

Bolivia and the United States

Non grata

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A tit-for-tat tiff

IT BEGAN in June, when coca growers in the Chapare region of Bolivia threatened to ransack the local offices of the United States Agency for International Development (USAID), which has worked on anti-drug efforts there for the past 25 years. After the aid workers' hurried departure the American ambassador, Philip Goldberg, was the next to go, expelled by Bolivia's socialist president, Evo Morales. On November 1st it was the turn of the agents of the Drug Enforcement Administration. Like Mr Goldberg, they were accused of conspiring with the opposition to overthrow Mr Morales, and were sent packing.

What was surprising about all this was that it has only happened more than two years after Mr Morales took office. A coca-workers' leader before he was elected president, he has spent much of his adult life battling against America's "war on drugs" in Bolivia. He talks the far-left language of ending dependence on the American "empire", the IMF, the World Bank and the like.

But Mr Morales has a pragmatic streak, too. He knows that at least 30,000 jobs in Bolivia depend on duty-free exports to the United States. Many of them are in the textile factories and workshops of El Alto, a satellite city of La Paz and one of his political strongholds.

George Bush's administration responded to Mr Goldberg's expulsion by declaring Bolivia unco-operative on drugs. It also plans to suspend tariff preferences for Bolivia's imports. The government points out that it is wiping out more than 5,000 hectares (12,000 acres) of coca this year (though the UN reckons Bolivia's cocaine output rose 11% in 2007).

It says that Venezuela and other new allies will take the goods Bolivia was exporting to the United States. That looks unlikely. Mr Morales, the first Andean Indian to be elected president in Bolivia, is popular; he won a recall referendum in August with 67% of the vote. But plunging commodity prices will hit the economy. Bolivia can ill afford to lose the American market for its manufactures.

Mr Goldberg's offence was merely to have met opposition governors. But he did so at a delicate time, when the opposition was staging violent protests in the aftermath of the referendum. Since then, the government and the opposition have agreed changes to a controversial new constitution that has divided them for a year. That document will go to a referendum in January. Assuming it is approved, Mr Morales will seek a second term at an election next year. Secure in the short term, but facing a deteriorating economic outlook, he might be wise to seek a rapprochement with the "empire". Now that it has chosen a new president he could even do so with little loss of face.