

# INTER-AMERICAN DIALOGUE'S

## LATIN AMERICA ADVISOR

### Special Q&A

#### BOARD OF ADVISORS

**Diego Arria**

Director,  
Columbus Group

**Genaro Arriagada**

Board Member, Banco  
del Estado de Chile

**Joyce Chang**

Global Head of  
Emerging Markets  
Research, JPMorgan  
Chase & Co.

**W. Bowman Cutter**

Partner,  
E.M. Warburg  
Pincus

**Rui da Costa**

Managing Director,  
Latin America & the  
Caribbean,  
Hewlett-Packard Co.

**Alejandro Delgado**

Economist for Latin  
America, Africa, the  
Middle East & Mexico,  
General Motors

**Dirk Donath**

Managing Director,  
Eton Park Capital  
Management

**Jane Eddy**

Managing Director,  
Corporate & Govt.  
Ratings Group,  
Standard & Poor's

**Marlene Fernández**

Former Bolivian  
Congresswoman and  
Ambassador

**Wallace Gardner**

Vice President,  
Worldwide Sales,  
Chubb & Son

**Javier Garza**

Chairman and CEO,  
Grupo Domos  
Internacional

**Peter Hakim**

President,  
Inter-American  
Dialogue

**Donna Hrinak**

Director for Corporate  
and Govt. Affairs,  
Kraft Foods Inc.

**Jon Huenemann**

Principal,  
International  
Department,  
Miller & Chevalier

**James R. Jones**

Co-chair,  
Manatt Jones  
Global Strategies LLC

**John Maisto**

Director,  
US Education Finance  
Group

**Nicolás Mariscal**

Chairman,  
Grupo Marhnos

**Thomas F.**

**McLarty III**  
President,  
McLarty Associates

**Carlos Paz-Soldan**

Partner,  
DTB Associates, LLP

**Beatrice Rangel**

Managing Director,  
AMLA Consulting LLC

**José Antonio Ríos**

Chairman,  
Global Crossing  
Latin America

**Andrés Rozental**

President,  
Rozental & Asociados

**Everett Santos**

President,  
DALEC LLC

**Roger Scher**

Head of Latin American  
Sovereign Ratings,  
Fitch Ratings

#### What Will Happen in Bolivia After Sunday's Autonomy Vote?

**Q** This Sunday, voters in Bolivia's Santa Cruz province are expected to easily approve a referendum calling for autonomy from the central government, a move that many fear could spark a grave crisis in the South American nation. What do you will predict will follow Sunday's vote? Is compromise and a negotiated solution still possible?

**A** **Guest Comment: Carlos Romero:** "Yes, we hope so. We have always been ready to dialogue. But it's going to depend more on eastern groups that have shown the most radicalism and posturing than on the government, the proof being that they have not made the Constituent Assembly viable, which was the natural national setting for consensus ... Obviously there is a political crisis because the autonomy process is not included in the Constitution and, because of its statutory orientation, [the autonomy process] is in fact separatist ... We'll have to wait until Congress convokes the referendum to ratify the new Constitution. There is still not a political climate favorable to that. But, in any case, it is the power of Congress to [convoke] the referendum. It's

not until after the referendum that the Constitution will be ratified, but it also depends on the outcome from Sunday ... [Sunday's referendum] is a political event that can't be minimized or relativized. It is a political event that's going to configure a new political environment and surely influence whether this environment will be one of dialogue or of greater confrontation."

**A** **Guest Comment: Jaime Aparicio:** "As a result of the referendum on Sunday in Santa Cruz, and soon followed by other regions of Bolivia, a new balance of power seems likely to emerge and favor a compromise between the government and the governors (*prefectos*) of five of the country's nine departments. The referendum is an instrument for the regions to overcome current threats to democracy that come from an elected government that, according to the governors, has violated constitutional rights, dismantled the Constitutional Tribunal, and altered the independence and balance of power within the state in its favor. In Bolivia, the foundations of

*Continued on page 2*

#### Referendum Facts: Key Powers Sought by Santa Cruz Province

- Santa Cruz would have a directly-elected governor and an elected assembly for the first time, with powers to legislate on issues ranging from the judiciary to taxes.
- The province would define its own policies on taxes, telecommunications, housing and land, and railway transport. This is a direct challenge to the central government's plans to redistribute unused lands to the country's indigenous majority.
- The governor would have the right to sign international accords.
- Santa Cruz would have the power to form and run its own police force.
- The governor, deputy governor, and leaders of the province's 15 sub-regions would have immunity from prosecution.

Source: Reuters.

**Featured Q&A***Continued from page 1*

democracy remain as feeble as ever, and there are no effective mechanisms to prevent this complex and dangerous new threat to democracy. The OAS, in this case, has proved irrelevant in keeping up with the principles of the Inter-American Democratic Charter. Under these circumstances, calling a referendum was the only possible political recourse to prevent Mr. Morales from imposing a Constitution that a majority of Bolivians consider unlawful. To be optimistic, a new scenario of reconciliation and dialogue would be on the horizon if President Morales and his 'entourage' this time take seriously the new political landscape that emerges from Sunday's results."



Morales giving a speech outside the presidential palace on Thursday. *Photo: ABI.*

**A** **Guest Comment: Ivan Rebolledo:** "The May 4 referendum on regional autonomy for Santa Cruz has many dimensions. If approved, the statutes would give Santa Cruz more control over taxes and land, as well as more local decision-making authority. To counter the

“... Secession is not the ultimate goal of Santa Cruz leaders, but to keep pressuring the Morales government and to safeguard that the new Constitution is never approved.”

— *Ivan Rebolledo*

obvious triumph of the referendum vote, the Morales administration has opted for predictable May 1 (Labor Day) announcements that ultimately win him support from the masses. On Thursday, the government announced the continuation of nationalization policies by taking controlling stakes in oil, gas, and telecom companies. It is clear that Morales

will let the referendum take place—since he does not seem willing or capable to impede it. It is doubtful that a compromise or negotiated solution is on the horizon. So far, the Catholic Church, the OAS, and neighboring countries have been unable to broker any plausible solutions. Both sides have also shown little sign of backing down, which makes it difficult to make concessions without losing pride. There are also many other factors that contribute to this heightened tension, including a proposed Constitution that would in effect jeopardize the position of landholding and business elites of Santa Cruz; other referendums on autonomy that will be held in Beni, Pando, and Tarija; and the fact that the proposed constitution gives greater new authority to indigenous groups. Without a doubt, secession is not the ultimate goal of Santa Cruz leaders, but to keep pressuring the Morales government and to safeguard that the new Constitution is never approved."

**Carlos Romero** is a member of Bolivia's Constituent Assembly from the governing MAS party.

**Jaime Aparicio** is a political consultant and former Bolivian Ambassador to the United States.

**Ivan Rebolledo** is Managing Partner at TerraNova Strategic Partners and President of the Bolivian-American Chamber of Commerce.

**Latin America Advisor**

is published every business day by the Inter-American Dialogue, Copyright © 2008

**Erik Brand,**

General Manager, Publishing  
[ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

**Robert Simpson,**

Editor  
[rsimpson@thedialogue.org](mailto:rsimpson@thedialogue.org)

**Elisabeth Burgess,**

Reporter  
[eburgess@thedialogue.org](mailto:eburgess@thedialogue.org)

**Danielle Jetton,**

Computer Services Coordinator

**Inter-American Dialogue:**

**Peter Hakim,**

President

**Michael Shifter,**

Vice President, Policy

**Joan Caivano,**

Director, Special Projects

**Dan Erikson,**

Senior Associate, US Policy

**Claudio Loser,**

Senior Fellow

**Manuel Orozco,**

Executive Director, Remittances and Rural Development Project

**Tamara Ortega Goodspeed,**

Senior Associate, Education

**Marifeli Pérez-Stable,**

Vice President, Democratic Governance

**Jeffrey M. Puryear,**

Vice President, Social Policy

**Viron Vaky,**

Senior Fellow

**Subscription Inquiries** are welcomed at [freetrial@thedialogue.org](mailto:freetrial@thedialogue.org)

**Latin America Advisor** is published every business day by the Inter-American Dialogue 1211 Connecticut Avenue, Suite 510 Washington, DC 20036 Phone: 202-822-9002 Fax: 202-822-9553

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each Advisor and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.