipartisanship, such as foreign alliance, pays dividends well before the shoreline. ■

James Dunkerley is professor of Latin American politics at Queen Mary University of London

Morales is not above mischief but he is less impulsive than some believe

Bolivian students celebrate the International Court of Justice's decision to hear the country's sea dispute case against Chile



Mountains to climb

With leaner times ahead, socialist Bolivia is wooing business ever harder. By **John Paul Rathbone**



It should be a truth universally acknowledged that centre-right governments in Latin America do not know their countries, while centre-left governments do not know how to manage them. Socialist Bolivia is an exception that proves this rule — so far.

That is largely thanks to the commodity price boom that began in 2003 and lifted Bolivia's economic boats. It is also thanks to the ingrained memory of hyperinflation in 1985 when prices rose by 12,000 per cent: no Bolivian wants to see such economic instability again. And, lastly, it is down to Evo Morales, president since 2006, who understood, unlike Hugo Chávez in Venezuela or the Kirchner

double-act in Argentina, that a solid economy would give him valuable financial autonomy.

Everybody, from voters to ministers, calls him Evo. When Pope Francis visited Bolivia in July 2015, Morales presented him with a crucifix carved into a hammer and sickle. When Morales' Movement Towards Socialism (MAS) party performed poorly in regional elections in March, he blamed machismo (although the opposition winner of the El Alto mayoralty was a woman). His trademark anti-Yankeeism has won him many enemies at home and abroad. Yet he has otherwise steered an even course, while his anti-imperialist rhetoric is often no more than an expression of understandable popular resentments, including his own. In 1994, while head of the coca leaf growers' union, Morales

was arrested by US-trained anti-drug agents. "F***ing Indian," they yelled while beating him up.

Morales is an ethnic Aymara — one of Bolivia's main indigenous groups, which make up two-thirds of the country's 10m people. That makes him the first indigenous president in Bolivia, a country traditionally ruled by members of its minority *mestizo* or white inhabitants. For the most part, these descendants of European settlers helped to create a brutal and humiliating history during which the indigenous majority was treated like dirt. A redrafting of the constitution has since enshrined many indigenous rights, buoying — at least at first — Morales' popularity.

Bolivia famously remains one of the poorest countries in South America, a feature that, combined



with its history, can be explained by a near-impossible geography: its lack of access to the sea; the towering passes of the Andes; the extremes of cold and wetness; and the abrupt changes of altitude amid peaks that rise suddenly to 12,000 feet above sea level.

This altitude can render travellers from the lowlands breathless and sick, and its de-oxygenating effects are often best countered by chewing coca leaves, the remedy used locally for millennia and now transmuted into the primary source of a still-large contraband cocaine trade into neighbouring Brazil and Argentina.

But Bolivia has lush lowlands too. Santa Cruz, its largest city, is home to most of the nation's wealth and also frequent secessionary claims by grumpy agro-industrialists. Indeed, Bolivia's

La Paz, above, is the highest seat of government in the world. Few roads connect it with other parts of the country, and those are easily closed by protests

extreme geography helps explain its recent history and politics too.

There are few roads — only one links La Paz to Cochabamba, the city that connects the highlands to the lowlands. Only one road links La Paz to the airport at El Alto. That is why the many brigades of poor, including Morales' coca union, discovered in the 2000s they could erect a roadblock and shut down the country until their demands were met.

This tactic helped bring Morales to power and is still used, an irritant to government that usually requires his personal attention and dispensing of funds to solve. The roadblock, in short, has become the basis of an unusual rentier economy, settled with commodity-generated wealth that will end one day, perhaps soon, as the commodity boom ebbs.

There are already signs of this happening. For its entire post-conquest existence, Bolivia has survived on one principal export — silver; then rubber and tin; briefly coca paste from coca leaves; now gas. Almost half of Bolivia's exports are of natural gas, linked to the falling price of oil. A fixed exchange rate, combined with domestic inflation, is making the economy less competitive, while stunting much-needed economic diversification.

The prospect of leaner times explains the country's push to attract foreign investment. Such pragmatism conjures up multiple ironies: opening up protected areas to hydrocarbon exploration, for example, is to watch the collapse of Morales' self-proclaimed mission to

fight capitalism and protect Mother Earth. More materially, investor memories of recent nationalisations linger. The country ranks 103rd out of 174 in Transparency International's corruption perceptions index, and 157th out of 189 on the World Bank's ease of doing business survey, below Iraq. The investment drive is likely to be a hard slog.

Meanwhile national politics is becoming more volatile. In July, miners from Potosí, wielding shovels and sticks of dynamite, marched on La Paz, where they occupied the vice-ministry of the interior, forcing ministers to flee. Such anger comes despite a

Bolivia's investment drive is likely to be a hard slog

remarkable social transformation under Morales. The proportion of the population living on less than \$4 a day fell to 27 per cent in 2013 from 54 per cent in 2005.

This is laudable but also no better, it needs to be stressed, than the full-blown capitalism of neighbouring Peru.

What next? Morales is many things, but a democrat may not be one of them. The MAS controls Congress, state-owned media flatters the government and, if Morales runs for a fourth term in 2019, he will probably win. If he completes that term, he will have been president for 20 years — not the half-century of his mentor Fidel Castro, but almost twice Chavez's reign. That would be disappointing, but then a central tenet of Andean cosmology is the circularity of time. For better and for worse, the "new" Bolivia contains a lot of the old one too. It would be unrealistic and foolish to expect any more. ■

President — or patron

Evo Morales tells **Andres Schipani** he is not worried at all about the economy. But if growth falls away, how will the 'peasant president' keep his newly affluent voters happy?

Photograph by Noah Friedman-Rudovsky

When Evo Morales was a poor youngster herding llamas on the shores

of Lake Poopó on Bolivia's high plains, he learnt three basic Andean rules of life: *ama sua* (be not a thief), *ama quella* (be not lazy) and *ama llulla* (be not a liar).

When I met him in Bolivia a few weeks ago he agreed that, as he grew into adulthood, he learnt one more rule: *ama llunk'u* (do not be servile). It is a maxim that has served him well: supporters of the country's first indigenous leader regard him as the man who ended five centuries of oppression against Bolivia's Amerindian peoples.

Morales' rise to power has spurred hopes of radical change among the peasant farmers, unions and urban migrants who are his political base. "I have to be careful now: there are a lot of sycophants around," he says.

His party, the Movement Towards Socialism (MAS), wants him to run for a fourth term in 2019; last month Congress voted to amend the constitution to allow him to do so. A referendum to ratify that will be held next February, which is worrying to those who identify autocratic leanings in the president.

Thousands marched through La Paz in August demanding Morales be able to continue his revolution indefinitely. When I met him, I watched about 12,000 indigenous people chanting "Brother Evo, Brother Evo" as he unveiled a bust of himself at a new \$11m sports complex named in his honour, in Quillacollo on the outskirts of Cochabamba.

Before he set off to the football pitch at the complex, his tone was cheerful but measured. Morales is a confident man: as far as he is concerned he has "refounded" a country whose history has been one of exclusion, hyperinflation (notably in 1985), dictatorships, coups and indigenous uprisings.

"Before, we had a colonial state with a small dominant class," he said. "It was a state in name only — those were impostor presidents."

The revolving doors of the presidency spun out five office-holders in the five years before



President
Evo Morales
claims he has
'refounded'
Bolivia



INTERVIEW EVO MORALES

Morales won his first term in 2005, securing en masse an indigenous vote that was weary of a discredited political system. Morales also profited from indigenous anger at a US-led push to eradicate coca — cocaine's raw ingredient but traditionally used as a mild stimulant by Andeans.

He has brought a substantial measure of stability to one of Latin America's most volatile countries. He has granted sweeping rights to the Amerindian majority — serfdom was abolished only in 1945 and until 1952 indigenous people were forbidden to enter the square outside the presidential palace.

"Before Evo, we, the indigenous, were invisible," says Celima Torrico, a Quechua woman who served as justice minister during Morales' first term. "People called us 'Indians'; they used to tell us we had to first civilise ourselves before we could enter a public building."

It was Morales' connection with peasants such as Torrico that secured his first presidential term in 2005 with 54 per cent of the vote, then strengthened his support in 2009 to 63 per cent after the constitution was changed to allow immediate re-election. In 2014, he managed 61 per cent.

These emphatic victories — and a buoyant economy led by a commodities supercycle — have made him arguably the region's most successful socialist president ever. His redistributionist policies have improved living standards in one of the region's poorest nations and have gone a long way to dissolving enmity between opposing camps. Even secessionist

calls in some pockets of the eastern lowlands have melted away.

"The Morales of the first term was more attentive to the internal political conflict that put

Bolivia on the edge," says Martín Sivak, an Argentine journalist and author of *Evo Morales: The Extraordinary Rise of the First Indigenous President of Bolivia*.

"Morales now is more attentive to how the economy goes, which is interesting, considering he arrived at the presidency without knowing what generated inflation."

Morales' anti-capitalist rhetoric remains fierce. Yet his macroeconomic and fiscal policies, and improved relations with the country's private sector, have fed his success. Booming gas supplies to Argentina and Brazil, coupled with mineral exports, helped to sustain average economic growth in Bolivia of 5.1 per cent a year after Morales took office in 2006.

'When Morales arrived in office he didn't know what generated inflation'



WINGMAN

Morales' deputy, Alvaro García Linera (pictured above left), comes from the very social class that once detested the president. This witty, pale-skinned Marxist is a former member of the Tupac Katari Guerrilla Army. A mathematician and former sociology professor, he is fond of saying that the government is one of "poncho and tie". With a reputation as something of a womaniser, although recently married, in person he can be so urbane and unflappable that when asked during a debate if he had ever engaged in 'homosexual relations', he replied nonchalantly: "Not yet"

By nationalising the hydrocarbons sector to boost state revenues and fuel a consumer boom, Bolivia's public spending has been characterised by largesse. The country has its first telecommunications satellite, and in La Paz a mass-transit cable-car system is in line for a \$400m expansion.

"Some said Bolivia was dying but the state should not participate in the national economy," Morales says, referring to 1985's hyperinflation. "Now, we are better than before and better than other Latin American countries."

Moreover, a poll in August by Ipsos Bolivia put his approval ratings at 70 per cent. The flipside to some is that 54 per cent of those questioned supported a change in the constitution to allow another term for the man who entered politics as a coca trade unionist in the tropics of El Chapare.

"I come from extreme poverty and moved to El Chapare to survive, not to become president," Morales says. "After so many marches I've arrived at the presidency without expecting it. And that the people ask for my ratification is something unprecedented, historic, so I will always be subject to the will of the people."

MAS is a strong force, though less popular than its leader, and is pushing ahead with the referendum. Yet here is where many believe the peasant president will fall flat.

As dissatisfaction mounts while the commodity bonanza shrinks, the divided opposition may manage to unite against a common cause. "Evo will win but by a much smaller margin than in previous elections," says a senior MAS member. "Here is where Evo's exceptionality will fade away."



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INTERVIEW EVO MORALES

Even if Bolivia's natural resources-driven economy can ride out the end of the commodities boom, government revenues from gas exports are on course to fall by 30 per cent this year alone.

"I am not worried at all about the economy," Morales tells me. But even with almost 50 per cent of GDP stocked in foreign reserves and a \$48bn projected investment plan to keep the economy humming, any collapse in income would cripple his ability to spend on satisfying the demands of his key voter bases.

"He won't have the consensus he had when the economy was stronger," says Fernando Molina, a commentator and columnist. "His power base is now more middle-class than peasant, so he needs more economy than revolution."

Some fear less money also means less democracy and a crackdown on dissent. Facing declining incomes, the president who pledged to protect the *Pachamama*, or Mother Earth, has opened up seven of Bolivia's 22 protected areas for hydrocarbon exploration, dismissing criticism.

Marco Gandarillas, executive director of the Bolivian Centre for Documentation and Information (Cedib), says "democracy is turning into a problem" as it challenges these exploration plans. The organisation has been reprimanded for criticising the government; vice-president Alvaro García Linera even called it a body of "green Trotskyites".

These attitudes are alienating a swath of the president's political base, with some voicing environmental and other concerns. "He has betrayed the indigenous movement and the people," says Alejandro Almaráz, a former deputy land minister who has distanced himself from Morales.

Such a climate is raising fears of a tilt towards autocracy. The government has even admitted it has restricted its advertising through certain critical media outlets, while a cult of personality around Morales is growing amid the lack of a serious challenger. "The personalisation of the so-

His power base is now more middle-class than peasant, so he needs more economy than revolution'



Going for goal number four – Morales is still dependent on a referendum

called process of change is one of its greatest weaknesses," warns Sívak, the Argentine journalist.

Félix Patzi, opposition governor of La Paz, was Morales' education minister but resigned from the MAS in 2010. He left, he says, when he realised "there was a sort of authoritarianism based on the idea of one person staying eternally in power".

In one mistimed incident, the president was caught on a smartphone camera asking one of his aides to tie his shoelaces up. "Morales feels he is the country's patron," says Samuel Doria Medina, a businessman and politician who ran for president against him three times.

Still, the senior MAS member believes Morales "is the only element of cohesion of indigenous, peasant and social movements, and there is a strong belief that he is the only one who could manage this country".

Not a few capitalists believe that too. "We should be thankful we have Evo. Marginalisation was a time-bomb and he has forced us to share the pie," says a businessman who did not want to be named. "The government may be controlling, with democratic failures, but here we may need that to have stability. People are willing to sacrifice some democracy for more economic autonomy."

On his way to the football pitch, Morales shrugs off criticism that he is a "dictator, an authoritarian". "I have to deal with people calling me that," he says. "I reply with hard work. The opposition should not be bothered, as there is nothing more democratic than asking the people through a referendum. "If the people say no, I'll leave happily. If they say yes, I'll contribute with the experience I've accumulated so far."

Wearing the number 10 shirt, he leads the presidential team to a crushing victory over the local side led by an opposition mayor. His cheering supporters brandish banners reading "Evo 2020-2025".

As the president looks to add to a hat-trick, the commentator yells, "Morales wants more! Isn't he satisfied yet?"

As his fourth goal goes in, it would seem not. ■



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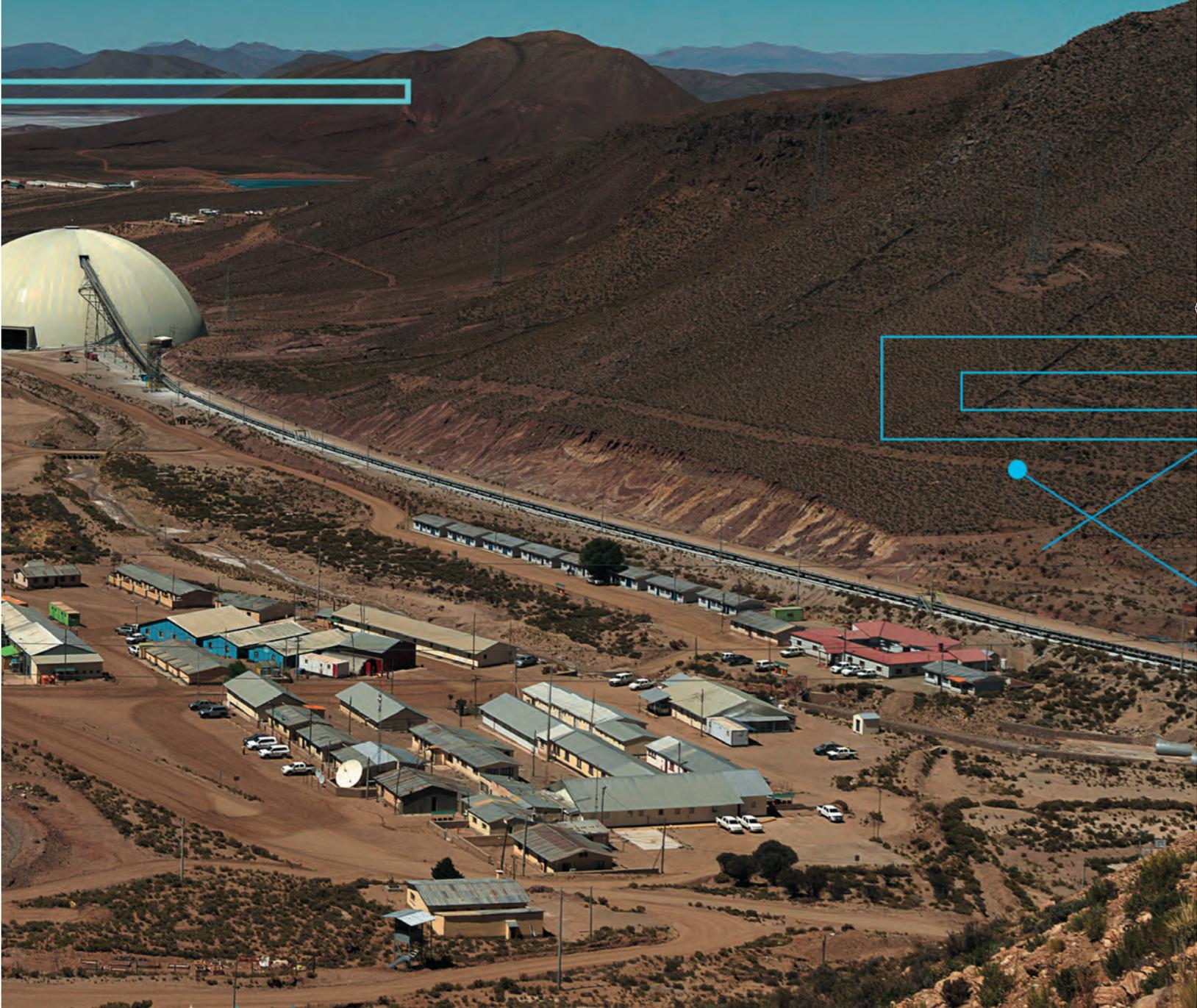
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CONTINUO

Upwardly mobile

The leftist revolution has given indigenous people new spending power, expanding the middle class as the consumer boom continues – for now. By **Andres Schipani**

A giant new mural embellishes the interior of one of Bolivia's finance ministry buildings; one that would have made the Mexican socialist artist Diego Rivera glow with pride — and wince with embarrassment. In “The Treasure and the Process of Change”, a combative indigenous figure attended by a victorious Andean condor proudly crushes a bald eagle. Beside her, smiling children gaze at a 100 boliviano note as coffers overflow with gold.

“What socialism wants is for people to live better, not for everyone to live in poverty,” says Luis Arce, the finance minister.

The mural chimes with one reality of Bolivia's leftist revolution, which, as it grows more inclusive and autonomous, is underpinned in part by a consumer boom.

In a country that was once a byword for grinding poverty, impoverished indigenous people are gaining in economic clout.

A new cable car link with La Paz has been a boon to people from the poorer El Alto

PHOTO: REUTERS

ECONOMY AND SOCIETY

Since 2006, when Evo Morales became president, the economy — a big exporter of gas and minerals — has almost tripled in size.

This growth, coupled with prudent macroeconomic and expansive fiscal policies, has financed popular welfare and poverty-relief programmes that have reached millions of Bolivians. Some \$500m a year has been funnelled into cash-transfer schemes for elderly people, schoolchildren and pregnant women, for example. Populist actions such as these have contributed to a substantial increase in spending.

“There is a leftist ideology with an indigenous twist — the idea of ‘living well’ — while conspicuous consumption increases among the country’s emerging middle classes. These [ideas] can cohabit here today,” says Amaru Villanueva Rance, a director at the Centre for Social Investigation (CIS), a research agency attached to the vice-presidency.

That cohabitation is in evidence at Multicine, a cinema and fast-food complex in La Paz’s thriving Sopocachi neighbourhood. It is noon on



Furnishings for newly wealthy Aymara homes, above; socialist art mural in the finance ministry, below

Wednesday, and Ana Tapia, an indigenous woman who wears traditional dress, and her two young sons are deciding which movie to watch. The family uses the new cable car from the poor satellite city of El Alto to reach Sopocachi. They make this trip every week, so their viewing choices are becoming limited. “Let’s see *Pixels* — we’ve already watched *Fantastic Four* and *Minions*,” says Tapia’s nine-year-old boy. “We’ve learnt to enjoy this, as things are going well,” Tapia, a pastry-seller, tells me.

Certainly, the country’s gross domestic product per capita jumped from \$1,200 in 2006 to

\$3,000 last year, according to data from the planning ministry. Between 2005 and 2013, 2.6m people joined the middle class, according to figures from Bolivia’s Social and Economic Policy Analysis Unit (UDAPE). Meanwhile, poverty rates halved between 2006 and 2013, says George Gray Molina, a Bolivian economist at the UN Development Programme (UNDP).

Preliminary data from UNDP and Bolivia’s vice-presidency show how the middle-income stratum grew to encompass 56 per cent of the population by 2013. Although nearly two-thirds of those are at risk of slipping back, that is still unprecedented in a country where historically the majority has been poor.

“When the money was concentrated in a few hands there was no consumption,” explains finance minister Arce, observing that Bolivia’s national minimum wage has soared by 276 per cent since 2006. “We redistributed income, generated internal demand and you have the phenomenon you can see now.”

Companies such as Cervecería Boliviana Nacional (CBN), the country’s main brewer, are happy — bars and restaurants are multiplying, and beer consumption increased from 25.8 litres per capita in 2005 to 34.4 in 2013, CBN reports.

“Bolivia’s sustained economic growth over the past decade and the upward mobility of the country’s population have had a positive impact on consumption,” says Hernán Atella, general manager of CBN, which is majority owned by global brewer AB InBev.

Despite what one commentator called Morales’ “hormonal distaste” for the US, the boom he has helped foster is prompting the arrival of American companies happy to take advantage of it.

Krispy Kreme, the US-based doughnut maker, has announced plans to open a dozen stores in Bolivia. “We believe this is the ideal time to be entering,” said Dan Beem, president

853%

Growth in restaurant takings, 2005-2014

SOURCE: BOLIVIAN MINISTRY OF FINANCE

600%

Growth in supermarket takings, 2005-2014

SOURCE: BOLIVIAN MINISTRY OF FINANCE





of the company's international division.

Kurt Koenigsfest is chief executive of BancoSol, a bank that specialises in microloans. "There is now a different logic compared to when we were isolated from what happened in Chile or Peru or Argentina, where it is normal for people to go the shopping mall, to the movies. We have that here now," he says.

He adds that the indigenous Aymara tradition of saving is giving way to another culture: "People have money and they use it. If it's not enough, they ask for credit — for example, to buy a flight to go to Santa Cruz and see relatives. That is novel."

The informal economy is huge, however. A significant number of Aymaras in El Alto and La Paz, for example, trade in all kinds of wares, from cars to electronics and clothes. Many of them live off the proceeds of smuggled goods. Koenigsfest estimates nine out of 10 new jobs in Bolivia are in the informal sector.

Nielsen, the market

2.6m

Bolivians who joined the middle class, 2005-2013

SOURCE: SOCIAL, ECONOMIC POLICY ANALYSIS UNIT

research group, says as Bolivia's middle class is able to satisfy its basic needs more easily, it is searching for "new alternatives, hence expanding and refining consumption".

That might explain why the sale of flights grew by 144 per cent between 2005 and 2014, according to government data. The new willingness to spend may also account for restaurant and supermarket sales in the same period leaping 853 per cent and 600 per cent respectively, says the finance ministry.

Many Bolivians are taking advantage of growth opportunities. In La Paz, Samuel Doria Medina, son of a well-known opposition politician, opened the upmarket Jardín de Asia restaurant in 2013. He puts politics to one side. "Business is business," he says, "and in the current scenario, business is going very well."

While finance minister Arce maintains that "capitalism is in crisis" and critics "do not know what socialism is", some analysts counter that the

144%

Increase in sales of flights, 2005-2014

SOURCE: GOVERNMENT DATA

Commercial hubs: El Prado, La Paz's main street, above; the central market in Sucre, below

Bolivian government's economic strategy is simply another example of state capitalism — a rentier model fuelling populist measures.

"This current situation is the apex of consumerism, a consumer bubble," says economist Gonzalo Chávez, who teaches at the Catholic University in La Paz.

His students traditionally would have been drawn only from Bolivia's white and mixed-race elite, but more and more young

people of indigenous descent are entering the institution. "Do not call this socialism, please," Chávez instructs. "Have some respect for Marx." ■

\$3,000

GDP per capita in 2014, up from \$1,200 in 2006

SOURCE: MINISTRY OF PLANNING



ECONOMY AND SOCIETY

The Morales revolution is part of a longer historical process, says former UN diplomat **Margaret Anstee**

On my first field trip as head of the UN mission to Bolivia in 1960, I accompanied the minister for rural affairs to a remote Aymara village to distribute new land titles authorised under the recent agrarian reform law. This was an outcome of the 1952 revolution by bourgeois revolutionaries, aimed at incorporating the indigenous majority into all aspects of national life. Other measures included universal suffrage, education and health for all, and nationalisation of the mines.

We were greeted by a colourful procession, led by the *jilakata* (village chief) bearing his silver embossed staff of command, followed by homespun henchmen, *cholitas* twirling flamboyant bell skirts, their bowler hats at the requisite coquettish angle, and a motley group of musicians playing haunting music on a variety of Andean instruments. To my horror, the *jilakata* fell to his knees and kissed my hand. He had never seen a white woman before. Such a scene would never occur today. It was already an anachronism then.

Dame Margaret in her Bolivian room on the Welsh Marches

Progress is not simply a miracle achieved over the past 10 years

The UN supported the reforms through a rural development programme (Acción Andina) based on four pilot projects. The villagers were asked to state their priorities, of which education was the first everywhere. They built their own schools and sometimes even paid the teacher. The programme also embraced preventive health care, built around the coca leaf practices of the *yatiri* (traditional healers); the farming of newly acquired plots of land, and training in basic technical skills. The results were promising, but before the project could be extended to the whole country it was halted by a military coup, backed by some US elements, in November 1964. Eighteen years of military dictatorship followed, during which the pace of indigenous incorporation slowed and suspicion and hostility between the classes increased.

When democracy was restored in 1982, a fragile elected government inherited a shattered economy, riddled with drug trafficking and galloping inflation. I was sent by the secretary-general to help restore the situation. That was the time of the Washington Consensus and International Monetary Fund structural reforms. Unless Bolivia

conformed to these conditions it could expect no external aid and, in 1985, the next government had to introduce a swingeing programme of

reforms. Inflation stopped and some sectors profited, but rural indigenous people and peasant farmers did not. They survived through subsistence farming but the evident inequality heightened the deeply rooted sense of grievance and discrimination.

In 1993, Gonzalo Sánchez de Lozada became president and introduced far-reaching reforms, among them decentralisation of authority and resources through the law of popular participation (1994). I had retired from the UN and was living in an Andean community in a house I had built on Lake Titicaca. As unpaid adviser to the government, I was closely involved in the process and saw the transformational effects locally.

Paradoxically, Sánchez de

Lozada sowed the seeds of his own political demise. It was popular participation that enabled Evo Morales to muster widespread indigenous support and oust the president early in his second incumbency, becoming president himself in 2006. There were other factors, such as the widespread coverage of cellular phones that vastly improved communications between regions and helped synchronise indigenous opposition movements that brought the country to a standstill.

Bolivia's social structures today are immensely different from those I observed in 1960. The middle class has swollen; most recent observers attribute this to Morales' policies, but again there were contributory factors. The main one was the rapid rise in commodity prices; for the first time in decades, Bolivia had a budget surplus, providing resources to finance ambitious programmes. But Bolivia's economy remains heavily dependent on commodities, so the current decline in their prices raises the question of future sustainability. A paper by Emmerich Davies and Tulia Falletti of the University of Pennsylvania, presented to the Red de Economía Política de América Latina, a research network, in Uruguay in July 2015, argues that "profound institutional reforms were designed and implemented before the election of Evo Morales". The authors also suggest the process has declined since the recent "left turn" in Bolivian politics.

Thus, progress in the situation is not simply a miracle achieved over the past 10 years but dates back to the 1952 revolution. It has not been a smooth process, interrupted by the 1964 military coup, the 18 years of dictatorship, the growth of narco-trafficking and the adverse social impact of structural adjustment in 1985. Favourable developments have included a rise in commodity prices and increasing migration from rural areas to urban centres, where social mobility is easier.

Rather than a revolution of the past decade, we are witnessing an evolution over more than half a century. ■

Dame Margaret Anstee was the first female under-secretary-general of the UN and former adviser to the Bolivian government



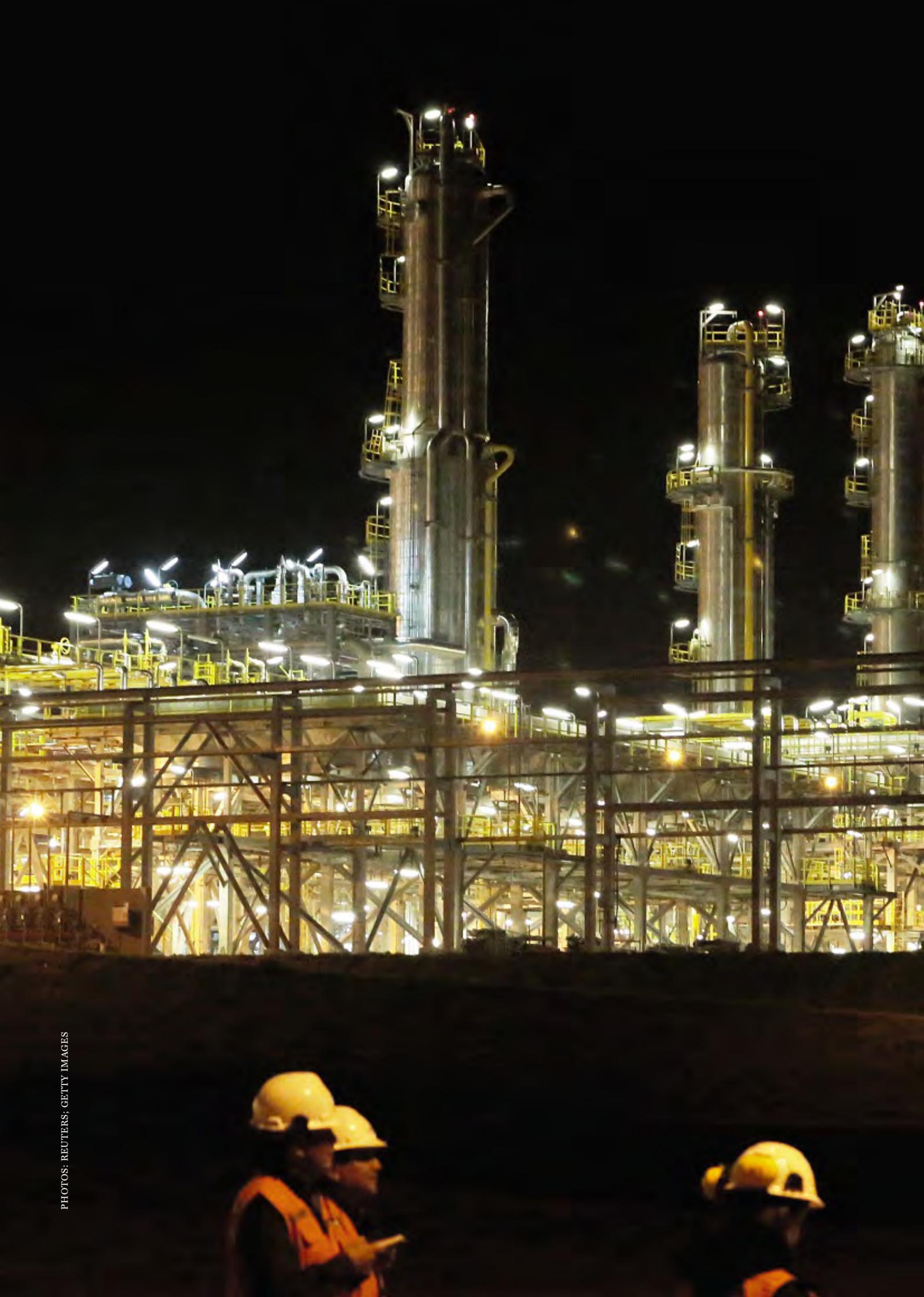
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Power to the people

Bolivia wants to become the energy heart of South America. But will previous exploration failures stymie its ambition? By **James Wilson**

Daylight was fading on Bolivia's southern border and the flames were dying down on the pyre where a baby llama had been sacrificed. The country's president, Evo Morales, was concluding a ceremony marking the handover, in August, of one of the biggest investments yet in the country's gas sector.

As seven trucks of liquefied petroleum gas rolled out of the Gran Chaco plant, bound for Paraguay, Morales hailed "the start of an industrialisation that is going to give lots of hope to Bolivians".

The construction of the \$700m Gran Chaco natural gas liquids separation plant is the latest consequence of what is arguably the single most important act of Morales' nine-year presidency: the nationalisation of Bolivia's oil and gas sector. With that sweeping step, Bolivia took control of its most important natural resource and scaled back the role of foreign investors including Total, Repsol, Petrobras and BG Group to that of junior partners of YPF, the state energy company.

Bolivia has trumpeted the success of increasing both gas exports and domestic consumption. But now YPF's management of Bolivia's hydrocarbons and the Morales administration's strategy are under perhaps more scrutiny than at any time since the dust settled on the 2006 nationalisations. Falling gas prices are shrinking the revenues on

which the government and many regions have come to rely.

Bolivia's ambition, reliant on gas much more than its small oil reserves, is to develop its role as the "energy heart of South America", a position its geography and resources should allow it to fulfil. Pipelines carry gas to Brazil and Argentina, with plans to extend sales to neighbours. Alvaro García Linera, the influential vice-president, even raised the prospect of exports to Chile.

But after years in which critics say Bolivia has neglected exploration — and "milked the cow" in the words of one sector executive — YPF is having to lead an accelerated campaign to find reserves to underpin contract renewals. It also has to maintain and expand gas production. Contrary to government confidence, some analysts and industry insiders expect production to start falling soon from its current level of about 60m cubic metres a day.

"The real challenge is to be able to manage reserves," says Carlos

The country's oil and gas sector was nationalised under Evo Morales; right, the president opens the Gran Chaco plant



OIL AND GAS

Delius, an industry entrepreneur and former head of the CBHE, Bolivia's hydrocarbons and energy association. "If Bolivia were a private company, it would be in trouble, because it is not growing its reserves portfolio."

Luis Alberto Sánchez, the energy minister, says government projections point to a rising surplus from 2018. "We know the projections. I do not expect big problems."

Investing more in exploration and production are not YPFB's only strategic options.

Bolivia is making unprecedented investments in a suite of petrochemical plants aimed at kickstarting an industrial base

founded on gas. An ammonia and urea plant to make fertiliser is under construction in an \$877m investment. Guillermo Achá, YPFB's president, is also promoting plans for plastics processing plants in the coming decade.

These are ambitious projects. All told, YPFB has a \$30bn investment programme for the next 10 years. "These are astronomical sums, never before seen in the Bolivian economy," says Sánchez.

The industrialisation strategy is coupled with efforts to build power generation capacity. The idea is to get more value out of gas in processed, rather than raw,

form. René Orellana, the planning minister, says Bolivia plans to invest almost \$9.6bn in generation, noting that exporting electricity to Brazil and Argentina would be more profitable than exporting unprocessed commodities.

"Even if we have an increase in internal demand for electricity as our industries grow, we would still be able to deliver significant electricity to our neighbours.

By 2020, we are planning to increase our electric energy supply to around 4,800MW from the 1,600MW we currently produce," he says.

Much depends on YPFB getting bang for the extra bucks it intends to put into exploration. Bolivia's gas

reserves, which had to be adjusted down dramatically about six years ago on technical grounds, stand at about 10.5tn cubic feet. Speaking at an industry conference in August in Santa Cruz, Bolivia's oil and gas capital, Achá said exploration was a priority. He made clear he expects foreign companies to take part in the drive to lift reserves to 11.5tcf in 2021 and 18tcf in 2025. These figures include the depletion of existing reserves.

Given that nationalisation left the government "take" from some gas fields at 82 per cent, Bolivia has not been good at incentivising foreign investment. For many

'If Bolivia were a private company, it would be in trouble'

YPFB, the state energy company, is to invest \$30bn in the next 10 years

companies, it is one thing to make the most of their sunk investments, but quite another to extend their Bolivian exposure. If Bolivia proves an unreliable gas supplier for partners such as Brazil, it may bring more competition upon itself in the shape of LNG imports. Brazil is stepping up investment in LNG infrastructure, although industry insiders in Bolivia say the pipeline between the two countries remains a powerful advantage, and do not foresee that opportunities to sell as much gas as possible will disappear.

As Bolivia responds to the need to promote exploration, a series of government decrees this year has tilted some rules in favour of investment. Most controversially, the prospect of drilling in protected landscapes was raised. That has sparked unease among environmentalists previously sympathetic to Morales' administration, but Sánchez insists a very small percentage — 0.04 per cent — of the protected areas is at potential risk.

Claudia Cronenbold, president of the CBHE, says the changes are "positive", but much hangs on a long-anticipated law offering investment incentives, which the government is expected to unveil in October. Sánchez expects it to "be a turning point that will allow Bolivia to increase reserves, production and income", and says his talks with the industry suggest investment will be attracted.

Privately, some executives are sceptical. Cronenbold says the law "would have been more opportune a year or 18 months ago. Today it is more and more difficult for it to have the required impact [because of prices]".

Delius warns that Bolivia needs to be aware of its role in the international oil and gas landscape. With the industry in flux and foreign investors becoming choosy, Bolivia "has to put itself in context", he says. "It is not the centre of the world. We are not in a position to dictate terms to anyone." ■



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Kings of the hill

Bolivia's powerful but informal mining co-operatives are emblematic of a sector that is yet to fully enter the 21st century.

By **James Wilson**

Sometimes the mining industry hits a mother lode, a body of ore so rich that it shapes an entire nation. Five hundred years after it began to yield the astonishing quantities of silver that bankrolled the Spanish empire, the Cerro Rico mountain in Potosí continues to exert a powerful hold over Bolivia.

Each morning, hundreds of Potosí's men, and boys, stream up Calle Hernández — perhaps stopping to buy dynamite or a pickaxe handle from one of the street's gloomy, hole-in-the-wall stores selling mining supplies — towards Cerro Rico's near-perfectly triangular silhouette.

After chewing coca leaves — the catch-all way to foster strength, numb the pangs of hunger and, no doubt, ward off fear and pain — these miners disappear into Cerro Rico's myriad tunnels, where some will stop also to offer a prayer for protection to the figure of a god of the mines known as El Tío.

"Here, outside the mine, we have God," says Enrique Canaviri, a 40-year-old miner at Cerro Rico, which means Rich Hill. "But inside..." He tails off.

At the slavery-fuelled height of the colonial-era silver obsession, when Potosí was one of the world's

largest cities — comparable to London or Paris in splendour — this was known as the "mountain that ate men" — a complex of mines so dangerous that many who went in never came out alive.

Today, when thousands of miners still subsist on scratchings of lead, silver, tin and zinc that remain to be recovered from the entrails of Cerro Rico, it appears an ominous indictment of the state of Bolivia's mining industry.

The peak itself is crumbling: its honeycombed insides are in danger of collapse and the government has had to act to repair a gaping hole that developed near its summit.

Still, miners like Canaviri, who organise themselves into co-operatives, chance their luck and their lives inside the mountain, chipping away with tools and methods that would make modern mining companies shudder. "You hardly make any money and you sacrifice your lungs," he says.

Bolivian mining, says César Navarro, the country's mining minister and a native of Potosí, exists "in three different centuries". The co-operative miners of Potosí are virtually in the 19th century. The state miner, Comibol, is barely emerging from the 20th. Only the few international miners in the country use 21st-century methods.

Shaped by Cerro Rico's heritage, Bolivia is a mining nation. Gas

Miners on Cerro Rico heave rock from which silver will be extracted





PHOTO: MERIDITH KOHUT/NY TIMES/REDUX/EYEVINE



Centuries of mining have left Cerro Rico, left, in a dangerous state; workers still offer prayers to El Tío, above. Protests in La Paz, below

brings in more foreign exchange but mining — for silver, tin and much more — runs through the history, politics and social structure of the country.

The tin-mining barons such as Simón Patiño — “the Andean Rockefeller” — were the ultimate arbiters of Bolivia’s fragile democracy in the early 20th century. The revolts against their power shaped subsequent waves of nationalisations.

Since Evo Morales came to office in 2006, the pendulum in Bolivian mining has again swung away from the traditional mining oligarchs and towards a dominant role for the state.

Under Morales, and as in the gas sector, some foreign interests were nationalised. Only a small group of foreign-owned mines remain, of which the most important is San Cristóbal, a zinc, lead and silver mine owned by Japan’s Sumitomo.

This scant international presence in itself is remarkable, coming at a time when demand for commodities was voracious and miners were scouring the globe for opportunities. Neighbours such as Peru and Chile were showered with investment during the same period.

But even more singular in Bolivia is the huge role of the co-operative sector: the miners like Potosí’s Canaviri who work away

at seams that bigger companies would long since have considered exhausted.

Many mining countries have groups of informal or artisanal miners, but Bolivia’s co-operatives stand out for the size of their labour force — perhaps 90 per cent of some 140,000 miners in the country — and their related political clout.

The ranks of the co-operatives were swelled historically by waves of layoffs from more established mining operations, as during the international tin price crash of the 1980s, an event that scarred Bolivian mining. Recent high metals prices also drew in fortune-seekers.

In some ways, the presence of the co-operatives is a safety valve in the Bolivian labour force, offering work to miners who would otherwise have little. Yet they are a force to be reckoned with when they consider themselves traduced.

In 2006, with conflict erupting between co-operative miners and Comibol over control of resources, the government put thousands of co-operative miners on the state miner’s payroll to ease tension. Senior officials now complain of overstaffing at some state mines.

And in July, Potosí miners, angry at what they see as a lack of investment by the Morales government, organised a regional

‘We are socialists. But now we also need you to work with us’

blockade that cut the city off for weeks. Dynamite-bearing miners also marched to La Paz.

Today, with commodity prices well down, Bolivia’s mining industry is in a complex situation. The outlook for the industry suggests job cuts at many companies and fewer prospects for co-operatives to make a living — and potentially more anger and unrest.

The extra burdens heaped on Comibol’s main operating units have, admits Navarro, affected productivity and are likely to take more of a toll at today’s low metals prices. “It was a necessary political measure [but] If you see it from the commercial and economic point of view it was a bad decision,” he says.

Javier Diez de Medina, who works for San Cristóbal and also represents an association of mid-sized (and international) mining companies, says governments before Morales’ also failed to develop mining policies.

Since the 1985 tin collapse, “no one took care to see how they could improve the mining sector,” he says. Geological information is scarce: Navarro says 19 per cent of the country is mapped, with a goal of covering 35 per cent by 2020.

One foreign miner suggests Morales is frustrated with the results achieved by the state mining sector and is resolved to make more space for international investment. “He needs us,” the miner says.

Indeed, Diez says a “turning point” was reached in relations with



foreign miners in July, when Alvaro García Linera, the vice-president, publicly ruled out any state grab for San Cristóbal.

“We are socialists... but now we also need you to work with us,” García Linera said, invoking Vladimir Lenin in arguing that a revolutionary government also needed foreign companies to maintain production. A new spirit of pragmatism may prevail, in spite of what Navarro says are the country’s “bad memories” of the private sector.

“Evo has said that this must be the five-year term for sowing and the next one will be time to reap. There is not going to be a mining industry unless there is concurrent investment between the public and the private sectors,” he says.

Some in the sector want the government to offer more investment incentives for mining, but a big problem — perhaps even more so in mining than in the oil and gas sector — is the unwillingness of companies to commit decades of investment to countries with Bolivia’s history of instability.

As one miner says: “There are many other places to go in a low price environment.”

Back in Potosí, Canaviri says the following day he will again buy his dynamite for the week and venture into the tunnels of the Cerro Rico. But life for its miners, he says, is “in a bad way. In the mountain there is not much metal left. It is finishing and we do not know where to go.” ■

Vast lithium reserves found at Bolivia’s Salar de Uyuni can be used for the batteries of electric cars



Extra charge Salt flat stores battery power

As if the 10bn tonnes of salt that lie in the Uyuni salt flats’ blindingly white landscape were not enough, vast deposits of lithium are stored in the brine below.

Bolivia holds 9m tonnes of potentially mineable lithium resources, according to the US Geological Survey, much of it beneath the Salar de Uyuni. Its reserves far exceed those of the US, China and Australia.

Lithium is one of the lightest metals on Earth; one of a handful of elements born during the Big Bang 13bn years ago. Lithium batteries power most of the world’s 6bn mobile phones, and the Boston Consulting Group estimates that by 2020 the market for electric car batteries in China, Japan, the US and Europe alone will be \$25bn. As Tesla Motors builds a lithium battery “gigafactory” in Nevada, Bolivia is keen to compete.

A \$19m pilot plant run by state-owned mining company Comibol is already producing potassium chloride and lithium carbonate;

the latter used in drugs to treat bipolar disorder. It aims to export 168,000 and 10,000 metric tonnes annually, between 2021 and 2025 respectively.

As Tesla builds a lithium ‘gigafactory’, Bolivia is keen to compete

Bolivia does not want simply to export the raw material, seeking partners to help them make batteries and even cars. The government has held talks with French, Japanese, and South Korean companies, among others.

There are growing fears though about the environmental impact of large-scale exploitation on this landscape, pristine for millennia, as well as on water resources. Comibol says it intends to pour \$790m into extracting evaporates nationwide in the next five years and will export 5,000 metric tonnes of lithium cathodes by 2021.

“If Bolivia can produce lithium carbonate it can produce anything,” says Marcelo Castro, manager of Comibol’s Uyuni plant. “We want, in a few years, to be able to drive a Bolivian electric car.”

Andres Schipani



Hopping off a horse-drawn cart in the isolated Mennonite community of Manitoba,

Johan Peters admits it is inconvenient that farmers like him are forbidden to use rubber tyres on their tractor wheels, fitting them with metal teeth for grip instead.

Even so, the ultra-conservative religious group in Bolivia's eastern lowlands is thriving. Struggling to express himself in Spanish, Peters resorts to a virtually extinct dialect of German that survives in a handful of Mennonite communities in the fertile plains of Santa Cruz province to explain the reason for their success: soya.

"This is the most productive farming area in Bolivia," says Jacob Fehr, the vice-president of the more liberal neighbouring Mennonite colony of Chihuahua, founded 26 years ago. Over the past decade, his community of about 220 families has more than doubled the amount of land they own and farm to 25,000 hectares, largely thanks to the recent boom in commodity prices.

These farmers are on the front line of an agrarian revolution in Bolivia that in recent decades has attracted Japanese and Russian immigrants as well as large-scale investments from Brazil and Argentina. This has driven explosive growth in the economy and population of Santa Cruz province, whose eponymous capital is one of the fastest-growing cities in the world and now the largest in the country, with around 2m inhabitants — nearly a fifth of the national population.

Santa Cruz is the powerhouse of Bolivian agriculture. It represents about 60 per cent of national farming yield, with soya accounting for more than half of the province's production. With neighbouring Argentina, Brazil and Paraguay already saturated with soya crops, the potential for expansion in Santa Cruz, where much land is underutilised, has led some to see it as South America's next agricultural frontier.

Such hopes have only been strengthened by the fall in global oil prices, which has forced energy-producing countries such as Bolivia

The isolated Mennonite community of Manitoba is thriving due to commodity prices

Betting the farm

Its vast soya crop puts Santa Cruz province on the front line of an agrarian revolution.

By **Benedict Mander**





PHOTO: EVAN ABRAMSON/NY TIMES/REDUX/EYEVINE



to seek alternative and more sustainable forms of income. With soya alone representing Bolivia's third-biggest source of foreign exchange after gas and mining, the government has announced ambitious plans to boost the area of land under cultivation from 2.7m hectares last year to 4.5m hectares by 2020.

"There is enormous potential here," says Gabriel Dabdoub, a prominent businessman in Santa Cruz, who believes the agricultural sector cannot flourish without support from the government to boost productivity levels, which lag far behind the agricultural giants of Brazil and Argentina. But doubts remain as to how committed the government

is to promoting agriculture, and what kind. "It is the million-dollar question," says Dabdoub.

René Orellana, Bolivia's planning minister, said in an interview that of \$4.8bn in planned public investments by 2020, the government is aiming to invest more than \$5bn in agriculture, and about \$2.5bn will be spent on building agro-industrial complexes. He emphasised that the investments would be focused on strengthening small producers in the western highlands and non-

traditional exports with high added value, rather than the soya farmers of Santa Cruz.

Still, relations between big landowners and the government have improved a great deal since the tense early years of Evo Morales' presidency. His need to maintain support among his power base, the poor indigenous population in the highlands, led to serious clashes with the more affluent citizens of Santa Cruz, who have always yearned for greater autonomy from La Paz. "We realised that we were

not going to get anywhere fighting, so we said, let's talk," says Jaime Suárez, a farmer involved in negotiations with the government. Nevertheless,

landowners complain that dialogue has yet to translate into action, with bureaucracy posing a particular problem.

Farmers reel off a long list of challenges. Chief among them is legal security, with bitter complaints about government intervention in the export sector. Most also cite the need to improve technology, problems accessing credit, and the land-locked country's poor infrastructure.

"If we seriously want to open up our agricultural frontier, it

'Without biotechnology, it makes it very difficult to compete'



The relentless expansion of Bolivian agriculture, above, has created some of the highest deforestation rates in the world, below

will be necessary to grow our agro-industrial sector as well," says José Llano, who heads the college of agronomists in Santa Cruz. A study co-ordinated by Llano concluded there are almost 2m hectares of good agricultural land in Santa Cruz that lies uncultivated, representing an extra \$3.8bn in potential revenues in addition to the \$2.2bn that the province's agricultural sector currently generates.

Reinaldo Díaz, president of the business chamber for soya producers in Santa Cruz, emphasises the need to remove restrictions on the use of biotechnology, which is not a problem in Argentina, Brazil and Paraguay. "Without biotechnology, it makes it very difficult to compete with our neighbours," says Díaz. "We want biotechnology to enter through the front door,



not the back window.” He claims that some non-governmental organisations have been “brain-washing” people to oppose genetically modified organisms. As a result, many farmers are using biotechnology illegally.

The use of precision agriculture would also raise productivity, says Díaz, especially for smaller farmers. “Yields are much lower for small and medium-sized producers,” says Llano.

However, the relentless expansion of Bolivian agriculture has created some of the highest deforestation rates in the world. This has risen from almost 150,000 hectares a year during the 1990s to as much as 300,000 hectares by 2010. Now, officials are talking of clearing as much as 1m hectares a year, in marked contrast with the leftwing government’s environmentalist rhetoric.

Thomas Killeen, an environmental scientist, argues that Bolivia could increase its agricultural production dramatically “without cutting down a single tree”. “The country could easily double or even triple production with no further deforestation if producers adopted modern water management while expanding crops on to underutilised pastures,” he said.

The barriers to deforestation-free production are largely financial, says Killeen, since technology is capital intensive and farmers prefer to invest their money in land. To clear a hectare of land costs about \$800, while installing efficient irrigation systems costs about \$2,500 per hectare.

“We have to find a balance between expanding our agricultural frontier and increasing productivity,” says Llano. Although he supports plans to increase the area of land under cultivation, he points out that big productivity gains can be made.

Whatever course the country adopts, there is no time to lose, says Dabdoub. “The macroeconomy is doing well, and there are good prospects for the next couple of years.” But he warns that falling commodity prices and the slowdown in China will eventually take their toll.

“We need to reflect. The bonanza won’t last forever,” he says. ■

Bolivian quinoa was the first to gain recognised organic certification



Quinoa Ancient superfood, modern success

Inca soldiers ate it to strengthen them for battle. Nasa said it was perfect astronaut fare. It has more nutrients per 100 calories than any other grain and people from New York to London pay roughly \$10 a pound for it.

Quinoa is the original superfood, much of it grown on Bolivia’s high plains by Aymara and Quechua farmers. One of them is Guadalupe Ramos. She lives in Jirira, a cluster of adobe houses

between Potosí and Oruro where the trademarked “royal” quinoa is grown. “This is the real thing,” she says, cupping a handful of the organic grains. “Others may have more but ours is the best.”

Her barb is aimed at neighbouring Peru, now the world’s biggest exporter. “I am 70 years old and look 50, thanks to eating our quinoa,” she insists.

Bolivian quinoa was the first to gain recognised organic certification and is highly prized, confirms Pablo Laguna, an anthropologist at Mexico’s

Michoacán College who researches quinoa. Aid and fair trade organisations, as well as organic food importers from developed countries, opened the gate to niche markets.

The US imports 60 per cent of Bolivia’s quinoa production; the rest goes mostly to Europe. Exports soared from 4,900 tonnes in 2005 to 35,000 tonnes in 2013, according to the ministry of productive development and plural economy.

Shipments dropped slightly in 2014, to almost 30,000 tonnes, valued at \$197m.

The price paid to Bolivian producers per kilo of organic royal quinoa also rocketed: from under \$1 in 2007 to almost \$5 last year. Prices have dropped to almost three dollars, so many farmers, like Ramos, are hoarding 46kg bags, hoping for a rebound.

“They may have to wait a while,” says Laguna. “There is too much quinoa being sold around the world right now.”

Andres Schipani

I am 70 years old and look 50, thanks to eating our quinoa’

Survival instincts



Indigenous groups both large and small realise they must take steps to preserve their identity, write **Andres Schipani** and **Benedict Mander**

Sprawled over a high plateau above La Paz, El Alto is arguably Latin America's largest indigenous city. It seems an unlikely place from which to lobby Silicon Valley, but volunteers at Jaqi Aru, a group that promotes the indigenous Aymara language, are doing just that.

Over the past year they have translated almost 24,000 words from English into Aymara, in the hope of convincing Facebook, the social-networking service, to launch a site in the language still spoken by 2m people. Jaqi Aru (the name means "human language") says Facebook is already looking at its work. "Our Aymara identity was marginalised before — there is an awakening now," says Rubén

Many ethnic groups, whether on the plateau or in the Amazon basin, fear extinction

Hilari, a co-ordinator with the group. "For us, there is no other alternative to putting our language and culture at the forefront now."

Bolivia's new constitution in 2009 deleted the word "Republic" from the country's official name, replacing it with "Plurinational State". This was intended partly to reflect the country's ethnic and cultural diversity, and Bolivia's new magna carta recognises three dozen indigenous languages as official, as well as Spanish.

The country's 2012 census shows the Quechua are the biggest indigenous group, followed by the Aymara. Meanwhile, the Guaraní, with a population of almost 97,000, are the second-largest minority ethnic group in the lowlands after the 145,000-strong Chiquitano Indians. Many groups number fewer than 1,000.

The census also provoked debate about Bolivia's "indigenous majority": 58 per cent of respondents said they did not belong to any "nation" or indigenous, peasant or native group.

Former president and historian Carlos Mesa wrote that "the evident conclusion is that Bolivia is not an indigenous country by majority, but undoubtedly a country with a very important indigenous presence".

Marko Machicao, Bolivia's minister of cultures, counters that the country is still predominantly an indigenous one. A 2014 report by the Economic Commission for Latin America and the Caribbean said that in 2010, 62 per cent of Bolivia's population of roughly 10m was indigenous. But it also warned 13 indigenous groups were on the verge of "physical or cultural extinction".

PHOTOS: AFP/GETTY IMAGES; REUTERS



Quechua

Some 1.8m Quechua Indians live in Bolivia, out of more than 10m in the Andean region, from Colombia down to Chile and Argentina. The Quechua live side by side with the Aymara on the Bolivian highlands and it can be difficult to distinguish visually between their cultures, although they do speak different languages. Many Quechua women, like their Aymara counterparts, wear the distinctive bowler hat. The headwear is said to have been adopted after a shipment of hats for Europeans working on railways in Bolivia and Peru in the 1920s turned out to be ill-fitting and were given to the locals instead.



Aymara

As if life on the barren Altiplano wasn't tough enough, the Aymara Indians have spent many of the past 800 years, since they established themselves in the Lake Titicaca region, under the rule of a foreign power. After being conquered by the Incas in the late 15th century, they were subjected to semi-slavery under the Spanish empire. Little changed with

Bolivia's independence, until pressure for agrarian reform in the 1950s yielded greater freedom, including the introduction of universal suffrage.

El Alto is the modern centre of the Aymara, who number some 1.6m. Their most powerful representative is president Evo Morales, who many say continues their struggle today.



Guaraní

After Jesuit missionaries failed to convert them, the Guaraní were eventually subjugated by the Bolivian army in 1892. That led to their acting as guides in the fight against their Paraguay brothers in the 1932-35 Chaco war. The Guaraní entered what is today Bolivia from the east between 600 and 800 years ago.

Today, the Guaraní are spread across the departments of Santa Cruz, Chuquisaca and Tarija, and represent about 2.3 per cent of Bolivia's indigenous population. They fiercely defend their independence and the right to speak their native language.

INDIGENOUS PEOPLES



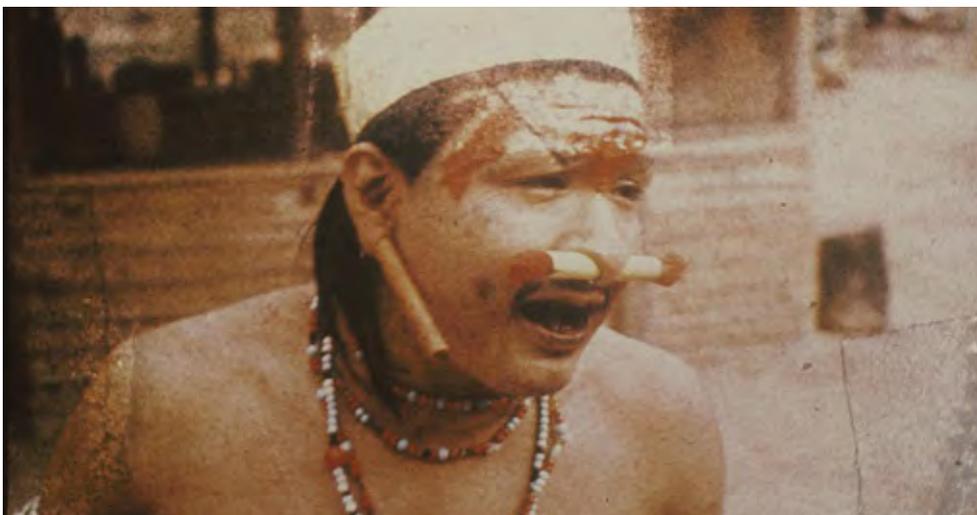
Afro-Bolivians

Royal blood runs through the veins of farmer Julio Pinedo from Los Yungas, a patch of rainforest in the Andes. In 1932, his grandfather was named King Bonifacio I of the Afro-Bolivians. This was because he was a direct descendant of Bonifaz – a tribal monarch from central Africa who, like many others, was brought to Bolivia as a slave in the 16th century.

In late 2007, Pinedo was crowned sole Afro-Bolivian king at a ceremony in La Paz. He is thought to represent, albeit symbolically, some of the 30,000 poverty-stricken Afro-Bolivians who mainly live by growing citrus fruit, bananas, coffee and coca. He once said: "We may not be slaves any more, but we are still among the poorest of this poor country."

Uru-Chipaya

According to their mythology, the Uru-Chipaya came from the river Lauca. Surviving the Inca empire and the Spanish conquest, they have lived on a high salt plateau of Bolivia for 4,000 years – and are thought to be the oldest living culture in the Andes. The remaining 2,000 members live by irrigating the soil with river water, allowing them to farm in one of South America's harshest environments. They fear extinction, however, and having to leave their settlements, as the Lauca is drying up. Many young members have migrated to places where they must speak Aymara or Spanish, so elders warn the Uru language could disappear too.



Pacawara

The list of vanished Amazon tribes is long and may be joined by the Pacawara of northern Bolivia, who live between the Negro and Pacajuaras rivers, fishing and hunting by bow and arrow. Youngsters from the tribe have joined the nearby 1,500-strong Chácobo tribe, which speaks a similar language. Wigberto Rivero, former minister of indigenous affairs, says with only five Pacawara-speaking members left, the group's chances of survival are slim. ■

PHOTOS: NATIONAL MUSEUM OF ETHNOGRAPHY AND FOLKLORE; JF LEBLANC/ALAMY; REUTERS

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Jungle Baroque

Three centuries ago, Jesuit missionaries and indigenous people created a rare musical fusion in Bolivia's remote east.

Benedict Mander meets the Polish priest fighting to preserve this unique heritage

Father Piotr Nawrot, right, is restoring 10,000 pages of Bolivian Baroque music, something with which local people's identity is bound up



Father Piotr Nawrot's face glows as he examines a carefully restored fragment of the score from a

rare Baroque mass. The fragile scrap had been hidden from the developed world for more than two centuries, exposed to the elements in the steamy, insect-infested jungle of eastern Bolivia.

"It was totally accidental that the music was found," says the 60-year-old Polish missionary. The manuscripts were recovered thanks to a drive in the 1980s to restore a group of Jesuit mission churches, stunning examples of the blending of Christian architecture and indigenous traditions declared a Unesco world heritage site in 1990.

A similar fusion in the music from the missions is almost more remarkable. A distinguished musicologist, Father Nawrot has dedicated his life to painstakingly reconstructing the unique collection of more than 10,000 pages of music, many of them torn, stained, warped and gnawed by bugs. Many more were simply lost.

The rediscovery cleared the way for a cultural revival that has thrust Bolivia's "jungle Baroque" on to the international music scene. Every two years, for a fortnight in April, 50 or more ensembles of local and international musicians gather to play the music in at least 160 concerts held in the mission churches dotted among the rolling hills of the Chiquitania region. In this lush and exuberant landscape the Baroque aesthetic could hardly be more appropriate.

PHOTO: REUTERS

MUSIC



Music schools across the region are teaching Bolivian Baroque, above. The Jesuit missions of Chiquitos, where the music was first played, are a Unesco world heritage site



The area remains remote. To reach the furthest missions requires a day's drive, much of it on dirt roads, from the provincial capital of Santa Cruz. But the International Festival of American Renaissance and Baroque Music, first held in 1996, now draws more than 50,000 concert-goers. To the great pride of locals, it is breathing new life into a rich tradition in Bolivia. It began when a handful of Jesuit priests, who used music as a tool for evangelisation, discovered the musical talent of the Chiquitano people towards the end of the 17th century.

Expelled from South America by Spain in 1767, in fewer than eight decades the Jesuits had succeeded in instilling a love of Baroque music among the locals. They taught them to make and play instruments, and even to compose, leading some to write lyrics in their own language. The native population maintained these traditions until well into the 20th century.

Ashley Solomon is a British musician whose Florilegium ensemble in 2005 made the first recording of the music in one of the mission churches where it was originally played. Solomon was deeply moved by the reaction when

his group played an anonymous concerto from the 1740s at the festival 10 years ago. "When we played the concerto, a lot of the indigenous people sang along to the melody, which they knew as it is used in their [religious] services. It is remarkable that the archive music is still alive in the communities," he says.

There were challenges to that survival. The Bolivian government sent troops to suppress a group of defiant native people who refused to work on plantations during the rubber boom at the turn of the 20th century, forcing them to flee the jungle town of Trinidad. According to local lore, the only possessions they took with them were the music scores and their violins.

Although the music they learned from the Jesuits survived, it became increasingly rudimentary. According to Father Nawrot, it is evident from studying the archives that, by the 1930s and 1940s, a polyphonic mass would be played on just one rustic violin accompanying one voice. He says that, for the locals, the purity of the music was less important than keeping tradition alive.

When Father Nawrot in the 1990s began to reunite the manuscripts which were spread across different mission communities throughout the region, one group of elders gave him "a lesson that no philosopher could ever have given". "After three hours of discussing my motives for wanting access to the music, they said, 'If this music disappears, we will all disappear.' For them this music is not only about harmony and melody, but their cultural and spiritual identity," he says.

By the late 20th century, the music was little known outside these isolated communities. But thanks to the music festival, which is organised by the Pro Art and Culture Association (APAC), that is no longer the case. The APAC-funded Arakaendar choir, which brings local and international musicians together, has introduced Bolivian Baroque to some of the most prestigious concert halls in



Europe. APAC has set up schools across the region in order to build up a local talent pool that can interpret the music alongside the international professionals that participate in the festival. More than 3,000 students in the area now attend about 30 music schools, which are modelled on the internationally renowned “El Sistema” set up in Venezuela by José Antonio Abreu, a Venezuelan musician, economist and politician.

“Since the first music festival began, we have been recovering our music and our culture,” says Ronald Chinchí, 28, a music teacher in San Ignacio de Velasco, the largest of the mission towns. “Now, in all the towns, there are music schools and the people are beginning to value their culture. It is growing all the time.”

All the children want to be part of an orchestra or choir, which some locals say is almost like being selected for the national football team.

“We bring the music to life, so that it does not just exist on paper,” says Alejandro Abapucu, a 25-year-old music teacher in Concepción

who brims with pride for his pupils.

“The music forms a part of our identity. It may have come from Europe originally, but we have made it our own,” says David Mollinedo, the mayor of Concepción, where the archives are kept. Now politicians from outside the area once evangelised by the Jesuits want to make the Baroque music their own too. That is the case in San Julián, whose population consists mainly

of recently arrived immigrants from the impoverished Bolivian highlands. The town’s mayor has threatened to set up road blocks if it is not allowed to participate in next year’s festival.

Despite APAC’s success, and backing from organisations such as the Prince Claus Fund of the Netherlands and the UK’s Royal College of Music, it remains a huge challenge for a non-profit organisation with limited resources.

Without the full support of a national government whose anti-colonialist rhetoric sits awkwardly with the origins of the music, it is no mean feat to put on a festival that brings hundreds of musicians

‘If this music disappears, we will all disappear’

The interior of the church of the Jesuit Missions in Concepción

from more than 20 countries to a far-flung corner of South America.

“There is so much work to be done that we are seeking international financing, not just so that we can keep implementing new programmes, but to maintain the ones we have, and so that the mission communities themselves can eventually take the reins of this project,” says Sarah Mansilla, a writer who has recently taken over as president of APAC.

That is not to mention the fact that little more than a tenth of the archives has so far been edited, even though Father Nawrot has already published 36 volumes of music, large chunks of which he had to compose himself as pages were missing. Four more volumes will be presented at the next festival in April 2016.

“I am not only interested in transcribing and understanding the music, but also in providing new music for the festival so it can be claimed every time that there will be music that has never been heard before, and, just as important, for this music to be interpreted by Bolivians,” says Father Nawrot, who is the festival’s artistic director. “There is so much music in the archives that it will be impossible to hear it all in my lifetime.” ■





Premium potential

The country is looking to push its tourism sector upmarket with better infrastructure, luxury hotels and even glamping.

By **Andres Schipani**

Not so long ago it was rare to come across lodgings in Bolivia that could be described as chic. But the country is realising that the richness and variety of its natural resources could be pulling in far more tourist income than the long-standing backpacker market brings.

With its reputation for feeble infrastructure and endless strikes, Bolivia has not always been able to attract some of the wealthy US and European tourists who flow into neighbouring Peru.

Many parts of Bolivia are outstandingly beautiful and unspoiled, but dormitory

accommodation and erratic electricity supplies have put off many travellers.

Now, the government is determined to push Bolivia up from its ranking of 100 out of 141 on the 2015 World Economic Forum's Travel and Tourism Competitiveness Index.

It is overhauling its tourism development strategy, with the aim of attracting 7.1m visitors a year by 2020, up from 3.1m in 2014. It intends to invest \$400m to help it achieve that, and is seeking a further \$400m from private-sector investors.

"We intend to position Bolivia as a top destination in South America," says tourism minister Marko Machicao. "It is a synthesis of the region: the Amazon, the

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Andes, valleys and indigenous communities.”

The country even wants to compete with Argentina and Chile for the Latin American skiing market, with the news that the tourism ministry is working with Austrian specialists to develop a ski resort on Mount Mururata, 35km east of La Paz.

Transport links have been improved, allowing a reasonably easy passage between the Andes and the Amazon. An upgrade is being planned for the airport at Santa Cruz de la Sierra, to turn it into a regional hub. (The city is the gateway to the Jesuit Missions of Chiquitos, a Unesco world heritage site.) A leading Middle Eastern airline has expressed interest in investing in the project, according to the tourism ministry.

Marriott and Starwood of the US and Accor of France are among the international groups that are building premium hotels in the country. All three of these operators are due to open new hotels next year in the business centre of Santa Cruz.

Even glamping — luxury camping — has reached Bolivia, as have upscale Airstream caravans, while indigenous communities are running eco-lodges and local people in the main cities are listing private rooms and apartments on Airbnb.

These, and new boutique hotels, signal that tourism in Bolivia wants to go upmarket. ■

Andes

At 3,810m above sea level, Lake Titicaca is the highest navigable lake in the world. The Uru-Iruito tribe made rafts for the Incas and still fish the lake for trout (above right) in the reed boats they build.

“We may be in the Andes but we are men from the lake, water beings rather than human beings,” says Lorenzo Inda, an Uru-Iruito chief who lives on Titicaca’s Chisawa island (centre), itself made of reeds.

Laguna Zongo (below) is fed by run-off from the Huayna Potosi glacier, which is part of the Cordillera Real range in the Andes.





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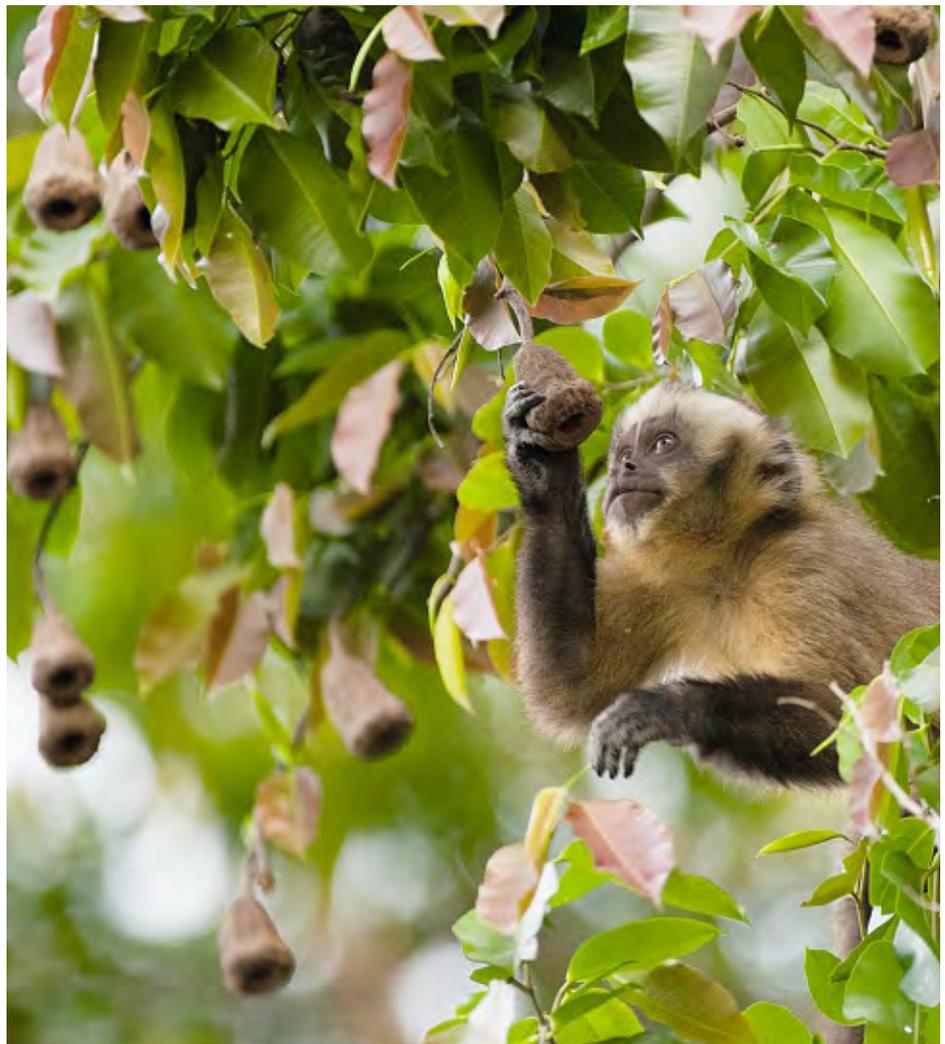
The park shelters 200 species of mammal

Amazon

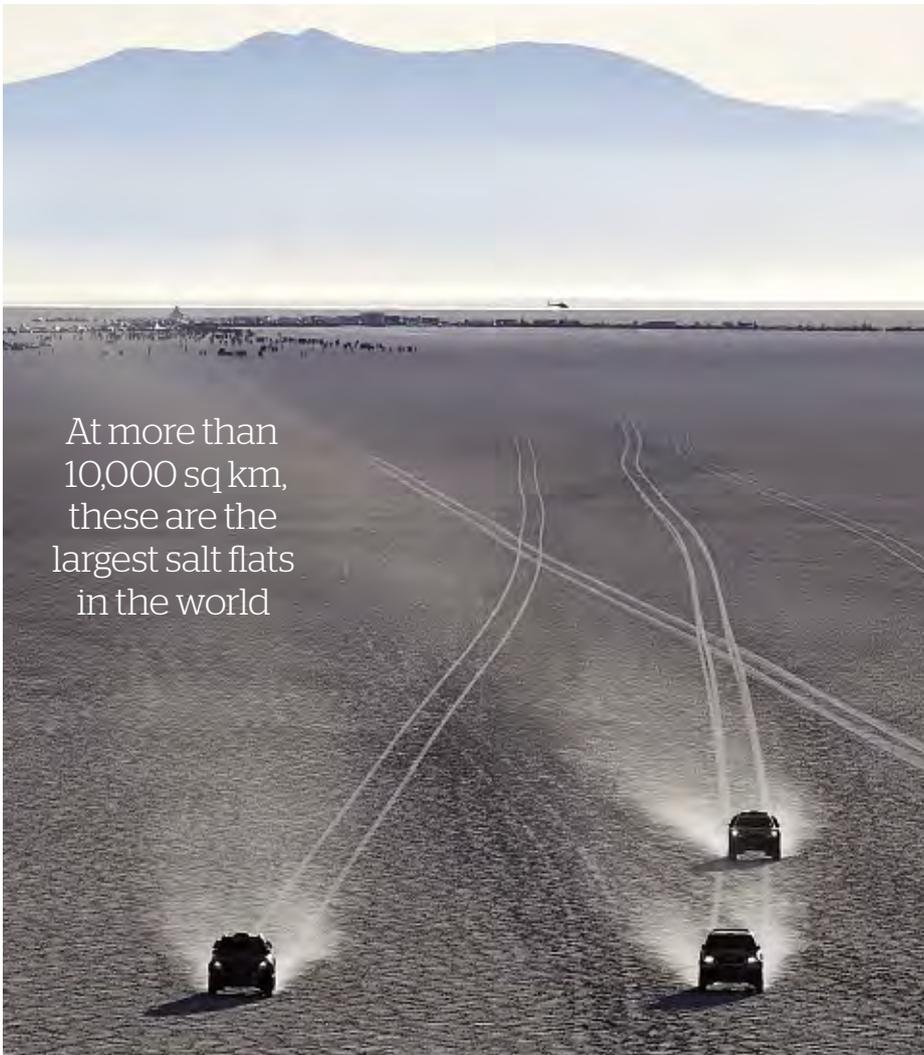
The Madidi national park (above), in the upper Amazon river basin, harbours more than 200 species of mammal, such as this brown capuchin monkey (right), and nearly 1,900 vertebrates, like the waxy monkey tree frog (*Phyllomedusa*, below).

The park is believed to shelter 11 per cent of the world's birds.

Yet, says guide Mario Umíña, who works with one of the jungle eco-lodges owned by indigenous communities, "we still have virgin rainforests so full of life that nobody really knows what's in there".



PHOTOS: SEAN CRANE/MINDEN PICTURES/CORBIS; GETTY IMAGES



At more than 10,000 sq km, these are the largest salt flats in the world

Uyuni salt flats

A pair of Airstream caravans gleam as their occupants settle down for the night on the Salar de Uyuni (above), at 10,580 sq km the largest salt flats in the world.

The skylines in this area of the southern hemisphere are among the most pristine anywhere in the world.

Tourist numbers are leaping, too, in this part of Bolivia: in 2014, 50,000 arrived from Asia alone, up from 1,900 in 2011. More than 30,000 of them were Japanese.

In January this year, the Salar de Uyuni formed part of stage eight of the Dakar Rally (left), a two-week race through Argentina, Chile and Bolivia. ■



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An influence too far

To seek a fourth term as Bolivia's leader, Evo Morales is in peril of undoing his legacy, says **Edmundo Paz Soldán**

Evo Morales faces a challenge every bit as great as the looming effects of any gas or commodity price crash. This one, though, will be one of his own making: having successfully co-opted the business class and at least some on the right, he is in peril of undoing his achievements by running for office again.

That Bolivia can meet a coming economic crisis on a relatively sound footing is mainly thanks to the pragmatism of Morales. He is a skilful politician who uses a traditional leftist rhetoric to attack capitalism and imperialism, even as he authorises oil exploration in the country's protected areas, unafraid to clash with an environmental NGO that supported him when he was the

subsidies to underpin growth in domestic demand, thus softening the model's harder side.

Vice-president Alvaro García Linaera told the Bolivian daily *El Deber* in November 2014 that "the MAS is no longer that of 2005", the year it rose to power. Rather, he said, the party's policies have evolved: it is not as communitarian as in its origins and, indeed, "the MAS has embraced the capitalist 'Santa Cruz model'."

This is confirmation that the MAS is a hegemonic party that has appropriated the discourse of

the weak right-wing opposition.

When the MAS was founded 17 years ago, who on the right could have predicted that those same business people could be

allies of the party? Or, indeed, that they would prosper under it?

Even after nine years in power, Morales is showing no signs of wear and tear. The president is a revolutionary leader who has given Bolivians a large dose of self-esteem, by empowering indigenous identities and reclaiming sovereignty through state presence in key areas such as the oil industry. He has reduced poverty and expanded the middle class, thus fuelling the domestic market. He has enabled social movements, previously ill-served by traditional parties, to enter the political arena. His reigniting of the demand for sovereign access to the sea was a masterstroke that has united the country.

But his idea of an inclusive and equitable society is riddled with contradictions. He bypasses

gender issues — he sees women as subordinate to men — and opposes gay marriage; he backs the indigenous movements in the country's western highlands but treats those in the western lowlands as second-class citizens.

Institutions such as the judiciary and the police have not been cleansed of corruption. It is still hard to view the judiciary as a fully independent entity and Morales himself recognises that his attempt at reform by letting the people elect magistrates has failed.

Seeking a fourth term as president will damage Morales' legacy: he should continue deepening the structural changes of the country, where the law is not something that can be changed according to personal whim. Moreover, he should beware assuming that the Bolivian people are willing to re-elect him ad infinitum.

Morales might have made the country more inclusive and achieved an economy that can ride out the effects of a global crisis, but changing the constitution is to tell the world that the new Bolivia is the same as the old Bolivia.

The political instability that has plagued the country since its inception is due in part to presidents who have adapted the constitution to their wishes. To overcome Bolivia's traditional dependence on one person, Morales has to show that constitutional stability is more important than any individual. ■

Edmundo Paz Soldán is a Bolivian writer who teaches at Cornell University and the author of Norte

After nine years in power, Morales shows no signs of wear and tear



leader of the of the opposition in Congress, a decade ago.

More than socialism, what Morales and the ruling Movement Towards Socialism (MAS) party defend is their model of "Andean" capitalism. Market forces are allowed to operate freely, while the government uses a welfare policy of cash-transfers and fuel

No' voters in the debate on whether Evo Morales should run for re-election in 2019



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