

The Political Party System And Democratic Crisis In Bolivia El Sistema De Partidos Politicos Y La Crisis Democratica En Bolivia

Jennifer M. Cyr Latin (American and Caribbean Center (LACC).
Florida International University (FIU).

Summary: This study examines why the traditional political party system was rejected by Bolivian society after 2000, arguing that it was not sustainable after the clientelist and corporatist linkages it had with society were severely weakened by the economic and political models adopted in 1985. It concludes that the type of party-society linkages forged in democratizing countries is important for the sustainability of the party system.

Biography: Jennifer Cyr is pursuing her doctoral degree in Political Science at Florida International University (FIU). She has an M.A. in Latin American and Caribbean Studies from FIU, as well as a B.A. in Latin American and Caribbean Studies and Spanish from the University of Wisconsin-Madison.

Key words: political parties; party system decline; Bolivia; democratization; representation.

Introduction

“El establecimiento de la democracia desde 1982 ha abierto un nuevo ciclo político en el país” (Lazarte 1991, 588).

“El 17 de octubre del 2003 quiebra con la lógica de la política consecucional ... el centro hegemónico está vacío; hemos vuelto al debate de hace veinte años” (Mayorga, F. 2004).

In 1982, Dr. Hernán Siles Zuazo was elected President of Bolivia, officially marking the return to democracy in a country that had experienced almost twenty years of dictatorship, coups d'état, and intermittent and short-lived election cycles. Upon his call for new elections and his subsequent stepping down in 1985, a new era in Bolivian democracy would be forged – one consisting of successive coalition governments, or a pacted democracy, and accompanied by a strict neoliberal economic plan, the New Economic Policy (NPE, in Spanish).

Six coalitions and twenty-one years later, Bolivia's political system confronted the worst crisis of its recent democratic history. The then one year-old administration, headed by Gonzalo Sánchez de Lozada, of the *Movimiento Nacional Revolucionario* (MNR), was forced to resign after months of protests, blockades, and calls for the dismantling of what many Bolivians would call his corrupt, exclusive, and ineffective coalition.¹ Indeed, Sánchez de Lozada was not able to implement the majority of his economic and social policies in that first year. His negotiations with coca growers fell through, and plans to implement a 12.5% income tax hike and potentially sign a hydrocarbons deal were summarily rejected both by opposition in Congress and in the streets.

With the forced resignation of Sánchez de Lozada, Bolivia entered into a tumultuous period of political restructuring. The period was marked by the ascension of Sánchez de Lozada's partyless vice president, Carlos Mesa Gilbert, to the presidency, the implementation of a law that expanded the right to run for office to citizen and indigenous groups, and the use of referenda on important policy-making issues such as the exportation of the country's large gas reserves and regional autonomy. These post-2003 “anti-party” characteristics of Bolivia's political system, along with 2004 polling results suggesting that the popularity of the country's traditional political parties² are at an all-time low, indicated that Bolivia's

¹ The Bolivian newspaper, *La Razón*, spells out in detail the events of October 2003, when Sánchez de Lozada was eventually forced to resign. See “21 Años,”: <http://www.la-razon.com/Especial/Octubre/esp031010c.html> (October 10, 2003).

² During the era of pacted democracy, coalition governments had been alternately run by three political parties: the MNR, the *Movimiento de Izquierda Revolucionaria* (MIR), and the *Acción Democrática*

political party system had been widely rejected and discredited by various sectors of society. The resulting party system decline forced the country to return, as Fernando Mayorga states above, to the political debates of twenty years past.

What can explain the dismantling of a political party system that had been both functioning and stable for almost twenty years? From where does a political crisis, such as the one experienced by Bolivia in the early twenty-first century, arise? The following pages seek to analyze the emergence and decline of the traditional political party system in Bolivia, identifying the primary reasons for and the subsequent legacies of the political crisis of 2003-2004.

The contents of this paper have important implications for issues of political representation in general. The question is asked: why do political party systems fail to be representative? Literature abounds (including O'Donnell 1996 and 1998, Huntington 1991) on the difficulties faced by newly democratizing countries to make their nascent regimes work efficiently and effectively. This literature suggests that democratization has been superficial at best and a practical failure at worst. The analysis below works from the assumption that challenges to effective mediation between the state and society have impeded the process of democratization in countries like Bolivia. Assessing those challenges in the Bolivian case may shed some light on what might make political party systems, and hence representative democracy, work for many countries in the years ahead.

Using Kenneth Roberts' (2002) party-society linkages framework, this study examines the reasons for the decline of the traditional political party system in Bolivia before, during, and after the political crisis of 2003. The following pages demonstrate that the weakly institutionalized political party system (Mainwaring and Scully 1995) that emerged after the transition to democracy in 1982 was sustained by clientelist-based patrimonial party-society linkages with primarily the urban middle class. The economic and political models adopted after the transition severely debilitated the party system's capacity to expand these linkages. Different sectors of Bolivian society, including the newly politicized urban poor and rural classes, thus began to look elsewhere for alternative forms of representation that could accommodate their growing demands, including with political parties founded in the 1990s and the newly formalized citizen and indigenous groups in 2004.

The failure of the traditional political party system to maintain its linkages, as well as its inability to forge new linkages with Bolivian society, would be detrimental to its long-term sustainability. The findings of this study suggest that the traditional political party system in Bolivia was dependent upon middle class-based, clientelist party-society linkages for survival. Unable to accommodate the demands of the newly politicized urban and rural poor, the legitimacy and sustainability of the traditional political party system were severely undermined.

Reviewing the Literature

Political parties are essential for present-day Latin American democracies. This widely shared and longstanding belief (Schattschneider 1942, Mainwaring and Scully 1995, Mainwaring 1999, Lipset 2000, Levitsky and Cameron 2003) has helped orient democratic theory and scholarship in the region despite the challenges political party systems in most of Latin America have consistently confronted since the third wave of democratization (Huntington 1991) began in the 1970s.

The importance of political parties for representative democracy derives from their role as mediators between state and society. Sartori (1976) asserts that political parties are the institutional instrument of representation within the political system. They are independent agents that channel the demands of their constituents to government. That is, parties should be instruments for "*representing* the people by *expressing* their demands" (Sartori 1976, 27, emphasis in the original). Sartori underscores this expressive function of political parties. He contends that parties should use their power to wield influence in government. They should, in effect, be a "mechanism of retaliation and enforcement" of the "citizens' 'voices'" (Sartori 1976, 58).

Despite their implicit importance for representative democracy, political party systems in Latin America have been studied extensively by relatively few scholars. The literature that has been published is both

Nacionalista (ADN). Henceforth, any use of the term "traditional political parties" or the "traditional political party system" in Bolivia will refer to these three parties.

thorough and illuminating with regards to several different characteristics of party systems in Latin America. Typically, academics use three theoretical approaches to study political party systems in the region. They develop classification schemes for understanding parties cross-nationally; study the institutional factors that might either weaken or strengthen party systems; and analyze the structural factors that bring about the emergence of parties and party systems and thus offer insight into why those systems might decline. While this last perspective provides the theoretical basis of the work at hand, each approach to Latin American party systems is fundamental for understanding the complex and dynamic lifeblood that has made representative democracies “workable” in the region (Levitsky and Cameron 2003, 3).

The works of Sartori (1976), Downs (1957), Coppedge (1997), and Alcántara and Friedenber (2001) utilize the first theoretical approach for examining political party systems. Specifically, they devise several different formulas for evaluating party system formation and identifying the parties that make up each system. Sartori’s denotes two dimensions for classifying party systems. He uses the number of parties in a system and the ideological difference among parties to categorize party systems into seven different classes (Sartori 1976, 125). Downs approaches systems from the spatial dimension and argues that systems tend to fall along a continuum in which parties fulfill the ideological demands of a society as determined by voters’ preferences.

Works such as these have provided the theoretical foundations for later assessments of party systems. In the case of Sartori and Downs, however, their texts have been used primarily to understand the party systems of advanced industrial countries (Mainwaring 1999, 23). Thus, their applicability to the characteristics of political parties in newly democratizing countries such as those found in Latin America is limited. Michael Coppedge (1997) produced a working paper with the particular purpose of classifying the major political parties from eleven different countries in Latin America. He collaborated with a series of specialists to characterize each country’s parties along the left/right axis, the secular/Christian divide, or as being personalist, environmental, regional, ethnic, or feminist (Coppedge 1997, 2). Similarly, Alcántara and Friedenber identify two internal and three external characteristics of the political parties in eighteen different Latin American countries, in an effort to view a party not just as one part of a system’s “pluralistic whole” (Sartori 1976, 26) but also as an entity in itself with its own unique interests. The goal of all four of these classification systems is to allow for cross-national comparisons of political parties and party systems. Yet, in each case characterization is inevitably static, denying each party system any dynamism – a trait that is particularly important to consider in the context of democratization.

Linz (1994), Mainwaring and Scully (1995), and Mainwaring (1999) argue that institutional factors best explain the nuances of a country’s party system. They utilize the second theoretical approach for understanding Latin American political party systems. For Linz, the great debate centers on the merits of parliamentary versus presidential or semi-presidential systems. Presidentialism within the context of a weak multiparty system, he argues, feeds upon and exacerbates the weaknesses of parties by forcing the executive to bypass partisan entities in order to enact policy through individualist and often clientelistic means (Linz 1994, 35). Linz’s bias towards parliamentarism may help in illuminating the weaknesses of presidential systems and, in the case of Bolivia, of hybrid presidential systems (Gamarrá 1997). Having identified the debilities of these systems, however, Linz’s work cannot explain why a weakly institutionalized hybrid presidential system like Bolivia’s would last as long as it did; consequently, it cannot help explain which variables would eventually lead to that system’s decline.

Mainwaring and Scully (1995) use the institutional approach to differentiate party systems along an inchoate-institutionalized continuum, identifying four measures for evaluating to what extent a political party system is institutionalized. They argue, as does Mainwaring (1999), that greater institutionalization fosters a more stable and enduring democracy in a country. The consequences of a weakly institutionalized system, on the other hand, can profoundly affect a country’s “democratic survival,” since these systems are equated with a higher degree of personalism and uncertainty and weaker mechanisms of accountability (Mainwaring 1999, 38). Following Mainwaring and Scully (1995), Mainwaring’s 1999 work hints at some of the possible implications of a weakly institutionalized system, not just for governance and representation, but for the survival of the regime in general. Ultimately, however, their classification scheme for party systems, as with Coppedge (1998) and Alcántara and Friedenber (2001), is inherently limited in terms of understanding the dynamic nature of the post-transition party systems in countries like Bolivia. Thus, it is not able to expound upon the factors that bring about either the strengthening or, as in the case of interest here, the decline of political party systems.

The third theoretical approach to party systems is a structural one, and it comes closest to understanding the underlying forces that cause the emergence, and hence also the potential decline or decay, of a political party system. Specifically, structuralists identify the existing social, economic, and political conditions that shape the nature and characteristics of an emerging party system. They provide an historical context for understanding why a party system is the way it is and in this way help illuminate the cracks and “fault lines” (Agüero and Stark 1998) in the system that could also bring about its decline.

For example, Lipset and Rokkan (1967) offer a look at the emergence of party systems in Western Europe. They argue that party systems arise out of alternative alliances and oppositions during the period of nation-building. The process of nation-building, they argue, is shaped by a two-dimensional space in which the political expressions of territorial-cultural and functional conflicts – also called cleavages – fall. How these conflicts emerge and how they are subsequently addressed will determine in large part the nature and alignment of political parties within a country (Lipset and Rokkan 1967, 5-7).

Collier and Collier’s (1991) study on labor relations is another example. They look at the different policies adopted by eight Latin American countries in response to their growing labor movements. They argue that the decision to implement different labor policies led to the formation of different institutions that shaped the character of labor-state relations for years to come. The distinct institutional design chosen in each case sparked a process of political evolution that would ultimately determine the nature of each governmental regime and how it subsequently interacted with society (Collier and Collier 1991, 37). The analyses of Lipset and Rokkan and of Collier and Collier offer important insight on the emergence of party systems in specific countries at specific times. That said, their approach is inherently limited to past historical periods: for Lipset and Rokkan, the era of the reformation and the French and Industrial Revolutions, and for Collier and Collier, the “initial incorporation” of the labor movement in their country set (Collier and Collier 1991, 22). As such, they cannot serve as a framework for addressing the emergence of party systems in general, including, for the purposes of this study, the Bolivian political party system that was established in the 1980s.

Coppedge (1998) argues that party systems in Latin America are either “established” or “chaotic” depending upon the nature of the political order prior to the expansion of political participation to the lower and middle classes and the time-frame in which such participation was granted (Coppedge 1998, 199). The impact of these two conditions influences party system development in terms of the cleavages that divide the parties, the legitimacy of the opposition, and the degree to which the parties are institutionalized. His work helps us to understand why certain party systems emerge in different Latin American countries, but it is less helpful in understanding the subsequent life cycle of each system, as well as its possible decline.

Kenneth Roberts’ work (2002) on Latin American political party systems overcomes the geographical and historical limitations of the aforementioned studies, putting forth a framework that allows us to understand party system decline at any point during a party system’s life cycle. Thus, his work applies to the Bolivian traditional political party system of the late 20th century. The scholar analyzes extant political party systems and the particular ways in which those systems interact with society. Viewing political parties as “vital intermediaries” between state and society (Roberts 2002, 13), he argues that there are five different party-society linkages that connect political parties to their constituents. Political brokerage and patron-client linkages are based on the exchange of material benefits for political support. Encapsulating linkages, also known as corporatist or participatory linkages, forge powerful bonds between politicians and their constituents, who are generally organized into social blocs. Ideological and programmatic commitments form the basis of programmatic linkages, whereas personalistic linkages are characterized by the charismatic bond that forms between a party leader and voters. Finally, marketing linkages are based upon contingent and temporary connections that are formed primarily at electoral junctures and then quickly dissolve.

Importantly, these party-society linkages evolve. They are established when political parties can ally themselves with the social and economic cleavages in a given society at a given time. They decline or decay³ when the political party system does not adapt as the social and economic cleavages shift. Thus,

³ Roberts is not explicit about the meanings of party system decline and party system decay in his work (Roberts 2002, 2003) on party-society linkages. However, it is clear from the context in which he employs both terms that party system decline is used when a party system is dealigning from the linkages that formerly connected that system with society. Party system decay happens when the political parties

Roberts develops a causal relationship between social and economic change and the effectiveness of a political party system. A political party system can avoid crises if it is able to adapt to and evolve with the changing nature of society. This proposition holds true at any point during a party system's life cycle, giving the approach dynamism and long-term applicability. That is, it allows us to evaluate the status of a party system's linkages with society at any given period and, unlike Coppedge's theory above, is not limited to understanding only party system emergence.

Roberts (2002) is not alone in his theory about linkages. Conaghan (1996) specifically addresses the Andean region – Bolivia included – when she asserts that the problematic nature of democracy in the Andes is due to “faulty political linkages” (Conaghan 1996, 34). Moreover, Roberts (2003) further elaborates this idea of failing linkages in his analysis of the decline and eventual decay of the Venezuelan political party system in the 1990s. He contends that prolonged economic crisis and social change in Venezuela led to the erosion of the encapsulating and clientelist linkages that had been the primary mediating channels between state and society throughout the period of import substitution industrialization (ISI). In particular, the shift from a state-oriented economic policy to one based on neoliberal principles undermined corporatist relationships and thus aggravated the clientelist demands upon the much-reduced state. Unable to accommodate these demands, the strong linkages between state and society eroded, eventually causing the party system's demise. The erosion of these linkages enabled the emergence of the unmediated (that is, essentially partyless) populist leadership of Hugo Chávez Frias.

Thus, the idea of linkages is important for understanding the state of alignment, dealignment, in the case where parties detach from their social moorings, or subsequent realignment of political parties vis-à-vis society. When these linkages have eroded, the mediating capacity of political parties is debilitated or severed, undermining the popularity and credibility of these representative institutions and making the creation of new linkages between parties and society increasingly difficult. Thus, the sustainability or decline of a party system is dependent upon its ability to maintain societal linkages within a changing economic, political, and/or social context.

In the case of Venezuela, Roberts argues that the political party system failed to preserve its corporatist and clientelist linkages with Venezuelan society. The subsequent party system decline led to a surge in populism, dismantling the formerly institutionalized two-party system altogether. In Bolivia, as the following pages demonstrate, the party system was unable to expand its clientelist-based neopatrimonial linkages to incorporate the newly politicized urban lower and rural classes. Given the prolonged economic recession and accompanying social crisis by the end of the 1990s, the limitations of this linkage emerged. Unable to accommodate the shifting societal demands in Bolivia by the beginning of the 21st century, the traditional political party system entered into decline.

The following sections make the case for the decline of the traditional political party system in Bolivia. First, the study highlights two important legacies from Bolivia's contemporary political history, since they impacted the nature of the traditional political party system established in 1985. It then analyzes the principle of pacted democracy and the NPE in detail, examining both the successes of the two models and their unintended consequences for the political party system. The following section highlights specific aspects of the prolonged economic crisis that began by the end of the 1990s, as well as the accompanying social changes as a result of that crisis. Given the inability of the traditional political party system to accommodate the growing demands of the classes most affected by the crisis, the study then analyzes the emergence of alternatives to the traditional political parties, including new political parties and social movements.

Finally, having made the case for traditional party system decline, the last section highlights an expression of that decline, specifically, the electoral results of 2002 and 2004. All in all, the pages to follow support Roberts' proposition that party systems enter into decline when they become detached from their social moorings. The study concludes with some ideas for further research on party system decline in Latin America.

have completely dealigned with society and, in the absence of the formation of new party-society linkages, have been unable to realign with that society and are dismantled completely. Venezuela's party system is an example of party system decay, since the emergence of Hugo Chávez, as a populist non-party system leader, replaced the former system entirely. Party system decline, however, suggests that the process of dealignment of the political party system is still incomplete. Thus, party system realignment or total decay are both still very real possibilities.

Legacies of Recent Bolivian Political History

It is important to examine Bolivian history prior to the transition to democracy, because both were influential in determining the party-society linkages that emerged after 1985. Specifically, the following pages identify two important legacies from Bolivia's recent political history. For one, prior to 1985 and the establishment of the traditional political party system, political parties in Bolivia were not the sole intermediary between the state and society. In fact they competed with both the military and the COB for a monopoly of representation. Moreover, along with corporatism, the regimes in power after the National Revolution of 1952 primarily utilized neopatrimonialism to link with Bolivian society. By shaping the nature of representation in the country, both of these legacies ultimately influenced the nature of the traditional political party system that emerged in 1985.

On the morning of April 9, 1952, the MNR led a group of civilians to take over the government of Hugo Ballivián Rojas (1951-1952). What began as a rather straightforward coup d'état turned into a countrywide rebellion, as groups of mobilized miners, *fabriles*, truck drivers, university students, and *campesinos* joined forces with the MNR in toppling Ballivián (García, et al. 2004, 37). The fighting lasted three days and brought the MNR to power, with Víctor Paz Estenssoro as president. The so-called National Revolution began a period of twelve-year rule by the political party, which, as a "large multigroup social coalition," (Mitchell 1977, 5), had intended to retain control in the country à la the *Partido Revolucionario Institucional* (PRI) in Mexico or the *Acción Democrática* (AD) in Venezuela.

Yet, despite its successes after the National Revolution in 1952,⁴ the MNR's attempt to establish an enduring hegemonic single-party system failed. This was due in part to the party's inability to co-opt important sectors of Bolivian society within its party network. Its failure can also be attributed, however, to the unusual strength of the country's Workers Central (in Spanish, the *Central Obrera Boliviana* [COB]), the nationally-based confederation of labor unions that stridently maintained its autonomy from the MNR's grasp upon its creation in the aftermath of the 1952 Revolution.

When a coup d'état placed the military in charge after twelve years of increasingly debilitated MNR leadership, the influence of political parties in the Bolivian state disappeared almost entirely. Between 1964 and 1978, the struggle for control of the country took place primarily between two other potent actors: the COB and the military. While the 1970s brought about the foundation of the other two political parties that would eventually form the "tripod" (Mayorga, R., 2002) of the country's traditional political party system,⁵ politics during this time was marked by either close alliances or sharp conflicts between the military and the unions (Lazarte 1991, 584). Thus, prior to the transition to representative democracy in 1982, the role of political parties as intermediaries between state and society was matched and at times undermined by both the COB and the military.

When the country restored the democratically elected president, Hernán Siles Zuazo, and his leftist coalition, *Unidad Democrática y Popular* (UDP), to power in 1982, the principle of party-led government would be reinitiated for the first time in thirty years. As a part of his broad-based coalition, Siles Zuazo initially incorporated the COB and the rural sectors into government, using the post-Revolution corporatist logic of *co-gobierno* to coopt and integrate these influential constituencies into the state. Faced with one of the worst economic crises in the country's history, an opposition-led Congress, and the eventual failure of co-government with labor and the *campesinos*, however, Siles Zuazo was unable to maintain control of the country and was forced to call for early elections in 1985.

The legacies of post-Revolution period in Bolivian political history would not bode well for representative democracy. For one, the traditional political parties were unable to emerge as the primary

⁴ The initial accomplishments of the so-called National Revolution were numerous and notable. The new regime granted universal suffrage to all adults, age eighteen and older, and reduced what was left of the army to a minimum. The government also nationalized all minerals and created the *Corporación Minera de Bolivia* (COMIBOL) to manage their extraction. They founded the *Yacimientos Petrolíferos Fiscales Bolivianos* (YPFB) to control the extraction and exportation of the country's hydrocarbon reserves. Finally, the MNR-led government established a new national labor federation, called the *Central Obrera Boliviana* (COB), to oversee the organization of labor at the national level.

⁵ The MIR was founded in 1971, the ADN in 1979.

state-society intermediary before 1985. For example, the MNR, after having ruled for twelve years, virtually disappeared during this time, although it did serve a subordinate (and temporary) role with Banzer's government in the early 1970s.⁶ In general, however, as the military and labor were in outright conflict over political control in Bolivia, it was increasingly evident that political parties were not the sole intermediary between state and society. The representative role of successive military rulers and the COB matched that of the political parties. In many instances, the political parties lost the battle for national control:

“Estos intentos reiterados de eliminar a los partidos y de establecer vínculos sin intermediarios entre los ciudadanos y el Estado ocurrieron durante momentos autoritarios y afectaron, a la larga, la capacidad de los partidos de forjar vínculos más amplios con la sociedad” (Calderón and Gamarra 2003, 15).

Secondly, there existed a strong tendency by most political actors, including the military, the COB, and the political parties, to appeal to society along corporatist and clientelist lines. Indeed, clientelistic dynamics dominated the political system after the transition to democracy. Specifically, the state functioned almost exclusively through neopatrimonialism, or the logic of appropriating public office for private means. Dependent upon support networks to maintain rule, Bolivian leaders continually drew from state coffers in order to sustain and expand that support. As a result, the state became little more than a “personal resource to maintain [the neopatrimonial leader's] rule” (Malloy and Gamarra 1988, 110).

The neopatrimonial nature of political rule was a tendency that dominated politics in the country since before the National Revolution. Patrimonialism emerged in Bolivia as a result of the country's prolonged dependence upon publicly managed primary-product exportation, including with silver and tin, which stifled private sector growth and centralized economic and job-producing resources into the state. Thus, the urban, educated, job-seeking population in Bolivia inevitably turned to the state for employment, converting the country's middle class into its political class (Malloy 1977, 476).

By providing jobs, successive political leaders secured the support of those urban sectors, fostering a relationship based on mutual patron-client dependence. The middle classes turned to politics as a means of employment; support for both military and civilian rulers alike was thus based on their ability to employ. In the case of the military leader, Hugo Bánzer (1971-1978), this job-based support translated into the dramatic growth of the public sector from 66,000 employees in 1970 to 171,000 employees in 1977 (Malloy and Gamarra 1988, 112).

The political parties also forged corporatist and clientelist bonds with Bolivian society. For example, in the six years prior to the National Revolution, known as the *sexenio*, the MNR began to actively recruit party membership by setting up cells of the MNR party elite and their friends in various cities throughout the country. It also courted the labor sector heavily, concentrating primarily on “friendly union leaders,” since it viewed this sector as a potential ally for its reform-based agenda (Mitchell 1977, 27-29). The UDP's attempt at *co-gobierno* with labor and the *campesinos* clearly utilized the logic of corporatism in order to coopt and thus control these sectors. Bánzer actually banished the MNR and the *Falange Socialista Boliviano* (FSB) from his government in 1971. Bolstering party support through the provision of public sector jobs, the two parties did little more than drain resources from Banzer, who wanted control of the patronage flow for himself (Malloy and Gamarra 1988, 109).

By 1985, then, notions of corporatism and particularly clientelist-based neopatrimonialism plagued the political behavior of all political actors and defined the patron-client and middle class nature of representation in the country. Moreover, other non-state actors, including the military and the COB, had emerged that could hold their own in the struggle for political power. Thus, when the traditional political party system took over as the sole intermediary between state and society, it did so with both of these legacies firmly in place within the country's political system. The following section analyzes the political and economic model that enabled the party system to reassert its dominance as the sole state-society

⁶ When Bánzer first came to power in 1971, he briefly shared government with the MNR and the FSB. This coalition, called the *Frente Popular Nacional* (FPN), remained in power until 1974, when Banzer declared an auto-coup and banished them from office. Scholars have called the MNR and the FSB “rump factions” during this period. Bolstering party support through the provision of public sector jobs, they did little more than drain resources from Banzer, who wanted control of the patronage flow for himself (Malloy and Gamarra 109).

intermediary, highlighting how this transition took place and the impact of it on both governance and stability.

The Era of Policy-Making: Pacted Democracy and the NPE

Many scholars (Lazarte 1991, Klein 1992, Mayorga, R. 1997, Calderón and Gamarra 2003, Mayorga, F. 2004, Gamarra 2003b) have recognized the importance of the first year of the administration of Víctor Paz Estenssoro (MNR, 1985-1989) in the forging of a new political and economic stabilization program for the country. Specifically, Paz Estenssoro and his team of technocrats established a precedent for congressionally supported coalition rule – called *democracia pactada*, or pacted democracy – while simultaneously implementing a “draconian austerity program,” known as the NPE, designed to put an end to the long-standing and severe economic crisis in the country (Gamarra 2003b, 298). In essence, in 1985, a distinct form of representative rule was established alongside a distinct model for economic reform.

This section addresses the successes of the principle of pacted democracy and the NPE. In particular, the political and economic models set the stage for the traditional political parties to emerge as the sole intermediary between the state and society. It also restored governance to the country after more than thirty years of instability, crisis, and political turmoil.

The outcome of the 1985 presidential elections was close; indeed, elections between 1985 and 2002 never produced a simple majority winner.⁷ Whereas the ADN’s candidate, Hugo Bánzer, received the highest number of popular votes, the MNR’s second place finisher, Paz Estenssoro, eventually assumed the presidency. Despite anger among party factions in both the ADN and the MNR, the two party leaders forged a pact that put Paz Estenssoro in the presidency and guaranteed that the ADN would support his leadership by creating an MNR-friendly congressional majority. The legislative coalition would back Paz Estenssoro in exchange for the MNR’s support for an ADN presidency in 1989.

The MNR-ADN coalition, which was called the *Pacto por la Democracia*, was the first of five coalitions formulated under the principle of pacted democracy. This innovative approach to governance was successful in resolving any potential impasse between the president and the legislature in Bolivia, ensuring political stability on the one hand and governance on the other. Indeed, because they could count on the support of a Congressional majority, the successive presidents between 1985 and 2002 were successful in implementing important social, political, and economic reforms. Given the historic struggle for power and authority that existed in the country prior to 1985, the accomplishments of pacted democracy cannot be overstated. It was clear from the beginning of the MNR-ADN alliance that conditions for a “stable and conventional regime” had been set in the country (Whitehead 2001, 28).

The principle of pacted democracy also underscored the nature of the democratic regime that was put into place in 1985. Called a “hybrid presidential” regime, Bolivia’s government consisted of both parliamentary and presidential characteristics (Gamarra 1997, 363-4). As mentioned above, if first round general presidential elections did not garner a majority (50% plus one) winner, the Congress was responsible for electing the president. All in all, the “mainspring of the system [was] a dynamic common in parliamentary regimes: the politics of coalition” (Mayorga, R.1997, 149). Electoral coalitions allowed parties to appeal broadly to their constituents, and coalitions within Congress chose the president. Once the president had been chosen, however, the principles of presidentialism took over. The legislative function there after served to support the coalitional government in place, and the executive branch was not beholden to parliamentary confidence.

Thus, the primary political actors after 1985 were the political parties that comprised each ruling coalition. While the transition to democracy had produced more than seventy different political parties, the actual alternation of power after 1985 was focused on the three traditional political parties, the MNR, the MIR, and the ADN. This was due in part to a political reform in 1979 which abruptly halted the explosion of political parties by requiring those parties that did not receive 50,000 votes in a given election to pay for their share of ballot printing costs (Van Cott 2000, 166). The reform helped establish a

⁷ Article 90 of the 1967 Constitution stipulated that, if not presidential candidate received 50% of the votes plus one, the President would ultimately be elected by Congress in a second round race among the top three popular vote recipients. In 1994, this rule was changed so that only the two top recipients could be considered for President.

political party system consisting primarily of the three traditional political parties, because they had the financial and political resources to fulfill the requirements of the 1979 legislation.

From 1985 to 2002, then, the MNR, MIR, and ADN, as the traditional parties in the country's political party system, alternated the presidency. Between 1985 and 1989, Paz Estenssoro led the *Pacto por la Democracia*. In the period of 1989-1993, Jaime Paz Zamora (MIR) became president with the support of the *Acuerdo Patriótico*, an alliance between the MIR, the ADN, and the small, Christian Democrat party, the *Partido Demócrata Cristiano* (PDC). After 1993, Gonzalo Sánchez de Lozada (MNR, 1993-1997) assumed office through the *Pacto por la Gobernabilidad*. This coalition included the MNR along with the MRTK, an MIR spin-off called the *Movimiento Bolivia Libre* (MBL), and the *Unión Cívica Solidaridad* (UCS). In 1997, Hugo Bánzer (ADN, 1997-2002)⁸ became the president with the support of the *Compromiso por Bolivia*, a coalition that consisted of the MIR, UCS, PDC, *Conciencia de Patria* (CONDEPA), and the *Nueva Fuerza Republicana* (NFR).

The composition of each successive coalition was noteworthy. For one, pacted democracy clearly brought together parties that, programmatically speaking, were complete opposites. The *Acuerdo Patriótico*, for example, consisted of the MIR and the ADN – two parties that were ideological antitheses. Moreover, while the three traditional political parties headed each of these coalitions, it is notable that other small parties allied with the MNR, MIR, or ADN in order to garner the seats necessary for a congressional majority. Over time, these coalitions grew: whereas the *Pacto por la Democracia* had only two political parties, the *Compromiso por Bolivia* included six. The evolution of these pacts highlights three electoral features of Bolivia's political party system. First, in the struggle for the presidency, none of the traditional political parties ever received a clear majority. Second, the voting share of each of the parties rarely grew and in most cases dropped with each successive election; hence the need for a greater number of parties to obtain a majority. Finally, the appearance of new political parties suggests that, while the traditional parties maintained primary control of the party system, they were unsuccessful in maintaining their constituent base over the medium to long term.

At the same time that the principle of pacted democracy was adopted, Paz Estenssoro and his administration were also working frantically to implement a package of economic reforms that could effectively address the "perilous state" of the Bolivian economy in 1985 (Grindle 2003, 323). On August 29, 1985, the president enacted Supreme Decree 21060, or the *Nueva Política Económica* (NPE), as his response to the crisis. An orthodox economic shock program, the objectives of the NPE were to end hyperinflation and adopt the foundations of a market-oriented economy. Measures incorporated into the NPE included devaluation, liberalization, wage and salary freezes, and the reduction of the public sector. Called a "silent revolution," the NPE represented a completely new approach to economic development, changing the former model of state-based growth and opening the economy to foreign investment and trade (Mayorga, R. 1997).

The NPE was initially successful in curbing inflation and stimulating growth. By 1987, inflation had fallen from its 1985 peak of 20,000 percent to a much more manageable 14.5 percent. The GNP registered positive growth, at 4.7 percent, and per capita income had climbed almost US\$200.00 from its 1985 figure to US\$620.00 (Grindle 2003, 324). Following his predecessor's lead, when Jaime Paz Zamora (1989-1993) took over the presidency, he continued with the austere economic principles adopted in 1985. In particular, in 1990 he issued Supreme Decree 22407, which continued to privatize industry and downsize the public sector. By 1992, 100 of the 159 state-owned enterprises had been sold to the private sector (Grindle 2003, 324).

The implementation of the NPE represented one of the first decisive actions of the *Pacto por la Democracia*, leaving little doubt that the locus of political and economic control had been returned to the state. Yet, upon announcing the policy, Paz Estenssoro was met with considerable resistance from the labor unions as represented by the COB. The Central wanted to compensate for the austere nature of the NPE by increasing workers' wages. Instead of addressing these demands or attempting to negotiate with the COB, as his predecessor Siles Zuazo had done, Paz Estenssoro literally dismantled the unions. He shut down union headquarters and arrested their leaders, and he closed COMIBOL, which resulted in the laying off of 23,000 of the 28,000 miners (Healy 1988/1989, 100). Between 1985 and 1987, the total

⁸ In 2000, Bánzer resigned because of serious complications from cancer, which would eventually take his life. His Vice President, Jorge Quiroga, assumed the presidency about his resignation and served out the rest of the term.

work force in state-owned companies fell from 32,000 to 7,000 (Haggard and Kaufman 1995, 203), and by 1988, public sector employment had been reduced by 17 percent (Grindle 2003, 324). Under SD 22407, these figures presumably declined even more.

The impact of these repressive measures was immediate. The COB was almost completely destroyed, its material bases effectively purged because of the massive lay-offs. By the end of the 1980s, the COB would be little more than a “shadow of its former self” at the national level (Healy 1988/1989, 100). Thus, the NPE eradicated one of the most active and influential political actors of the mid- to late 20th century. As one author notes, by the end of the 1980s, the demands of the COB had been, for all intensive purposes, “pulverized” (García, et al. 2004, 625).

By breaking down the Central, the corporatist bonds that had unified the labor sectors since the 1952 Revolution were broken down as well. Consequently, the poor urban and rural classes, who had largely identified with and were organized through the COB, found themselves without the primary intermediary structure that had represented their demands since the National Revolution. These disenfranchised classes would thus need to look elsewhere – and presumably to the traditional political party system – for representation. With the adoption of principle of pacted democracy and the NPE, then, Paz Estenssoro effectively set the stage for a period of renewed economic growth and for a democratic regime in which the traditional political parties – and no longer the COB – would be the sole intermediary between society and government.

The effects of these accomplishments were profound in terms of governance. Bolstered by four successive rounds of executive-friendly Congressional majorities, the 1990s served as a decade for implementing innovative political, social, and economic policies and laws. After nearly fifty years of unstable regimes, it was significant that, beginning in 1985, the country’s political system was finally able to make decisions on policy and, more importantly, act upon those decisions.

The achievements of Gonzalo Sánchez de Lozada’s (MNR, 1993-1997) presidency in terms of reforms reflected a clear example of the government’s policymaking capabilities after 1985. In 1993, Sánchez de Lozada became the president of Bolivia for the first time with the promise of enacting far-reaching reforms that would change both the social and political design of the country and its strategy for growth and investment. *El Plan de Todos* included the formal recognition for the first time of the rights of the indigenous peoples of the country; the capitalization of state-owned industry, through the Law of Capitalization; education reform; and political and fiscal decentralization, through the Law of Popular Participation (LPP) and the Law of Decentralization.⁹ Along with *El Plan de Todos*, constitutional reforms were also adopted in 1994, creating single member districts for 50 percent of the seats in Congress’ lower house, extending the presidential term to five years, and amending Article 90 so that only the top two presidential contenders could be considered in the second round congressional elections¹⁰ (Gamarra 2003a, 306).

It is important to mention the success of *El Plan de Todos* and the constitutional reforms, because they signal the extent to which the role of political and economic decision-making was returned to the Bolivian state. Prior to 1985, political control was divided among many different state and non-state actors. In the years following the adoption of the NPE and pacted democracy, this political atrophy was no longer evident. Indeed, Bolivia’s political system became a model of stability in the region (Interview D, 6 May 2005). Upon eliminating the destabilizing threat represented by the corporatist-based demands of the COB and guaranteeing legislative support of the executive branch, Bolivia achieved stability and was able to govern for the first time in decades.

Throughout the 1990s, Bolivia was heralded internationally for its capacity to recover from a difficult transition period and establish a democratic and stable political system. Yet, the impact of the successes of pacted democracy and the NPE, including in terms of political stability and the introduction of reforms, was not entirely positive. As the next section illustrates, the economic and political models adopted after 1985 would become seriously problematic for the traditional political party system, underscoring its dependence upon neopatrimonialism and weakening the traditional political parties’ capacity to forge new

⁹ A detailed look at each of the aspects of *El Plan de Todos* is beyond the scope of this study. However, other academics examine the impact of the Plan’s components, including Gamarra (2002), Grindle (2003), Gray-Molina (2003), and Kohl (2003).

¹⁰ Previously, the top three candidates could vie for the presidency.

linkages with society. Moreover, they inadvertently fostered the emergence of new political actors that would challenge the traditional political party system's authority.

Unintended Consequences: Assessing Governance in Bolivia

The principle of pacted democracy and the alternation of political control among the three traditional political parties, while creating the conditions for governability and reforms, fostered other outcomes that negatively impacted the traditional political party system. This section addresses the "unintended consequences" of the political and economic models adopted in 1985. Specifically, the nature of pacted democracy promoted neopatrimonialism, encouraged executive-centric policymaking, and prevented the internal democratization of the political parties. As a result of these tendencies, the role of the traditional political parties within the political system was drastically reduced, limiting their capacity to forge linkages with Bolivian society.

The very nature of pacted democracy promoted the neopatrimonial relationships that had long connected the political parties to Bolivian society and particularly the urban-based middle-cum-political class. The dependence upon coalition-building, combined with the ultimate independence of the executive branch from congressional confidence, cultivated the tendency for the traditional political parties to focus on securing and maintaining inter-party coalitional support. That is, successive but varied coalitions of generally the same resource-hungry political parties created governments focused on "the recomposition of client-patron networks and [the] redistribution of political patronage" (Gamarra 1997, 392). This logic of *empleomanía* shaped political party competition in the formulation of pacts and ensured the survival of the coalition once the president was elected. As a result, in order to perpetuate their role in the political system, the traditional political parties were often more interested in controlling patronage than they were in governing effectively (Gamarra 1997, 376-8).

It is important to remember, too, that one of the measures of the NPE mandated the drastic reduction of the public sector. While this was ultimately detrimental to the COB, eradicating the organizational and material resources needed to maintain its linkages with the poor urban and rural classes, it also had a negative impact on the linkages that connected the traditional political parties with the middle class. Because politics was essentially "the only game in town" (Malloy and Gamarra 1988, 80) for urban, middle class job-seekers, when the opportunities for employment were drastically reduced through the NPE, the support base of the traditional political parties was also severely threatened. The traditional political parties presumably had to scramble to fulfill their patronage-based promises in what was left of the public sector. Thus, the dynamics of the political system reinforced the neopatrimonial role of the traditional political parties as patronage pushers, even as their capacity to follow through on those promises diminished.

Another feature of the post-1985 political system was the executive-centric nature of decision-making. The principle of pacted democracy guaranteed the president a Congressional majority that would consistently back his policies. With the support of this legislative majority assured, the need to work with Congress in formulating policies was greatly reduced. As a result, the executive branch controlled most of the decision-making power. The president and his cabinet were able to largely bypass the political parties in Congress in the policymaking process (Gamarra 1997, 375), preferring instead to use technocrats for the formulation of policies and to impose those policies through executive or supreme decree.

In fact, the extensive use of technocrats and decrees prevailed throughout the 1980s and 1990s. The clearest example of both of these phenomena occurred with the NPE. Dissatisfied with the strategy proposed by the MNR's own economic team, Paz Estenssoro consulted with an independent group of technocrats, including two Harvard academics, famed economist, Jeffrey Sachs, and two businessmen, to construct the NPE (Conaghan 1992, 216). The NPE actually came into effect with Paz's Supreme Decree 21060. Thus, the economic policy was largely a result of a handful of individuals and a presidential decree. Despite boasting a pro-government coalition in an effort to promote cooperation between the executive and legislative branches, in this instance the Congress was bypassed almost entirely.

Other examples of *decretismo* and the use of technocrats abound. Paz Estenssoro issued most of his economic and social reforms through Supreme Decree; Paz Zamora followed his predecessor's lead when he deepened the NPE through SD 22407. Sánchez de Lozada's *El Plan de Todos* was shaped almost in its entirety by international and national advisors who were not affiliated to any political party. MNR

party members, for example, were not involved in the development of the LPP; ministers were even denied access to meetings on the topic (Grindle 2003, 331-332).

The use of technocrats and decrees in the formulation and implementation of policy – particularly in the case of the most important reforms of the period – fostered the perception that political parties were nothing more than electoral vehicles for presidential candidates (Interview B, 6 May 2005). Once the president was elected, consultation with Congress and with party members in general was not a priority. Thus, the role of the political parties in the legislative branch was to provide little more than tacit support to executive-induced and executive-formulated policies.

The concentration of decision-making power into the executive branch was reinforced by a hierarchical organizational structure within the traditional political parties themselves. The leaders of the MNR, MIR, and ADN wielded an unrivalled political influence over political party members, reducing the role of those members considerably within the party (Calderón and Gamarra 2003, 8-9). Each party leader formulated the policies that would be filtered down to, carried out, and supported by the other members and representatives of his party. The top-down nature of the traditional political parties inhibited internal party democratization and the formulation of local and regional leaders. In essence, the traditional party leaders *were* the political parties.

In recognition of the need to decentralize the hierarchical nature of political authority within the parties, Congress passed the Law of Political Parties in 1997. The Law imposed gender and ethnic-based quotas for party candidates and called upon the parties to develop a primary system through which those candidates would be selected. Yet, the traditional political parties failed in their efforts to internally democratize. While filled with good intentions, the Law of Political Parties was never actually enforced and was only ratified in 1999 (Mayorga, F. 2004). Instead of democratizing internal political party structures, the Law only succeeded in raising the expectation that such reforms might take place. When they never actually did, a burgeoning mistrust and animosity toward the traditional political parties was reinforced (Mayorga, F. 2004).¹¹

Pacted democracy, then, proved to be a double-edged sword for Bolivia's traditional political party system. While creating the conditions for governance and policy-making, it also fostered neopatrimonialism and executive-centric policymaking and reinforced the internal hierarchical nature of the political parties. In effect, the principle of pacted democracy restricted the role of the primary actors of the political system, that is, Bolivia's traditional political parties. Their responsibilities did not extend beyond the promotion of patronage and their duty to implicitly support their party leader and, when they were part of the executive-friendly coalition, their president.¹²

The severely diminished role of the political parties within the context of pacted democracy limited their abilities to foster linkages with society. As one author notes, in the 1990s, the traditional political parties were reduced to little more than electoral machines and *repartidores de cargos* (Interview B, 6 May 2005). Loyal party militants during campaign periods were rewarded with jobs and other benefits between election cycles, underscoring the neopatrimonial nature of inter-party bargaining in the formation of pacts and keeping party members from addressing the demands of the electorate.

As a result, after 1985 and particularly in the 1990s, the linkage that the traditional political parties were able to maintain with society was centered on clientelist-based neopatrimonialism and, more specifically,

¹¹ In fact, the dislike for the traditional political party system and the three political parties that comprised it was evident from early on after the transition to democracy. Many scholars have noted that “opinion polls consistently [placed] parties in a highly unfavorable light,” and “politicians and their parties [were] perceived as corrupt, and distrust of politicians is profound” (Domingo 2003, 147 and Gamarra 2003, 12). As early as 1989, scholars were seeking to understand why the MNR, MIR, and the ADN were so strongly “questioned” by Bolivian society (Calderón 1989). Clearly, the traditional political parties faced an uphill battle in terms of connecting with Bolivian society.

¹² That is not to say that the political parties were beholden to remain loyal to the president upon joining the pact that elected him. In fact, political parties could and periodically did abandon the ruling coalition and join the Congressional opposition. Condepa left the *Compromiso por Bolivia* (1997-2002) along with the NFR, which also was a late joiner to and early abandoner of Sánchez de Lozada's second term in office (2002-2003). Notably, none of the three traditional political parties ever abandoned a coalition once they joined it.

the circulation of jobs. Indeed, job distribution in the public sector was widespread through 2002. As Table 3.1 in Appendix 1 indicates, employment in the non-financial public sector remained steady between 1994 and 2002, despite the growing economic recession that hit Bolivia after 1998 (discussed in detail in the next section). Specifically, in 1994, non-financial public sector employees were 7.79% of the estimated economically active population. By 2002, this percentage had only dropped marginally to 6.64%. In actual numbers, although the change in public sector employment was negative, it represented a total increase of 17,769 workers (IMF 2000, 2003).

Employment in the central administration alone also remained remarkably steady. Between 1994 and 2002, the number of workers in the central administration, taken as a percentage of the economically active population, had only diminished by 0.36%. Given the deepening economic recession after 1998, the increase in the number of workers required to maintain the central administration employment levels as a percentage of the active population was notable, particularly given the NPE-mandated decline in public sector employment after 1985.¹³ These figures demonstrate the importance of the circulation of state-based jobs in the 1990s. They support the contention that the traditional political parties were dependent upon these posts and upon *empleomanía* in general, even when that support contradicted the principles of the state's economic policy.

The adoption of the principle of pacted democracy and the NPE provided an unprecedented opportunity in Bolivia's political history for the traditional political parties. By eradicating the political force of other pre-1985 actors such as the COB, the traditional political party system became the sole voice of expression and mediation between the state and society. Yet, the unintended consequences of political stability, that is, the promotion of patrimonialism, executive-centric policymaking, and hierarchical internal party structures, diminished the role of the traditional political parties in the political system, preventing those parties from fostering linkages with society beyond that of neopatrimonialism. As the next section argues, the strength of this clientelist-based linkage would be tested by the serious economic and social changes taking place by the end of the 1990s.

Economic Crisis and Social Change in Bolivia in the 1990s

Bolivia's economy underwent a great deal of fluctuation between 1985 and 2003, experiencing periods of both modest growth and modest decline. Notably, despite the privatization measures in 1985, as mandated by the NPE, and the capitalization law enacted with Sánchez de Lozada's *Plan de Todos*, the country's growth rates never skyrocketed and rarely climbed above 5% of GNP. Indeed, as one economist asserts, since 1950, the country's average growth rate was just below three percent. At its height, growth topped seven percent of GNP in different years during the 1960s and 1970s. Negative growth rates reached almost -10 percent of GNP in 1953, dipping again in 1957 as well as during the UDP administration (UDAPE 2004, 12).

The economic recession of 1998 intensified these fluctuations in growth, exacerbating the longstanding unstable nature of Bolivia's economy. Appendix 1 includes three different tables that reveal the nature and impact of this recession, which lasted for more than five years. Table 3.2 portrays the sharp drop in the annual growth rate of Bolivia's economy, as a percentage of GDP, between 1998 and 1999. From a growth rate of over five percent by 1998, the drop to just above zero was quite dramatic, especially since it came on the heels of a relatively stable growth period between 1994 and 1998. The country had yet to recuperate from that drop by 2002, although the rates of growth did increase again after 2000.

Accompanying the ensuing economic recession after 1998 was an increase in open unemployment rates, as Table 3.2 also indicates. Importantly, whereas the economy began to recover its positive growth rate after 2000, unemployment continued to rise. By 2003, the rate of the unemployed topped ten percent. At its height, in 2003, it reached 12.3 percent. The *Centro de Estudios para el Desarrollo Laboral y Agrario* (CEDLA) has projected that the unemployment rate will remain in the double digits at least through 2005 (CEDLA, 04/29/05).

Table 3.3 depicts the fiscal deficit between 1985 and 2005 (projected), indicating that the debt of the Non-Financial Public Sector (SPNF in Spanish) with pensions had reached a level similar to that of 1985, or at the height of the economic crisis of the UDP. While the deficit subsequently decreased after peaking in

¹³ Between 1998 and 2002, the total number of workers employed by the central administration increased by 5,201 (IMF 2000, 2003).

2002, Table 3.3 demonstrates that the government was spending beyond its means throughout the 1990s and even more so during the peak of the economic recession at the end of the 1990s. Clearly, the principles of economic austerity as advocated by the NPE were no longer being pursued by the state. Indeed, since 1990 and most likely before then, Bolivia's government has consistently spent more money than it has received (UDAPE 2004, 22).

The effects of the post-1998 economic recession extended far beyond the macro-economic level. For one, World Bank figures indicate that the gross national income (GNI) per capita dropped by nine percent between 1999 and 2003. Whereas the average income per capita was US\$990 at the end of 1999, that figure had dropped to US\$900 by 2003. The implications of this loss are much more significant given the percentage of the population that lives below the poverty line in Bolivia, or 62.7 percent in 1999 (WDI 2004). Moreover, although government expenditures consistently exceeded its annual budget, spending in most social sectors dropped during this period. As Table 3.4 indicates, after 1998, investments in basic sanitation and housing and urban planning experienced a net decline. Investments in education and culture also declined after 2000, despite surges in investment in these areas when the economic recession began.

The impact of the 1998 economic recession, then, was felt at the individual and familial levels. For one, the sharp decrease in per capita incomes aggravated an already untenable poverty level in the country. Moreover, the drop in social sector investment exacerbated the government's inability to address the basic demands of the impoverished urban and rural sectors. Notably, despite the social impacts of the economic recession, enrollment rates at the university level grew sharply at the end of the 1990s. In 1996, total enrollment in public universities was at 151,260 students; the newly enrolled in that year accounted for 29,222 of that total. By 2002, the number of total enrolled had jumped to 240,428, reflecting an increase of 89,168 students, or 59%. The newly enrolled totaled 42,782 in 2002, which denotes a 46% increase in the number of enrolled students during the seven-year period (UDAPE Dossier, 2004). The increases in enrollment reflected a general demographic boom in the country that occurred in the 1990s: between 1992 and 2001, the overall population of Bolivia increased by 28.8% (INE 2003).

As these data illustrate, Bolivia entered into a period of economic recession after 1998 that not only exacerbated the country's financial debts but also aggravated unemployment and underemployment levels. At the same time, university graduation rates sky-rocketed along with the country's overall population, increasing the number of educated job-seekers just as employment rates were dropping. By the end of the 1990s, then, Bolivia was experiencing the kind of profound economic problems that Roberts highlights in his party system decline framework. The social impact of this growing crisis, including a simultaneous increase in an educated population and unemployment, fueled a growing frustration among Bolivians toward the political system – and the traditional political parties – that had enabled such a crisis to take place (Interview A, 4 May 2005). It is not surprising, then, that just as the frustration toward the traditional political parties was mounting, new political parties and social organizations emerged to reflect that discontent.

The Emergence of Alternatives to the Traditional Political Party System

The latter-half of the 1990s was marked by the emergence of several new political leaders with strong, albeit in some cases ephemeral, popular support. The appearance of five political parties during the decade reflected the growing “informalization of politics” in Bolivia, that is, a process by which political parties developed in the periphery and specifically against the traditional political party structures (Lazarte 1991, 595). In particular, the UCS, Condepa, the *Movimiento al Socialismo* (MAS), the *Movimiento Indio Pachacuti* (MIP), and the NFR came to the national fore during the 1990s, representing a growing challenge to the traditional political parties' electoral and political dominance.

The UCS and Condepa were founded in the latter half of the 1980s by Max Fernández and Carlos Palenque respectively. Both parties rose to meteoric levels of popularity upon their creation, primarily because of the popularity of the two leaders. Fernández and Palenque were viewed as humble individuals who, in contrast with the elite-born traditional party leaders, worked hard to get where they were (Mayorga F. 2003, 104). Fernández, the president of the country's beer company, used his vast material resources to carry out *obras visibles* (visible works), winning more popular support every time he paved a road. Palenque, a television personality for the urban and primarily indigenous poor, had broad charismatic appeal because he was culturally similar to his constituents: they dressed the same, spoke the same, and carried out the same rites and traditions (Lazarte 1991, 594).

Both parties emerged as a popular alternative to the traditional political parties because, as one author argues, they fulfilled the role of provider (“*asistencialista*”) that the traditional parties could not fill given the adoption of both pacted democracy and the NPE (Mayorga F. 2003, 104). The campaigns and campaign promises of the UCS and Condepa revolved around the provision of hospitals, schools, and playgrounds. Palenque and Fernández appeared to give directly from their pockets, presiding over the ribbon-cutting ceremony of each of their visible works. In this way, they cultivated a charismatic, almost personal relationship with their followers, creating a direct link between their constituents and themselves (Lazarte 1991, 600-601). Their actions were also clientelist in nature. Most of the votes they garnered were a result of the public services they provided.

While both the UCS and Condepa heavily criticized the traditional political party system, they ultimately joined forces with it in the 1990s. They gave their implicit support to pacted democracy and to the hegemony of the three traditional political parties when they joined those parties in two different ruling coalitions (Mayorga, F. 2003, 108).¹⁴ By the end of the decade, however, new political parties had emerged that were not supportive of the traditional party leaders nor the political system that sustained them. The *Movimiento al Socialismo* (MAS) and the *Movimiento Indio Pachacuti* (MIP) are examples of these “anti-systemic” parties (Gamarra 2003a, 4).

The MAS was established as the political wing of the Six Federations of coca growers in the Chapare region. Building its bases initially through the defense of the *cocalero*’s right to cultivate his crop, the MAS’ popularity expanded rapidly at the end of the 1990s. This was largely because of the appeal of its anti-American stance after the controversial implementation of *Plan Dignidad*.¹⁵ Since then the MAS challenged, both formally in Congress and informally in the streets, the neoliberal, pro-American stances of the Banzer and second Sánchez de Lozada (2002-2003) administrations. Like Palenque and Fernández, Morales has tremendous charismatic appeal and has accumulated a lot of political and even financial capital, not just domestically but also at the international level (Gamarra 2003a, 18).

The MIP was founded under the leadership of Felipe Quispe in 2000. An indigenist party, that is, one that wants to reclaim Bolivia for its original, indigenous inhabitants, Quispe’s MIP has called for the creation of a worker/*campesino*-led government (Gamarra 2002, 21). While gaining six seats in the National Congress after 2002, Quispe has actively and vociferously worked against the institutions and principles of representative democracy. Indeed, as his dream of a government composed of workers and *campesinos* suggests, Quispe’s vision of democracy is a manifestation of the corporatist notions upheld by the COB and the CSUTCB (of which Quispe is also the leader). At one point, the MIP leader declared that he was only a part of the lower house so that he could work to destroy the system from the inside (Fundación Milenio 2004, 22).

Finally, a third political party to emerge from its *Cochabambino* stronghold in the late 1990s was the *Nueva Fuerza Republicana* (NFR). Headed by Manfred Reyes Villa, the NFR was transformed from a strong locally-based party¹⁶ to a nationally recognized one during the 2002 presidential elections, in which Reyes was a serious contender. While Reyes ultimately lost the presidency in 2002, he did join Sánchez de Lozada’s mega-coalition in the latter part of its existence, only to drop out once more before the President’s forced resignation in October 2003. As with the MAS and the MIP, the NFR has been an active critic of the traditional political parties since that time and has called for a general overhaul of the political and economic models adopted in 1985 (Mayorga 2003, 116).

¹⁴ Specifically, the UCS formed part of the *Pacto por la Gobernabilidad* (1993-1997), under Sánchez de Lozada, and both UCS and Condepa joined the ADN in the *Compromiso por Bolivia* (1997-2002), although Condepa would later withdraw from the pact.

¹⁵ In 1998, President Banzer implemented a US-induced coca eradication plan that wiped out nearly all the coca fields in the Chapare. The effects of the so-called *Plan Dignidad* were disastrous for the coca growers, not only because it dramatically reduced the financial benefits of coca cultivation, but also because it seriously damaged the informal sectors that had developed alongside the country’s coca industry. The effects of *Plan Dignidad* also unintentionally transformed Morales and the MAS from a local phenomenon into a national actor (Gamarra 2004).

¹⁶ Reyes was the mayor of Cochabamba – the third largest city in Bolivia after Santa Cruz and La Paz – from 1993-2002.

Unlike Condepa and UCS, the MAS, MIP, and in some periods the NFR, strongly opposed the traditional political party system. Yet, their popular appeal was very similar to that of Condepa and the UCS: it was based on clientelism and, in the case of the MIP and the MAS, corporate notions of representation. Like Fernández, Reyes Villa attracted many followers through his campaign of *obras visibles*. Quispe channeled the demands of the rural and labor sectors as the head of both the MIP and the CSUTCB. Morales, who has conformed to the political system much more since his emergence as a prominent political figure after Sánchez de Lozada's fall, began his political ascent as head of the prominent coca sector (Mayorga, F. 2003, 117). In all three cases, their primary linkages with society were either based on clientelist or corporatist appeals. And, like UCS and Condepa, the parties each arose out of perceived deficits in the traditional political party system.

These new political parties were not the only actors to emerge in the 1990s as direct or indirect threats to the traditional political parties' electoral and political dominance. Beginning in 2000, other powerful, non-state forces materialized in response to and as a result of the changing social landscape in the country. In particular, civil society organizations and social movements emerged that began to directly challenge policy decisions taken by the state. Defending the rights of the poor urban and rural sectors, indigenous peoples, local unions, and other community-based organizations, these groups were able to represent sectors of Bolivian society that felt largely disconnected from the formal political process. They expressed their discontent primarily by reviving the strategy of blockades, protests, and hunger strikes that had in the past been used with great success by the COB. This "politics of the street" (Calderón 1982) was in large part supported in Congress by the MAS and the MIP. Thus, in many ways, the opposition employed a two-prong strategy for resisting the state and what was largely perceived as its neoliberal and pro-American stance: "*lo que no consigas en el parlamento, se consigue en la calle*" (Chávez, et al. 2004).

One of these groups formed in response to a sudden spike in the cost of water in the city of Cochabamba. In 1998, the regional company that provided water to a majority of the homes in the city was privatized and turned over to the international consortium, *Aguas del Tunari*. The *Coordinadora del Agua y la Vida* was formed as a response to this privatization with the objective of defending the right of the city's population to water and other basic services (García, et al. 2004, 626). Headed by Oscar Olivera, the *Coordinadora* organized a series of mobilizations, strikes, and even an informal referendum condemning *Aguas de Tunari* after it had announced a 35% increase in the cost of water. By April 2000, the contract with *Aguas del Tunari* was retracted (García, et al. 2004, 629). The *Guerra del Agua* was successful, and the model used by the *Coordinadora* was replicated by other groups during future conflicts in the country (Interview A, 4 May 2005; Interview B, 6 May 2005).

Several examples of these conflicts materialized in the latter half of 2000, just on the heels of the *Guerra del Agua*. In September, coca growers in the Chapare organized a series of road blockades, refusing to clear the highways until the government halted their coca eradication strategy and their plans to construct a US-financed military base. Around the same time, the increasingly active teachers unions organized a series of protests with both urban and rural teachers. They demanded a salary increase and the modification of different aspects of the administration's education reform. The CSUTCB also sparked a round of protests that led to violent confrontations between the group and the Bolivian armed forces. As a result of the conflict, more than a dozen *campesinos* were killed (Gamarra 2002, 13-14).

Each of these incidents reflected the growth of a new set of unified social forces that was beginning to threaten the traditional political parties' hold over political control. As one interviewee noted (Interview A, 4 May 2005), whereas these social movements were largely incapable of resolving many of the country's social, political, and economic problems, they were able to bring these issues to light, forcing the government to address them. After 2000, this pattern of protest, negotiation, and conflict resolution was continuously exploited by different organized sectors of Bolivian society, because, as many have noted (Gamarra 2002, Interview A, 4 May 2005), it was far more successful at producing results than the severely inefficient political system.

Thus, even though the COB had been dismantled by the NPE, the corporatist tradition it represented lived on and began to manifest itself in new ways by the end of the 1990s. The emergence of political parties like the MAS and the MIP and of social movements in defense of the rights of *cocaleros*, teachers, and rural *campesinos* reflected this revived tradition. The corporatist nature of these groups starkly contrasted with the representative nature of the traditional political parties. Whereas the party leaders advocated institutional changes for renewing democracy in Bolivia, the emerging social leaders advocated the use of

mechanisms of direct participation (Calderón and Gamarra 2003, 15). Moreover, the new political parties and social movements appealed to the poor urban and rural classes, underscoring the middle class-based nature of the traditional political parties' patrimonial appeal. And the allure of the new parties and movements was growing: their successes in confronting the government through the *Guerra del Agua* demonstrated that their popular support had become strong enough to banish a multinational from the country.

In effect, by early 21st century, the strength of these new political actors was on par with that of the traditional political parties. The "dichotomy" (Gamarra 2002, 28) of the two groups in terms of political power led many to conclude that there existed, by the early 21st century, *dos institucionalidades* (two institutionalities, in English) in Bolivia: one, as represented by the country's formal political institutions and particularly the traditional political parties and the other corresponding to the *país profundo*, or the non-state political forces harkening back to the formerly organized urban and rural sectors (Interview A, 4 May 2005; Gamarra 2002, 14). In many ways, the two institutionalities in Bolivia represented a return to the struggle for political power that existed in the country prior to the transition to democracy. As in the 1960s and 1970s, the central governing authority in Bolivia had been replaced by competing political factions, each with their own contrasting definition of what representation should entail. The role of the traditional political party system as the sole intermediary between state and society was clearly under attack.

By 2000, then, it was evident that the linkages that the traditional political party system maintained with society were threatened. The reasons for this were twofold. On the one hand, the principle of pacted democracy, while promoting political stability at least in the short-term, effectively isolated the political party system from Bolivian society. Executive-centric policy-making and implementation diminished the importance of political parties and reduced their role to one of job distribution and inter-party bargaining. As such, the traditional political parties were hard-pressed to develop linkages with society beyond that of clientelist-based neopatrimonialism. Historically tied to the urban middle classes, the limitations of this party-society linkage began to manifest by the end of the 1990s in the wake of the economic recession. As the number of jobless Bolivians grew, so too did the discontent toward the traditional political parties. The emergence of new parties and social movements supports this contention.

Moreover, corporatist notions of representation dating back to the MNR's dream of forging a single-party hegemonic democracy after the National Revolution had never died away. The COB represented the notion throughout the 1960s and 1970s. While the NPE was able to abolish the Central in 1985, the political parties, constrained as they were by the limited extent of patrimonialism, were unable to capture the support of the disenfranchised laborers. By the end of the 1990s, new social movements and political parties entered onto the political scene, reviving the corporatist tradition and reconnecting with the poor urban and rural classes that had been disenfranchised after the dismantling of the COB. Their accomplishments both in the streets and at the ballot box imply that many Bolivians still responded to these kinds of linkages. Thus, the political parties were not only incapacitated by the weaknesses of pacted democracy. They were also debilitated by the renewed calls for corporatism by the newly politicized poor urban and rural sectors.

As a result, by 2000, the clientelist-based linkages that the traditional political parties were able to sustain with society were being tested by growing domestic pressures for change. The economic recession, changing social dynamics, and successful non-state political mobilizations threatened the dominance of the traditional political party system. Its weak, or what one interviewee has called "thin," linkages with society were vulnerable to the convergence of economic, political, and social change in the country (Interview A, 4 May 2005). By the beginning of the 21st century, it became increasingly apparent that the party system was in danger of decline. The final section argues that the traditional political party system did enter into decline after 2000 and looks at the electoral manifestation of this decline.

Examining the Electoral Evidence of Party System Decline

The electoral expressions of party system decline in Bolivia were threefold. For one, there was a gradual decline in voter abstention and an increase in electoral volatility by the end of the 1990s, as the following pages demonstrate. Moreover, the 2002 presidential elections results reflected the discontent toward the traditional political parties. While the MNR was able to win the presidency, its win was by the narrowest of margins. Finally, the traditional political parties also fared very poorly in the December 2004 municipal elections. Overall, the loss in voter share of the three traditional political parties in both

elections was profound, whereas the new political parties were much more successful at the local level. The section concludes, then, by highlighting the possible transformation of party politics from a system centered on the three traditional political parties to one that comprises the newer political parties.

Some scholars have argued that the first two signs of dealignment in a country are electoral volatility and voter abstention (Hagopian 1998). These electoral trends indicate the “rising tide of citizen disinterest, disillusion, and disaffection” toward their political parties and the political system in general (Hagopian 1998, 118). They are, in essence, good snapshot measures of the state of the linkages between political parties and society. In the case of Bolivia, because the political system was ruled by the alternation of power between the MNR, MIR, and ADN, any surge in electoral volatility or decline in voter abstention after 1985 can be attributed in large part to the “disinterest, disillusion, and disaffection” towards these three traditional political parties. This assumption underlies the analysis to follow.

In Bolivia, voter abstention intensified by the end of the 1990s and particularly during the 2002 presidential elections. The percentage of registered voters who abstained from voting grew consistently during the decade. In 1993, 18.34% of registered voters abstained. By 1997, this figure had risen to 22.46%, and in the presidential elections of 2002, the abstention percentage topped out at 24.8% (Mayorga, R. 2002, 96).¹⁷ Electoral volatility also increased between the 1997 and 2002 elections, although it had been high since the second democratic election in 1985. While the volatility level¹⁸ was 46.19 after the 1997 election, it rose to 50.27 in 2002 (Political Database of the Americas, 1999, 2000a, 2000b), suggesting a rather dramatic shift in voter shares between the two elections. Indeed, a closer look at the 2002 national election is merited, as the high electoral volatility represented primarily a turn from the traditional political parties to three newer parties, the MAS, the NFR, and the MIP.

The traditional political parties did not fare well in the 2002 national election, particularly in comparison with past years. Prior to 2002, the three traditional political parties taken together captured the majority of the votes in each election. Table 4.1 in Appendix 2 compares the voter share, as a percentage of total votes, of the MNR, ADN, and MIR (labeled “Traditional”) in each national election since 1989 with the voter share of the next three top placers in each election (labeled “Next Three”). In 1989, for example, the MNR, ADN, and MIR together won 65.41% of the total popular vote, whereas the three parties that placed fourth, fifth, and sixth in terms of voter share, in this case, Condepa, *Izquierda Unida* (IU), and *Partido Socialista-1* (PS-1), captured only 20.76%. By 2002, the three traditional political parties together received only 42.16% of the voter share and were no longer the top three finishers. The MAS, MIP, and the NFR, on the other hand, received 47.94% of the vote. For the first time, three non-traditional political parties captured a larger percentage of the voter share than the traditional parties.

The impact of this shift in voter shares was dramatic. For one, the ADN virtually disappeared from the national stage, and the MIR finished in fourth place behind two new political parties, the NFR and the MAS, as well as the MNR. For its part, the MNR managed to receive the highest number of votes, but it did so with only a very slight plurality.¹⁹ New political parties, on the other hand, did surprisingly well: the MAS placed a close second behind the MNR, the NFR received the third highest percentage of votes, and the MIP ended in fifth place after the MIR. The 2002 results suggest, at least electorally speaking, that the traditional political parties no longer dominated the political system as they had for the past fifteen years.²⁰

¹⁷ These figures represent the total number of registered voters who abstained as a percentage of the total population who is eligible to vote (that is, over 18 years of age) but is not necessarily registered to vote.

¹⁸ The volatility levels are according to the Pedersen’s Index. For each of the three elections (1993, 1997, 2002), the top eight voter share percentages were used. The author compiled the data and determined the volatility level using the Political Database of the Americas (2000a, 2000b, 2002).

¹⁹ On June 30, 2002, official first round election results, as taken from the *Comité Nacional Electoral* of Bolivia, were the following at the national level: MNR, 22.46%; MAS, 20.94%; NFR, 20.91%; MIR, 16.31%; MIP, 6.09%; UCS, 5.51%; ADN, 3.39%; LyJ, 2.72%; PS, 0.65%; MCC, 0.63%; CONDEPA, 0.37%.

²⁰ Another author has taken a different spin on the 2002 national elections. Considering the poor electoral results of the MNR, MIR, and ADN, he argues that traditional political party system was in fact quite resilient after 2002. By forming an alliance between the MNR and the MIR, the principle of coalitions was preserved; the party system converted from a tripod of three parties to a vertical column consisting of two (Mayorga, R. 2002, 78). This analysis suggests that his analysis is overly optimistic given the

The MAS and the MIP were two of the clear winners in 2002; together they accounted for almost 30% of the Congress, giving them the power to veto when voting as a bloc. In particular, the MIP won five seats in the lower house, and the MAS won thirteen. Beyond their electoral triumph, the symbolic victory of the MAS and the MIP was also important. Representing in many ways the demands of the social movements that had dominated the streets after 2000, their congressional victory meant that, for the first time, these informal political forces would have an institutional voice in government. The political society in Bolivia, as defined by the three traditional political parties, had converged with the country's proactive civil society in the Congress (Mayorga, F. 2002, 141). Despite this unprecedented opportunity for cross-party collaboration, however, the Congress split down traditional/new party lines. The MNR formed an uneasy pact with the MIR and UCS, and the NFR, MAS, and MIP would serve as a forceful and dominant opposition in the legislature.

Indeed, the antagonistic nature of President Sánchez de Lozada's *Pacto Plan Bolivia* cannot be overstated. The hostile relationship between the MNR and the MIR distracted the coalition from dealing with the growing economic and social problems in the country. Moreover, it exacerbated the patronage-driven nature of the pact: the two principal parties fought for every Ministry, Embassy, and any other governmental job available. Some argued that it was more patronage-based than any other coalition before it (Gamarrá 2003b, 290). Although the hegemony of the traditional political parties prevailed, then, past guarantees of governability and political stability were no longer assured. A vociferous, opposition-led Congress fostered this instability.

The shift in votes from the traditional to the new political parties in the 2002 national election reflected a dealignment of the traditional parties with society. An increase in voter abstention, which had reached its height in 2002, along with the high electoral volatility compared to 1997, support this contention. Moreover, even though the MNR and the MIR managed to form a Congressional coalition in which traditional political party control was maintained, the antagonistic and tenuous nature of the pact reflected the extent to which their dominance had been debilitated. As one author argues, it appeared, in 2002, that pacted democracy had "run its course" (Gamarrá 2003b, 290).

Finally, it is important to mention the 2004 Municipal Elections in Bolivia, because in many ways it represented the culmination of the decline of the political party system after 2000 and since Sánchez de Lozada's downfall. On December 5, 2004, local elections were held in the country. These elections marked the first instance in which the *Ley de Agrupaciones Ciudadanas y Pueblos Indígenas*²¹ was put into practice and thus the first instance in which non-party candidates could compete with political parties for Municipal Council positions and the mayor's seat. On that day, 345 citizen groups, 59 indigenous groups, 17 political parties, and 2 political alliances were on the ballot. The results from the municipal elections are illuminating. Whereas the indigenous and citizen groups fared quite poorly,²² the new political parties, and the MAS in particular, were the clear electoral winners. The MAS obtained 453 council seats nationwide; its closest competitor was the MNR with 196 council seats. Despite its second place finish, the MNR, along with the MIR and the ADN, did not do well comparatively. Together the three parties garnered a mere 16.29 percent of the total vote share. The MNR essentially disappeared from the urban centers, and the ADN captured only 2.55 percent of the total number of votes (Gamarrá 2005, 12).

polarized nature of politics that resulted from the MNR-MIR alliance, the character of which is discussed below.

²¹ The *Ley de Agrupaciones Ciudadanas y Pueblos Indígenas* was passed in July 2004. It allowed citizens to run for office outside of political party structures through *agrupaciones ciudadanas* (citizen groups) or *pueblos indígenas* (indigenous groups). In essence, the *Ley* was passed as a mechanism to eliminate the monopoly of the political parties as the sole channel of representation of citizens in government. The desire to institutionalize non-party candidates as an electoral option represents another manifestation of the societal rejection and subsequent decline of the traditional political party system.

²² In fact, some indigenous groups were successful at gaining council seats and in a few cases the Mayor's position in small rural municipalities. While citizens groups won council seats and a few key Mayoral positions in the urban centers, in most cases these groups provided little more than organizational support to former political party members that had abandoned their party in the hopes of finding electoral victory on their own. See the National Electoral Court's web site for the official results from the elections: <http://www.cne.org.bo>.

On the other hand, the new political parties were as successful if not more so than the three traditional political parties. The MAS, as mentioned above, won the most council seats, although it did not win any mayoral seats in Bolivia's ten principle urban centers.²³ It also demonstrated the broadest national voter spread of any political party or citizen group. Other new parties, however, also did quite well. The MSM, *Plan Progreso* (PP), and the UN each received between five and ten percent of the total vote share (8.74%, 6.58%, and 5.89% respectively), which, when taken together, exceeds the total percentage of votes of the traditional political parties. As one author noted, the success of these leaders reflected a conservative calculation on the part of voters to reward those mayors who had performed *obras visibles* in the past (Gamarra 2005, 13). These newer political parties met their citizens' demands and were subsequently rewarded for their work.

Overall, the results from the 2004 Municipal Elections are noteworthy for two reasons. On the one hand, they reflect a further decline of the traditional political party system in both principle and practice. The presence of a large quantity of indigenous and citizen groups implied that many Bolivians sought representation (albeit for the most part unsuccessfully) through groups other than political parties. In practice, they demonstrated that new political parties were preferred over the traditional ones, at least at the local level. Moreover, the elections demonstrated that Bolivians could and did differentiate between the traditional and new political parties. Indeed, while the traditional political party system fared poorly in the Municipal Elections, the rejection of political parties *in general* was not at all evident.

Thus, it is important to discriminate between the decline of the traditional political party system and the endurance of the notion of political parties in general in Bolivia. That is, despite post-2003 trends in the country towards downplaying the role of political parties, it is clear that most Bolivians recognize that, at least at the local level, certain political parties and their leaders have been successful in meeting the needs of their constituents. The traditional political party system, on the other hand, has clearly been in a state of decline since 2000. The results from the 2004 Municipal Elections support this assessment. While the traditional political parties have not dropped out entirely from the local or national electoral scene in Bolivia, it is clear that they are no longer in control of the country's political system, as they once were.

The 2002 and 2004 election results demonstrated that the clientelist-based patrimonial linkages fostered by the traditional political parties were no longer sufficient to capture votes either at the local or national level. The shift in voter shares reflected the limitations of the ties that bonded the traditional parties to society. The middle class focus of their patrimonial-based linkages would prove insufficient as the urban poor and rural classes began to articulate their demands by the end of the 1990s. As Roberts would argue, the traditional political parties were clearly unable to adapt to these shifting societal demands. The new political parties, on the other hand, were successful in appealing to these sectors.

Thus, it seems clear that the traditional political party system in Bolivia entered in decline after the turn of the millennium, as the preceding pages have demonstrated. Yet, it is important to distinguish between party system decline and party system decay in the Bolivian case. Although the traditional political party system has become dealigned with society, it is still too early to conclude that political parties are no longer capable of establishing new linkages with society. The next few years in Bolivia, then, will be fundamental for the fate of the country's political party system. They will ultimately determine whether the country's traditional political parties are able to forge new connections with society or whether they will fall into eventual decay.

Conclusion

"Un pensador italiano decía: 'lo viejo se resiste a morir y lo nuevo no ha nacido'. [En Bolivia,] estamos en una transición difícil" - José Ortiz Mercado (*El Nuevo Día*, 1 June 2003).

In 1985, the leaders of the MNR and the ADN sat down together in an effort to address the political instability and economic crisis that had plagued the country since the tortuous transition to democracy began in the late 1970s. Because of their meeting, the country's political system would be dramatically changed. As the preceding analysis has demonstrated, the principle of pacted democracy and the NPE

²³ That is, the nine departmental capitals – Cobija, Cochabamba, La Paz, Oruro, Potosí, Santa Cruz, Sucre, Tarija, Trinidad – and El Alto. While not obtaining any mayoral seats, the MAS did win council seats in seven of the ten principle cities, including four in Cochabamba, three in La Paz, two in El Alto, and one council seat each in Sucre, Oruro, Santa Cruz, and Tarija.

would bring both stability and instability to Bolivia. Relief from the economic crisis and the recentralization of power into the state allowed the ruling coalitions to govern, shepherding in a decade of economic, political, and social reforms.

The political system adopted in 1985 proved to be a doubled-edge sword, however. For, whereas the NPE was successful in dismantling the COB and hence diminishing their corporatist-based bonds with different sectors of society, the traditional political party system, constrained by the limitations of pacted democracy, was ultimately unable to capture the support of these sectors. The clientelist-based patrimonial linkages they did maintain with society were too weak and too narrow to appease or encapsulate the growing needs of the population, particularly by the end of the 1990s. Nevertheless, the traditional political party system endured at the base of the country's hegemonic center for more than five presidential terms, sustained by the promise and potential of their innovative reforms.

As Roberts theorized, with the arrival of an economic recession in 1998 and with it a period of profound social change, the linkages between the traditional political parties and society began to erode, as evidenced by the increase in electoral volatility and voter abstention and the shift in voter shares from the traditional to the new political parties. By the middle of 2005, it was clear that the traditional political party system no longer dominated the political system it had helped shape after 1985. It had, in fact, entered into a period of extended decline. Roberts would argue that this period of decline represents the critical moment in which the country's traditional political parties must adapt to the shifting societal demands in an effort to realign itself with society and recover their position as the sole channel of mediation between state and society. Given the climate of political instability and insecurity in Bolivia, the conditions for party-society realignment seem less than optimal. Yet, the foundation of a political party system based on new linkages with society is not impossible.

Indeed, the question to ask in the coming months and years is not *if* the Bolivian political party system will be able to forge new linkages with society. Rather, the pending issues are *which* linkages should be formed in Bolivia and *how* those linkages will be established so that they can endure in the long term. With these questions in mind, this study raises two issues that can contribute to Roberts' theory on party-society linkages. Regarding the question of which party-society linkages to establish, Roberts makes no normative claims about the five types of linkages that he identifies as connecting different Latin American political party systems with their respective societies. Clientelism is no "better" and no "worse" than marketing or corporatist-based linkages in his framework. Instead, Roberts' analysis focuses on the particular historical context in which the different linkages tend to emerge and decline.

Yet, the Bolivian case examined here suggests that the clientelist-based patrimonial linkages that connected the traditional political parties with society were not sufficient for accommodating the growing demands of the newly mobilized urban poor and rural sectors. The highly limited and weak nature of clientelism in Bolivia indicates that this linkage is ill-suited to endure sustained economic recession and social and political crises, particularly in a country where the democratization process is still highly unstable. Thus, in an effort to extend Roberts' party-society framework and deepen our overall understanding of Latin American political party systems, it may be useful to consider which linkages might best foster the connection between political parties and society in countries like Bolivia.

Additionally, it seems important to begin to consider how the linkages between political parties and society can be established initially and then sustained during periods of prolonged economic crisis and social change. Roberts gives no insight regarding how a political party can adapt to shifting societal demands. The Bolivian case here demonstrated that the traditional political parties were unable to adapt. By examining cases of successful party adaptation to societal change, it is possible to envision how this adaptation could take place in countries like Bolivia. Part of the answer, as elaborated in this study, may be to consider how the extant political system in a country impacts the ability of political parties to develop linkages with society. Pacted democracy, for example, was positive in terms of enabling governance and stability in Bolivia. It also, however, limited the role of the traditional political parties and prevented them from establishing stronger linkages with society.

The case of Bolivia underscores the vital importance of deepening our understanding of party-society linkages in a country. Political party systems are, after all, the fundamental actor in a representative democracy. The fact that they enter into decline is undesirable, then, for the regime in general. Moreover, Bolivia is not the only country in which party-society linkages may currently be very weak. The multiplication of political parties in Ecuador, along with the historically high levels of electoral

volatility in the country, suggests that the problem of weak party-society linkages extends beyond Bolivia into the rest of the Andes. Roberts has already addressed the case of party system decay in Venezuela, and the decline of the Peruvian party system prior to Alberto Fujimori's *autogolpe* in 1993 is another example to investigate. On the other hand, the stability of Colombia's two-party system is an apparent anomaly given the political instability of its neighbors. Indeed, the Andean region may serve as the ideal setting for looking comparatively at the formation and erosion of party-society linkages. Future research should begin here.

For now, however, we can conclude that the traditional political party system in Bolivia is at a crossroads. Far from realignment but still not in complete decay, the coming years will be decisive ones for the MNR, MIR, and ADN, as well as the political party system in general. Given Bolivia's tumultuous political history and the recent proliferation of powerful political actors, the next years will no doubt be difficult ones as well. Perhaps José Ortiz said it best in his citation of an Italian thinker above: Bolivia is indeed in a difficult transition.

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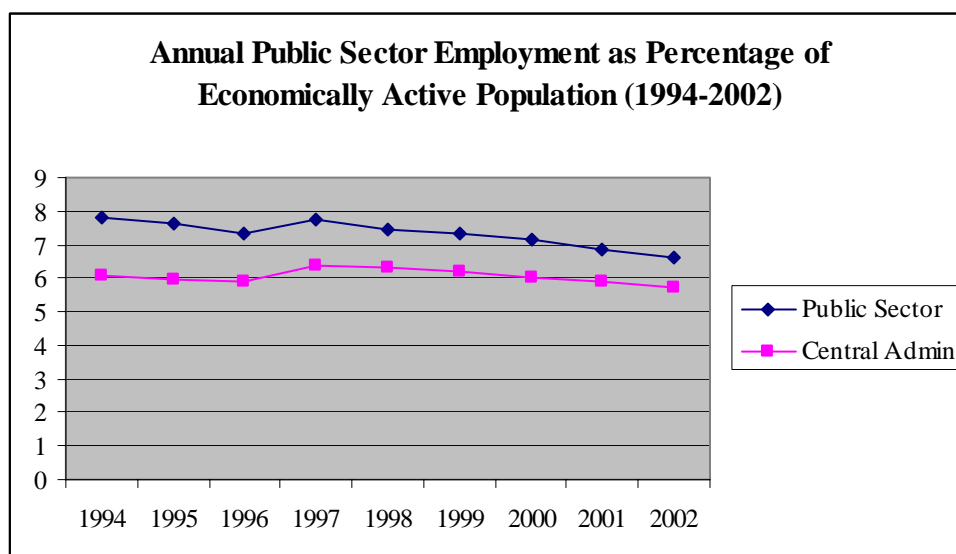
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APPENDIX 1

Table 3.1

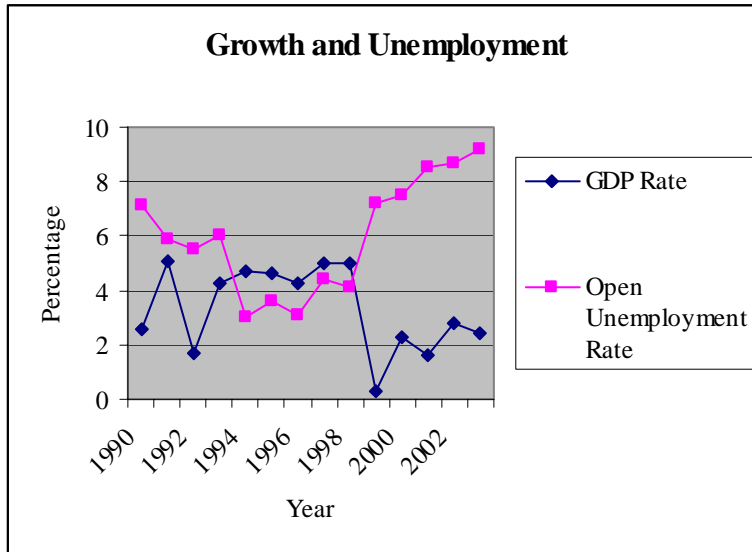


Source: Compiled by author using IMF 2000, 2003 and ECLAC 1999.

Annual economically active population is an estimate based on methods developed by CELADE (see <http://www.eclac.org/publicaciones/Poblacion/9/LCG2059/BD64int00i.htm>).

APPENDIX 1

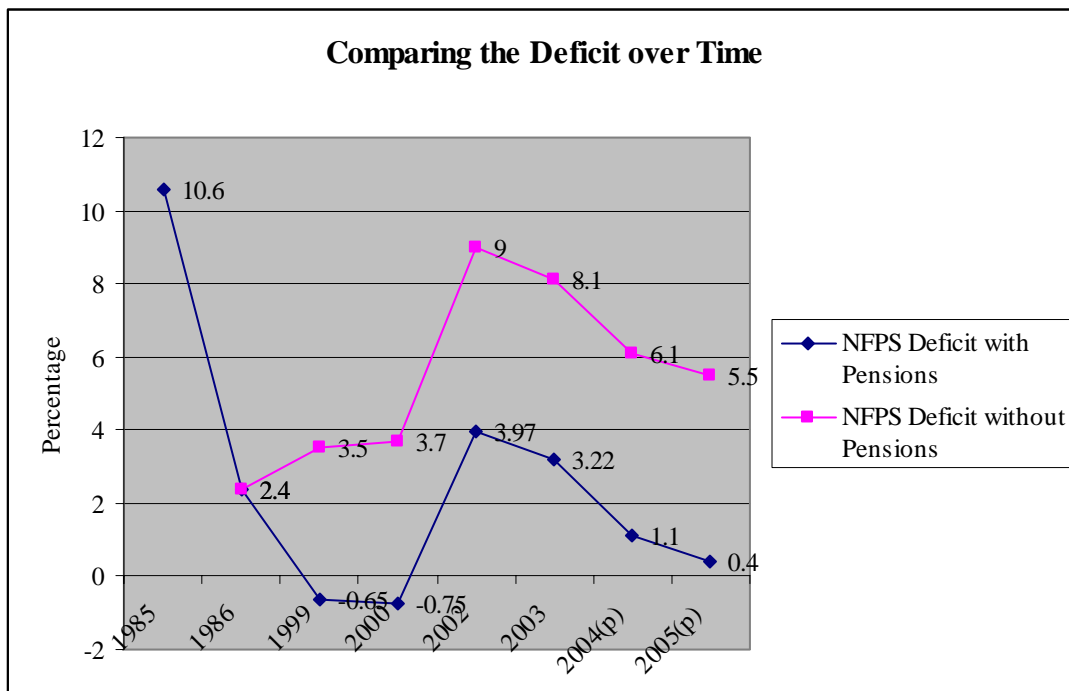
Table 3.2



Source: Adapted from UDAPE 2004, 12.

APPENDIX 1

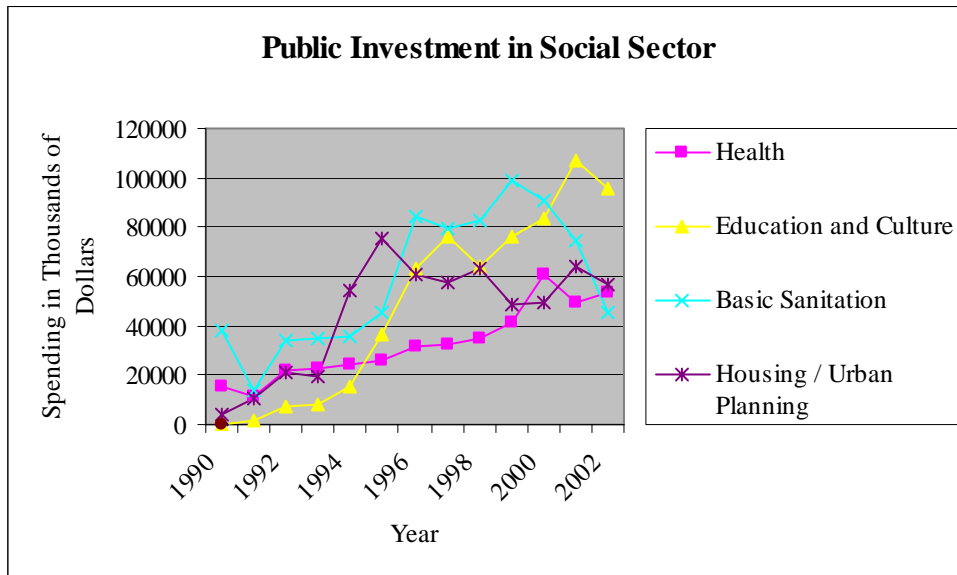
Table 3.3



Source: UDAPE 2004, 22.

APPENDIX 1

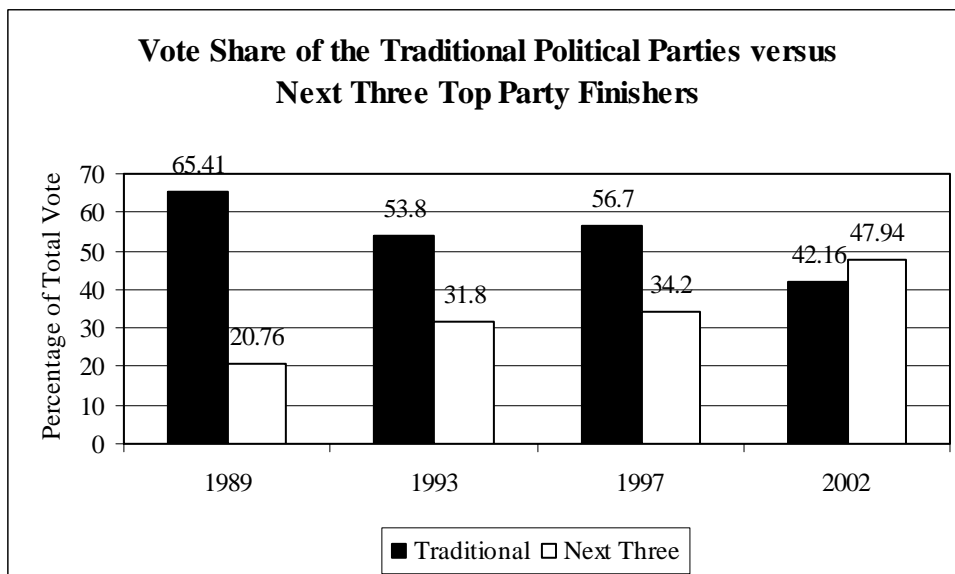
Table 3.4



Source: UDAPE 2005.

APPENDIX 2

Table 4.1



Source: Political Database of the Americas (2000a, 2000b, 2002).

In each year above, Traditional refers to the three traditional political parties, that is, the MNR, MIR, and ADN.

In 1989, Next Three refers to Condepa, IU, and PS-1. In 1993, Next Three refers to UCS, Condepa, and *Movimiento Bolivia Libre* (MBL). In 1997, Next Three refers to UCS, Condepa, and MBL. In 2002, Next Three refers to the MAS, NFR, and MIP.