Does the Latin American Left Offer a Post-Neoliberal Alternative?

Written by Ruby Utting

Introduction

The search for an alternative to neoliberalism has become both an academic and practical challenge within the twenty-first century. Whilst it is clear that attempts have been made to formulate and devise a post-neoliberal model within the contemporary world, the extent to which such a paradigm has been legitimately founded is contentious.

The most prominent examples regarding the formulation of post-neoliberalism today are in Latin America – a region projected as the breeding ground of the contemporary left. The steady rise of left and centre-left governments from the early 1990’s catapulted the region from its status as the puppet of neoliberal dogmatists to the main stage for the emergence of alternatives to neoliberal capitalist supremacy in an era of free-market globalisation. Whilst there is no doubt that Latin America offers up informative cases, which are of ‘indispensable reference in any debate around… alternatives to neoliberalism’ (Sader, 2008, pp.28), it is also necessary to examine and interrogate those portraying themselves as constituting a post-neoliberal formation. Furthermore, whilst the election of governments espousing the rejection of neoliberal economics, anti-imperialism and greater social equity does represent an ideational turn in the region, there remains a fundamental need to investigate those defining themselves as characterizing a post-neoliberal order and to establish the extent to which the left in Latin America offers alternatives to neoliberalism.

Despite the numerous cases of left-turns in recent years, Bolivia offers a unique and informative example of ‘post’-neoliberalism. The election of Evo Morales, an indigenous Aymara Bolivian, in 2006 and his government’s subsequent policy changes are commonly perceived as representing a socially and economically progressive left transformation from neoliberalism. The country is widely hailed as developing ‘communitarian socialism’ (Dietrich, 2006) where economic redistribution and social improvements have taken the forefront of government action, within a context of anti-neoliberal, anti-capitalist rhetoric. Whilst this portrayal of Bolivia under Morales is partially true, economic and social changes have been implemented that have produced gains in terms of improving the immediate societal situation, such movement has failed to situate Bolivia into a post-neoliberal framework.

Bolivia has therefore been hindered in its creation of post-neoliberalism. In terms of definition, post-neoliberalism would entail a substantive break from key neoliberal economic policies, namely the dependence on extractive productive structures and an export-economy as the primary means of surplus accumulation as well as reliance on foreign investment coupled with austere domestic polices regarding social spending. Socially, post-neoliberalism would entail significant changes in structures that impede the resolution of poverty and inequality, redistribution of land and productive ownership and, specifically to Bolivia, the enhancement of indigenous rights, which can be described as full autonomy, the ability to self-determine with cultural and racial non-discrimination. These criteria can be used to offer a unique insight into the post-neoliberal validity of Bolivia.

The failure of the Morales administration to adhere to these central moves away from neoliberalism has hindered
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its post-neoliberal status. Bolivia’s neoliberal continuity fundamentally concerns the economic framework and the contradictory nature this has had on initiating change within the social sphere. Economically, Bolivia has adhered to the extractive and export dependency enhanced under neoliberalism which has allowed it to increase its state surplus but has also entailed the failure of nationalization permitting continued relations to foreign corporations and their interests within the framework of the liberal state. Redistributive policy has not been adequately installed and social spending has been substantively lower than expected. Furthermore, government social improvement has been seriously curtailed both regarding indigenous rights, unequal wealth distribution in relation to land and resource control as well as a continued adherence to the demands of right-wing interests.

Important to examining change since 2006 are debates within the left. This primarily concerns a range between radical and moderate left arguments regarding what the correct path to post-neoliberalism is and the extent to which the emerging Bolivian model offers a departure from its previous neoliberal trajectory. This relates to a divide between those who maintain that Bolivia, through its long-term reformist strategy, offers a path away from capitalist dependency toward an autonomous, socially equitable society. This is refuted by those who assert a radical stance; that post-neoliberalism has been limited in Bolivia due to the maintenance of neoliberal economics and the continued commitment of the government to capital accumulation over social improvement. The radical argument retains much validity for assessing the current Bolivian situation. Economic and social change has been fundamentally limited by the continued commitment of the Morales government to the central tenets of neoliberalism. Furthermore, whilst there is no doubt that moves away from orthodox neoliberalism have been made, the government ultimately still conforms to the market-led framework.

In order to investigate the extent to which Bolivia can be distinguished as post-neoliberal this essay will firstly examine the context in which both discontent and the need for a neoliberal alternative arose. This will similarly address the period between 2000-2005 within Bolivia in order to contextualize the election of Morales and the Movimiento al Socialismo (MAS). In order to discuss the left debate regarding the legitimacy of Bolivia’s post-neoliberalism, a literature review will then be outlined. It will go on to examine Bolivia, firstly by examining the economic policies of Morales’ government concerning the role of the state, the continuation of a extractivism and export-dependent economic system and social spending levels. It will then address social improvement, namely redistributive policies, agrarian reform and improvements to indigenous rights since 2006. It becomes clear that whilst the Bolivian case illustrates attempts at greater social and economic equity, there are evident flaws that have hindered the fruition of post-neoliberalism.

Context

To begin an examination of Bolivia it is important to firstly examine the context of neoliberalism’s rise and subsequent rejection. Neoliberalism became the dominant paradigm of economic development and institutional policy formation from the early 1980’s, replacing Import Substitution Industrialization (ISI) in Latin America. Key to neoliberal economic and ideological belief is the need to protect ‘individual liberty and freedom’ (Harvey, 2011, pp.43) through the establishment of an ‘institutional structure, made up of strong private property rights, free markets, and free trade’ (Harvey, 2011, pp.43) to facilitate growth via private investment. Furthermore, the neoliberal ‘assumption that individual freedoms are guaranteed by freedom of the market’ (Harvey, 2005, pp.7) entails not only the state being severely restricted in its ability to order the economy but also the ‘deregulation, privatization, and withdrawal of the state from many areas of social provision’ (Harvey, 2005, pp.3), thereby allowing for social service provision to be passed into private hands. Neoliberalism’s embodiment within International Financial Institutions (IFI’s), its emergence from the dominant capitalist countries and the favourable conditions it created for transnational elite surplus accumulation, meant the spread of neoliberalism had a distinctly class-based ideological nature, with the expansion and penetration of capital flows worldwide and the solidifying of transnational capitalist hegemony.

It is not surprising therefore that inequity and polarized class divisions characterised neoliberal entrenchment. The implementation of the Washington Consensus (Williamson, 1990) that encouraged peripheral countries to ‘pursue macroeconomic stability… open their economies… [and] liberalize… through privatisation and deregulation’ (Gore, 2000, pp.789) had devastating economic and social effects across the developing world. This strict
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economic framework not only subordinated markets to detrimental fluctuations in primary product values but similarly allowed for inequity and social welfare standards to increase and fall respectively via welfare cuts designed to reduce inflation. Globally, this intensified the North-South divide, with developing countries dictated to by economic conditionalties of Washington-driven IFI’s. Furthermore, the blatant detrimental tendencies of neoliberal capitalism and its hegemonic supremacy acted to lay the foundations for its rejection fuelled by discontent concerning the austerity it created and the failure of the projected economic gains to materialize.

The dominance of the neoliberal project thereby heightened the search for alternative models. The growth of dissent against neoliberal globalization not only centred on the rejection of detrimental living conditions but challenged the system that ‘seeks to bring all human action into the domain of the market’ (Harvey, 2005, pp.3). For David McNally, ‘opposition to commodification’ (McNally, 2006, pp.341) typified anti-neoliberal struggle across the globe, with calls for radical democracy and the ‘power of the people’ (McNally, 2006, pp.271) rejecting the re-assignment of ‘democracy’ to describe the western liberal state. This opposition towards neoliberalism continues to be articulated across the globe, particularly in countries such as India and within the Middle East. It is, however, Latin America that, as a region, has defined anti-neoliberalism and the search for alternatives.

From the mid-1970’s Latin America witnessed the severe enforcement of neoliberalism. Within this context, where inequity had had a persistently devastating prior presence, neoliberal entrenchment exacerbated an already vulnerable social situation, with an increase of ‘84 million poor people’ (Carr and Webber, 2013, pp.3) from 1980-2002. From the 1970’s Latin America was used as a testing ground, with neoliberal implementation ‘to varying degrees in virtually every county on the continent’ (Sader, 2008, pp.5) starting with Chile in 1973 and further assimilating the whole region into the world market, via the shift from ISI to export-dependent production and the encouragement of foreign private investment. Jorge Casteñeda, writing in 1993, depicted the ideological shift in a region economically abducted:

free-market economics, and pro-American outpourings of sentiment and policy dot the landscape of a region where until recently left-right confrontation and the potential for social revolution and progressive reform were widespread (Castañeda, 1993, pp.3).

Therefore, not only did neoliberalism allow for the complete transformation into market-led development, complete with US-backed authority, it simultaneously entailed the complete demobilisation of the established left base and its organizational capacity. Despite this whole-felt assault on Latin American countries, it was the ‘poor economic performance’ (Sader, 2008, pp.8), characterised by the 1998 Argentinian debt crisis, and the detrimental social effects created that eventually exposed the limits of neoliberalism’s economic appeal, facilitating its defeat.

Casteñeda was premature in his diagnosis that rendered the left ‘on the ropes’ (Casteñeda, 1993, pp.3). Neoliberal pervasiveness was formerly curtailed in 1998 with the democratic election of Hugo Chávez as president of Venezuela under the banner of the Partido Socialista Unido de Venezuela. This was followed by Luiz Inácio Lula da Silva in Brazil, 2003, replaced by Dilma Rousseff in 2011, Néstor Kircher in Argentina, 2003, succeeded by his wife Cristina Fernández Kircher in 2007, Tabaré Vázquez in Uruguay, 2004, today José Mujica, Evo Morales in Bolivia, 2006, Daniel Ortega in Nicaragua, 2007, Rafael Correa in Ecuador, 2007 and Fernando Lugo in Paraguay, 2008 today, however, succeeded by centre-right candidate Horacio Cartes (Sader, 2008). This overwhelming election of left and centre-left governments typified both the ineffectiveness of neoliberalism as a development model and the strength of the Latin American left to renew opposition in a context of repression.

Whilst this undoubtedly marked an era of left, anti-neoliberal struggle it is important to not treat the emergence of this political turn with uniformity. Furthermore, despite unison concerning the failure of neoliberalism and the need for a more equitable model there was a clear range between moderate and radical neoliberal reform, the former typified initially by Brazil and Chile and the latter encompassed in the models adopted in Bolivia, Venezuela and Ecuador. Moreover, whilst the dramatic ideological turnaround has succeeded in limiting the hegemony neoliberalism previously enjoyed, it also raised important questions regarding the extremity of change and continued allowances to neoliberalism. This has not only created left political dichotomies within the region between moderate and radical change but also internally regarding the formation of post-neoliberalism within Latin American countries.
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Whilst the rejection of neoliberalism was most fiercely witnessed across Latin America, ‘Bolivia has been its insurrectionary frontline’ (Hyton and Thompson, 2005 pp.41). Bolivia, then the poorest and most inequitable country in Latin America, whose ‘neoliberal restructuring was the most radical... after Chile’ (Kohl, 2006, pp.305) was subjected to neoliberalism in 1985 under Víctor Paz Estenssoro. The neoliberal introduction, embodied in a structural adjustment program (SAP) and the subsequent act to “reinvent” the country by privatising the largest state-owned firms, [and] rewriting the constitution’ (Kohl, 2006, pp.305), destabilized Bolivia both socially and economically with the rewards argued to be produced by neoliberalism failing to emerge. Bolivia, by the late 1990’s was therefore being slowly crippled under rising unemployment, growing poverty rates and escalating inequality as well as the existing productive structure becoming further export dependent. It was within this context that some of the most vehement popular opposition towards neoliberalism manifested.

Before discussing the rejection of Bolivia’s neoliberalism, it is important to note the continuities of historical revolutionary action. Bolivia is notable for its anti-government uprisings, the repetition of resistance since the 1800’s anti-colonial struggles testament to the endurance of ‘racialized repression, exploitation, and dispossession’ (Webber, 2011b, pp.37). Contemporary opposition must therefore be viewed in the ‘context of the country’s distinctive insurrectionary traditions of the past 200 years’ (Hylton and Thompson, 2005, pp.41), most recently the 1952 revolution. This ‘broad-based insurrection’ (Malloy, 1971, pp.112) headed by the Movimiento Nacionalista Revolucionario (MNR) not only created deep transformations in Bolivia’s economic and social make-up but additionally, in comparison to other ‘radical’ left countries such as Venezuela and Ecuador, provided an element of historical guidance to contemporary struggle. The gains of the revolution, ‘extension of voting rights to the majority of the population, land tenure for the mass of the rural poor, and the state’s control of... the country’s strategic industry’ (Dunkerley, 2013, pp.330) had undeniable effects across Bolivian society. Despite these gains and the frequent labelling of 1952 as an ‘incomplete revolution’ (Dunkerley, 2013, pp.332), with the 1985 turn by the MNR towards neoliberalism, there is clear relevance of the ‘cultures of resistance’ (Webber, 2011b, pp.75) mobilised in 1952 and re-articulated in 2000. What is important here is not the success of 1952 but the practice of coordinated mobilisation that was reiteratated in the most recent period of opposition.

The 2000-2005 period of mobilization in Bolivia saw the gradual rejection of the neoliberal model. This was initiated in January 2000 in reaction to the privatisation of water supply in Cochabamba with the subsequent 'Water War' witnessing co-ordinated efforts of opposition as well as two general strikes subject to violent repression by the Hugo Banzer regime. The privatization was eventually lifted, with the government under severe, multifaceted opposition in April. Like the 1952 revolution, 2000 saw the combined resistant efforts of predominantly ‘valley and highland peasants, coca growers, trade unions, factory workers’ (Hyton and Thompson, 2005, pp.49). It is important to note the key role indigenous people played in this revolutionary action, a majority societal group with of 62% of Bolivians self-identifying as indigenous in the 2001 census (BIF, 2014). This is similarly significant due to the obvious affiliation between class and race with a large percentage of indigenous people constituting the base of Bolivia’s working and campesino class, thereby playing a pivotal role in challenging the rule of the white and mestizo minority upholding the neoliberal regime.

Revolutionary action was continued by the mobilizations of cocaleros in 2003 amid US demands for ‘coca eradication’ (Hyton and Thompson, 2005, pp.52) and a subsequent ‘IMF-dictated tax increase’ (Hyton and Thompson, 2005, pp.53). Again, it was indigenous, campesino working-class and dispossessed sectors that made up the bulk of the movement. Furthermore, in September 2003 ‘the government’s scheme to export gas reserves via Chile’ (Hyton and Thompson, 2005, pp.53) to the US ignited Aymara revolt, primarily in El Alto in the western Altiplano, in the form of road blockades, mass gatherings, marches and hunger strikes; termed the ‘Gas Wars’. The subsequent change in presidency from Sánchez de Lozada to former vice-president Carlos Mesa was similarly characterised by active demands for the nationalization of Bolivia’s resources, leading to the latters swift removal in 2005, the triumph of the MAS and the presidential win of Coca Growers Union leader Evo Morales.

The gains of Morales and the MAS in the 2002 elections and his subsequent rise to presidency in 2006 thereby arose out of, like 1952, revolutionary, bottom-up action. Morales and his vice president Alvaro García Linera were elected in 2005 with ‘54 per cent’ (Hyton, 2006, pp.69) of the popular vote. Additionally, ‘the MAS won 72 seats out of 130 in the Chamber of Deputies’ (Assies, 2011, pp.106) but only gained ‘12 out of 27 Senate seats’
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(Assies, 2011, pp.106) and only ‘three prefectures’ (Assies, 2011, pp.107) out of the nine elected to represent departments. As Forrest Hylton accessed at the time, the results marked ‘a new period in the country’s history’ (Hylton, 2006, pp.69) not only because Morales ‘is the first indigenous head of state’ (Hylton, 2006, pp.69) but due to the socialist rhetoric expressed and the radical potential given the evident egalitarian, anti-capitalist aspirations of the majority population. In an interview with Heinz Dietrich in 2006 Morales provided his ideological aspiration for the country ‘to live in community and equality’ (Dietrich, 2006) with ‘an economic model based on solidarity, reciprocity, community, and consensus’ (Dietrich, 2006). This is a reiteration of his inauguration speech in which he laid out aims to ‘seek equality and justice’ (Goodman & González, 2006) and ‘put an end to the colonial state and... the neoliberal model’ (Goodman & González, 2006). Morales, therefore portrayed, albeit vaguely, expectations for the creation of post-neoliberalism in Bolivia, enhancing the potential the periods opposition had provided in terms of creating a post-neoliberal, radical alternative to the model the Bolivian people had so vehemently rejected.

Literature Review

Bolivia under Morales therefore offers significant input into the question of post-neoliberalism. Not only is the regime from 2006 popularly recognised as constituting a ‘counter-conventional’ (Glennie, 2011), ‘truly inspiring’ (Kennard, 2010) model but espousals from the government repeatedly claim their dedication to a socialist, anti-capitalist future. However, despite the consensus that the 2000-2005 period had revolutionary capacity, significantly advantaging the Morales government’s ability to implement substantive transformations of the economic and social structures of neoliberalism, post-2006 policy formation has created contention regarding the extent to which such a radical aspiration has been achieved.

Debates concerning Bolivia’s model engage with a division in the left regarding the theory and practicalities of post-neoliberalism. Whilst undoubtedly more complex (Levitsky and Roberts, 2011), this division can be viewed most basically on a continuum between moderate and radical which distinguishes differentiation regarding neoliberal modification. ‘Moderate’ referring to a model which, whilst allowing for more redistributive social changes to occur, has done this broadly within the framework of neoliberalism. ‘Radical’ referring to a model that conducts a break with the neoliberal framework, challenges the market-led model and thereby attempts to bring about social change, both economically and politically, via processes of nationalization and redistribution. These distinctions can be used to measure the continuities with neoliberalism within Bolivia, a country initially believed to constitute a radical status. This division therefore provides a framework through which to analyse the extent of change within Bolivia, assess its positioning between radical and moderate and evaluate the degree to which it can be termed post-neoliberal.

The leftist division is evident in existing literature on Bolivia’s post-neoliberalism. Contention can be viewed regarding three points: the developmental model of neo-structuralism, the path to post-neoliberalism in Bolivia and the extent to which Bolivia can currently be termed post-neoliberal. Evaluating the current literary division will not only engage with important theoretical elements concerning post-neoliberalism but will similarly set the foundations through which to further analyse the economic and social policies of the Bolivian government post-2006.

The first thematic point of contention concerns the developmental model adopted. This relates to the region-wide implementation in the 1990’s of the UN’s Economic Commission for Latin America and the Caribbean’s (ECLAC) neostructuralist model. Intellectuals, such as Osvaldo Sunkel, posited neostructuralism as an alternative to the dominant, state-restrictive dogmatism of neoliberalism. Sunkel and Gustavo Zuleta, in a 1990 report published by ECLAC argue for the beneficial economic and social effects neo-structuralism could have in creating a rounded development model that incorporates the state and institutions into market processes to facilitate growth and thereby moves away from the orthodox neoliberal framework. Here, Sunkel and Zuleta argue that ‘changing and modernizing production patterns’ (Sunkel and Zuleta, 1990, pp.43) and ‘reduced and rationalized’ (Sunkel and Zuleta, 1990, pp.43) tariffs increase export competitiveness and income. Neostructuralist’s similarly advocate ‘technological progress in support of institutions that promote scientific and technological activity’ (Sunkel and Zuleta, 1990, pp.44) in order to increase productivity, reduce labour
exploitation and export dependence. Sunkel and Zuleta, therefore posit a developmental model that views state-leadership as key to the combination of increased productivity and competitiveness with equity, reduced poverty and democratic tendencies. In doing this they are correspondingly complying with the idea that an alternative can be created through moderate reform of the neoliberal model.

Sunkel and Zuleta’s positing of neo-structuralism as constituting an alternative to neoliberalism has been frequently rejected. For Fernando Leiva, the neo-structural framework is thwarted by its negligence concerning ‘the nature of power relations that characterize the current dynamics of the international political economy’ (Leiva, 2008b, pp.12). Neostucturalists’, for Leiva, thereby ignore a key contributing factor to the underdevelopment of Latin American states which must be overcome if a post-neoliberal model is to be created. Furthermore, whilst Leiva recognises a move away from neoliberal rigidity, he denounces the claim that neostructuralism opposes neoliberal economics, rather seeing it as a continuation of the project of converting Latin America to an ‘export-orientated regime of capital accumulation’ (Leiva, 2008b, pp.16). Neoliberalism and neostructuralism resemble a ‘tag-team’ (Leiva, 2008b, pp.16), tasked to incorporate developing economies into the world-market, where they remain vulnerable, not, as neo-structuralist’s assume, equipped to ride capitalist forces. Furthermore, the strengthening of the state, defended by Sunkel and Zuleta, whilst ‘opening up… the state apparatus to a new set of actors’ (Leiva, 2008b, pp.16) does not transform or challenge ‘the main constellation of class power and the bloc of power’ (Leiva, 2008b, pp.16), thereby allowing for the continuation of exploitation and subordination in favour of capitalism both domestically and internationally.

Leiva therefore denounces the ability of neostructuralism to reform the neoliberal development model, as argued by Sunkel and Zuleta. Despite additional defence from Cristóbal Kay and Robert Gwynne, who acknowledge the problems highlighted by Leiva but argue that neostructuralism ‘is the only feasible and credible alternative to neoliberalism in present historical circumstances’ (Gwynne and Kay, 2000, pp. 153), Leiva convincingly rejects the excuse of the current international order as a reason for the continuation of neoliberal economics under the guise of a more benign model. In doing this Leiva similarly highlights the need to transform the power structures inherent within the capitalist system for underdevelopment to be overcome and to challenge the exploitative class structures both internally and transnationally. Moreover, the reformist stance taken by Sunkel and Zuleta, not only limits the ability for change but also represents clear continuities with neoliberalism within the neostructuralist model.

This debate over neo-structuralism leads into the second point of opposition within reformist and moderate left literature: what the path towards Bolivia’s post-neoliberalism should be. Here there are prominent arguments that posit an electoral, state-led route to post-neoliberalism. Bolivian vice-president Álvero García Linera argues for a long-term transitional reform, concerning amendments both to state formation and its relation to Bolivia’s economy. Here he argues for the ‘decolonisation of the state’ (Deroubaix, 2013) whereby formerly marginalised sectors of society are represented and participate in policy formation. Similarly, ‘nationalisation and state-ownership’ (Deroubaix, 2013) is argued to be the way to allow the government to build a revenue with which to ‘redistribute wealth and… improve the conditions of the most destitute’ (Deroubaix, 2013). García Linera’s arguments are supported by Federico Fuentes, who defends the move from ‘resistance to power’ (Fuentes, 2011a) by Morales and the MAS and, like García Linera, highlights the social benefits and extension of indigenous rights that have come as a consequence of using the state to reform the economy and instigate ideological change. Furthermore, Fuentes emphasizes the fact that whilst ‘none of this means Bolivia is today socialist’ (Fuentes, 2011a), he repeatedly emphasises the ‘revolutionary’ (Fuentes, 2011a) path, a point articulated by García Linera’s persistent positing of current Bolivia processes as constituting a ‘revolutionary epoch’ (García Linera, 2006, pp.81), which he argues has broken with neoliberalism.

The accounts of García Linera and Fuentes seem confused concerning the process Bolivia is currently undergoing. Whilst both rightfully highlight the emphasis on ‘communitarian’ (Deroubaix, 2013) values and improvements to social policy, García Linera specifically juxtaposes this with contradictory economic belief in the continued relationship with capitalism, thereby undermining his post-capitalist ideal. Similarly, whilst both highlight the beneficial social aspects under Morales rule, they fail to justify the continuation of an economic model that is not only conducive to capitalist accumulation, but also remain silent on the non-transformative impact this has had.
on Bolivia’s relationship with transnational capitalism and the obvious blockages this creates concerning post-neoliberal fruition.

These critiques of the reformist approach are highlighted and amended by those who posit the need to break with the structures of neoliberal capitalist power if a post-neoliberal alternative is to be formed. Prominently here Jeffery Webber highlights the inadequacies of the Bolivian path to represent a post-neoliberal alternative. Opposing García Linera and Fuentes, who suppose the continuation of bottom-up action in Bolivia today, Webber argues that Morales use of institutional, state structures to gain power in 2005, depoliticized and ‘considerably dampened’ (Webber, 2013, 150) the potential of the Bolivian struggle. He similarly critiques García Linera’s reformist path as allowing for the continuation of the ‘exploitation of workers and dispossession of indigenous’ (Webber, 2011a, pp.234) groups, arguing that the model has ‘retained its core faith in the capitalist market’ (Webber, 2011a, pp.232). For Webber, therefore, not only has the current Bolivian path failed to break with neoliberalism but its trajectory remains faithful towards accumulation over social redistribution. Furthermore, alongside Barry Carr, Webber argues for a radical course that develops ‘communal ownership of economic and natural resources’ (Carr and Webber, 2013, pp.6) with ‘indigenous rural and urban popular classes, organizing and struggling independently for themselves’ (Webber, 2013, pp.184). Webber therefore not only offers a convincing critique of the path taken within Bolivia but similarly depicts the route to post-neoliberalism to be a total deconstruction of the inherent capitalist power structures that aid the continuation of exploitation and oppression in Bolivia today.

Webber argument is furthered by Oscar Olivera, a prominent Bolivian activist, who not only denounces the Bolivian model today as a continuation of neoliberalism, but similarly agrees with Webber that ‘only a process of mobilization of the people is what will change things’ (Green and Lackowski, 2013). Whilst the prescriptions of Webber and Olivera are potentially under-developed in terms of practical application, they do offer a valid critique of the current Bolivian path. The dispute thereby engages very clearly with the leftist division that posits reform and radical change against one another as viable means to bring about post-neoliberalism.

The third point of contention, the extent to which Bolivia currently constitutes a post-neoliberal alternative, is contentious. The transitional path advocated by García Linera allocates its critics as unrealistic in terms of the context of Bolivia today. Steve Ellner, for example, praises the Bolivian model and the Morales administration for ‘adapting socialism to the concrete reality of Latin America’ (Ellner, 2011, pp.105). For Ellner, a post-neoliberal ‘socialist’ model has been formed, even if a complete transition of capitalist structures has not materialized. Furthermore, for Ellner, terming Bolivia as post-neoliberal is not invalid just because the theoretical presuppositions of orthodox socialism do not fit with the current model. Here, Ellner is proposing a renewed theorization of post-neoliberalism, one that he argues fits with the context not only of Latin America, but also a capitalist world. Therefore for Ellner, ‘socialism does not preclude the existence of a market economy’ (Ellner, 2011, pp.105), meaning, post-neoliberalism does not have to insight a dramatic overhaul of the system because the increased ‘social incorporation and direct participation’ (Ellner, 2011, pp.98) demonstrates a development into post-neoliberalism, even if it is not as substantive as theorists such as Webber and Olivera would like. Ellner thereby reiterates the defence of the Bolivian model posed by García Linera, a argument similarly articulated by George Philip and Francisco Panizza who argue that Morales has ‘re-founded politics’ (Panizza and Philip, 2012, pp.4) in Bolivia in contrast to the previous neoliberal structures. Therefore, for these writers not only is Bolivia moving on a post-neoliberal, socialist trajectory but this has been substantially shaped to contemporary needs and context thereby demonstrating adaptation and reformist success.

If this is an accurate portrayal of the current Bolivian model there seems to be some discrepancy within the presidency. Moreover, the economic model is repeatedly defended by García Linera as conducive to both growth and social improvement, Bolivia is on the road to socialism and whilst it is not currently socialist it has broken with the previous neoliberal model. This is contradicted by the common portrayal of Bolivia, argued by Ellner and expressed by Morales, as currently socialist, post-neoliberal and anti-capitalist. This theme of varied articulation of the present framework within Bolivia undermines the strength of reformist arguments, whose moves towards moderate reform have become increasingly incoherent.
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There has been much opposition to the claim that Bolivia is post-neoliberal today. Following Olivera and Webber’s previous argument, it becomes clear that for many theorists the continuation of neoliberal economics has hindered the fruition of post-neoliberalism in Bolivia. Forrest Hylton argues that ‘there are clear continuities in political culture as well as political economy’ (Hylton, 2011, pp.244) within the current Morales regime which have overridden significant change. For Hylton, the persistent terming of Bolivia as post-neoliberal, represents a ‘gap between rhetoric and reality’ (Hylton, 2011, pp. 247) with the changes proposed to have been implemented failing to emerge. Similarly, Benjamin Kohl highlights the numerous failures of the Morales government politically which has hindered the radical change which would have eased the reliance on neoliberal economics and business interests thereby allowing for more substantive, post-neoliberal developments to occur (Kohl, 2010). Like Hylton and Kohl, Felix Muruchi, a Bolivian social movement member, points to the continuation of neoliberalism in terms of economic inequality allowing for ‘the rich [to] remain rich’ (Muruchi, 2013) and, in reference of the involvement of social movements in Bolivian decision-making, the failure of what ‘we thought… would be our government’ (Muruchi, 2013). These three writers, in line with the previous radical critiques, thereby argue for the failure of post-neoliberalism to have been established. In contrast to Ellner, they posit the definition of post-neoliberalism to entail a break that challenges the unequal class relations exacerbated under neoliberalism as well as the subordination of social needs to capitalist interests.

Identifying these three points of debate within existing literature allows not only an analysis of which arguments are most relevant to Bolivia but what this concludes for Bolivia’s post-neoliberalism. Whilst it is clear that theorists on the reformist side who proclaim moderate, transitionary change offer valid arguments, they are both theoretically and practically challenged in terms of implicating a model that effectively confronts the existing neoliberal power. The tenets of neo-structuralism defended by Sukel and Zuleta, the path to post-neoliberalism espoused by García Linera and Fuentes and the defence of the current model by Ellner all fail to grasp the fact that fundamentally neoliberalism continues to dictate the shape of social reform within Bolivia, therefore hindering its alternative potential. In contrast, the radical arguments put forward by theorists such as Leiva, Webber and Hylton expose the failure of the current model to instigate post-neoliberalism as well as offering, albeit potentially limited, prescriptions for how this could have been articulated differently from 2006 thereby allowing for a more substantive break with neoliberalism that would have transformed the current structural impediments.

The tenets of this debate are essential in analyses of current governmental action within Bolivia and the extent to which post-neoliberalism is evident. They similarly allow for a nuanced approach to be taken which acknowledges both arguments whilst specifically focusing on the extent on post-neoliberal development. It is with this debate as a central analytic framework that the economic and social change within Bolivia can be addressed.

Economic Change Since 2006

The economic framework of the Bolivian government from 2006 is a critical platform through which to analyse the countries current post-neoliberal agenda. The economic policies of the Morales administration signify the most divisionary and revealing in terms of analysing its moderate/radical stance as well as its post-neoliberal status. This most prominently engages with contentions surrounding the role of the state, the productive reliance on extractivism, export dependence and the change this has created in terms of economic redistribution and social spending. In order to explore the post-2006 economic development in Bolivia it is useful to initially look at the change that has been implemented since 2006 and how this complies with moderate leftist arguments, this will then be analysed through critiques made by the radical left.

Initiating an understanding of the current economic framework of the Morales administration is usefully done via the Bolivian Constitution. The revised 2009 edition, formulated by the elected Constituent assembly that included a strong indigenous presence of which the MAS totalled 51% of the overall count, offers insight into the trajectory the government hoped to undertake in terms of economic policy. The new Constitution undeniably offered some attempt to move the Bolivian economy away from its neoliberal shape. Of fundamental importance is the outlined centralized role of the state in managing and directing the economy. The blueprint similarly emphasises the continuation of export orientation with the aim to develop ‘industrialisation of natural resources to overcome dependence on the export of raw materials and to achieve an economy with a productive base’ (Embassy of
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Bolivia, 2009, pp.79). This is reliant on increased state seizure of capital surplus and economic growth through the transfer to the state ‘property rights over natural resources… to exercise strategic control of the productive chain’ (Embassy of Bolivia, 2009, pp.79), a role previously dominated by Multi-National Corporations (MNC’s). As outlined in the Constitution, the state revenue gained through natural resource extraction and exportation would in-turn lead to the ‘equitable redistribution of economic surplus’ (Embassy of Bolivia, 2009, pp.78) into Bolivian society specifically to tackle poverty and inequality. Termed by García Linera as an ‘Andean Amazonian Capitalism’, with the development of a ‘petty bourgeoísie that will eventually become a powerful national bourgeoisie’ (Carr and Webber, 2013, pp.9), the Constitution offers a clear economic framework, argued to be guided by the principles of equality and justice, that indicates decisive moves away from neoliberal dominance.

The uptake of the goals outlined in the Constitution was evident prior to 2009. Of most importance was the nationalisation of resources which aimed to place their control into the ‘hands’ (Fuentes, 2013) of the Bolivian people as represented by their government, whilst allowing for an increased state revenue to be built. This was partly achieved in 2006, when on May 1st, ‘Morales… signed a decree placing his country’s energy industry under state control’ (BBC, 2006), thereby supposedly nationalising Bolivia’s hydrocarbon reserves, its most profitable export. Whilst problematic in many respects, nationalisation has not occurred but instead a renegotiation of contracts allowing for the state to maintain a majority of ownership and substantially increase taxation, this process has allowed for significantly larger revenues to be extracted by the Bolivian state. Simultaneously, contract renegotiation has facilitated cooperation between firms such as Brazil’s Petrobás and Spain’s Repsol YPF with Bolivia’s newly reinforced, state-run Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), the former strengthened since 2006. The continuation of this renegotiation process is evident in the 2012 state takeover of ‘power companies Electropaz and Efíeo’ (ECLAC, 2013b, pp.3), thereby not only demonstrating the increased role of the state in public services but the subsequent reduction this has purportedly entailed regarding the role of MNC’s in Bolivia. Whilst ‘nationalisation’ has crucially not complied with what was initially articulated as a complete break-off with foreign firms, it is defended on the grounds that it has introduced huge taxation and ownership to the benefit of the Bolivian state.

Results from this initial nationalisation process thereby comply with the economic objectives laid out in the Constitution. An increased state income has been created, government ‘revenue from hydrocarbons increased by $3.5 billion’ (Johnson et al, 2009, pp.12) from 2004-2008 alone. Federico Fuentes, contemporizes this support arguing that ‘80% of all profits from the industry now go to the state via taxes, royalties and other means’ (Fuentes, 2013). This has occurred alongside the dramatic rise of gross production of natural gas from 201.390 million cubic feet in 2000 to 537.750 in 2010 (INE, 2014). This has allowed the state to dramatically increase its income, from 2004 to 2009 ‘by almost 20 percentage points of GDP’ (Johnson et al, 2009, pp.12). The increase in government surplus has continued, with an increase of 1.8% of GDP in 2012 (ECLAC, 2013b, pp.1). Similarly there has been notable growths in Gross Domestic Product (GDP) (World Bank, 2013a), a result of the increased state revenue from extraction, the exceptionally favourable international environment with strengthened demand stemming from Asia as well as a consequential increase in ‘internal demand’ (Fuentes, 2013).

Post-Constitution Bolivian economics similarly aim for a post-neoliberal trajectory. Alongside the increase of revenue from resources has been the implementation of industrialization plans, prominent the development of gas liquidation plants, such as the nearly completed site in Gran Chaco. The discovery of Bolivia’s huge Lithium reserves in the South-West Salar de Uyuni, has opened an additional opportunity for exportation and industrialization, an act Morales has vowed Bolivia will do ‘on its own, sustainably, and for the benefit of Bolivians’ (Collyns, 2011). It appears that the plans set out in the Constitution, which would allow for productive apparatus to develop to replace the current dependence of Bolivia on exportation, are moderately evolving in line with Constitutional aims and government argument.

Existing change thereby complies with the ‘transition’ frequently asserted by García Linera between neoliberalism and ‘post-capitalism’ (Deroubaix, 2013). This is a project similarly alluded to by Marianela Prada Tejada, the executive of the cabinet of the Bolivian Ministry of Economics and Public Finance, who, in an interview with Webber, argued Bolivia is currently ‘in a situation with two competing systems: the old one that had not finished dying, and the new one that has not yet been born’ (Webber, 2014). This typifies the reformist
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approach, which justifies the continuation of neoliberalism with the frequently espoused claim that post-
neoliberalism cannot be born overnight but is a matter of moderate progress, a path Bolivia is argued to be
currently on. That there are practicalities and sensibilities that characterize any societal transition is a defendable
claim and as García Linera asserts, ‘it is necessary to satisfy… the pressing basic needs’ (García Linera, 2013) of
the Bolivian people, which takes precedence over the immediate revolution in productive and economic
structures.

For all the economic change implemented since 2006, there are deep discrepancies regarding the extent to which
such action is conducive to post-neoliberalism. Whilst the legitimacy of the reformist approach towards a
neoliberal alternative may seem workable theorized on paper, it seems that the practicalities have proven to entail
compliance over change, thereby allowing for neoliberal continuation. Moreover, it becomes clear that despite the
intention behind the reformist tactic, its inability to created substantive transformations of economic and productive
structures or disrupt reliance on the inherited neoliberal model has significantly obstructed not only changes to the
economic model, but similarly the ability of the government to meet the social needs of its people, a goal argued
as fundamental.

A central problem facing the development of Bolivian post-neoliberalism is the role of the state. Whilst increasing
the state capacity to regulate the economy has allowed for slight improvement in autonomy regarding restrictions
on private actors as well as rejecting the limitations placed on the state by neoliberal belief in free-market
principles, it has simultaneously allowed for the reproduction of many neoliberal capitalist tendencies. Radical
arguments assume the role of the state to be the protector of capitalist relations and the conditions for continued
accumulation processes. Problematic in terms of moving towards post-neoliberalism in Bolivia therefore is the
emphasis the neostructuralist paradigm places on the state as an instrument to maintain more equitable welfare
policies. Ben Selwyn, in his critique of the neo-Listian economics on which neostructuralism is based, argues that
the redefinition of the state in relation to the economy allows for the reinstitution of the relationship between the
‘state and [the] exploitative class-relations that underpin capitalism’ (Selwyn, 2009, pp.162). Moreover, whilst re-
emphasizing the role of the state is aimed at creating a more socially rewarding model, the state remains
conducive to the reproduction of class-relations, exploitative tendencies and the undermining of popular needs to
capitalist interests. Therefore, whilst increases in state capacity do represent a move away from neoliberalism this
is destabilized via the adoption of the unchanged liberal institutional structures which limits the progression of
substantial change due to the states inherent function to protect capitalism.

Within the Bolivian state there remains a clear objective to increase surplus and protect capitalist progression.
This compromise is clearly displayed in the inability of the government to follow through its plan for full
nationalization and the subsequent intention to industrialize via cooperation with transnational capital.
Furthermore, persistently ‘divorced from the means of production’ (Selwyn, 2009, pp.169) the Bolivian worker
classes have been unable to participate in a co-operative production of resources, with workers remaining in a
structure of exploitative wage-labour allowing for their subordination to the state and the capitalist relations it
protects via its justification of production development being the path to post-neoliberalism. Moreover, unlike the
popularly projected image of social empowerment and broad-based control, the ownership of Bolivia’s economy
remains with the state and whichever corporations it chooses to cooperate with. This has neither significantly
improved the economic empowerment of the majority of Bolivians, nor has it effectively allowed for the
‘reconstruction of the state’ (Regalsky, 2010, pp.37) which would have challenged the ideological and economic
state structure regarding it liberal political affiliation; as it stands the state in Bolivia is setting the limits for
governmental change and acts in conjunction with the reproduction of capitalism. This does not, however, as
some Marxist theorists would argue, entail the states rejection. Indeed, David Harvey argues, attempting
substantive transformations ‘without dealing with state power… seems a bit la-la’ (Harvey, 2011, pp.77) given the
pivotal social functionary role it provides. In Bolivia, however, the state should be used as an instrument through
which to implement change that actively transforms and challenges the inherited economic structures. As it
currently stands, the state continues to be dictated by capitalism rather than facilitating the processes Morales
and García Linera espouse.

The second problem concerns the continued dominance on extractivism. The productive reliance that the
government, particularly García Linera, deems as necessary to Bolivia’s overall economic strategy represents serious chasms. Extractivist dependence as the dominant source of revenue ultimately means that no dramatic overhaul has occurred that changes the focus of industrial progression or challenges the positioning of Bolivia on the world market as an exporter of primary products, not on a value-added basis. Furthermore, the continuation on export-dependence means the Bolivian economic plan is almost solely reliant on the continuation of favorable exchange prices as well as the demands for such resources to be maintained. It has not developed an income that is not dependent on the international capitalist system and its inevitable fluctuations; a fact defended by García Linera’s long-term plan but is yet to yield results. In other words, Bolivia remains not only stuck in an unaltered cycle of extraction and exportation but this has allowed for the continuation of its subordination to the whims of capitalism, both regionally and worldwide.

The issue of extractivism also concerns the continued power of MNC’s. Despite increases in taxation and YPFB involvement, the fact remains that ‘private multinational firms still extract the majority of the country’s natural gas and minerals’ (Farthing and Kohl, 2012, pp.230), therefore maintaining a central role within productive activity. Neo-extractivism in Bolivia is, for Henry Veltmeyer, nothing more than ‘the state striking a better deal with global capital’ (Veltmeyer, 2014, pp.150), although revenue from extraction has grown, the process continues to be dictated to by capitalist, imperialist forces. The limits of extractivism are similarly highlighted by Brent Kaup, who defines the process in Bolivia as ‘a neoliberal nationalization’ (Kaup, 2010, pp.135). Moreover, despite the efforts of the Bolivian government to redefine its economic path it is still distinctly confined by neoliberalism, for example, the contract with Brazil that entails Bolivia sending 65 percent of its production [of natural gas], to its eastern neighbor’ (Kaup, 2010, pp.131) until 2019, demonstrating the confining nature neoliberalism poses on current Bolivian economics.

Similarly worrying is the failure of extractivism to follow the state plan to ‘change its status as an exporter of raw materials’ (Veltmeyer, 2014, pp.150) due to insufficient investment. This has curtailed both exploration projects and the development of more sophisticated productive methods, both of which require the further involvement of capitalist enterprises. Therefore, not only has the Bolivian economy remained reliant on the most basic methods of production, the governments failure to retain control of this means of production has alienated it from control over its resources and continues to compromise with corporate power to fulfill its goals. This is most obviously represented via the continued reliance on foreign direct investment as a source of income which ‘equalled 37% of Gross Domestic Product in 2010, 10% higher than the South American average’ (Farthing and Kohl, 2012, pp.231). Moreover, even if this is justified, as it repeatedly is, as the only method through which to fulfill redistributive policies, it represents blatant continuities with the neoliberal model. Whilst there is no doubt that extractivism is a centuries old and unavoidable part of the Bolivian productive structure, this can only be achieved as post-neoliberal if the rights to these resources are placed in the power of the Bolivian people, extraction and exportation needs to be on their own terms and until nationalization is completed neoliberal power, embodied in the corporations that maintain control over resources, will dictate the shape of Bolivia economically.

The problematic transformation of the Bolivian economy is represented in the disappointing changes in terms of social spending and economic redistribution. The majority of data tends to support the fact that the reformist economic approach has taken a path of continuity with accumulation and growth outweighing economic redistribution. Despite the previously noted increase in state reserves, levels of social spending have failed to support the communitarian image of the Morales government. Whilst spending has increased as a percentage of GDP from ‘34 in 2005 to 45.1’ (Johnson et al, 2009, pp.13) in 2008 and ‘public investment increased from 6.3 per cent of GDP in 2005 to 10.5’ (Johnson et al, 2009, pp.14) in 2009, the majority of this spending has been on infrastructural projects, notably transportation, whilst spending directed at the social policies targeting issues such as poverty and healthcare is recorded at 2.7% of GDP in 2009, not only notably low, but also beneath the 3.5% recorded in 2002 (Johnson et al, 2009, pp.14). In 2012 public investment was totaled as 10.9% of GDP (ECLAC, 2013b, pp.1). These relatively low spending levels in relation to the increases in state revenue are thereby incoherent regarding the radical image of the government.

The fiscal policy of the Morales administration, during its first term and into the second can therefore be categorized as ‘one of high growth and low spending’ (Webber, 2013, pp.179). This has witnessed the increased
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accumulation of capital at the expense of the social improvements that García Linera used as justification for the transitional approach. Similarly, levels of wealth redistribution do not signify the successful transition from neoliberalism to even a marginally more equal society, while the Gini Coefficient in urban areas has steadily declined, the rural measurement for 2011 is less equal than in 2004 and has risen since 2009 (ECLAC, 2013). Rural areas are those most representative of indigenous and campesino sectors, thereby contradicting the egalitarian value placed on the economic system in the Constitution.

It becomes clear that in terms of post-neoliberal fruition, the reformist approach has failed to consolidate an alternative economic model. Using the definition of post-neoliberalism given in the introduction, it becomes clear that the Bolivian model has failed to create post-neoliberalism. Moreover, no substantive break has been taken from previous neoliberal economic policies, the increased state role has subsequently allowed for the state to become the arbiter of capitalist relations and accumulation without the expected high levels of social spending and wealth redistribution. The economy remains dependent on extraction and exportation, alongside the transnational capitalist relations this entails, allowing for continued dependence on international price changes as well as demand modifications. This not only affirms the argument that moves have been made from the radical to moderate in terms of economic affiliation but the insufficient development has thereby revealed the fault of the current model to reform into an alternative model. To further an investigation into the post-neoliberalism of Bolivia, it is important to look at how the economic policies implemented post-2006 have interacted with social change.

Social Change Since 2006

There is no doubt that Morales and the MAS have managed to maintain popularity, even in the face of insufficient economic progress. In 2009 Morales was re-elected, garnering an impressive increase in support ‘with 60% of the vote on a turnout of 90%’ (Hylton, 2011, pp.243), gaining ‘25 out of 36 Senate seats and 82 of 130 seats in the Chamber of Deputies’ (Hylton, 2011, pp.243). Morales stated at the time that the ‘process of change has prevailed’ (Carroll and Schipani, 2009), giving credence to the popularly expressed belief that the Bolivian government had radically altered Bolivia away from its previous neoliberal path. However, like the unsubstantial change in economic structure, the idea that the Morales government has instigated post-neoliberal social transformation, particularly regarding redistributive policies, agrarian reform and indigenous rights, via its moderate approach, is in need of enquiry.

Again, it is useful to turn to the 2009 Constitution as a point of reference regarding the social change that has been implemented under Morales. The wealth redistributive intentions outlined indicate the targets of poverty alleviation and equitable social welfare specifically concerning healthcare and education, with the Constitutional aim ‘to improve the quality of life and well-being of all Bolivians’ (Embassy of Bolivia, 2009, pp.78). One of the most fundamental changes outlined is the emphasis on indigenous rights, allowing for ‘free determination... right to autonomy, self-government, their culture, recognition of their institutions, and consolidation of their territorial entities’ (Embassy of Bolivia, 2009, pp.4). This similarly highlights rights over resources and land within indigenous allocated areas and the right of indigenous groups ‘to prior consultation by the State with respect to the exploitation of non-renewable natural resources in the territory they inhabit’ (I Embassy of Bolivia, 2009, pp.11), thereby attributing power to indigenous people over territory and resources. Similarly, the implementation of ‘the law of autonomies [which] decentralizes certain powers to departmental, regional and municipal layers of government’ (Embassy of Bolivia, 2009, pp.25), gave further power to those areas with MAS and indigenous leadership, albeit a minority in the 2006 elections, entailing the potential to balance the right-wing dominance of the Media Luna, made up of the departments of Santa Cruz, Pando, Beni and Tarija and enhance participative capabilities. The Constitution thereby based itself on the reformation of previously hierarchical social structures that had limited the participation and autonomy of indigenous sectors while simultaneously advancing the reinstitution of social policies that had been stripped during the neoliberal era.

It is clear that change has been implemented to improve the lives of many Bolivians, particularly vulnerable groups. Wealth redistribution as a consequence of increased hydrocarbon taxation has been articulated via a system of conditional cash transfers. The first of these, the Bono Juancito Pinto ‘contributing Bs 200 (US$28.20) per student per year’ (Silva et al, 2011, pp. 2), was designed to ‘improve primary level enrolment and completion
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rates for populations that face monetary difficulties’ (Silva et al, 2011, pp.2). This was found to have a positive effect on school enrolment particularly within lower grades and in poorer rural areas. Similarly, the Bono Juana Azurduy scheme whereby cash transfers are made to expectant and postnatal mothers with the ‘equivalent of about $150 paid for regulatory prenatal and paediatric medical check-ups’ (UNDESA, 2010, pp.8) is aimed at reducing infant mortality, a scheme that has aided the reduction of such deaths to 33 per 1000 births in 2012, a decrease of 14 since 2004 (Worldbank, 2014a). The Renta Dignidad has similarly aimed to help pensioners with funding of 200 bolivianos per month (Chaplin and Crabtree, 2013, pp.49). The implementation of such schemes is evidence of the intention to improve education and healthcare systems via economic redistribution. This has subsequently impacted on poverty reduction levels which had reduced in both rural and urban areas by 2011 (ECLAC, 2014). The cash transfer scheme has therefore aided the re-introduction of some of the public services stripped by neoliberal state rollback, allowing for progression away from the previously austere social order.

Regarding agrarian reform, one of the prominent demands of the majority population when bringing Morales to power, some progress has also been made. This mainly refers to the reformation of the 1953 Agrarian Reform Law, which, whilst splitting up the hacienda lands in the Altiplano, allowed for ‘huge accumulations of land in the eastern half of the country’ (Chaplin and Crabtree, 2013, pp.26) to persist almost unchallenged through to 2006. This has been, partially, addressed to the benefit of rural indigenous and campesino sectors via the process of saneamiento or land titling implemented in 1996 through the Ley INRA reform but intensified under the Morales administration. This has allowed for the identification and titling of land deemed tierra fiscales, ‘in the hands of the state which can then be redistributed to peasants and others in need of land’ (Chaplin and Crabtree, 2013, pp.27), and land deemed as Tierras Comunitarias de Origen (TCO), communal indigenous land. This process allowed for an estimated 46.4 million hectares to be redistributed to campesino and indigenous groups (Chaplin and Crabtree, 2013, pp.27), thereby attributing to them resources regarding both ‘productive capacity... and power of negotiation’ (Chaplin and Crabtree, 2013, pp.27) as well as additionally impacting poverty and malnutrition in predominantly rural areas. The development of indigenous land rights has similarly been enhanced via the process of ‘ayllus’ (Chaplin and Crabtree, 2013, pp.41) allowing for traditional indigenous governance structures to be re-instigated in the Altiplano. Whilst this has been met with complications between indigenous and campesino groups concerning differing land use traditions, it has enhanced the role of indigenous sectors in relation to territory and self-governing capabilities.

Post-2006 policy has similarly favoured women and indigenous citizens in positions of power. This not only concerns an ‘increase in the participation of indigenous people and women in the government’ (Muruchi, 2013) but also signifies an ideational change which has allowed for previously marginalized voices to be put onto the political agenda. This has heightened ‘work and discussion about issues such as racism and sexism’ (Muruchi, 2013), factors which have blighted the political landscape of Bolivia for centuries. Women have taken a larger role in decision-making processes indicated in the increase of women in parliament from 17 percent in 2005 to 25 percent in 2012 (World Bank, 2013b). Whilst the participation of women in particular is not complete and has run up against entrenched traditional opinions concerning the role of women (Chaplin and Crabtree, 2013, pp.51) it does represent a more inclusive and participatory position for formally ostracized sectors.

Despite the social gains implemented by the Morales administration, serious deviations have again thwarted its post-neoliberal development. It terms of creating structural amendments that challenge the continuation of poverty and inequality in the long-term, the Morales government have faltered. The social redistributive policies implemented aim to solve the immediate problems facing the Bolivian people without challenging the causes of poverty and inequality or creating a system that will combat the repetition of its occurrence on a maintainable basis. It must also be noted that redistributive policies, whilst currently successful, are reliant on the continued favourable international price conditions for resources that have allowed the state to build revenue for redistribution. Similarly, improvements in education and healthcare must be more sustainable if they are to produce results that substantially overrule neoliberal conditions. Regarding agrarian reform, not only does conflict remain within landholding groups, arguably representing the inability of the government to meet the differing needs of its worker class but this has similarly not been substantial enough to overturn agrarian productive inequalities and the concentrations of power that continue to exist.
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One of the main issues that obstruct the ability of the Bolivian government to incorporate more substantive or structural change socially is the Bolivian Constitution. Whilst meeting some of the fundamental demands of the Bolivia social movements that brought him to power, the renegotiation between Morales and rival political parties prior to the confirmation of the Constitution in 2009 seriously hindered the institutionalization of legislation that would have a radically altering impact. As Sarah Hines noted in 2008, during the period of constitutional formation, the inability of Morales to confront the right within the Constitutional assembly meant the ‘draft Constitution… [was] hailed as a victory… by the countries right-wing opposition’ (Hines, 2008). This particularly concerns two issues: private property and departmental autonomy.

The issue of private landholding has remained significantly in favour of the bourgeois ruling-class. This stems from the Constitutional protection of all ‘land… deemed socially and economically productive’ (Hines, 2008) meaning the large areas of previously bought private land, ‘will remain untouched’ (Hines, 2008) to the benefit of the eastern agribusiness oligarchy. Moreover, despite the reform of agrarian law which has allowed for redistributive land policies, this progress continues to be undermined by the protection of business interests and the unequal distribution of productive land and the wealth extracted from it, thereby hindering working class productive capabilities or a post-neoliberal redistributive quality.

The right has similarly acted to limit social transformation regarding the maintenance of elite structures. Like Hines, Hylton blames the government for not adequately confronting the threat posed by right-wing interests initially which has allowed the right to ‘reconstituted itself as the arbiter of the limits of social change’ (Hylton, 2011, pp.245). This threat was powerfully articulated in the 2008 attempted coup devised by US-backed governors in eastern departments regarding autonomy and resource control (Fuentes, 2011b). Whilst this was successfully overcome with mass support for Morales undermining the attempt, it did highlight the problematic role of the right regarding regional autonomy. This concerns the influence autonomy installs regarding resources, a fact that has been increasingly manipulated by the Media Luna to allow for the ‘control by local political and economic elites over the profits from the gas industry’ (Hines, 2008). This has thereby allowed for the continued exacerbation of class-based inequity as well as departmental economic advantage, which has left unchallenged the monopoly of elite profit. Furthermore, this inability to successfully facilitate the redistribution of ownership and wealth has thereby reinstituted the inequality exacerbated under neoliberalism.

The compromise of Morales regarding the Constitution, a notable political defeat during the early years of his administration, has not only acted to grant huge concessions to the interests of the right but has similarly acted to block reform that would constitute post-neoliberalism. The ratified Constitution thwarted any attempt to change the structural make-up of Bolivia, meaning economic power has been Constitutionally allowed to stay in the hands of the wealthy right, to the detriment of the majority population. The inability of Morales to confront the power and opposition of right-wing antagonism has thereby entailed it adopting an ‘arbiter stance’ (Regalsky, 2010, pp.37), balancing between the demands of the right and the social movements it claims to represent, limiting not only political and social transformation, but also allowing for radicalism to be abandoned in favour of neoliberal friendly moderation.

The government has similarly jeopardized its capability to secure indigenous rights. Indigenous rights, continually politicized as a key issue and argued by George Philip and Francisco Panizza to have allowed Morales to form a populist base, built on the ‘cultural construction of popular identities’ (Panizza and Philip, 2011, pp.81), constitutes a fundamental platform of contention surrounding the commitments of the government. This is most profoundly evident regarding the continuation of extractivism. The reliance on resource extraction as the primary base of revenue has entailed rising contention concerning the autonomy of indigenous groups and their right to territorial control, as well as heightening opposition over the blatant clash between the maintenance of extractivism and environmental policy. Moreover, the increases in extractive activities has simultaneously allowed for environmental degradation and deforestation to occur on a mass scale, not only contradicting the Constitutional commitments to ‘Pachamama’ (Assies, 2011, pp.112) and dedication to environmental protection but heightening tensions regarding autonomy and ownership of resources in areas of indigenous occupation. This has allowed for gaps to emerge between the commitment of the Morales government to its indigenous majority and their obligation to capitalist development. Furthermore, heightened discontent has been witnessed within
indigenous areas regarding ‘a sense… that their rights have been passed over’ (Bebbington and Bebbington, 2011, pp.139) in favour of expanding extractive processes.

The contradiction between constitutional outline and Bolivian reality regarding indigenous autonomy is most plainly expressed in relation to the Territorio Indígena y Parque Nacional Isiboro Secure (TIPNIS) dispute. The TIPNIS, a national park situated in between the Cochabamba and Beni departments currently occupied by ‘30,000 Aymara and Quechua-speaking migrants from the highlands’ (Chaplin and Crabtree, 2013, pp.16) alongside a large natively derived indigenous population, became a spearhead for anti-government mobilization when, in 2011, Morales’ government agreed a contract with Brazil that would entail the construction of a highway through the middle of the TIPNIS. Argued to improve trade and supply routes to both the TIPNIS inhabitants and between Cochabamba and Beni, the TIPNIS plan has proved to be both divisionary and poignant in terms of assessing the loyalties of the government. Fundamental to the rejection of such a plan was the blatant undermining of Constitutional commitment to ‘prior consultation’ (Embassy of Bolivia, 2009, pp.11) regarding government plans that effect indigenous governed areas. It similarly represents the weakening of indigenous rights in terms of their ability to self-govern and maintain autonomy. Tom Lewis rightfully highlights the contradiction the TIPNIS dispute uncovers between government commitment to ‘meeting peoples needs and accumulating capital’ (Lewis, 2012), not only does the non-consultation reiterate the fact that Bolivian land is in the hands of the state not the Bolivian people, but this state is increasingly committed to contractual obligations defined by capital needs rather than the rights of indigenous people over the territory they occupy. Whilst such plans have been put on hold, a fact that has been equally and importantly opposed by other indigenous sectors, it continues to remain an issue of contention, and has raised awareness of the inconsistent and often contradictory loyalties of the government, a fact emphasised by the surprisingly oppressive methods used to deal with protesters.

Not only does the TIPNIS dispute highlight the contradictory nature of government argument and actual policy but it uncovers an equally central issue concerning the fragmenting relationship between the MAS and the social base it claims to represent. Poignantly expressed in the views of Bolivian activists Olivera and Muruchi, who both participated in bringing Morales to power, is a vehement discontent about what they view as the abandonment of radical belief since 2006. For Olivera, the current era has allowed for the continuation of ‘the monopoly of the political parties’ (Olivera, 2012) allowing for a ‘breakdown of the connection between the social base… and the state apparatus’ (Olivera, 2012), with the government becoming increasing detached from the Bolivian people and popular demands. Similarly, Muruchi argues that the current ‘government is still a neoliberal government’ (Muruchi, 2013) that has abandoned the social movements that brought it to power, has not introduced more participatory channels or challenged the ‘economic and political structure of the country’ (Muruchi, 2013). For members of the activist community the use of the electoral route to gain power has therefore not, as they had believed in 2006, allowed for a heightened incorporation of popular and social movement demands but instead this power has be utilised by Morales who has been unable to articulate such development. Furthermore, despite the ‘symbolic value of granting social-movement leaders the role of ministers’ (Kohl, 2010, pp.112) in government, the practice of using potentially inexperienced and municipally biased individuals to fulfil the image of social movement involvement has been inadequate (Kohl, 2010). The discontent at such failures has resulted in governmental measures ‘to strengthen its clientelist networks to maintain its political control and legitimacy’ (Farthing and Kohl, 2012, pp.232), thereby further departing the Morales’ government away from its legitimate social support base.

It becomes clear that substantive change in the social sphere has been hindered, barely amending its shape away from neoliberalism. Not only has governmental policy been severely curtailed by the demands of the right but, in line with the economic failures, this has allowed for capital business interests to overrule redistributive measures; land remains in the hands of the wealthy, as does the departmental control over resource profits. Using the post-neoliberal definition of social reform it becomes further evident that failures have occurred. No sustainable measures have been taken to improve education and healthcare issues, and the current system remains reliant on the stability of state revenue from extraction. Similarly, indigenous rights, perhaps the most important issue given its rhetorical use by the government, have not been secured. Whilst cultural and racial discrimination has been hindered the extent to which autonomy and self-determination have been installed is
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unsure, especially when these clash with the interests of the government. This has not only weakened the relationship of the government to the social movements it claims to represent but similarly uncovers the blatant contradiction between government interests concerning capital protection and the creation of a post-neoliberal social sphere.

Conclusion

It becomes clear that the Bolivian case offers insights into the complexities of creating a post-neoliberal alternative. This additionally corresponds to the extent to which the left in Latin America has articulated alternative models to neoliberalism. Whilst obviously limited in it applicability to region-wide prescriptions, it does highlight key issues that hinder the ability of governments to alter their trajectories and the role capitalism maintains as an arbiter of substantive change.

The aim of this essay has not been to offer a framework for the formation of Bolivia’s post-neoliberalism but to examine the extent to which this has developed thus far. Through the examination of post-2006 economic and social change it is evident that despite the potential of the 2000-2005 period that witnessed the articulation of anti-neoliberalism and the overhaul of overt neoliberal ideological dominance, the success of post-neoliberal creation has faltered. Moreover, the election of Evo Morales, whilst rhetorically radical, has allowed for shifts towards moderation both economically and politically thereby substantially diminishing the evident potential and reducing the ability to create a valid post-neoliberal model.

Undeniably change has been implemented that has allowed for improvements to be pursued. Economically, the state does now hold a favourable position in relation to MNC’s and this has allowed it to build increased revenue, reduce poverty subsequently with additional efforts at redistributive measures. Similarly, there is no doubt that the symbolism of Morales presidency has aided moves towards a more culturally equal and respectful society which has highlighted the need for recognition of indigenous rights. Despite these changes, however, a substantive break from the previous neoliberal rule has not been undertaken, thereby allowing for clear continuities with neoliberalism and the subsequent failure of post-neoliberal realisation.

Economic change has been moderate and in line with reformist approaches. The unchallenged role of the state as the facilitator of capitalist interests has limited the government in its ability to initiate a break from neoliberal economics. This primarily concerns the use of extraction and exportation as the only means of income, simultaneously allowing for the maintenance of capitalist relations and their interests. Additionally, social spending and redistributive policies have failed to substantiate the improvements that were expected in 2006.

Correspondingly, the societal sphere remains constrained by the neoliberal economic continuation. The failure to initiate a challenge to the structural causes of poverty and inequality, over the short-term initiatives enacted, will hinder the continued improvement of such results in the future. The failure to curtail the demands of the right initially has allowed for the institutionalisation of measures that block redistribution of land and resource control, permitting for concentrations of wealth to remain unchallenged. The government is forced to negotiate between the claims of the right and the demands of the popular classes, a fact that will continue to create contention around government motivations and could potentially allow for further threats to emerge from both sides. Similarly, the autonomy and self-determination capabilities of indigenous groups have been infringed upon, allowing for capitalist contractual obligations to undermine the fruition of a culturally egalitarian society.

The extent to which Bolivia can be termed an alternative to neoliberalism is therefore severely curtailed. Although the current model is favourable compared to the past orthodox neoliberal stance, it remains fundamentally conducive to neoliberal reproduction and unable to offer the alternative it is popularly conceived to adhere to.

The future of post-neoliberalism in Bolivia is uncertain. García Linera’s prescription for a socialist model to emerge in the long-term appears to be unfoundedly optimistic. Forecasts for continuing economic growth have been dampened with the predicted annual growth of GDP estimated to fall to 3.6 in 2016 (World Bank, 2014b). The extent to which this will shape the ability of further redistributive efforts is unknown but it entails the need for
materialization regarding productive development to counteract the current reliance on the substantial revenue from exportation. That elections are being held at the end of 2014, in which Morales will run, will similarly substantially impact the prospects of future post-neoliberal projections. Whilst the future of Bolivia is obviously unclear it is undeniable that, as it stands, Bolivia does not constitute a valid post-neoliberal alternative thereby offering an important lesson to those advocating the alternative stance of the current Latin America left.

Bibliography


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Date written: March 2014