From the mid-1980s through the 1990s, Bolivia stood out as a shining trophy in the global showcase of neoliberalism, as a model for free-market capitalist reforms that international financial institutions urged other “less developed countries” to emulate. In 1985, Bolivia’s political class had applied the orthodox economic strictures of the International Monetary Fund to halt inflation, discipline labor, shrink state management of the economy, and open the country to penetration by foreign capital. In the 1990s, it found novel ways to justify the privatization of state industry—especially oil and natural gas production—and the decentralization of state administration with seemingly populist and multicultural reforms.

Throughout much of the twentieth century, Bolivia’s trade unions were among the most combative in the world, and grew out of a powerful matrix of peasant community politics dating back to the eighteenth century. By the neoliberal hour of the 1990s, the historic power of working-class and peasant political forces appeared to be decisively broken, as technocratic politicians, working closely with international agencies and the US government, ruled Bolivia with middle-class approval and popular resignation.

By the early twenty-first century, however, Bolivia gained international attention—or notoriety—precisely because of the depth and breadth of popular repudiation of its once vaunted neoliberal order. Beginning in 2000, social movements forcefully rejected the state’s abdication of its sovereignty over natural resource wealth, the political corruption and monopoly over decision-making at the national level, and the state’s increasing recourse to violence against civilian demonstrators. Despite earlier appearances, the strength and effectiveness of recent protests owe
much to the durability of indigenous peasant and working-class political cultures, which provide an extraordinary potential for resistance, symbolic as well as strategic and tactical.

A dramatic wave of mobilizations led to the election of an indigenous president, a phenomenon virtually unheard of in the Western hemisphere, whose agenda responded to the demands of the country’s indigenous majority for political representation and national sovereignty over natural resources. The election of a head of state who defended the interests of Andean growers of coca leaf came as an additional blow to the United States, whose policies not only promote neoliberalism but criminalize Andean countries and peoples through a “war on drugs.”

The dramatic turnabout in Bolivia has been at the center of heated debates in the Andes, Latin America, and indeed the world. At issue are neoliberalism and its decline, energy resources and their exploitation by transnational corporations, the power of social—and especially indigenous—movements vis-à-vis the state, Latin America’s turn to the left, and the possibilities for social revolution in the contemporary world.

**Bolivia’s New Era**

This turn of events came about through an unusual mix of direct and representative democracy: the action of autonomous social movements as well as unforeseen electoral developments in local, regional, and national politics. The expansion of popular sovereignty in Bolivia—understood as self-government by the majority—began at the municipal level in Cochabamba on 4–12 April 2000, in an effort to block the privatization of water. This was a project backed by the World Bank, and a multinational consortium dominated by the Bechtel Corporation won the contract (there were no other bids) to supply the city’s water. During these fervent “Days of April,” popular meetings contained various levels of participation, Oscar Olivera relates: “The workers came together in small assemblies according to sector—all of the irrigation farmers [regantes], for example, or the business men, or the factory workers.” Against the restricted, exclusionary democracy of technocratic neoliberal rule, “a space was created.” Here, “people could participate in the political process by discussing the issues and trying to reach a consensus about what the next step should be.” In Cochabamba, “the people” (el pueblo) reclaimed natural resources for the region, defended use rights against property rights, expelled a multinational water consortium sanctioned by the Bolivian government and international financial institutions, and called for a constitutional assembly that would draft a new charter for political representation. They thus envisioned an end to the _partidocracia_—the system of governing pacts by which traditional political parties managed the neoliberal model. Popular forces overwhelmed police and soldiers through non-violent mobilization to convert Cochabamba’s public plazas into platforms for democratic assembly and decision-making.

The victory in Cochabamba was succeeded by waves of Indian and peasant insurgency in the western highlands of La Paz and Oruro, in the southwestern highland valleys of Chuquisaca and Potosí, and in the tropical Chapare lowlands northeast of Cochabamba itself. Between April 2000 and September 2003, the snarling tactics of marches, road blockades in the provinces, and urban siege crippled state authority. Traditional party delegates to congress turned a deaf ear to popular demands, while government officials negotiated in bad faith or simply dispatched troops to resolve the conflict. State legitimacy crumbled as the toll in lives surpassed several hundred, and public disaffection mounted.

In October 2003, Aymara Indian communities in the Andean highlands and urban Aymaras from the adjoining cities of El Alto and La Paz spearheaded a successful effort, eventually national in scope, to overthrow the most representative figure of the neoliberal right in Bolivia. Gonzalo Sánchez de Lozada, known to Bolivians as “Goni,” had abrogated Bolivian sovereignty over oil and natural gas two days before the end of his first term as President in 1997, offering up these sought-after hydrocarbon resources to transnational energy corporations in exchange for minimal royalties. He then tried to seal an export deal behind closed doors during his second term, which began in August 2002. When he responded to the massive protests in 2003 not only with accusations of subversion but with tanks and open gunfire, Sánchez de Lozada triggered a fierce popular insurrection. Even progressives from middle- and upper-middle-class neighborhoods in La Paz launched hunger strikes and took to the streets and airwaves in the last few days of the insurrection to demand the president’s resignation. On 17 October, Sánchez de Lozada boarded a plane to Miami and Vice-President Carlos Mesa—journalist, official historian, and media mogul—assumed power. The insurrection thus meant an embarrassing
setback for the US Embassy, which had earlier declared its unwillingness to recognize a new, transitional regime produced by popular power and protest. It was a stunning blow to the "Washington Consensus" that brought neoliberal regimes to power in Latin America in the 1980s and 1990s.

There followed ananguished two-year stalemate in which the governments of former Vice-President Carlos Mesa and former head of the Supreme Court Eduardo Rodríguez Velázquez occupied the empty shell of executive office. Both were isolated constitutional successors rather than elected officials backed by a party apparatus. The social movements nucleated in the highlands and valleys held effective power, and were accompanied in congress by representatives of Evo Morales’s Movement to Socialism (MAS) party. They had brought about the collapse of the traditional parties, determined who assumed executive authority, and cornered the legislature. Yet they were unable to enforce fulfillment of the popular mandate when Mesa recoiled from his initial promises to meet their demands. Meanwhile, retreating conservative elites regrouped in the south and east around the regionalist civic committees, especially in lowland Santa Cruz. The fate of the country’s rich natural gas reserves still topped the political agenda. Popular movements in the highlands and valleys called for renationalization of the energy sector, to allow the state greater control over resource exploitation and to enable redistribution of revenues to the popular majority. In the opposing camp, the regionalist rulers of the eastern lowlands rejected central government controls and asserted autonomous rights to the resources found within the territory of their departments.²

This impasse was finally swept away with the overwhelming victory of Evo Morales in the national elections of December 2005 and his jubilant inauguration in January 2006. His young party (MAS) had made a rapid and dizzying ascent, and was poised to fill the vacuum of state power. It also received a mandate set by the social movements from whose ranks MAS had emerged. A political party that had grown up in the coca fields of the Chapare lowlands and the peasant trade union halls of nearby Cochabamba now stepped—at once incredulous, wary, and brash—into the chambers of the national palace.

Over the first six months of its term, as international onlookers watched intently, the new government responded to the popular mandate with remarkable efficiency. It issued a formal convocation for a constitutional assembly that would "re-found" the Bolivian nation. It decreed the "nationalization" of the country’s coveted hydrocarbon resources. It announced an agrarian "revolution" that would redistribute no less than 20 million hectares—nearly a fifth of the country’s arable lands—over five years. In August 2006, after another national election of delegates, the constitutional assembly convened in the city of Sucre—the country’s judicial capital in the temperate southwestern valley region—to begin the process of drafting a new national charter. This had been precisely the demand of activists and grassroots community forces in Cochabamba in April of 2000, though they had no way of knowing it would come to pass so soon, nor what the consequences would be.