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Lessons from a fall

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Frank Boyd, acting chair of IWU's political science department, addressed the issue of U.S. policy in Latin American in the op-ed column "Questions and Conclusions," a regular feature of *IWU Magazine.*

What happened in Bolivia has long-term implications for American foreign policy, says Associate Professor Frank Boyd (shown above).

When President Gonzalo Sánchez de Lozada of Bolivia visited Illinois Wesleyan in September, he joked that many of his political opponents back home would be happy if he decided to take a permanent vacation in the United States. While intended as a humorous aside, those words turned out to be prophetic. After dozens of civilian deaths and weeks of violent clashes between protestors and the police, Sánchez de Lozada resigned in October and flew to the United States. His resignation and the installation of a new government has important implications for Bolivia, to be sure, but his political demise signals something broader for United States' policy toward Latin America.

Sánchez de Lozada was praised around the world for the far-reaching reforms of his first presidential term (1993-97). He was the first South American president to mandate the teaching of indigenous languages in primary schools, and under his plan of "Popular Participation," local elected officials were given more control of government revenues.

One of his most innovative initiatives was the "capitalization" of state-owned industries. Bolivia is among several developing nations that have tried privatization of these bloated industries as a way to increase revenue and to expose those industries to the discipline of a free market. Sánchez de Lozada recognized that privatization's benefits often did not reach the citizenry, but instead were misappropriated by central government officials and well-connected political elites. In his "capitalization" plan, private industries were given shares in state-owned industries in exchange for capital investment and contributions to Bonasol, the first universal social security system in South America.

When Sánchez de Lozada began a second term as president in 2002, Bolivia's economy had been severely damaged by the global economic downturn that began in the late 1990s. The poorest Bolivians suffered even more as a result of a U.S.-sponsored policy to eradicate coca leaves, the raw material for cocaine, as part of its ongoing war on drugs. This policy eliminated the meager but essential livelihood of scores of indigenous citizens. (Coca production is legal in Bolivia and many peasants chew the leaves during the workday while middle-class Bolivians often drink mates de coca, sold in nearly every café.)

In exchange for eradicating coca, the U.S. provided Bolivia with incentives to encourage alternative economic development. This policy failed, due primarily to insufficient funding but also because the alternative products it encouraged Bolivia to develop faced protected markets in both the United States and Europe.

Sánchez de Lozada received less than 25 percent of the vote in last year's election and was able to cobble together a fragile coalition, but it became clear he had lost support from most of the county's poor. Many of them instead followed the charismatic populist Evo Morales, who had successfully identified Sánchez de Lozada with the Spanish-descended, elite minority that most citizens felt was responsible for Bolivia's economic and social ills.

A plan to export Bolivia's vast natural gas reserves to Mexico and the U.S. through a Chilean seaport sparked the October riots and Sánchez de Lozada's ouster. Poor Bolivians saw this plan as another attempt by the elite to gain wealth by exploiting the country's precious natural resources, as they had in previous exports of silver and tin. Thousands of demonstrators cheered at the announcement of Sánchez de Lozada's resignation, but it was unclear how the country's new leader, former vice president Carlos Mesa, would have any more success in meeting their overall demands.

What happened in Bolivia has two clear implications for U.S. foreign policy. First, the United States must think clearly about the long-term implications of imposing the costs for our national drug problem on the so-called producer countries of South America. The aggressive campaign to eradicate cocaine production in Colombia, where drugs have nearly destroyed a once-stable democracy, has pushed the production of cocaine and accompanying political instability into Peru and, very recently, Bolivia. Without a concomitant commitment to provide feasible alternative economic opportunities for the producers, the United States' policy does not significantly diminish cocaine exports to the U.S., but instead creates a mobilized political class in the Andes that threatens constitutional democracy.

Second, the instability in Bolivia and the other Andean countries obviates the need for a more coherent foreign policy in our hemisphere. During his recent visit to Illinois Wesleyan, Sánchez de Lozada spoke at length about the disappointment shared by leaders in the Americas over the not-so-benign neglect of U.S. foreign policy. Several weeks later, in the days after Sánchez de Lozada's resignation, Illinois Congressman Ray LaHood joined others in noting that the U.S. had "missed an opportunity in Bolivia." But, with pressing commitments in other parts of the world, the Bush administration has shown little interest in the region and committed very few resources, either diplomatic or economic.

Unfortunately, many analysts and regional leaders worry that unless the United States plays a more active role in these crises, a more general, Andean-wide, instability could result. That scenario would serve neither the interests of the U.S. nor our neighbors to the South.