

# Neo-liberal Restoration at the Barrel of a Gun

## Dissecting the Racist Coup in Bolivia

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Some characteristics of the contemporary phase of global neo-liberalism in light of the recent coup organised by the extreme right-wing forces in Bolivia against the leftist President Evo Morales in 2019 are examined. Despite having minuscule popular support, the backing of the armed forces and United States imperialism emboldened the post-coup government to aggressively restore neo-liberal policies in an unabashedly dictatorial fashion. The coup in Bolivia becomes a paradigmatic case that highlights how neo-liberalism as a political-economic doctrine continues to articulate with racism and religious fundamentalism to establish and maintain its dominance.

At the turn of the 21st century, when the hegemony of neo-liberal orthodoxy reigned supreme, Latin America was the place where its confident and seemingly invincible march was interrupted. Forcefully defying prophecies of the end of history and the end of ideology, new left governments were elected in Latin America that challenged the neo-liberal consensus of the era. This process not only rekindled hopes for a revival of the left, but also cleared the grounds to build new left alternatives that can learn from the shortcomings of its 20th century counterparts. However, the last five years have witnessed a weakening of the left in the region. Brazil, Chile and Ecuador turned to the right and Venezuela is reeling under a severe economic crisis. Even then, Bolivia still stood out as a beacon of hope for the Latin American left. Though it did not enjoy the same degree of popular support as it did earlier, the government of Evo Morales still remained the most powerful political force in the country, and Bolivia had the highest rate of economic growth in the region continuously for five years, ensured economic and political stability. For all these reasons, there was a lot at stake in the Bolivian presidential elections of 2019 for the Latin American (and global) left, the national oligarchic elites and United States (us) imperialist interests.

However, what eventually happened turned out to be worse than the worst nightmares. Through an analysis of the usurpation of power by the extreme right-wing forces in Bolivia, this article examines the characteristics of the contemporary phase of global neo-liberalism.

### New Ways of Staging a Coup

After the electoral tribunal declared Morales as the winner in the 2019 elections, opposition candidate Carlos Mesa

refused to accept the results, alleging fraud. Protests broke out in various Bolivian cities. The Bolivian government invited the Organization of American States (OAS) to conduct an audit of the elections. On 8 November, the OAS team recommended that new elections be held as they found irregularities in the vote count. There is still no consensus on the question of whether there were irregularities in the elections held on 20 October. Later, studies by the Center for Economic and Policy Research based in Washington, Centro Estratégico Latinoamericano de Geopolítica (CELAG) and a group of MIT researchers questioned the conclusions of the OAS.

Nevertheless, once the OAS team released its preliminary report, Morales immediately accepted its recommendation and asked the legislative assembly to form a new electoral tribunal and declare fresh elections. However, the opposition demanded the immediate resignation of Morales. With the chiefs of police and the armed forces also asking him to step down, Morales realised that he had no other option. He announced his resignation declaring that a coup has been consummated in Bolivia.

By then, Luis Fernando Camacho, a multimillionaire business tycoon and representative of extreme right-wing politics, had eclipsed Carlos Mesa as the major spokesperson of the opposition to Morales. Hours after the resignation of Morales, Camacho barged into the presidential palace with his ally Marco Pumari. Masked men removed the wiphala, the flag of indigenous self-determination from the top of the presidential palace and burnt it, with a mob cheering “Yes, we could! Yes, we could!” The wiphala was officially incorporated as a symbol of the fatherland along with the national tricolour flag by the new constitution promulgated by the constituent assembly convoked by Morales during his first term in office.

In the power vacuum that was created, senators from the opposition met in a session without the necessary quorum, and Jeanine Áñez, the second vice president of the senate proclaimed herself as the interim president. Senators from the Movimiento al Socialismo, the

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party of Morales, did not attend the session as most of them were underground due to the severe political persecution party members were subjected to after the resignation of Morales. Some of their houses had been burnt and their family members kidnapped and tortured.

The self-proclaimed President made repeated statements that her government was “transitional” and that its only objective was to conduct elections. Though Áñez and her party, which only won around 4% of the votes in the country in the 2019 elections, have no mandate to make radical changes in policies, they seem to be in a great hurry to reverse all the important initiatives of the Morales presidency. The following sections of this article discuss how a government with minuscule popular support, with the backing of the armed forces and us imperialism, went on to aggressively pursue neo-liberal policies in an unabashedly dictatorial fashion. It, once again, reveals the tendency of global right-wing forces and us imperialism of making a mockery of democracy whenever it does not suit their interests. The Bolivian experience thus reinforces the need to retheorise the relationship between neo-liberal capitalism and democracy, a task that holds immense relevance in the context of the upsurge of right-wing authoritarianism in various parts of the world.

### Neo-liberal Restoration

Like the other new left governments that emerged in Latin America as part of the pink tide, the Morales administration adopted policies that went against the neo-liberal consensus that marked the economic policies of the last decades of the 20th century in the region. The election of Morales in 2005 was the product of a series of mass mobilisations against neo-liberal economic policies.

In 2006, Morales announced the nationalisation of gas. However, it was a partial nationalisation that only involved an increase in the royalties the transnational gas companies pay the state. Nevertheless, it enabled the government gain up to 70% of the revenue generated from hydrocarbons (Farthing and Kohl 2014). Subsequently, similar kinds of nationalisations were implemented in

electricity, telecommunications, and mines, enabling a major increase in public investment. Public investment increased by about 250% from an average of \$581 million in 1999–2005 to \$2,046 million between 2006 and 2012.

The increased role of the government in the economy helped the redistribution of wealth, both in terms of race and class. Between 2007 and 2015, moderate and extreme poverty decreased by approximately 21% and the Gini coefficient went from 0.56 to 0.47, reflecting a decrease in income inequality (Beverinotti 2018). In 2005, the top 10% of the population had 128 times more income than the bottom 10% by 2012; this difference decreased to 46 times (Pozas 2017).

Direct cash transfers were made to the elderly, public school students and pregnant women. The government also increased the education budget significantly. School attendance increased. A massive literacy programme was implemented and 5,00,000 people graduated from literacy classes. Material benefits for the indigenous population were significant. The econometric study of Hicks et al (2018) points out that the indigenous population of Bolivia achieved a rapid catch-up in income and expenditure relative to the non-indigenous population, which enabled the former to approximately close one-quarter of the interracial gap in income in the pre-Morales era.

Morales also promised to carry out an “agrarian revolution” in the country. Farthing and Kohl (2014) point out that land surveying, titling, and distribution were done at three times the rate of previous administrations. Ten million acres were expropriated for redistribution from expiring logging concessions and big landowners who held lands over the limit of 25,000 acres set by the new agrarian law. By 2012, for the first time since the Spanish conquest, smallholders, who are predominantly indigenous, control 55% of the land.

The transformations initiated by the Morales government are more reformist than revolutionary when judged by the standards of the 20th-century left. For instance, the redistribution of land to peasants did not translate into equality in the ownership of lands of the best quality.

The lands best suited for cultivation continue to be concentrated in the hands of the traditional landed oligarchy, and one-third of the land remains in the hands of large agro-industrial firms. This has led to disagreements on whether the policies of the Morales government represented post-neo-liberalism or reconstituted neo-liberalism (Fuentes 2010; Webber 2010). However, the fact that the policies of Morales marked a break with neo-liberal orthodoxy cannot be denied.

One of the priorities of the Áñez government has been the restoration of the older neo-liberal policies. The new government has no qualms in declaring that they intended to privatise public sector companies. Knowing that public opinion is against this position, the government tries to create an impression that the public sector companies are unviable and that they are running on huge deficits, which could then justify their privatisation. Some public sector companies were forced to turn bankrupt by the newly appointed executives by making unjustifiable exorbitant expenses.

For instance, the new chief executive officer (CEO) of the public sector airline Boliviana de Aviación (BOA) appointed by the Áñez government declared that the airline was running on severe deficit, with no audit to back up that claim. The workers’ union called a press conference to inform that flights were arbitrarily reduced by 30% in the peak season. It is no coincidence that the new BOA manager was the chief financial officer of Amazonas, a private airline that is its main rival (*Los Tiempos* 2020; Eju TV 2019). Not content with bankrupting state companies, the new government reduced public investment by 32.5% (Bedregal 2020).

The issue of lithium occupied a central place in the coup. Bolivia is believed to possess approximately 70% of the world’s lithium, the raw material for batteries in electronic equipment and electric cars. It is seen as one of the most valuable raw materials of the future. Morales planned to begin exploration and industrialisation of lithium through a collaboration between the public and private sectors in which the state-owned YLC would have 51% of the shares, a decision that is not favourable for multinational corporations. The

plan to industrialise natural resources and add value to them was a significant shift made by the Morales government in Bolivia's economic policies. The Áñez government, however, gave a clear indication that she would move away from these policies by appointing Juan Carlos Zuleta, a staunch opponent of industrialisation, as the CEO of the public sector company created for the extraction of lithium.

Changes in economic policies were also matched by changes in foreign policy. Besides breaking diplomatic relations with Cuba, the government declared that Bolivia will withdraw from the Union of South American Nations (UNASUR) and Bolivarian Alliance for the Americas (ALBA), the alliance of countries governed by leftist governments in the region against the neo-liberal model. After a decade, Bolivia sent an ambassador to the us and the government declared support for brazenly imperialist policies such as the us's war threat to Venezuela.

### Political Repression

The usurpation of power by the extreme right-wing forces led to the eruption of massive protests. The Áñez government let loose severe repression on the indigenous population that has been at the forefront of these mobilisations. According to official figures published by the National Ombudsman, 32 people have died and 770 have been injured in the repression of protests against the coup. The report of the Argentine delegation of human rights that visited the country reveals the violation of the rights of children, adolescents, senior citizens and people with disabilities (*Crónica* 2019). Sandra Carreño, part of the Argentine human rights delegation, declared in a television interview that there are about 1,000 forced disappearances in the country, and that the relatives of the victims are being threatened to not report them (Archivo de los medios 2019).

In the neighbourhood of Senkata in the city of El Alto, protestors, who blockaded a gas refinery to cut off fuel supply to the administrative capital La Paz, were brutally massacred by the armed forces on 19 November. The next day, residents of the city accompanied by thousands of

protestors who arrived from other parts of the country marched to the centre of La Paz with the coffins. They were tear-gassed, forcing them to flee and leave the coffins abandoned on the streets for a while.

Press freedom has been severely restricted. Two days after coming to power, the minister of communication threatened journalists that they would be tried for sedition for reporting news unfavourable to the government. This immediately silenced the Bolivian mainstream media. Argentine journalists covering the protests were forced to leave the country and an *Al Jazeera* correspondent was tear-gassed when she was reporting on live television. International television channels *Telesur* and *Russia Today*, which began covering anti-government protests, were taken off the air.

The government also forcibly closed 53 community radio stations that were alternative sources of information, especially in the countryside. In many cases, the police and the military destroyed and burned some of them. Extreme right-wing mobs also occupied the office of the Unified Syndical Confederation of Rural Workers of Bolivia (CSUTCB), the biggest peasant confederation in the country, and its community radio station with firecrackers, dynamites and Molotov after tying the director of the radio to a tree (Chungara 2020).

### Racist Backlash

Though the majority of Bolivians are of indigenous descent, the country had to wait for nearly two centuries since its foundation to have an indigenous president. As explained above, the redistributive policies of the government of Morales benefited many indigenous sectors. The government also appointed more people of indigenous origin, especially women wearing the *pollera*, skirt (which has historically been seen as an index of indigenous backwardness) as ministers, ambassadors and directors of institutions. Radical indigenous intellectuals dismissed these moves as mere tokenism as the number of indigenous people in positions of power was still highly disproportional to their share in the population. However, the presence of

indigenous people, especially women wearing the *pollera*, in such positions had a tremendous symbolic impact on large sections of the indigenous population as it increased their self-esteem and optimism.

This process led to an intense racist backlash from the white-mestizo elites. The mobilisations for the ouster of Morales in 2019 witnessed the explosion of racial hatred that was brewing over the years. Extreme right-wing paramilitary organisations went around the streets, rounding up and physically attacking indigenous people. Racialisation of indigenous people also plays a major role in the Áñez government's repressive machinery as protestors complain of abuses by the police and the armed forces "just for being brown-skinned" (*Annur TV* 2019).

The political genealogy of the extreme right-wing forces in Bolivia is alarming. Camacho, the major organiser of the coup, began his political career as the leader of the paramilitary group Unión Juvenil Cruceñista (UJC), which was founded by Carlos Valverde who acted as a paramilitary in the military dictatorship of Hugo Banzer in the 1970s. He had a close relationship with Klaus Barbie, the Nazi general who is infamously called the "butcher of Lyon" for organising massacres and torture of several Jews and other activists of the French resistance to Nazi occupation. Barbie fled Germany after World War II and lived in Bolivia under a different name. Camacho, the major organiser of the coup against Morales, had led the UJC in Morales's first administration, when the paramilitaries of that organisation interrupted the marches of the indigenous organisations with whips and chains, went to indigenous neighbourhoods with sticks and bats to terrorise people, and surrounded the city in jeeps painted with the swastika (Fabricant 2008).

Áñez, the self-proclaimed President, is not far from Camacho in terms of her ideological leanings as she proudly claims to have "Aryan and Nordic features" (de Marval and Scelza 2019). Four of the ministers in her first cabinet were members of the UJC. The political discourse of Áñez is also marked by un concealed racism. For instance, in one of her speeches, she said that the right-wing

parties need to form a united front to prevent the “savages” from returning to power. “Savage” is a heavily loaded term in Bolivia as it has been historically deployed in reference to the supposed backwardness of indigenous people. Civilising the savage indigenous people to assimilate them into the dominant culture was an essential part of the Bolivian nation-building project in the 20th century. With such statements, the new right-wing government makes no pretensions of its racist agenda.

### Religion and Politics

Religion is a new tool that neo-liberalism uses to re-establish its hegemony in Latin America. It was first used by extreme right-wing politician Jair Bolsonaro to win the Brazilian presidential elections in 2018 (Cruz 2019). Bolivian right-wing forces resorted to the same strategy during the coup.

The new constitution promulgated by the Morales government declared the state as secular for the first time in the country’s history. Besides removing Catholicism from the status of the state’s official religion, the government began to actively promote indigenous ritual practices. The declaration of the state as secular was a move that officially placed indigenous beliefs and Catholicism on an equal footing. Indigenous ritual specialists were present at many official government events.

During the coup, the reaction of the more conservative sectors of the Church to these policies was evident. After Morales’s resignation, Camacho entered the presidential palace with the Bible and the priest who accompanied him declared that

the Bible has entered the palace again and the Pachamama (*the indigenous deity representing Mother Earth*) will never return. Jeanine Añez also entered the Presidential palace with an oversized Bible in hand declaring “this Bible is very significant for us, our strength is God, power is God.”

### In Conclusion

The re-establishment of neo-liberalism has been the priority of the oligarchic elites and their imperialist allies since the turn to the left in the region in the 21st century. The route to the right was

different in each country. However, common patterns can be identified, such as the instrumental use of religion in politics, racism and the rush to aggressively implement neo-liberal policies immediately after taking power.

Neo-liberalism as a political-economic doctrine established its hegemony in Europe and the us in the last decades of the 20th century by articulating with religious conservatism and anti-immigrant racism, as evidenced by studies of Reaganism and Thatcherism (Smith 1994; Harvey 2005). Contemporary neo-liberalism does not seem to be very different as illiberal discourses, such as racism and religious fundamentalism, continue to be its dearest bedfellows in Latin America, the us, Europe and India. The Bolivian experience reveals how the desperate quest to re-establish neo-liberal dominance leads national oligarchic elites and their imperialist allies to even abandon a formal commitment to liberal democracy and the rule of law. However, this should not be surprising, given that the first laboratory of neo-liberalism was Chile, where the military dictator Augusto Pinochet invited the *Chicago boys* to his country after overthrowing the democratically elected left-wing government of Salvador Allende in a coup. All of this makes one wonder: Is there anything liberal about neo-liberalism?

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### EPW Index

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*EPW* would like to acknowledge the help of the staff of the library of the Indira Gandhi Institute for Development Research, Mumbai, in preparing the index under a project supported by the RD Tata Trust.