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# Backlash in Bolivia: Regional Autonomy as a Reaction against Indigenous Mobilization

KENT EATON

*In the 1990s, Bolivia's indigenous population mobilized to claim new political roles, and in the process, directly challenged the privileged position of economic elites within national political institutions. In response, business associations in Santa Cruz, Bolivia's most prosperous region, began to demand regional autonomy—in contrast to the demand for authoritarianism that characterized prior generations of business elites when confronted with threatening political change. After examining Santa Cruz' past relationship with the national government, this article explores the challenges that led economic elites in the department to seek autonomy and the strategies that they have adopted in pursuit of this goal.*

**Keywords:** *regional autonomy; indigenous mobilization; decentralization; business associations; Bolivia*

In recent years, parts of Latin America have witnessed a remarkable transformation according to which long-excluded indigenous people have mobilized to play fundamentally new roles in national political systems. The transformation is ongoing, but it has already produced a number of significant changes. Examples include the revision of constitutions to assert the multiethnic nature of the state,<sup>1</sup> the emergence of indigenous parties,<sup>2</sup> and the sharp increase in organizational

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activity along ethnic rather than class lines.<sup>3</sup> Not unlike the incorporation of labor, which proved to be the crucial political juncture of the twentieth century, the mobilization of indigenous Latin Americans represents what could be for many countries the most pivotal political event of the current century.

While imperfect, this parallel between indigenous mobilization in the contemporary period and the earlier incorporation of labor unions is a productive one to explore. Just as the regionwide process of labor incorporation played out differently in distinct countries,<sup>4</sup> so the common process of indigenous mobilization has generated important differences across national borders.<sup>5</sup> The historical parallel with labor incorporation also suggests, however, that it is not enough to study cross-national variation in how indigenous people are organizing. Equally pressing is the need to analyze how established elites respond to the emergence of actors who were previously marginalized within the political system. Enough time has now elapsed since the onset of the current period of indigenous mobilization to begin to assess more systematically forms of backlash by actors who feel threatened by the political emergence of indigenous groups.

In the twentieth century, economic elites were profoundly threatened by certain patterns of labor incorporation, particularly when radical political parties served as the agents of incorporation in periods of democratic rule.<sup>6</sup> In many countries, these elites responded by throwing their support behind military governments in the hopes that authoritarianism would check or reverse political advances by labor. The importance of the backlash against labor incorporation in the previous century begs the question of how today's political and economic elites are reacting to indigenous mobilization. The question is particularly interesting because compared to most of the twentieth century, authoritarianism as a political option now receives far less support from a broad set of internal and external actors—despite manifest failures in the consolidation of democracy. Given that democratization has facilitated the recent gains made by indigenous groups,<sup>7</sup> some established elites who are threatened by these “new” groups may well prefer an authoritarian solution. Unlike in the past, however, they would face significant obstacles in promoting such a solution in contemporary Latin America. In this article, I argue that it is the pursuit of regional autonomy rather than authoritarianism that has defined the elite response to indigenous mobilization in one particularly important case: Bolivia.<sup>8</sup>

Nowhere in Latin America is the newfound political salience of indigenous actors more pronounced than in Bolivia, the country with the highest percentage of people who identify as indigenous in the region.<sup>9</sup> Within the past fifteen years, indigenous Bolivians have penetrated into important decision-making arenas in both municipal and national governments. At the municipal level, decentralization in 1994 gave local indigenous communities a degree of independence from established political parties that they had never before enjoyed, which proved to be critical in the growth of new indigenous parties, including

most importantly the now governing party, *Movimiento al Socialismo* (Movement toward Socialism, or MAS). Increasingly, indigenous groups have also come to exercise greater political protagonism at the national level because of a complex series of events that includes the withdrawal of corporatist protections,<sup>10</sup> the cumulative effects of municipal decentralization, and the migration to La Paz and El Alto of indigenous workers displaced by the collapse of mineral exports.<sup>11</sup> By 2003, indigenous groups achieved sufficient political power to begin to veto national governments they perceived to be acting against their interests. This is precisely what happened with the eviction of President Gonzalo Sánchez de Losada in October of that year over his attempt to increase exports of natural gas, and this is what happened again in June 2005 against his successor, Carlos Mesa, who refused to support the nationalization of the gas industry. Six months later, the remarkable political transformation of Bolivia's indigenous population culminated in the victory of Evo Morales by a twenty-five point margin in the December 2005 presidential election.

Faced with the rapid and dramatic constriction of their ability to shape political events in Bolivia, powerful economic elites have reacted by demanding autonomy for the country's regional or "departmental" level of government. The demand for autonomy is particularly acute in the eastern lowland department of Santa Cruz, which occupies a third of the national territory and is home to the country's most productive economic activities and most well-organized business associations. Grouped together in the Pro-Santa Cruz Committee (*Comité Pro-Santa Cruz*, or CPSC) that they finance and control, these business associations are directly threatened by the antimarket sentiment that indigenous political groups in the highlands have so successfully harnessed. Since the critical 2002 presidential and legislative elections, they are also threatened by the serious electoral difficulties of the traditional political parties on which they previously depended to represent their interests in the national government. To use Hirschman's language, "exit" has emerged as a much more attractive option to economic elites in Santa Cruz with the muting of the "voice" they previously enjoyed in La Paz.<sup>12</sup>

But who exactly are the "economic elites" of Santa Cruz, and what specifically do they understand by the term *regional autonomy*? For all of the nineteenth century and half of the twentieth century, Santa Cruz elites were owners of agricultural plantations that used forms of debt peonage to produce goods for regional markets, and in a much more limited fashion, for the national market to the west.<sup>13</sup> Beginning in the 1950s, however, these traditional haciendas were replaced with modern and increasingly extensive agrobusinesses that produce sugar, wheat, cotton, soy, and beef for both national and export markets.<sup>14</sup> Although Bolivia in the wake of its 1952 Revolution experienced one of Latin America's most significant land reform programs, land redistribution on a significant scale occurred only in the western departments.<sup>15</sup> As a result, land

ownership in Santa Cruz has remained highly concentrated among a small elite that holds vast tracts of land.<sup>16</sup> With the boom in Santa Cruz' economy that began in the 1970s, agricultural elites began to invest their earnings in financial, industrial, and service sector activities.<sup>17</sup> Despite this diversification into non-agricultural activities, however, agriculture remains the dominant activity of Santa Cruz' economic elite, which as a class is committed to the defense of a highly concentrated pattern of land tenure. To operationalize the term *economic elite*, I focus in this article on the leaders of Santa Cruz' five most influential business associations, each of which is dominated by large-scale rather than small- or medium-scale operations.<sup>18</sup>

Because of significant differences of opinion within Santa Cruz over the meaning of *regional autonomy*, it is also important at the outset to clarify what this term means. For some, autonomy means direct elections for regional political authorities, a form of political decentralization that has recently been debated and/or adopted in other unitary countries in Latin America, including Chile and Colombia.<sup>19</sup> For the leaders of Santa Cruz' business associations, however, autonomy goes far beyond the holding of elections to include (1) regional control over natural resources (e.g., land, timber, gas, and oil),<sup>20</sup> (2) the right to retain control over two-thirds of all tax revenues generated in the department,<sup>21</sup> and (3) authority to set all policies other than defense, currency, tariffs, and foreign relations.<sup>22</sup> In other words, Santa Cruz' economic elites seek a radical form of autonomy that would far exceed anything granted in the recent wave of decentralization in Latin America, dramatically raising the stakes of this autonomy struggle for Bolivia and for Santa Cruz. Given the concentration of wealth and productive activities in Santa Cruz, this form of autonomy would significantly constrain the redistributive capacity of Bolivia's central government.<sup>23</sup> But such a radical form of autonomy would also be negative for nonelite actors in Santa Cruz if it were to come in the absence of equity-enhancing reforms in the department. Considering the greater leverage that progressive political forces now exert at the national level, these reforms are much more likely in a centralized Bolivia than in an autonomous Santa Cruz.

To demonstrate how the demand for regional autonomy operates as a reaction against indigenous mobilization, this article proceeds as follows. The first section places regional departments within the context of Bolivia's political and economic geography. The next section analyzes the historic relationship between Santa Cruz and the national government and demonstrates how centralized institutions served dominant economic interests in the department for decades. In the third section, I discuss the developments in the past decade—including the traumatic overthrow of Sánchez de Losada and the interim Mesa government—that gave economic elites in Santa Cruz both cause and opportunity to push for departmental autonomy. The fourth section describes the response by leaders of Santa Cruz' business associations to the events of the past

decade. According to my argument, business groups have successfully reframed their narrow sectoral demands as broader territorial demands through the adoption of three related strategies. First, the leaders of sector-specific business associations have overcome their sectoral differences and united around their common class interests in response to the threats they now face from Bolivia's mobilized indigenous population. Second, in addition to unifying as a regional class, Santa Cruz' elites provoked a rupture with their class counterparts elsewhere in Bolivia by withdrawing from the national business association. Third, Santa Cruz business leaders sought to co-opt nonelite groups in the department in the attempt to deflect criticism that their autonomy demands are designed merely to protect their own personal economic interests. The final section concludes by summarizing the key conditions under which indigenous mobilization generated the *autonomista* backlash in Bolivia, most of which do not appear to be present in other countries whose indigenous populations have also begun to mobilize along ethnic lines.

#### REGIONAL DEPARTMENTS IN THE POLITICAL AND ECONOMIC GEOGRAPHY OF THE NATION

Subnational regionalism has a long history in Bolivia. Governed during the Spanish colonial period as the *Audiencia de Charcas*, the territory of present-day Bolivia was divided into four large *intendencias*: Chuquisaca, La Paz, Potosí, and Santa Cruz. Each *intendencia* became a department on independence, and out of these existing departments, five additional departments were subsequently carved: Cochabamba (1825), Oruro (1826), Tarija (1826), Beni (1842), and Litoral (1867). The department of the Litoral, along with Bolivia's coastal access, was lost to Chile in the War of the Pacific in 1881, and an additional department (Pando) was carved out of the Beni in 1938. Thus, for the past seven decades, Bolivia has been divided into nine regional departments, five in the mountainous western part of the country and four in what is known as the *media luna*, or crescent-shaped area that curves around the foothills of the Andes in the northern, eastern, and southeastern lowlands.

According to José Luis Roca, the history of Bolivia is the history of regional struggle and not class struggle as Marxist historians have consistently argued.<sup>24</sup> The most important regional struggle of the late nineteenth century was the so-called *guerra federal* (federal war) between Chiquisaca, which was then losing hegemony because of the collapse of the silver economy, and La Paz, which successfully rode the tin boom to secure a preeminent position among Bolivian regions. When La Paz-based economic elites won this civil war in 1899, they proceeded to construct a state that sharply centralized political and economic authority in the national government. Regions that previously enjoyed much political independence were henceforth governed by prefects who served at the

pleasure of the chief executive of the national government. Fifty years after the conclusion of the federal war, the logic of Bolivia's 1952 revolution produced a new spate of centralizing changes that accentuated even further the political and functional dependence of regional departments on the center. For example, the party that led the revolution and took control of the national government—the *Movimiento Nacionalista Revolucionario*, or MNR—used that control to suppress elections for mayor in the nine departmental capitals. Although these were restored in 1985, Bolivia ended the twentieth century as one of Latin America's most centralized countries, with intermediate-level governments that were among the weakest in the region.

The MNR's suppression of elections in departmental capitals after the revolution also helps explain one of the most distinctive features of Bolivian civil society: the salience of *comités cívicos* (civic committees) and *movimientos cívicos* (civic movements) that are specific to each department.<sup>25</sup> The elimination of municipal elections in departmental capitals in the 1950s closed an important official space for contestation among regional elites and created a major impetus for the thickening of these unofficial, regional civil society organizations.<sup>26</sup> Santa Cruz was the first department to create a civic committee, which was begun by counter-revolutionary university students who were affiliated with the proto-fascist *Falange Socialista Boliviana* (Bolivian Socialist Falange, or FSB) and who used the committee to foment resistance to the ultimately victorious forces of the MNR.<sup>27</sup> While the resistance failed, the Pro-Santa Cruz Committee (CPSC) not only survived but thrived in the following decade, quickly becoming an organizational model for civic committees in other departments.<sup>28</sup> When the period of MNR rule came to an end with the military coup of 1964, the resulting repression of political society at the *national* level threw into even greater relief the vibrancy of these *departmental* civic committees. This history is important because it helps account for the legitimacy that the CPSC has been able to claim in leading Santa Cruz' current struggle for regional autonomy.

Turning from political to economic geography, Bolivia's boom and bust cycles have consistently produced major distributive conflicts between its constituent departments. Throughout the country's history, what has remained unchanged is the heavy dependence of the economy on natural resources. Despite this continuity, the identity of the leading commodity has changed through time, and each commodity shift has generated tensions between regional winners and losers. In the late nineteenth century, for instance, the tin boom led to the construction of railways from the department of La Paz through the department of Oruro to Pacific ports in Chile and Peru, severely displacing agricultural goods from the department of Santa Cruz and marginalizing it from the national economy for decades. While the shift from silver to tin favored one western department (La Paz) over another (Chuquisaca), the subsequent collapse of mineral exports and the rise of agro-export activities in the 1970s and



'80s led to the decline of western departments relative to the departments of the *media luna*.<sup>29</sup> As a result of this latest regional shift, by 2000, Santa Cruz, with less than a quarter of the population, produced 40 percent of the country's export revenue and 42 percent of its tax revenue.<sup>30</sup> Considering these figures, the stakes for Bolivia of Santa Cruz' drive for autonomy are high indeed.

#### SANTA CRUZ AND THE PRACTICE OF CENTRALISM

Santa Cruz is currently the site of the loudest and most trenchant criticisms of the centralism that has pervaded Bolivia's political structure for decades. In the past, however, Bolivian centralism very much operated in ways that promoted regional economic development in Santa Cruz. The purpose of this section is twofold: first to document the past political influence of Santa Cruz elites in the highly centralized institutions of the national government and second to demonstrate that the assistance of national officials in La Paz was crucial to the department's development. Evidence of the significant gains that Santa Cruz elites previously derived from a highly centralized system of government is significant because it focuses our attention on how the events discussed in the next section—namely indigenous mobilization at the national and municipal levels beginning in the 1990s—convinced elites in the department of the need to push for autonomy.

A brief survey of Bolivia's political history suggests that in the decades before the autonomy movement emerged in Santa Cruz, elites in the department either exerted substantial influence in the national government or provided critical support for its overthrow and replacement with a more compliant set of national leaders.<sup>31</sup> In the nearly two decades of military-led government in Bolivia (1964–1982), for example, the imprint of Santa Cruz' influence is quite clear. In 1964, the CPSC applauded the coup by General René Barrientos against the MNR government, which it had fought for years and which had forced the committee to close down in the late 1950s and early '60s.<sup>32</sup> Barrientos rewarded Santa Cruz with concessionary loans and named several individuals from the CPSC to high-level positions in his government.<sup>33</sup> Santa Cruz elites were much less pleased with the subsequent and left-leaning military government of Juan José Torres, who proposed the nationalization of the Santa Cruz-based sugar industry and who refused to repress land invasions by colonists in Santa Cruz. Not only did Santa Cruz elites play the leading role in the coup against Torres, but Hugo Banzer was selected as president by the coup makers because of the support he enjoyed among the agricultural and industrial elite of Santa Cruz.<sup>34</sup> Under the rule of Banzer (1971–78), who was a native of Santa Cruz, the political influence of *cruceño* elites reached its zenith.

The difficult transition from military-led government to democracy in Bolivia also reveals the significant influence that departmental actors in Santa



Cruz enjoyed in the national government. In the early 1980s, agricultural interests in Santa Cruz began to oppose the military dictatorship of General Luis García Meza, whose narco-trafficking operations were driving up the cost of labor in legal agricultural activities in the department.<sup>35</sup> In his role as President, García Meza responded by attempting to reorganize and hence control the CPSC and by attempting to bolster his support in La Paz through the construction there of a large sugar mill that Santa Cruz had opposed. The CPSC in turn reacted with a series of civic strikes (*paros cívicos*) that ultimately led to García Meza's ouster.<sup>36</sup> The transition to democracy, however, did not necessarily solve the problems of Santa Cruz elites. Opposed to the leftist economic policies of the first president elected in the postauthoritarian period (Hernán Siles Suazo, 1982–85), the CPSC returned to regional strike activity in the successful attempt to hold early elections and cut short his tenure as president. Thus, throughout the political volatility of the 1960s, '70s, and '80s, support for either a change of government or change of regime in La Paz—rather than demands for autonomy from La Paz—was the consistent response by Santa Cruz elites to national governments they did not like.

In addition to the political weight that Santa Cruz enjoyed at the national level, it is also the case that the department derived significant economic benefits from the national government. Within Santa Cruz, there are two central tenets in the dominant view of how the department shed its marginal status circa 1950 and became the chief motor of the national economy by the last quarter of the twentieth century. First is the belief that the absence and neglect of the central state encouraged the growth of an unfettered free market in Santa Cruz, in contrast to the state capitalism that obtained elsewhere in Bolivia.<sup>37</sup> Second is the belief that the financing of public infrastructure in the department came exclusively from royalties produced by Santa Cruz' own oil reserves. There is some truth in both beliefs, and yet, a fuller examination of the available data demonstrates additional mechanisms through which the national government helped create the department's developmental "miracle."

Most important is the reality that the national government funneled to Santa Cruz the bulk of the aid monies and concessionary loans that it acquired from the United States government. Between 1938 and 1948, for instance, nearly the entirety of Bolivia's external debt went into development projects in Santa Cruz.<sup>38</sup> Critical in this respect is the war-time mission to Bolivia by the United States State Department in 1941, which proposed the diversification of the Bolivian economy away from mineral exports and which advocated the so-called "March to the East" (*Marcha hacia el oriente*). As recommended in the Plan Bohan that resulted from this mission, Bolivia created the *Corporación Boliviana de Fomento* in 1942, which financed the construction of a highway from Cochabamba to Santa Cruz that was completed in 1954. Along with the 1960 completion of railway connections to the Amazon and Río de la Plata river

Table 1  
*Economic Growth Rates in Bolivia and Santa Cruz: 1971–1978*<sup>44</sup>

Year	Bolivia	Santa Cruz
1971	4.94%	9.46%
1972	5.75%	7.42%
1973	6.82%	12.81%
1974	6.10%	5.00%
1975	5.08%	6.65%
1976	6.82%	9.90%
1977	3.41%	5.10%
1978	3.12%	0.35%
Average 1971–78	5.25%	7.08%

systems, also financed by the national government with external assistance, these infrastructure projects ended the isolation of Santa Cruz from national and international markets.<sup>39</sup>

A pro-Santa Cruz bias in the investment decisions of the national government is even more pronounced in the government of Hugo Banzer, who manufactured a government-induced economic boom in his home department.<sup>40</sup> According to Conaghan and Malloy, Santa Cruz agrobusinesses received 66 percent of the agricultural credit extended under Banzer by Bolivia's Agricultural Bank (*Banco Agrícola de Bolivia* [BAB]), whose lax collection policy resulted in its bankruptcy by 1979.<sup>41</sup> In other words, not only did Santa Cruz receive the bulk of the credits, but in large part, the loans received by agricultural enterprises in the department were never repaid. According to James Dunkerley, Santa Cruz "family firms such as Gasser-Bowles, Bedoya, Suárez, Said and Elsner . . . and the influential Banco Santa Cruz de la Sierra . . . soaked up large quantities of government loans, considerably enhancing their economic and political power."<sup>42</sup> In an additional move that benefited Santa Cruz and penalized consumers in western departments, the BAB set agricultural prices to ensure that farmers' production costs were covered.<sup>43</sup> Thanks in part to these preferential policies, economic growth in Santa Cruz far outpaced growth rates for the national economy for most of the Banzer period, as seen in Table 1.

Finally, in the years since its boom began in the 1970s, the Santa Cruz economy also reaped disproportionate benefits from the imposition by the central government of one of Latin America's most ambitious and consistent programs of economic liberalization. The adoption of market-friendly and pro-export economic policies had a strongly negative impact in the western part of the country, where the producers of nontradable goods dominated, and a very positive impact in the east, where the bulk of the country's exports are located. To

overcome opposition to these policies by Bolivia's powerful labor confederation, policy-making authority in the period after 1985 was strongly concentrated in the office of the president, who used a state of siege and other centralizing measures to impose economic liberalization.<sup>45</sup> This period offers yet another example of how centralism, used in the 1980s and '90s in the service of neoliberalism, redounded to the benefit of Santa Cruz elites.

LOSING VOICE: MUNICIPAL AND NATIONAL CHALLENGES  
TO ELITES IN SANTA CRUZ

Considering the history surveyed in the previous section, the continued practice of centralism in Bolivia may well have continued to favor Santa Cruz economically and to allow elites in that department disproportionate political influence in the national government. Beginning in the mid-1990s, however, Bolivia began to experience a series of major transformations at the municipal and national levels that directly threatened economic elites in Santa Cruz. The following paragraphs analyze these changes to substantiate the threat that they posed to established elites. To highlight the perception in Santa Cruz that this threat was becoming more significant with the passage of time, the discussion proceeds in chronological order, beginning with the first administration of Gonzalo Sánchez de Losada (1993–1997) and ending with the aborted administration of Carlos Mesa (2003–2005).

Although it appears contradictory, the first major threat to Santa Cruz elites in this period was the adoption of two decentralizing laws in 1994 and 1995. This seeming contradiction is explained by the political reality that President Sánchez de Losada enacted decentralization to the municipal level expressly in the attempt to keep regional authority limited.<sup>46</sup> Sánchez de Losada believed that decentralization to the regional level would lead to the fragmentation of the country and regularly referred to the contemporaneous breakup of Yugoslavia to make his point.<sup>47</sup> In a design process that involved little consultation outside the executive branch,<sup>48</sup> the President endorsed the creation of more than three hundred brand-new municipalities and the introduction of sizable automatic transfers to these municipalities to make them independent of departmental authorities.<sup>49</sup> The municipal bent of the 1994 law infuriated defenders of the regional departments, who saw regions and not municipalities as the only sub-national unit with any historical resonance in Bolivia.<sup>50</sup> Subsequently, the equation of decentralization with municipalization encouraged the Pro-Santa Cruz Committee to embrace “autonomy” as its goal and to dismiss “decentralization” as something that had already taken place in Bolivia.<sup>51</sup>

Sánchez de Losada's hostility toward the departments was also apparent in the Law of Administrative Decentralization that he successfully introduced the following year. Despite its labeling as a decentralization measure, in fact, the

law represented a step backward with respect to greater departmental authority. Most importantly, this 1995 law amended the 1967 constitution, which had called for the conversion of departments from mere administrative units into actual governments with their own directly elected representative assemblies (*asambleas departamentales*).<sup>52</sup> The 1995 law downgraded these assemblies to mere councils (*concejos departamentales*), which would be indirectly elected by municipal councils, and stipulated that departmental authorities would serve not as leaders of their own governments but rather as representatives of the national executive branch at the regional level (*poder ejecutivo a nivel regional*).<sup>53</sup> Thus, while the law strengthened the role of the regions in administering nationally determined policies, it erased from the constitution the possibility of direct elections for regional authorities.<sup>54</sup>

This mix of municipal decentralization and departmental centralization was troubling to economic elites in Santa Cruz for a number of reasons. To begin with, the fact that municipal governments now enjoyed sizable and automatic revenue transfers direct from La Paz gave added political significance to the success of new indigenous parties in municipal elections in the late 1990s. The national emergence of Evo Morales' *Movimiento al Socialismo* after 2000 was facilitated by the multiple victories his party lined up in the municipalities of the Chapare, the coca-growing zone in the department of Cochabamba.<sup>55</sup> Municipal victories in the western departments of La Paz and Oruro were similarly important in the strengthening of Felipe Quispe's *Movimiento Indígena Pachakuti* (Pachakuti Indigenous Movement, or MIP). Furthermore, the 1994 Law of Popular Participation innovated not just by shifting revenues to municipal governments but by creating new mechanisms for the participation of indigenous civil society at the municipal level. Thus, even where the country's three established parties continued to win elections for municipal councilors and to govern as mayors, the 1994 law created oversight committees (*comités de vigilancia*) that were composed exclusively of territorial base communities and that had the power to oversee the budgetary decisions of these municipal officials.<sup>56</sup> In effect, municipal decentralization created political training opportunities for indigenous leaders all over Bolivia.<sup>57</sup> As Moira Zuazo argues, "by challenging the circulation of traditional elites at the municipal level, the LPP changed the face of this country."<sup>58</sup>

After the passage of the Popular Participation Law in 1994, the return of Santa Cruz' own Hugo Banzer to the presidency in 1997—this time as the result of democratic elections—seemed to give elites in the department reason to celebrate. Banzer had been openly critical of municipalization and issued several decrees in the late 1990s that had the effect of constraining the fiscal independence of municipalities.<sup>59</sup> Banzer, however, failed to provide an effective response to the major social upheavals that defined his second presidency, and this weakness was cause for growing alarm among Santa Cruz elites—despite the favoritism Banzer had

shown them in the past.<sup>60</sup> Most important are the two widespread social protests that took place in 2000: the so-called *guerra del agua* (water war) in April and the events of *septiembre negro* (Black September) five months later. In the water war, indigenous groups, antimarket activists, and environmentalists coordinated a successful mobilization against a subsidiary of the Bechtel Corporation, which then decided to abandon its bid to supply water to Cochabamba.<sup>61</sup> Santa Cruz elites were disturbed by the forced eviction of a major international investor as well as by the renewal of violence in September that saw a coordinated set of blockades by Morales' MAS and Quispe's MIP in protest against Banzer's draconian United States-backed coca eradication efforts.

In this generalized environment of growing political and social turbulence, the June 2002 elections generated additional cause for concern among elites in Santa Cruz. First, although by law, Congress should have used the results of the 2000 census to grant additional legislative seats to Santa Cruz, whose population had surged because of migration from the west, legislators from western departments vetoed any such changes.<sup>62</sup> This fight over seats (*escaños*), which returned in a more virulent form in the run-up to the 2005 elections, exacerbated fears among *cruceño* elites that they could no longer count on adequate representation in the national government.<sup>63</sup> The second and more important factor in the 2002 elections was the inferior performance of Bolivia's traditional parties, including, most notably, the virtual disappearance of *Acción Democrática Nacionalista* (ADN) in the wake of Banzer's death in May.<sup>64</sup> The combined vote for the three traditional parties (e.g., ADN, MIR, MNR) declined from 57 percent in 1997 to 42 percent in 2002.<sup>65</sup> Because of the fragmentation of the vote, Sánchez de Losada's MNR was still able to secure the presidency in 2002 but without the support of an effective interparty pact of the sort that had sustained past democratic governments. Third and most important of all was Evo Morales' stunning second-place finish in the presidential election and the strong showing of his MAS party with twenty percent of the vote in the legislative election, which earned the party significant representation in Congress.<sup>66</sup> Thanks largely to the performance of the MAS, the number of indigenous legislators in Congress after the 2002 elections increased tenfold relative to the previous legislature.<sup>67</sup>

Although Sánchez de Losada's subnational reforms in 1994 and 1995 generated opposition from the CPSC, Santa Cruz elites strongly supported most of the economic reforms he had introduced in the 1990s and very much preferred him to Morales as president in 2002.<sup>68</sup> Sánchez de Losada, however, was able to complete only fifteen months of his second term, which did much to convince elites that Bolivia's political system was experiencing profound change and that the high levels of governability achieved in the post-1985 period were at an end. Perhaps worse, it was opposition to the neoliberal economic policies so faithfully implemented in Bolivia for the previous decade and a half that fueled the devastating protests against Sánchez de Losada. In February 2003, thirty-three

people died in protests and lootings in La Paz and El Alto over tax reform proposals that were designed to close the budget deficit. Eight months later, in the so-called *guerra del gas* (gas war), nearly sixty people died when Sánchez de Losada called in the military to control protests over his proposal to build a new pipeline for the export of natural gas. Amid invitations from Santa Cruz business elites that he transfer the national capital to Santa Cruz, Sánchez de Losada resigned the presidency on October 17, 2003, triggering a statement by the CPSC that “it now doubted whether Santa Cruz would stay within Bolivia.”<sup>69</sup>

With the overthrow of Sánchez de Losada, for the first time since the transition to democracy more than two decades earlier, the Bolivian presidency was no longer occupied by one of the country’s three established parties (ADN, MIR, and MNR). While it was Congress that chose Carlos Mesa to finish out Sánchez de Losada’s term, Mesa ascended to the presidency in October 2003 without any partisan support in the legislature. In response, the new president sought to bolster his authority by constructing an extra-congressional alliance with the MAS and by engaging in direct negotiations with Morales. According to Vladimir Ameller, “negotiations between Mesa and Morales at the national level were much more troubling to Santa Cruz’ elites than efforts by Sánchez de Losada in the 1990s to draw in indigenous groups at the municipal level.”<sup>70</sup> From the standpoint of Santa Cruz’ business leaders, Morales was not yet president, but he was now exerting substantial influence on the chief executive.<sup>71</sup> Mesa’s dialogue with Morales was particularly threatening because no representatives of Santa Cruz’ powerful agricultural sector were invited into the presidential cabinet—for the first time since the transition to democracy in 1982.

#### SEEKING EXIT: AUTONOMY AS A RESPONSE TO INDIGENOUS MOBILIZATION

The cumulative effect of the changes described above has been to displace economic elites in Santa Cruz from the preeminent position they enjoyed in the national political system. Worse, from the standpoint of these elites, is the reality that these changes cannot be easily reversed; rather, they appear to constrict for the foreseeable future the channels of influence on which elites have long depended. Particularly at the national level, the meteoric rise of the MAS—in a party system in which no single party in the post-1982 period was ever able to win a majority—signifies a deep challenge to elite interests in Santa Cruz. Whereas the fragmentation of Bolivia’s party system forced all presidents in the contemporary democratic period to negotiate interparty pacts in order to govern,<sup>72</sup> the emergence of the MAS as a majority party after 2002 means that Morales does not need to negotiate with any traditional parties.<sup>73</sup> As a result, economic elites in Santa Cruz do not perceive their loss of voice in the national government to be a temporary matter and believe instead that the defense of their interests now requires some sort of autonomy from that government.

Although at the time of this writing, the drive for regional autonomy in Bolivia is not yet complete, advocates of a more autonomous Santa Cruz achieved impressive gains in the three years that followed the October 2003 overthrow of Sánchez de Losada's second government. Of great importance are the two days in June 2004 and January 2005 when hundreds of thousands of *cruceños* answered the call issued by the CPSC to demonstrate on behalf of autonomy for Santa Cruz. More than 350,000 people participated in the second of these events, the so-called Second Great Open Town Hall (*Segundo Gran Cabildo Abierto*), which made it Bolivia's largest-ever public demonstration.<sup>74</sup> Subsequent to this second and larger rally in January 2005, the "Agenda of January" came into use as shorthand in Bolivia to describe Santa Cruz' autonomy movement, in contrast to the "Agenda of October (2003)," which refers to the leftist movement that ousted Sánchez de Losada. In the period between these two demonstrations, the CPSC collected approximately 500,000 signatures in support of a referendum on autonomy and led a civic strike in November 2004 in the attempt to force the national government to hold this referendum.<sup>75</sup> In addition to protests and strikes, the CPSC also unilaterally moved to create a departmental assembly, which is not allowed within Bolivia's constitution, and symbolically declared its own president as governor of Santa Cruz in January 2005.<sup>76</sup> These behaviors provoked a strong response from the military, with a warning by Armed Forces Commander Marco Antonio Justiniano in June 2005 that any unilateral declaration of autonomy would be considered a breach of the constitution.<sup>77</sup>

The mobilizational capacity and disruptive tactics of the CPSC worked, however, in the sense that they forced the central government to agree to two sets of elections. First, in response to CPSC pressure, the beleaguered interim President Carlos Mesa agreed in April 2005 to institute elections for regional prefects.<sup>78</sup> In these elections, held jointly with the presidential and legislative elections of December 2005, Santa Cruz elected wealthy landowner and former CPSC President Ruben Costas as prefect of the department. Second, and more importantly, in the unsuccessful attempt to appease Santa Cruz and hold on to his job, Mesa subsequently agreed in June 2005 to hold a nationwide referendum on departmental autonomy.<sup>79</sup> While a majority of Bolivians (56 percent) rejected regional autonomy in this referendum held on July 2, 2006, 71 percent of voters in Santa Cruz voted in favor of autonomy. Evo Morales campaigned against the referendum but pledged that his party would respect the results in Santa Cruz and initiate a debate on autonomy in the constitutional assembly that was elected on the same day as the autonomy referendum.

How were the advocates of autonomy able to advance their agenda so successfully and in such a compressed period of time? After all, their struggle for autonomy has faced a number of significant political hurdles. Most obviously, precisely because established elites have lost much of their influence within



both the executive and legislative branches of the national government, they no longer control the offices that would design, legislate, and oversee the devolution of policy authority to the departmental level. In the words of national deputy José Bailaba (MAS, Santa Cruz), “the oligarchs in this department could have used their control of the national government to adopt autonomy, but they didn’t need autonomy when they dominated national institutions. Now they need autonomy to protect their economic privileges, but can’t just adopt it because they no longer control the government.”<sup>80</sup>

Unwilling or unable to introduce greater autonomy when they enjoyed influence in the national government, economic elites are now forced to push for autonomy as a pressure group outside that government. A major obstacle to their efforts is the widespread perception that they are merely seeking to defend their own specific economic interests.<sup>81</sup> To counter this perception, economic elites have sought to repackage their narrow sectoral demands as broader geographic or territorial demands. As I argue below, business elites have pursued this strategy in three separate dimensions that are related but analytically distinct. First, the threats posed by indigenous mobilization have encouraged different business sectors to downplay their sectoral differences in the attempt to more fully leverage their power as owners of capital. Second, even as they closed ranks across economic sectors, Santa Cruz’ business groups have broken ranks with La Paz–based economic elites, a rupture that enables them to claim that they are defending Santa Cruz from the center. Third, business groups have sought to construct cross-class alliances with nonelite actors in Santa Cruz, many of whom have consequently come to endorse the vision of autonomy that has been articulated by business leaders.

### *Closing Ranks across Business Sectors within Santa Cruz*

According to the literature on business politics in Latin America, threats to private property often encourage business groups to alter their strategies and institutional preferences. For Jeffrey Frieden, such threats encourage different economic sectors to overlook the policy differences that otherwise divide them to defeat collectively those proposals that would disadvantage capital owners as a class.<sup>82</sup> In Ben Ross Schneider’s work on the origin and evolution of business associations, threats to private property in Latin America’s past have enabled previously fragmented business associations to construct and strengthen economy-wide umbrella associations.<sup>83</sup> Both of these dynamics are clearly at play in Santa Cruz, where separate business associations have closed ranks to mount a vigorous defense of the property rights they have acquired within the department, all in response to the perceived weakening of respect for property rights in La Paz. Threats to private property and antimarket rhetoric emanating from the national executive branch are not new in Bolivia, as demonstrated by the

Torres and Siles Suazo administrations discussed earlier. What is new is the fact that these threats are now coming from a political leader—Evo Morales—who does not share with traditional business leaders the same ethnic identity, and whose political campaigns have consistently accused market reforms of disproportionately benefiting Bolivia's nonindigenous minority.

In contrast to past regional economic booms in Bolivia, Santa Cruz' economic dominance since the 1970s is based on a relatively large number of different commodities and activities. This economic diversity has produced a rich associational life in the department, composed of separate business organizations that aggregate the interests of different sectors. Chief among these organizations are the Eastern Agricultural Chamber (*Cámara Agropecuaria del Oriente*, or CAO), the Cattle Ranchers' Federation (*Federación de Ganaderos*), the Hydrocarbons Chamber (*Cámara de Hidrocarburos*), and the Chamber of Industry and Commerce (*Cámara de Industria y Comercio*, or CAINCO). All of these organizations are grouped together in an encompassing regional organization called the Federation of Private Entrepreneurs of Bolivia–Santa Cruz (*Federación de Empresarios Privados de Bolivia–Santa Cruz*, or FEPB-SC). In the past, conflicting interests and turf battles created distance between the constituent members of the FEPB-SC. For example, the rise of soy farming in the department produced conflict with cattle ranchers, and the financial crisis of 1998 and 1999 generated tension between banks and agricultural interests.<sup>84</sup> In the 1980s and '90s, CAO and CAINCO waged a prolonged battle—ultimately won by CAINCO—over which organization would play the leading role within the FEPB-SC.<sup>85</sup> Furthermore, the fact that each sectoral body was integrated separately into its respective national organization (e.g., CAINCO within the National Chamber of Industry and CAO within the National Chamber of Agriculture) served to reinforce and reproduce divisions between sectors.

Divisions among business groups in Santa Cruz have dissipated with the emergence of what these groups perceive to be more important and direct threats to their common class interests.<sup>86</sup> Two events are particularly noteworthy because together, they have affected virtually all large-scale economic activity in the department. The first concerns the failure to respect the (quite generous) terms of the contracts that Bolivian presidents signed with foreign energy companies in the late 1990s. These contracts were negotiated subsequent to the 1994 hydrocarbons law, which lowered taxes from 50 percent to 18 percent on exports from new gas fields in the attempt to encourage gas exploration. In July 2004, in response to MAS pressure and over the opposition of the FEPB-SC, Bolivian voters approved a referendum that instructed the government to take greater control of the gas industry.<sup>87</sup> Consequently, Congress passed a new hydrocarbons law in May 2005 that returned the tax on new gas fields to 50 percent and that unilaterally required gas companies to renegotiate their contracts under the less advantageous terms of the new law.<sup>88</sup> Led by the Hydrocarbons

Chamber, business groups in Santa Cruz argued that the new law was confiscatory and certain to end foreign participation in the Bolivian natural gas industry, even as MAS opposed the law because it did not nationalize the gas sector outright.<sup>89</sup> Given that the highly liberal 1994 hydrocarbons law was just one of many economic liberalization measures in the 1990s that benefited elites in Santa Cruz, these elites saw the reversal of the hydrocarbons law as an ominous sign of things to come.<sup>90</sup>

The second major threat that has galvanized the business class in Santa Cruz and eclipsed the conflicts that divided the class in the past comes from the growing struggle over land reform and land titling. In 1996, in response to the mobilization of lowland indigenous groups, Congress passed a new land reform law that provided for the establishment of Originary Communal Lands (*tierras comunitarias de origen*, or TCOs).<sup>91</sup> According to this new law, plots larger than fifty hectares (or 500 hectares, if owned by cattle ranchers) can be expropriated and given to indigenous communities if they are not actively being used to produce tax revenue for the state.<sup>92</sup> The question of whether land is being productively cultivated is decided by the National Agrarian Reform Institute (*Instituto Nacional de Reforma Agraria*, or INRA), which business representatives accuse of bias against nonindigenous large landholders and in favor of indigenous claimants.<sup>93</sup> As a reflection of this animosity, the INRA's Santa Cruz office was one of the buildings targeted in the December 2004 violence that broke out in the run-up to the Second Great Open Tall Hall Meeting.<sup>94</sup>

In addition to the threat posed by TCOs, large agricultural producers and cattle ranchers in Santa Cruz are also troubled by the emergence of the Landless Movement (*Movimiento sin Tierra*, or MST).<sup>95</sup> Modeled on the Brazilian organization with the same name, the MST spread into Santa Cruz subsequent to its founding in the neighboring department of Tarija in 2000. In response to the strengthening of the MST and the expropriation provisions established in the 1996 land reform legislation, landowners in Santa Cruz have increasingly organized paramilitary squads to defend their properties against land invasions.<sup>96</sup> Subsequent to the fall of Sánchez de Losada in 2003, landowners in Santa Cruz had cause to believe that the administration of Carlos Mesa was less willing to defend large-scale agrobusinesses. In December 2004, for example, Mesa's appointed prefect in Santa Cruz, Hugo Carlos Molina, refused to use force to dislodge the MST from a farm in the department.<sup>97</sup> The rise of the MST in Santa Cruz and the perception of lax law enforcement by the national government are critical in understanding why business elites want departmental control not just over natural resources and tax revenues but over police institutions as well.<sup>98</sup>

Faced with these threats to acquired property rights, business groups in Santa Cruz have responded by unifying around a simple and yet radical set of demands for autonomy over the department's natural and productive resources. One of the chief appeals of "autonomy" as a demand is that it can be tailored to

meet the particular concerns of Santa Cruz' different economic sectors, each of which wants the chance to set policy independently of the national government. Cattle ranchers, soy farmers, and companies that supply goods and services to energy transnationals can all rally around autonomy as a common demand, even if they would use autonomy in different ways in their respective spheres. Although a strong consensus has clearly emerged among the department's business leaders in favor of autonomy as the end goal, it is important to note that there are differences of opinion among them over the speed and level of combativeness that will best achieve this goal.<sup>99</sup> More significant, perhaps, is the strengthening of separatist viewpoints among business leaders.<sup>100</sup> Zvonko Matkovic, for example, proposed "simply and smoothly" seceding from the nation in his time as President of CAINCO.<sup>101</sup> However, his successor as CAINCO President, Gabriel Dabdoub, emphasizes that secession would be profoundly destabilizing and that the autonomous control of Santa Cruz' resources—within the existing borders of Bolivia—remains the overriding goal.<sup>102</sup> What seems likely is that, as Juan Carlos Urenda has warned, resistance by the central government to the demand for autonomy is likely to deepen support for the even more radical option of separation from Bolivia.<sup>103</sup>

### *Breaking Ranks with the National Business Association*

As sectoral business associations in Santa Cruz have united around a simple and yet radical set of autonomy demands, they have also provoked a rupture with their class counterparts in other parts of the country. Specifically, in early 2004, the FEPB-SC formally withdrew from Bolivia's national, economy-wide business association, the Confederation of Private Entrepreneurs of Bolivia (*Confederación de Empresarios Privados de Bolivia*, or CEPB).<sup>104</sup> Composed of both sectoral chambers (e.g., national chambers of industry, finance, and agriculture) and regional federations (e.g., the FEPB-SC and eight other departmental federations), the CEPB has functioned in Bolivia as a powerful lobbyist in both democratic and nondemocratic periods alike.<sup>105</sup> In contrast to many other Latin American countries, the comprehensive nature of the CEPB and its overlapping sectoral and geographic organization have consistently given business a unified voice in the national government.<sup>106</sup>

At first glance, the decision of the FEPB-SC to withdraw from the CEPB appears puzzling because it comes at a time when the mobilization of indigenous groups has put established elites on the defensive throughout Bolivia. Why unify within the region as a class only to provoke the fragmentation of this class within the nation along regional lines? In part, the answer has to do with the perception among business groups in Santa Cruz that established economic elites in La Paz and other western departments have not provided a more effective defense of elite interests and have in fact largely withdrawn from political life.<sup>107</sup>

Critics note, for example, that business groups play an important role in none of the three separate civic committees that operate in the department of La Paz—in contrast to Santa Cruz, where a cohesive business class dominates a single and powerful civic committee (e.g., the CPSC).<sup>108</sup> Not only have established elites in the highlands failed to articulate a coherent political project, but these elites have also been decimated by market reforms in the 1980s and '90s that shrank the size and role of the central state in Bolivia. Santa Cruz business elites dismiss their counterparts in the west, who they believe prospered through the extraction of resources from the state rather than through productive activities.<sup>109</sup> In the wake of the decline of La Paz' traditional elite, a new Aymara economic elite has begun to emerge in cities such as El Alto and La Paz, but the ethnicity of these elites, combined with their orientation toward commercial rather than large-scale productive activities, tends to arouse the suspicion and derision of Santa Cruz business groups.<sup>110</sup>

Within the CEPB, the official explanation for the departure of the FEBP-SC from the national organization is that it withdrew when it was prevented from voting in the election of a new CEPB president. A closer look reveals a deeper set of regional antagonisms, however. Specifically, the voting rights of the FEBP-SC were denied because it failed to pay its membership dues, which it withheld to protest the fact that its weight within the CEPB does not reflect its preponderant weight within the national economy.<sup>111</sup> For example, Santa Cruz' industrial chamber, CAINCO, is much more powerful than the national industrial chamber to which it belongs, and yet in the current distribution of voting rights, it is forced to participate within the national chamber (and thus, within the CEPB) as merely one of nine departmental members.<sup>112</sup> Additionally, the FEBP-SC loudly criticized the decision by top CEPB representatives to meet with Evo Morales in October 2003 in the highly charged political environment that led to the ouster of Sánchez de Losada.<sup>113</sup> For all these reasons, separating from the national business association (CEPB) played well "back home" in Santa Cruz because it enabled the department's business leaders to claim that they were protecting *cruceños* from disadvantageous events at the national level.<sup>114</sup>

### *Making Nonelite Allies within Santa Cruz*

Closing ranks across sectors and asserting independence from Bolivia's national business class are two strategies that have helped Santa Cruz' business elites to reframe their personal and sectoral interests as territorial interests. But a third strategy has also been critical in their struggle for autonomy. According to this third strategy, business elites have adopted divide and conquer tactics toward nonelites in the department, many of whom have offered strong support for the highland indigenous mobilization against which these elites are reacting. For example, on October 16, 2003, representatives of lowland indigenous

groups unsuccessfully sought to demonstrate against the Sánchez de Losada government in Santa Cruz, where they were brutally attacked by right-wing youths affiliated with the CPSC.<sup>115</sup> Acts of violence against these groups speak to the threat posed by the possible forging of an alliance in Bolivia between its highland and lowland indigenous populations.<sup>116</sup> Although these acts of repression are not insignificant, the nonviolent courting of nonelites has been just as important to the autonomy project that economic elites have conceptualized and pursued in the department. In pursuing this strategy, the civic committee that Santa Cruz' business groups finance and direct (e.g., the CPSC) has emerged as an important arena for the co-optation of nonelite allies, all in the attempt to bolster the legitimacy of their more radical demands for autonomy. Against the charge that they simply want autonomy to defend the concentration of wealth in Santa Cruz, business groups can and do point to the CPSC's nonelite constituent groups as proof to the contrary.<sup>117</sup>

One case in point is Santa Cruz' departmental labor federation (*Central Obrera Departamental*, or COD), which is an affiliate of Bolivia's corporatist national labor confederation (*Central Obrera Boliviana*, or COB). Tensions between the CPSC and the central government over regional autonomy have provoked a deep split within the membership of the COD. While labor leaders such as Lucio Vedia support Evo Morales and the central government, others including Elio Pedraza, Gabriel Helbing, and Edwin Fernández argue that workers in Santa Cruz have more in common with the CPSC than with the COB.<sup>118</sup> For example, Elio Pedraza, who heads up the COD faction within the CPSC, maintains that the COB's historic orientation toward public-sector employees squares poorly with the reality of Santa Cruz' small public sector. In fact, Pedraza argues that the COD should officially leave the COB, much as the department's business associations have left the CEPB.<sup>119</sup> For Pedraza, the lack of autonomy for Santa Cruz operates as a constraint on job growth in the department. At another level, however, the allegiance of certain labor leaders to the CPSC can be understood as an attempt to gain its support in leadership disputes within the departmental labor movement. For example, in the aftermath of the July 2006 autonomy referendum, the CPSC supported attempts by Edwin Fernández to forcibly take control of the COD office in Santa Cruz from the more left-leaning Lucio Vedia.<sup>120</sup> The CPSC also supported the legislative campaign of COD operative Gabriel Helbing, who successfully ran with the center-right PODEMOS party in the December 2005 elections.<sup>121</sup> Thus, personal political interests as well as the belief that autonomy will translate into benefits for Santa Cruz' workforce explain why some labor leaders in the department are willing to accept the overtures of the CPSC.

Divisions within Santa Cruz' indigenous population have likewise created an opening for the CPSC in its attempt to court nonelite allies. Many indigenous political leaders criticize the CPSC for supporting autonomy for the department



when it is at the same time resisting the autonomy claims of indigenous communities within the department.<sup>122</sup> One such politician is José Bailaba, who parlayed his experience as a leader of the anti-CPSC indigenous group *Coordinadora de Pueblos Etnicos de Santa Cruz* (CPESC) into a successful campaign for Congress representing Evo Morales' MAS party.<sup>123</sup> Bailaba's CPESC was sharply critical of the CPSC for promising food and other benefits to members of communities who agreed to travel to the city of Santa Cruz to participate in a Special Assembly of the CPSC for the department's indigenous inhabitants. At the end of this Assembly on February 12, 2004, Bonifacio Barrientos, a Guaraní leader from the province of Cordillera, was named "Representative of the Indigenous Peoples of the Department to the CPSC."<sup>124</sup> Although Barrientos' participation split the Guaraní population and led to charges that he had betrayed his community,<sup>125</sup> he and other indigenous leaders have been attracted to the CPSC by the perks that it can offer and by the support it can deliver in political campaigns. After his elevation to the CPSC as its top indigenous representative, for example, Barrientos used the committee's support to run for Congress in December 2005 as the candidate of three right-of-center parties.<sup>126</sup>

The incorporation of nonelite groups and individuals is important because it allows the CPSC to claim that it speaks for the department as a whole. Indeed, one of the most distinctive patterns in the discourse of business leaders is their insistence that all of civil society in Santa Cruz supports the CPSC's proposals for autonomy.<sup>127</sup> The CPSC refers to itself as the "moral government of all *cruceños*," and as the ultimate arbiter of what it means to be *cruceño* (*cruceñidad*).<sup>128</sup> Given the considerable flows of migration from the highlands to Santa Cruz, a major challenge for the CPSC has been to cultivate the support of migrants who make up ever larger shares of the department's population.<sup>129</sup> According to the CPSC's media coordinator, Daniel Castro, the committee has made a conscious choice to strike a more inclusive tone by defining *cruceños* as "*vivientes en Santa Cruz*" (e.g., those who live in Santa Cruz) rather than "*nacidos en Santa Cruz*" (e.g., those who were born in Santa Cruz).<sup>130</sup> The CPSC has also sought to bolster its demands for autonomy by using language that contrasts the divisive and conflictual politics of *Bolivia Bloqueadora* (Blockading Bolivia) in the west with the myth of *Bolivia Pacífica* (Peaceful Bolivia) in the east.<sup>131</sup> Even more important is the existence of a word, *camba* or "lowlander," which conveniently refers to all lowland Bolivians independent of their ethnic, linguistic, or socioeconomic status. *Camba* is a very useful term for those who wish to emphasize the common interests of all of Santa Cruz' residents against the interests of "*collas*" or "highlanders" in the west. Because *camba* and *colla* are territorial rather than ethnic markers, this enables the groups that dominate the CPSC to portray Santa Cruz as the victim of *collas*, and thereby to refrain from explicitly anti-indigenous rhetoric.



Despite the fact that the CPSC can point to nonelite allies and despite the fact that 71 percent of voters in Santa Cruz approved a general statement in favor of autonomy in the July 2006 referendum, the reality is that autonomy over the department's resources would reinforce the control of its most powerful sectors over its least powerful inhabitants. According to the Catholic Church, one of the country's few institutions that has not divided along regional lines, centralism is a problem in Bolivia, but autonomy in the absence of propoor reforms is no solution.<sup>132</sup> For several reasons, it is unlikely that an extensive grant of autonomy to Santa Cruz would then be followed up with reforms designed to divide and distribute power broadly within the department. First is the hostility on the part of the CPSC to lower levels of government within the department. The CPSC, for example, has advocated the elimination of provincial units within the department.<sup>133</sup> Second is the extent of the internal divisions in the labor movement that are described above, which limit the ability of nonelite actors to push for redistributive changes within the department. Autonomy would simply make it harder for advocates of structural reform within any one department to leverage the support of allies in other departments. Third is the strength within the department of the same conservative parties that have been devastated at the national level by their poor performance in the 2002 and 2005 elections. As a result of the 2005 elections, for example, legislators from right-of-center parties hold 68 percent of Santa Cruz' seats in the Chamber of Deputies and 66 percent in the Senate. Combined with the perceived hostility of the CPSC to decentralization within the department, the strength of conservative parties and the weakness of the labor movement help explain why nonelite groups in Santa Cruz fear that autonomy will disproportionately benefit the elite groups who have pushed for it so aggressively.

CONCLUSION: UNDER WHAT CONDITIONS DOES  
THE *AUTONOMISTA* BACKLASH OCCUR?

According to the argument advanced in this article, it is no coincidence that qualitatively new demands for autonomy in Santa Cruz have emerged in the wake of qualitatively new forms of political influence by Bolivia's indigenous population. This population mobilized in the 1990s to claim new roles as protagonists in the country's political life, and in the process, directly challenged the special access that economic elites previously enjoyed in national political institutions. For decades, highly centralized political institutions were no impediment to the interests of Santa Cruz-based elites, who received a disproportionate share of state-mediated investments and benefits during Bolivia's decades-long experience with state capitalism. But business groups in Santa Cruz quickly updated their institutional preferences and articulated a sweeping demand for regional autonomy in response to a set of changes that have brought

indigenous Bolivians to power. Specifically, when it became clear that indigenous actors had permeated the only two levels of government that wield real governing authority in Bolivia—the municipal and national levels—economic elites in Santa Cruz began to push aggressively for changes that would expand the intermediate level of government where they hold sway. Having lost voice because of changes that appear unlikely to be reversed any time soon, economic elites in Santa Cruz now seek exit, with exit defined not as separation but as autonomy from a national government in which they have lost influence.

In an earlier period, the demand for authoritarianism rather than autonomy would have been the likely response of economic elites to such a loss of political voice. Indeed, in 1964, Santa Cruz elites supported Barrientos' military coup against the MNR, and in 1971, they supported the Banzer coup against one of the more left-leaning generals who had succeeded Barrientos in the presidency. The disastrous experience with military rule in Bolivia and elsewhere, however, along with a much altered international environment, have significantly reduced the feasibility of the authoritarian option that was favored by earlier generations of business elites.

Considering how dim the prospects are for outright authoritarian reversals in Latin America today, regional autonomy is a potentially attractive option for economic elites who feel threatened by indigenous mobilization. And yet there are good reasons to believe that the conditions for the emergence of an *autonomista* backlash are much more propitious in Bolivia than elsewhere in the continent. Based on my analysis of the Bolivian case, the following paragraphs summarize the three critical conditions that have facilitated the autonomy backlash in Santa Cruz but that may not be in place in other countries in which new forms of indigenous mobilization are occurring.

The first condition is the extent to which economic and political power overlap territorially. In Bolivia, one of the most important factors that enabled business elites to adopt autonomy as their core demand is the significant dislocation that exists in the country between the site of economic power and political authority. Economic resources are concentrated in Santa Cruz in two senses. First, the bulk of the country's natural and productive resources are concentrated in this one subnational region. Second, the ownership of these assets within the department is heavily concentrated among a relatively small group of large businesses, which makes it easier for them to organize in defense of their common interests. In contrast to the economic power that is concentrated in Santa Cruz, the department's formal political authority has been constrained by a constitution that denies departments the right to elect their own authorities and that assigns enormous policy-making authority to the national government. Although this national government was moved to La Paz as a result of that department's economic dynamism in the late nineteenth century, La Paz is no longer an economically vibrant region. In Latin America, only Ecuador—with

its struggle between the productive economy of Guayaquil on the coast and the national capital of Quito in the sierra—appears to approximate the disconnection that has developed in the Bolivian case. In other countries (e.g., Peru), economic elites may lament the growing national influence of indigenous actors, but if these elites' assets are concentrated in the area surrounding the national capital (e.g., Lima), then regional autonomy would do them little good.

The salience of antimarket positions within the mobilizing strategies that indigenous leaders adopt is a second condition that helps explain the likelihood of an *autonomista* backlash. In Bolivia, Evo Morales successfully channeled deep frustration with the social costs of neoliberalism, borne disproportionately by the indigenous population, and with the reality that market-oriented policies had stabilized the macroeconomy without creating a more prosperous country. That Morales questioned the role played by foreign investors in the Bolivian economy was especially troubling in Santa Cruz because the domestic businesses with which transnational corporations have partnered in Bolivia are largely based in that department. To date, virtually all indigenous leaders in Latin America have articulated a similar stance against the market and against neoliberalism.<sup>134</sup> Since it is impossible to observe how elites respond to the mobilization of indigenous leaders who are not particularly critical of neoliberalism, this variable currently gives us little purchase on possible forms of variation in the emergence of conservative autonomy movements. Once indigenous leaders begin to exercise significant governing roles in Latin America, however, they may well moderate their antimarket rhetoric, as so many of their left-leaning but nonindigenous predecessors have done in the recent past. Such a development would then make it possible in the future to evaluate the relative importance of this particular variable.

The strength of the national political parties that represent elite interests is the third critical factor established elites consider in determining how to respond to indigenous mobilization. This calculation is analogous to the phenomenon that Edward Gibson has documented in Latin America's past: where effective conservative parties did not exist, business elites supported the installation of authoritarian forms of government much more frequently than where such parties did exist.<sup>135</sup> According to this line of analysis, the electoral successes of the MAS in Bolivia were threatening to elites in Santa Cruz not just because they gave political voice to indigenous actors who wanted to roll back market reforms. They were also threatening because their gains came at the expense of the three parties that had monopolized control over the national government in the 1980s and '90s and that had introduced and defended economic liberalization. The increasingly anemic performance of these parties put into serious doubt the possibility that economic elites could secure a minimally acceptable degree of influence in the national government.

The contrast with Ecuador is again instructive. In neither Guayaquil nor Santa Cruz can economic elites currently count on strong national parties to represent their interests in, respectively, Quito and La Paz. Yet, whereas the Social Christian Party that Guayaquil elites favor has always been an essentially *regional* party, in Santa Cruz, elites could previously count on several party options (e.g., ADN, MIR, MNR), all of them organized *nationally*. In this context, the more concerted push for autonomy in Bolivia may be explained as the result of the sudden disappearance of a national political tool that had proved to be so useful in the past.

## NOTES

1. Donna Lee Van Cott, *The Friendly Liquidation of the Past: The Politics of Diversity in Latin America* (Pittsburgh: University of Pittsburgh Press, 2000).

2. Raúl Madrid, "Indigenous Parties and Democracy in Latin America," *Latin American Politics and Society* 47, no. 4 (2005): 161–79; and Donna Lee Van Cott, "Party System Development and Indigenous Populations in Latin America: The Bolivian Case," *Party Politics* 6, no. 2 (2000): 155–74.

3. Deborah Yashar, *Contesting Citizenship in Latin America* (Cambridge, UK: Cambridge University Press, 2005).

4. David Collier and Ruth Collier, *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America* (Princeton, NJ: Princeton University Press, 2002).

5. Yashar, *Contesting Citizenship*; and Donna Lee Van Cott, "Explaining Ethnic Autonomy Regimes in Latin America," *Studies in Comparative International Development* 35, no. 2 (2001): 30–58.

6. Collier and Collier, *Shaping the Political Arena*, 16.

7. Yashar, *Contesting Citizenship*.

8. If the decline in external support for nondemocratic rule has made authoritarian options less feasible, the increase in external support for decentralization has made it easier for elites to demand regional autonomy instead. Elsewhere, I have argued that while external pressures helped push decentralization onto the agenda throughout Latin America, domestic political institutions explain cross-national variation in the types of decentralizing policies that have been adopted. See Kent Eaton, *Politics beyond the Capital: The Design of Subnational Institutions in South America* (Stanford, CA: Stanford University Press, 2004).

9. Mitchell Seligson, *Auditoría de la Democracia: Bolivia 2002* (La Paz: Universidad Católica Boliviana, 2003).

10. Yashar, *Contesting Citizenship*.

11. Roberto Laserna, *La democracia en el Ch'enko* (La Paz: Fundación Milenio, 2004), 57–58.

12. Albert Hirschman, *Exit, Voice and Loyalty* (Cambridge, MA: Harvard University Press, 1970).

13. Isaac Sandoval Rodríguez, *Historia de Santa Cruz: Desarrollo Histórico Social* (Santa Cruz: Industrias Gráficas, 2003), 216; and Rosendo Ardaya Jiménez, *Historia del Desarrollo Socio-económico de Santa Cruz hasta 1952* (Santa Cruz: Editorial Universitaria, 1995), 30.

14. In addition to these agricultural activities, revenues from natural resources including timber, petroleum, and gas became increasingly important in the second half of the twentieth century.

15. Herbert S. Klein, *A Concise History of Bolivia* (New York: Cambridge University Press, 2003), 215; and Grupo de Estudios Andrés Ibañez, *Tierra, Estructura y Poder en Santa Cruz* (La Paz: Centro de Estudios Andrés Ibañez, 1983), 29.

16. According to John Vargas, land ownership in Santa Cruz has become more rather than less concentrated in the past thirty years with the dominance of latifundios of more than 50,000 hectares. See John Vargas, "Introducción," in *La Reforma Agraria desde las Regiones*, ed. John Vargas (La Paz: CIDES, 2004), 17.

17. Beyond these legal activities, Santa Cruz is also home to Bolivia's greatest fortunes from the traffic in illegal drugs, which significantly complicates the criticisms frequently heard in Santa Cruz that Bolivia's drug problem is a mostly "western" phenomenon (e.g., confined to the Chapare coca-growing region in the department of Cochabamba to the west of Santa Cruz). For more on Santa Cruz' participation in the cocaine industry, see Lesley Gill, *Peasants, Entrepreneurs and Social Change: Frontier Development and Lowland Bolivia* (Boulder, CO: Westview, 1987), 183–93.

18. For Gerardo Velasco, the fact that a few firms and individuals control business associations in Santa Cruz reflects the greater concentration of ownership in that department's economy. Interview with Gerardo Velasco, Executive Secretary, National Chamber of Industries, October 18, 2005, La Paz. On the dominance of large firms within the agricultural chamber, see Diego Marquina, "La Regionalización de la Reforma Agraria," in *Reforma Agraria*, ed. Vargas, 177–78.

19. According to Father Mauricio Bacardit, there is broad support in Santa Cruz for this type of political autonomy, even among individuals and groups who are suspicious of the intentions of Santa Cruz' business elites. Interview with Mauricio Bacardit, Pastoral Social Cáritas (PASOC), October 24, 2005, Santa Cruz.

20. As Hugo Carlos Molina argues, "the struggle over autonomy in Bolivia today is really a struggle for control over rents from natural resources." Interview with Hugo Carlos Molina, ex-Prefect of Santa Cruz and chief author of the 1994 Law of Popular Participation, October 28, 2005, Santa Cruz.

21. Santa Cruz has promised that it would set aside 10 percent of these revenues for a compensation fund to finance development projects in other departments. Interviews with José Antonio de Chasal, Rector, Universidad de Aquino de Bolivia, October 27, 2005, Santa Cruz; and Ismael Serrate, businessman and member of the CPSC committee that formulated its autonomy proposal, October 28, 2005, Santa Cruz.

22. Mario Galindo, *Documento de Discusión de los Elementos Relevantes para la Descentralización Fiscal Financiera de las Autonomías Departamentales* (Santa Cruz: Comité Pro-Santa Cruz, 2005). See also Roland Aparicio, "Santa Cruz contra el Racismo," *Artículo Primero* 8, no. 16 (2004): 187–88.

23. In a workshop that I attended in La Paz organized by the Catholic Church to promote dialogue on constitutional reform issues, participants with a variety of political perspectives and from a range of socioeconomic groups expressed deep fears about what autonomy would mean for the rest of the country. Several participants worried that most departments are too poor to function autonomously, while others accused Santa Cruz of turning its back on departments such as Oruro, whose silver wealth helped finance public investment in Santa Cruz in the past. Notes from the "Autonomy" Workshop of the "Camino a la Asamblea Constituyente" sponsored by the Comisión Episcopal de Pastoral Social Cáritas Boliviana, October 21, 2005.

24. José Luis Roca, *Fisonomía del Regionalismo Boliviano*, 2nd ed. (La Paz: Editores Plural, 1999), 39.

25. The mobilization of civil society in opposition to authoritarian rule in Latin America is certainly not unique to Bolivia, but the Bolivian case stands out for the strongly regional quality of this mobilization.

26. Laurence Whitehead, *National Power and Local Power: The Case of Santa Cruz de la Sierra* (Cambridge, UK: Cambridge University Press, 1972), 221.

27. As Gill writes, the CPSC was founded by “members of the city’s traditional white elite [who] emphasized the Spanish, non-Indian heritage of its membership.” See Gill, *Peasants*, 44.

28. Interview with Carlos Bohrt, ex-Prefect of Oruro Department, October 18, 2005, La Paz.

29. This shift in the economy accelerated with the discovery in 1997 of natural gas deposits in eastern Bolivia that are the largest in Latin America outside Venezuela.

30. CAINCO, “Análisis de las Recaudaciones Tributaries Regionales,” *Estudios*, July 2005.

31. In this period, cruceño cabinet members often behaved more like ambassadors from Santa Cruz than like national ministers. Interview with Gerardo Velasco.

32. Paula Peña, *La Permanente Construcción de lo Cruceño* (La Paz: Fundación PIEB, 2003), 94.

33. Carmen Dunia Sandoval, ed., *Santa Cruz: Economía y Poder (1952–1993)* (La Paz: Fundación PIEB, 2003), 97.

34. *Ibid.*, 101. See also Mario Arrieta, *Agricultura en Santa Cruz: De la Encomienda Colonial a la Empresa Modernizada* (La Paz: ILDIS, 1990), 113–15.

35. Sandoval, *Santa Cruz: Economía y Poder*, 114.

36. Interview with Paula Peña, member of the Consejo Pre-autonómico de Santa Cruz, October 24, 2005, Santa Cruz. See also Peña, *La Permanente Construcción*, 106.

37. This view was espoused by nearly all of the business leaders that I interviewed in Santa Cruz, often using strikingly similar language. See also Guillermo Capobianco, *Santa Cruz: Corazón de Bolivia y de América del Sur* (La Paz: Bolivia Dos Mil, 2004).

38. Sandoval, *Santa Cruz: Economía y Poder*, 69.

39. Gill, *Peasants*, 36–41.

40. Catherine Conaghan and James Malloy, *Unsettling Statecraft* (Pittsburgh, PA: University of Pittsburgh Press, 1994).

41. *Ibid.*, 57.

42. James Dunkerley, *Rebellion in the Veins: Political Struggle in Bolivia, 1952–1982* (London: Verso, 1984), 223.

43. Sandoval, *Santa Cruz: Economía y Poder*, 121.

44. Mario Arrieta, *Agricultura en Santa Cruz: De la Encomienda Colonial a la Empresa Modernizada* (La Paz: ILDIS, 1990), 195.

45. Catherine Conaghan, James Malloy, and Luis Abugattas, “Business and the ‘Boys’: The Politics of Neoliberalism in the Central Andes,” *Latin American Research Review* 25, no. 2 (1990): 21.

46. Kathleen O’Neill, *Decentralizing the State: Elections, Parties, and Local Power in the Andes* (New York: Cambridge University Press, 2005), 126.

47. Roca, *Fisonomía*, 23.

48. Diego Ayo Saucedo, *Los Desafíos de la Participación Popular* (La Paz: CEBEM, 1999), 30; and Merilee Grindle, *Audacious Reforms: Institutional Invention and Democracy in Latin America* (Baltimore, MD: Johns Hopkins University Press, 2000), 120.



49. According to Hugo Carlos Molina, a chief concern that motivated the design team was that if the government decentralized to the department level, the departments would not in turn decentralize to the municipal level. Interview with Hugo Carlos Molina.

50. René Antonio Mayorga, "Bolivia's Democracy at the Crossroads," in *The Third Wave of Democratization in Latin America*, ed. Frances Hagopian and Scott Mainwaring (New York: Cambridge University Press, 2005), 168. See also Juan Carlos Urenda, *La Descentralización Deficiente* (Santa Cruz: Urenda Abogados Sociedad Civil, 1999).

51. Interviews with Gabriel Dabdoub, President of CAINCO, October 26, 2005; Oscar Ortiz, former general manager of CAINCO and current Senator from Santa Cruz, October 27, 2005; and Paula Peña, October 24, 2005. All interviews in Santa Cruz.

52. Legislation necessary to implement this article of the 1967 Constitution was never passed. See Carlos Bohrt, *La Descentralización del Estado Boliviano* (La Paz: Fondo Editorial de los Diputados, 2001); and Juan Carlos Urenda, *Autonomías Departamentales: La Alternativa al Centralismo Boliviano* (La Paz: Editorial Los Amigos del Libro, 1987).

53. As Mario Viveros argues, the law gave departments a managerial role rather than a political role. Interview with Mario Viveros, Assistant to the President of the Decentralization Committee, Chamber of Deputies, October 19, 2005, La Paz.

54. Urenda, *La Descentralización Deficiente*, 67.

55. Bert Gustafson, "Paradoxes of Liberal Indigenism," in *The Politics of Ethnicity: Indigenous Peoples in Latin American States*, ed. David Marbury-Lewis (Cambridge, MA: Harvard University Press, 2002), 292.

56. Marcial Fabricano, "Lecciones Aprendidas en los Ámbitos de la Participación Indígena en el Gobierno y la Representación Pública," in *PIEB, Participación Política, Democracia, y Movimientos Indígenas en los Andes* (La Paz: IFEA, 2005), 104. See also Jonathan Hiskey and Mitchell Seligson, "Pitfalls of Power to the People: Decentralization, Local Government Performance, and System Support in Bolivia," *Studies in Comparative International Development* 37, no. 4 (2003): 64–88.

57. If the LPP gave indigenous leaders new opportunities at the municipal level, the introduction of a mixed-member electoral system in 1997 gave them a chance to leverage this local experience in electoral campaigns for the national legislature. Increasingly, parties named indigenous leaders as their candidates in single-member district races. On the effects of Bolivia's electoral reform, see René Antonio Mayorga, "The Mixed-Member Proportional System and Its Consequences," in *Mixed-Member Electoral Systems: The Best of Both Worlds?* ed. Mathew Shugart and Martin Wattenberg (New York: Oxford University Press, 2001).

58. Interview with Moira Zuazo, Decentralization Coordinator, Instituto Latinoamericano de Investigación Social (ILDIS), La Paz, October 21, 2005.

59. Vladimir Ameller, *Diálogo para la Descentralización* (La Paz: COSUDE, 2002), 90; and Robert Barr, "Bolivia: Another Uncompleted Revolution," *Latin American Politics and Society* 47, no. 3 (2005): 82.

60. Interview with Mario Viveros.

61. Laserna, *La Democracia en el Ch'enko*, 51–55.

62. Interview with Carlos Bohrt.

63. Interview with Daniel Castro, Media Coordinator, CPSC, October 27, 2005, Santa Cruz. Representation in congress may have been less critical in the decade following the 1952 Revolution, but since 1982, the Bolivian congress, with its prerogative to choose the president in the absence of a majority winner, has been one of the most important in Latin America.



64. According to one Santa Cruz leader, “the troubles of the traditional parties mean that businessmen must enter politics to fill the vacuum left by their decline.” Interview with Oscar Antonio Franco, ex-Vice President of FEPB-SC, October 25, 2005, Santa Cruz.

65. Mayorga, “Bolivia’s Democracy,” 156.

66. According to the Bolivian constitution, Congress is authorized to pick the president from among the top two vote getters if no candidate wins a majority in the presidential election. In the words of one anonymous business leader, “When we felt that Evo could be president, it was just natural for us to demand autonomy.” Interview with Oscar Antonio Franco.

67. Carlos Romero, “Las Jornadas de Octubre: Levantamiento Popular en Bolivia,” *Artículo Primero* 8, no. 16 (2004): 16.

68. By this point, “the MNR had essentially converted itself into the party of Santa Cruz’ economic elites,” despite the extreme conflict between Santa Cruz and the then left-leaning MNR in the 1950s and ’60s. Interview with Mario Viveros.

69. Rossana Barragán, “‘La Media Luna’: Autonomías Regionales y Comités Cívicos,” *T’inkas* 7, no. 16 (2004): 56.

70. Interview with Vladimir Ameller, Expert in Municipal Development, UNICEF, October 20, 2005, La Paz.

71. See Alfredo Rada, “Octubre y la Tierra,” *Artículo Primero* 8, no. 16 (2004): 157.

72. Eduardo Gamarra, “Hybrid Presidentialism and Democratization: The Case of Bolivia,” in *Presidentialism and Democracy in Latin America*, ed. Scott Mainwaring and Matthew Shugart (New York: Cambridge University Press, 2007), 392.

73. As one critic of the CPSC within Santa Cruz argued, “after hundreds of years of being governed by non-Indian politicians, Indians are not likely to de-mobilize anytime soon.” Anonymous interview, Santa Cruz, October 27, 2005.

74. Interview with José Antonio de Chasal. According to Marco Antonio Aimaretti, businesses affiliated with the CPSC spent approximately US\$400,000 on the production of the Second Great Open Town Hall meeting, including the transport of individuals from the provinces to the city of Santa Cruz. Interview with Marco Antonio Aimaretti, Researcher, Centro de Estudios Jurídicos e Investigación Social, October 27, 2005, Santa Cruz.

75. Interview with Juan Carlos Urenda, one of Bolivia’s foremost experts on departmental administrative law, October 25, 2005, Santa Cruz.

76. Interview with Paula Peña.

77. “Las FFAAs Estaban Preparadas para Todos,” *La Razón*, June 24, 2005.

78. “Bolivians Split Three Ways Over How to Reconcile Three Sets of Elections,” *Latin American Weekly Report*, April 12, 2005.

79. Juan Forero, “Bolivian Offers Reform Plan to Protestors Seeking Autonomy,” *New York Times*, June 3, 2005.

80. Interview with José Bailaba (MAS, Santa Cruz), October 28, 2005, Santa Cruz.

81. For example, many of my interviewees in La Paz highlighted the hypocrisy of the CPSC’s pro-autonomy position when it is opposed to proposals by Bolivia’s Guaraní population to create a new tenth department in the country’s gas-rich Chaco region, which would be carved out of the departments of Santa Cruz, Chuquisaca, and Tarija. Interviews with Vladimir Ameller and Moira Zuazo.

82. Jeffrey Frieden, *Debt, Development and Democracy: Modern Political Economy and Latin America, 1965–1985* (Princeton, NJ: Princeton University Press, 1991), 34.

83. Ben Ross Schneider, *Business Politics and the State in Twentieth Century Latin America* (New York: Cambridge University Press, 2004), 36–69.

84. Interview with Oscar Antonio Franco.

85. According to Juan Armando Antelo, one of the main tensions between CAO and CAINCO resulted from the fact that while the former is dominated by domestic firms, 80 to 90 percent of CAINCO's operating budget comes from foreign energy companies. Interview with Juan Armando Antelo, ex-President of CAO, October 24, 2005, Santa Cruz.

86. When asked to characterize Santa Cruz businesses as divided or united, my interviewees in La Paz made such comments as "they now speak with a single voice," "they have the same line," and "the political turbulence of the country has united them." Interviews with Gerardo Velasco; Max Gastelú, Director of Institutional Affairs, CEPB, October 19, 2005, La Paz; and Daniel Sánchez, President, Departmental Chamber of Industry of La Paz, October 18, 2005, La Paz.

87. The CPSC called on voters to boycott this referendum. Interview with Raúl Kleiffer, President, Bolivian Chamber of Hydrocarbons, October 26, 2005, Santa Cruz.

88. See, for example, "A un Año del Referendum: Inequívocamente Atroz," *Petroleo y Gas*, no. 43 (July 2005).

89. Interview with Raúl Kleiffer.

90. As Juan Armando Antelo argued, the May 2005 law was particularly bad for firms in Santa Cruz that provide services to the gas transnationals, but all businesses were troubled by the direction that Morales' indigenous party was taking. Interview with Juan Armando Antelo.

91. Simón Yampara, "Descentralización y Autonomía desde la Visión de los Pueblos Originarios," in *Visiones Indígenas de Descentralización*, ed. Friedrich Ebert Stiftung (La Paz: FES-ILDIS, 2005), 48.

92. Gustafson, *Paradoxes*, 281; see also Alejandro Almaraz, *Tierras Comunitarias de Origen: Saneamiento y Titulación* (Santa Cruz: Centro de Estudios Jurídicos e Investigación Social, 2002).

93. According to Oscar Antonio Franco, "only departmental control over land titling will give investors the juridical security (seguridad jurídica) they need to invest in agriculture." Interview with Oscar Antonio Franco.

94. In the days following the autonomy referendum of July 2, 2006, President Morales sought to pre-empt further violence against the Santa Cruz office of INRA by sending military troops to "secure" it from protestors. "Ejecutivo Asegura Que FFAA Actúan de Forma Preventiva," *Opinión*, July 12, 2006.

95. In 2005, the MST conducted an invasion on land owned by CPSC President Ruben Costas. Interview with Mario Viveros.

96. According to Marco Antonio Aimaretti, evidence of human rights abuses by these groups are a good reason not to grant extensive forms of regional autonomy. Interview with Marco Antonio Aimaretti. See also Barragán, "Media Luna," 31.

97. As a result, the FEPB-SC successfully forced Mesa to remove Molina from the prefecture the following month. In addition to his perceived leniency vis-à-vis the MST, Molina was broadly critical of the CPSC's autonomy project. Interview with Hugo Carlos Molina.

98. Interview with Patrica Hurtado, Legal Adviser, CAINCO, October 26, 2005, Santa Cruz.

99. Interviews with Juan Armando Antelo and Oscar Antonio Franco.

100. Interview with Sergio Antelo, Founder, Movimiento Nación Camba, October 25, 2005, Santa Cruz.

101. Teo Ballvé, "Bolivia's Separatist Movement," *NACLA Report on the Americas* 38, no. 5 (2005), 16. One business leader in La Paz alleged that Santa Cruz representatives

had sought to gauge the likely response by external actors such as the Organization of American States to the possible secession of Santa Cruz but were rebuffed. Anonymous interview, October 20, 2005, La Paz.

102. Interview with Gabriel Dabdoub. Ismael Serrate concurs that autonomy, not independence, remains the consensus goal. Interview with Ismael Serrate.

103. Juan Carlos Urenda, "De Cómo el Anhelado Autonomista Puede Derivar en Otra Cosa," *El Deber*, October 6, 2005. Interview with Juan Carlos Urenda.

104. "Los Empresarios se Dividen: Santa Cruz Retira de la CEPB," *La Razón*, February 26, 2004.

105. Conaghan and Malloy, *Unsettling Statecraft*, 63–64, 89–91.

106. Ricardo Sanjinés, *Biografía de la Empresa Privada Boliviana*, vol. 1 (La Paz: Confederación de Empresarios Privados de Bolivia, 2004), 8.

107. According to Godofredo Sandoval, "in contrast to Santa Cruz, a candidate with the profile of an economic elite would no longer be politically viable as the prefect of La Paz." Interview with Godofredo Sandoval, director, PIEB, October 20, 2005, La Paz.

108. Interviews with Juan Armando Antelo, Gerardo Velasco, and Daniel Sánchez.

109. In the words of one business leader, "vivían de la extracción y no de la producción." Anonymous interview, October 24, 2005, Santa Cruz.

110. One exception to this pattern is the dialogue that began in 2005 between some Santa Cruz business elites (including Gabriel Dabdoub of the CAINCO) and Aymara businessman Victor Malky, head of the new Chamber of Industry and Commerce of El Alto (CIC-EA), the poor indigenous city next to La Paz. Interview with Camara Garrett, U.S. Agency for International Development, La Paz, October 19, 2005. See also "Bolivia: Unexpected Coming Together of Opposites," *Latin American Weekly Report*, August 2, 2005.

111. According to Max Gastelú, claims by Santa Cruz business associations that they were underrepresented within the CEPB are hard to reconcile with the reality that—at the time the FEPB-SC left the organization—both of the CEPB's previous presidents had been cruceños. Interview with Max Gastelú.

112. Interviews with Gerardo Velasco and Oscar Antonio Franco.

113. Barragán, "Media Luna," 58.

114. Animosity within the CEPB certainly ran both ways. La Paz–based members of the CEPB, for example, criticized attempts by the FEPB-SC to lure investments away from other Bolivian departments and to lobby for the relocation of the headquarters of national sectoral chambers from La Paz to Santa Cruz. Interview with Max Gastelú.

115. "Marchas Campesinas en Santa Cruz Terminan con Enfrentamientos," *El Diario*, October 18, 2003.

116. As Yashar's research demonstrates, obstacles to such an alliance in Bolivia are considerable. See Yashar, *Contesting Citizenship*, ch. 4.

117. In the words of one business leader, "In the Pro-Santa Cruz Committee, we've got them all: Indians, workers and peasants." Anonymous interview, October 27, 2005, Santa Cruz.

118. The internal struggle within the COB prompted Pedro Montes, head of the COB, to remind cruceño labor leaders that "the fight shouldn't be amongst ourselves, but against management." "La COD sin Solución y los Militares Custodian Locales," *El Deber*, July 6, 2006.

119. Interview with Elio Pedraza, COD leader, October 25, 2005, Santa Cruz.

120. "La COD sin Solución," *El Deber*.

121. "Helbing Será el Primer Plurinominal de Tuto," *El Nuevo Día*, September 4, 2005.

122. "En Santa Cruz no Todos Estan de Acuerdo con la Autonomía," *El Diario*, May 25, 2005.

123. Interview with José Bailaba. In January 2005, several days after the CPSC's Second Great Open Town Hall Meeting, the CPESC organized a counter protest to criticize the oligarchic content of the committee's autonomy proposals.

124. See "Alertan sobre la Manipulación de Organizaciones Indígenas en Santa Cruz," <http://www.derechos.org/nizkor/bolivia/doc/cpesc9.html>.

125. "Pueblo Guaraní se Decepciona con Barrientos," *El Mundo*, October 11, 2005.

126. "Dirigente Indígena Está Inscrita como Candidato en Tres Listas," *El Deber*, September 9, 2005.

127. As Patricia Hurtado argues, "the role of the CPSC in winning oil royalties for the department in the 1950s generated tremendous loyalty to the committee by all institutions in civil society." Interview with Patricia Hurtado.

128. Speech by Ruben Costas, former president of the CPSC and current Prefect of Santa Cruz, at the celebration of the group's fifty-fifth anniversary, CPSC headquarters, Santa Cruz, October 28, 2005.

129. By 2001, 25 percent of Santa Cruz' population was born in another department. Pastoral Social Cáritas, "La Migración Interna y Externa en Bolivia," documento no. 18, 2005.

130. Interview with Daniel Castro.

131. Arguing against this myth, Xavier Albó notes that in fact, Santa Cruz has the highest levels of land-related conflict in the entire country. See Xavier Albó, "222 Años Después: La Convulsionada Bolivia Multiétnica," *Artículo Primero* 8, no. 16 (2004): 66.

132. Interviews with Father Mauricio Bacardit and Juan Carlos Velasquez of the Catholic Church, Pastoral Social Cáritas (PASOC), October 24, 2005, Santa Cruz. See also Pastoral Social Cáritas, "Las Autonomías Departamentales para Bolivia: Un Análisis Crítico," documento no. 14, 2005.

133. Interview with Paula Peña.

134. Yashar, *Contesting Citizenship*.

135. Edward Gibson, *Class and Conservative Parties: Argentina in Comparative Perspective* (Baltimore, MD: Johns Hopkins University Press, 1997), 26.

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