

ECONOMIST INTELLIGENCE UNIT

Bolivia politics: New constitution on path to approval

December 10, 2008

Bolivia's new draft constitution will go to a vote in January and is likely to be adopted, paving the way for a general election in December 2009. This represents a major victory for the president, Evo Morales, who has prevailed over opponents who attempted to derail the referendum. However, the constitutional reforms will take many years to implement, leading to a legal vacuum and increased regulatory uncertainty for the foreseeable future.

Morales prevails

The government and opposition lawmakers sealed a political compromise on amendments to the draft constitution on October 21st, enabling the process to move forward. A government survey conducted in November indicates that the proposed constitution will be approved handily when it goes to a national ballot on January 25th. Presidential and legislative elections will follow on December 6th.

According to the survey, 62% of respondents support the new constitution and intend to vote in favour. Sixteen percent were undecided. However, neither the survey sample size nor its methodology or geographical scope has been made public, leading to doubts over its accuracy and representative quality.

If the poll does indeed reflect voters' intentions, then Mr Morales, of the Movimiento al Socialismo (MAS), can count on a similar level of support for the reforms as he did garner in an August recall election vote to confirm or revoke his mandate, in which he won 67% approval.

Lengthy phase-in

Adoption of the new constitution will be highly complex and prolonged, not least because the document introduces new notions of autonomous local, departmental, municipal and indigenous governments that in many cases will operate within the same geographical territory but without a hierarchy of authority. The danger is that overlapping competencies will lead to endless conflicts between authorities and result in a catastrophic bureaucratic stalemate, thereby jeopardising governance.

The MAS has insisted on this arrangement because it will give its supporters at the municipal level and within the new indigenous-based government entities the power to stand up to opposition-controlled departmental legislatures wielding newly won legislative powers. Other provisions in the constitution, such as those concerning presidential re-election and press freedoms, remain polemical. Vague wording of the clauses governing these and many other issues, from taxes to education, will leave Congress to decide how they should be interpreted in rafts of new legislation and legislative revisions that will be required once a new constitution is in place.

President Morales has already admitted that his main concern is not winning approval for the constitution but rather its subsequent implementation, which he says may take more than a decade to bring to completion.

Opposition complaints

Critics of the reform process claim that many clauses are simply not implementable and will leave far too much discretionary power in the hands of a president that controls Congress. This will remove existing checks and balances on executive power. The numerous new laws and revisions required to adapt Bolivia's existing legal framework to the new constitution will lead to a regulatory vacuum pending their resolution. In the meantime, arguments in Congress over new laws could lead to protracted delays in the approval of regulations, leaving it up to the government to decide policy on an even more ad-hoc basis than has been the case during the three years since Mr Morales took office.

New arrangements for deciding the winner of a presidential election will also be put in place. Currently a simple majority of 50% plus one vote is needed to avoid a run-off vote in Congress. This bar will be lowered to 40%, provided that the winner has at least a 10% lead over the nearest rival. Mr Morales is required to hold an election in 2009, if the new constitutional text wins public approval. Given his high and sustained popularity, such a scheme virtually guarantees his re-election.

Evo divides and conquers

The government's apparent victory—convincing enough opposition lawmakers to go along with the constitutional change and ensure its passage in Congress—has also served to strongly divide and debilitate the opposition. Frictions between the main opposition political party, Poder Democrático Social (Podemos), and the regional autonomy movements in five out of Bolivia's nine departments have worsened. Departmental opposition groups were dismayed by the political deal-making and have lost much of their momentum. This was evidenced by an effort in November to rekindle September's anti-government protests, but these quickly fizzled out. A sense of betrayal has also invaded the ranks of Podemos itself, with many of its members expressing exasperation at the leadership of Jorge Quiroga and declaring their intention to split from the party.

A number of Podemos lawmakers and supporters are now seeking to form a new opposition party or build alliances with other opposition groups, most notably the Movimiento Nacionalista Revolucionaria (MNR). The MNR has revolutionary socialist roots but in more recent years became a liberal reform champion and fell from popularity owing to its promotion of private-sector interests and privatisation. The leader of the defunct Movimiento Izquierda Revolucionario (MIR), Jaime Paz Zamora, a former president (1989-1993), is also talking of reviving his political project.

Veep bows out

In a surprise early announcement, the vice-president, Alvaro García Linera, has said he will not stand again as vice-presidential candidate at the next election, leaving Mr Morales to choose another running mate. Two possible candidates have emerged. One is the MAS senator currently serving as the president of state-oil company YPF, Santos Ramírez, who is an astute political operator and key ally of Mr Morales and has presidential ambitions of his own.

The other is the serving minister for foreign affairs, David Choquehuanca. More popular within the MAS than Mr Ramírez, he has managed to handle a number of extremely difficult foreign affairs issues, such as the expulsion of the US ambassador, Philip Goldberg, in September. He is also working to improve relations with Bolivia's sworn enemy, Chile. Despite not having achieved any concrete rapprochement thus far, an exchange of ambassadors with Chile is said

to be imminent. This would be a great achievement, as popular hostility towards Chile over its annexation of Bolivia's former sea coast in a 19th century war is still bitterly felt.

Opposition rivals to Mr Morales abound and eventual contenders for the presidency will start to declare their interest after the January referendum. While none has a national political presence, the election is likely to be characterised by a plethora of small groupings running on regional platforms that may be able to coalesce anti-government voters around them and thereby ensure that a significant block of opposition lawmakers wins seats in Congress. However, at this early stage it seems highly unlikely that even a coalition of opposition groups acting together could unseat Mr Morales.