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FEATURED Q&A

Is Bolivia's Government Handling Social Unrest Well?

Q Hundreds of indigenous Bolivians on April 27 began a second march to protest a controversial road after President Evo Morales said the decision about the road's construction would be put to a vote by local communities. Meanwhile, the administration has faced strikes across the country in recent weeks from health workers, teachers, miners and other groups dissatisfied with working conditions and wages, some of which have turned violent. What challenges does the government face in resolving the recent bouts of social unrest? What are the underlying causes of the conflicts and how should the administration be handling them? How well is Morales weathering the storm?

A Jaime Aparicio, former Bolivian ambassador to the United States: "Amid rising conflicts and social unrest, April was a tumultuous month for President Morales, who is perceived as using authoritarian methods to deal with social conflicts. Hunger strikes by doctors and paramedics, street protests by teachers, public transport drivers, state workers and miners, including clashes with the police, and another indigenous march from the Amazon to La Paz to oppose the construction of a road that the government insists on building in the middle of the TIPNIS ecological reserve set up a map of conflicts on the rise in Bolivia. Since Morales was elected president in 2006, the

country has seen lengthy economic growth due to high prices for mineral and agricultural exports and a drug trafficking boom. However, the lack of an efficient, professional bureaucracy in the management of public policies and social investment has paralyzed the administration. Moreover, the Bolivian population is increasingly concerned with the authoritarian and repressive nature of the government. Bolivia has, after Cuba, the largest number of political prisoners without trial and political refugees in the region, which is not a negligible record. The

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Sen. Lugar, Foreign Policy Expert, Defeated in Primary

Veteran U.S. Senator Richard Lugar, a foreign policy expert with an extensive legislative record on Latin America, was defeated in the Indiana Republican primary Tuesday by a Tea Party-backed challenger. See brief on page 2.

File Photo: CNN.

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NEWS BRIEFS

Congressional Committee Calls for Probe into \$30 Billion Pemex Loss

The head of a Mexican congressional oversight committee on Tuesday called for an official probe into how state oil company **Pemex** accounted for a \$30 billion loss in 2009, Reuters reported. Esthela Damian, an opposition congresswoman with the PRD party, said she is asking federal authorities to investigate the matter. "We want an explanation of where the resources are, in what area or what project they correspond to and if they can be recovered, and who is responsible," said Damian.

Sen. Lugar, Foreign Policy Expert, Defeated in Primary Contest

Veteran U.S. Senator Richard Lugar, a foreign policy expert with an extensive legislative record on Latin America, was defeated in the Indiana Republican primary Tuesday by a Tea Party-backed challenger, becoming the first Senate incumbent ousted in the 2012 election year, Reuters reported. Lugar conceded defeat to challenger Indiana State Treasurer Richard Mourdock, who attacked the senator for votes in support of Democratic President Barack Obama.

DirecTV Subscribers Up 36 Percent in Latin America Last Quarter

California-based **DirecTV Group** said Tuesday that its subscriber base in Latin America grew 36 percent last quarter, Dow Jones reported. The company added 593,000 net subscribers in the region during the first quarter, up from 427,000 subscribers added the same period a year earlier. Overall, the company had a total of 8.46 million subscribers in the region by the end of the quarter. DirecTV wants to double that figure within five years.

Political News

Colombian Rebel Leader Arrested in Neighboring Ecuador

A judge in Ecuador on Tuesday ordered the indefinite jailing of a suspected Colombian rebel leader captured a day earlier by Ecuadorean forces just a few miles from the border, the *Los Angeles Times* reported. Wilson Tapiero, an alleged leader of the Revolutionary Armed Forces of Colombia, or FARC, was among three men and three women who were also arrested on a farm in northeastern Ecuador. In March 2008, Colombian military commandos briefly crossed one mile into Ecuadorean territory and killed the FARC's then second-in-command, alias Raul Reyes, and 24 others.

FIFA, Brazil Set Problems Aside Over Construction Schedule

Officials from FIFA, the global governing body for soccer, and Brazil emerged from six hours of meetings Tuesday to announce that they have overcome their differences and are cooperating to make the 2014 World Cup a success, the Associated Press reported. The meeting marked the first encounter between Brazil



Rebelo

File Photo: AP

Sports Minister Aldo Rebelo and FIFA Secretary General Jerome Valcke, one of the most vocal critics of Brazil for its slow pace of preparations for the games. In March, Valcke said Brazil needed a "kick up the backside" to speed up the work, a comment others at FIFA later apologized for, Reuters reported. Media reports have suggested that key projects are running behind schedule. Brazil's biggest and best-known stadium, Maracanã, may not be finished in time to host the closing match of the Confederations Cup on June 30, 2013, considered to be a test run for the World Cup in 2014, the BBC reported. FIFA said

Tuesday after meeting with Rebelo that a member of the Brazilian government will be included henceforth in the local World Cup organizing committee, a move intended to allow the government to be more closely connected to decisions.

Economic News

Gold Becomes Peru's Top Commodity Export

Sales of Peruvian gold totalled \$2.57 billion in the first quarter of this year, making the commodity the country's top export, Agence France-Presse reported Tuesday. The country's National Mining, Petroleum and Energy Society, or SNMPE, said that gold accounted for 23 percent of Peru's total exports of \$11.38 billion in the January-March period. Overall, Peru's mining sector posted exports of \$6.64 billion in the first quarter, with gold accounting for 39 percent of the total. The marked rise in the price of the precious metal on international markets helped boost gold into the top position, SNMPE officials said. Gold exports soared 30 percent to \$10.1 billion last year, \$2.3 billion more than the prior year.

China Encourages Brazil to Reciprocate Investment Flows

China's deputy trade minister on Tuesday promised his country would invest even more in Brazil, and he encouraged the South American giant to reciprocate by increasing its comparatively small investment base in China, Dow Jones reported. "China is already Brazil's biggest trading partner," said Chinese Deputy Trade Minister Jiang Yaoping at a seminar in São Paulo. "I have three suggestions. Let's boost two-way industrial investment. Let's use existing bilateral government mechanisms to boost trade and investment. And let's use the Portuguese-speaking port of Macau as the entry way to China for Brazilian trade and investment." Chinese direct investment in Brazil in 2011 was \$4.5 billion, or about 7 percent of total direct investment into the country last year. But Brazilian direct investment into China in 2011 was only

\$115 million, or less than 1 percent of total Brazilian direct investment abroad last year.

Company News

Argentina Fines Movistar \$41 Million Over Service Outage

The government of Argentina on Tuesday fined the local wireless unit of Spanish telecommunications company **Telefónica** about \$41.7 million for a service outage in April, Dow Jones reported. Julio De Vido, Argentina's planning minister, said the fine sets an example and serves as a warning to other wireless providers that outages won't be tolerated, according to the report. The wireless company, **Movistar**, experienced technical problems with its software in April that left its entire network of some 18 million customers without phone and data service for several hours. "Cellphone service quality has declined in recent months," De Vido said. "We need to have full service, not service that gets worse when you walk a few meters one way or another." Movistar will have to reimburse 10 Argentine pesos (\$2.25) to each of its customers in addition to paying a fine.

Walmex Posts 10.8 Percent Sales Gain in April

Retailing giant **Wal-Mart de México** said Tuesday its sales rose 10.8 percent in April compared with the same month a year ago, Dow Jones reported. Sales in Mexico were 2.8 percent higher than in April 2011 as the number of transactions increased and customers spent the same amount per visit. Walmex's Central American sales rose 14 percent in April, up 4 percent from a year earlier in constant currency terms. Walmex said it opened 12 new outlets in Mexico during April and six more so far in May, bringing its number of stores and restaurants in operation to 2,765 units. The company has been in headlines lately amid bribery allegations relating to the fast pace at which it has expanded its number of stores. [See related [Q&A](#) in the May 1 issue of the *Advisor*.]



*The Inter-American Dialogue
is pleased to announce its*

30th Anniversary Gala CELEBRATION

With Dinner Speakers

His Excellency Juan Manuel Santos, President of Colombia (live webcast)

His Excellency William Clinton, Former President of the United States (invited)

The Honorable Robert Zoellick, President of the World Bank

The Honorable Xavier Becerra, U.S. Representative from California

His Excellency Ricardo Lagos, Former President of Chile

His Eminence Cardinal Theodore McCarrick,
Archbishop Emeritus of Washington

Thursday, June 7, 2012

Reception, 6:00 o'clock / Dinner, 7:00 o'clock
Organization of American States | Hall of the Americas
17th and Constitution Ave., NW
Washington, DC 20006

Black Tie Optional

Please join us to celebrate this momentous occasion.

Tickets and sponsorship information can be found at
www.thedialogue.org/30thanniversary

or contact Amy Herlich at
202-463-2565
or aherlich@thedialogue.org

Featured Q&A*Continued from page 1*

Bolivian judiciary, controlled by the government, relentlessly pursued every vestige of dissent in the opposition or in their own ranks. In addition, these conflicts have arisen when the popularity of Morales is under 39 percent, compared to 64 percent in December 2010, according to an Ipsos survey. Local analysts argue that the permanence of conflict can result in an electoral defeat of Morales in the 2014 election."

A Kathryn Ledebur, director of the Andean Information Network: "Current widespread protest is not surprising. MAS grew from an amalgam of social movements. As a result, Bolivian civil society believes the Morales administration has an obligation to accede to their often-contradictory demands. The recent recurring, sustained strikes and blockades have lasted longer than in previous years of the administration. Uncharacteristically, though, there have been no deaths. These measures have also exacerbated discontent within the already struggling Bolivian police force, which is still recovering from a corruption scandal, shrinking income and budgets and resentment over significant benefits extended to the armed forces. The Morales government has made some significant concessions—such as cancelling the TIPNIS contract, raising the minimum wage, expanding maternity and paternity benefits, suspending the supreme decree increasing public health workers' hours and budgeting money for dictatorship victims—but these measures generally do not occur as a result of agreements with protestors or social movements or dialogue. As a result, protesting groups feel marginalized because this top-down leadership goes against Morales' discourse on the key role of unions and social movements. Since the administration frequently dismisses demands or characterizes them as 'selfish,' and tends to pass unpredictable measures, some protesting groups mistrust its motives and fear that concession will be temporary in an effort to demobilize protest. In spite of this upheaval,

social movement and union mobilizations focus on sectorial demands, not a change of government. Unlike past periods of protest, no social movement leader with political potential has emerged to challenge the president; MAS continues unrivaled in the political arena."

A G. Philip Hughes, senior director of the White House Writers Group: "The second TIPNIS March of eastern indigenous Bolivians protesting the government-planned highway through the Isiboro-Secure National Park is prima facia evidence that Evo Morales has not successfully defused the issues surrounding this project. Canceling the Brazilian firm's road construction contract, delaying the project, extending the consulta with the affected populations through September and planning to bring the project to a popular vote have failed to assuage the protestors—partly because government grants and gifts (solar panels, outboard motors, promised development projects) to buy support for the consulta suggest that Morales is not really relenting on this project. Hence the new march. But strikes and protests in Bolivia must be seen in context. They are a favorite pastime activity; for some trades and professions (e.g., teachers) a ready and constant excuse for a holiday from the classroom or other work. Consequently, conditions don't have to be desperately bad to spark Bolivian protests—and, indeed, economically, they're not. Rather, Bolivia's fractious groupings merely need something to complain or to be disappointed about. As Morales is learning, the price of governing is to become the focus for those complaints. Evo Morales, however, added a new dimension to Bolivia's protest tradition with the mobilizations he used so effectively to propel himself to power. By emphasizing ethnicity—specifically indigenous tribalism—and co-opting the 'autonomy' theme of the eastern, opposition-dominated provinces and applying it (nonsensically) to tiny ethnic, tribal groupings, he has sown, with his divide et impera policies, precisely the whirlwind of protest that he is now reaping. It couldn't happen to a nicer guy."

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