

Latin American Perspectives

<http://lap.sagepub.com>

"Less Than Fully Satisfactory Development Outcomes": International Financial Institutions and Social Unrest in Bolivia

Benjamin Kohl and Linda Farthing
Latin American Perspectives 2009; 36; 59
DOI: 10.1177/0094582X09334300

The online version of this article can be found at:
<http://lap.sagepub.com/cgi/content/abstract/36/3/59>

Published by:



<http://www.sagepublications.com>

On behalf of:

Latin American Perspectives, Inc.

Additional services and information for *Latin American Perspectives* can be found at:

Email Alerts: <http://lap.sagepub.com/cgi/alerts>

Subscriptions: <http://lap.sagepub.com/subscriptions>

Reprints: <http://www.sagepub.com/journalsReprints.nav>

Permissions: <http://www.sagepub.com/journalsPermissions.nav>

Citations <http://lap.sagepub.com/cgi/content/refs/36/3/59>

“Less Than Fully Satisfactory Development Outcomes”

International Financial Institutions and Social Unrest in Bolivia

by

Benjamin Kohl and Linda Farthing

At five key moments, the World Bank and the International Monetary Fund pressured weak administrations in Bolivia to adopt policies that had a negative impact on the country's political stability. The principle of “market democracy” had become so sacrosanct within the international financial institutions that they ignored the difficulties their policies created. Changes in policy since 2006, when Bolivia's first indigenous president, Evo Morales, came to power, reflect more of an accommodation in the face of a shifting context than any significant recognition of neoliberalism's limitations.

Keywords: *Neoliberalism, Bolivia, International development, International financial institutions, World Bank*

Between the end of 1999 and June 2005, Bolivia reeled from one economic, social, and political crisis to another. Weak coalition governments, faced with declines in revenues due to the privatization of the state hydrocarbons company, failed to implement a coherent economic policy that could address the country's problems. The economy slumped as two critical economic sectors—coca and remittances—flattered: the first from forced coca eradication and the second from the collapse of Argentina's economy, which not only cut off a key outlet for Bolivian labor but also halted the remittances that provided critical income throughout the country.

Social movements increasingly seized the political opportunities presented them, beginning with the world-renowned Cochabamba water war in 2000, which forced the government to renege on a contract for the city's water supply with a multinational consortium (Albro, 2005). Inspired by this success after 15 years of almost constant defeat, social movement protest expanded

Benjamin Kohl is an associate professor in the Department of Geography and Urban Studies, at Temple University. He has written extensively on Bolivia and is coauthor, with Linda Farthing, of *Impasse in Bolivia: Neoliberal Hegemony and Social Resistance* (2006). Linda Farthing, a writer, educator, and activist, has worked on Bolivia for 25 years. She is a founder of the Andean Information Network and has extensive experience in grassroots community development in both Bolivia and Nepal. She has written and produced over 50 books, articles, and radio reports on Bolivia. The authors acknowledge support from a Fulbright Teaching and Research Fellowship and a Temple University Faculty Study Leave and Summer Research Fellowship, as well as the support of Carlos Villegas and the Ciencias del Desarrollo–Universidad Mayor de San Andrés in La Paz, Bolivia. They thank Juan Arbona, Derek Hindery, José Antonio Lucero, Susan Spronk, Steve Volk, and Jeff Webber for comments on various versions of this paper and Armin Tchami for support services.

LATIN AMERICAN PERSPECTIVES, Issue 166, Vol. 36 No. 3, May 2009 59-78

DOI: 10.1177/0094582X09334300

© 2009 Latin American Perspectives

vociferously. In October 2003, this culminated with President Gonzalo Sánchez de Lozada's resignation during what came to be known as the "gas war" (Assies, 2004; Perreault, 2006). His successor, Carlos Mesa, saw his term cut short in June 2005 when he failed to meet social movements' demands for the renationalization of natural gas. After six months of an interim presidency, Evo Morales, the first indigenous president in Bolivian history, was elected with the largest electoral victory in modern Bolivian history (Kohl and Farthing, 2006).

In this article we argue that international financial institutions, including the World Bank, the International Monetary Fund (IMF), and the Inter-American Development Bank (IDB), were key protagonists at five crucial junctures in neoliberalism's unraveling in Bolivia. First, in the early 1990s, both the World Bank and the IMF pressed for the privatization of income-producing state enterprises that decimated government revenues and therefore limited the state's ability to provide services. Second, in the late 1990s, as part of its worldwide strategy promoting public service privatization, the World Bank championed the multinational takeover of Cochabamba's water system that led to the water war. Third, in February 2003, when the IMF exerted considerable pressure on Sánchez de Lozada's weak coalition government to institute personal income taxes, clashes between police and the military left 29 dead, seriously undermining the government's legitimacy. Fourth, the international financial institutions backed a proposal to export Bolivia's natural gas through Chile that led to a cycle of protest leaving 67 dead and forcing Sánchez de Lozada from office in October 2003. Finally, they extended their pressure to the next president, Carlos Mesa, to ensure respect for hydrocarbons contracts that favored corporate rather than public interests and to move rapidly to export gas despite the upheaval it had caused (*La Razón*, 2005).

This article discusses how these institutions spread the hegemony of the neoliberal paradigm throughout Bolivian elites from 1985. We examine how both their relative isolation from political pressure and neoliberalism's hegemony allowed them to ignore the warning signs of Bolivia's impending crises. This failure is hardly confined to Bolivia: Lucero (2008) recounts how sustained IMF pressure on Harvard-trained President Jami Mahuad led to massive protests in 1998 and 1999 that created the conditions for his eventual overthrow in 2000. We argue that the shifts in international financial institution practice in Bolivia since 2006 in the face of a government that explicitly rejects neoliberal ideology reveal not so much a departure from past ideas as their accommodation to a change in the national political climate that limits their ability to condition economic policy.

THE INTERNATIONAL FINANCIAL INSTITUTIONS

In the aftermath of World War II, representatives of 44 countries met in Bretton Woods, New Hampshire, in an effort to establish greater world economic stability. The result was the foundation of the World Bank and the IMF, whose roles evolved considerably over the intervening years depending on current economic orthodoxy and the interests of the world's most powerful states. World Bank and IMF policies were extended by the formation of regional development banks, the first of which was the IDB, founded in 1959.

All over the world, these institutions and the United States support different components of a single policy agenda that generally conforms to U.S. foreign policy goals. The ability of the United States to name the president of the World Bank combined with its large block of votes on bank policy has ensured its power over the institution (Gwin, 1994; Peet, 2003). The United States exercises less direct control over the IMF, as the Europeans choose its director. However, the U.S. Treasury Department holds veto power over important IMF decisions, an American has continuously held the office of vice president, and, in practice, other high-income countries typically defer to U.S. interests (Weisbrot and Sandoval, 2006).

The IMF promotes what it determines are sound economic policies through assisting with balance-of-payments difficulties. It plays a gatekeeper role for credit and loans from the international financial institutions and U.S. development aid. While it counts 184 countries as its members, its funds (and votes) are based on a quota system determined by the size of each country's economy (IMF, 2007a). Since the Asian crisis in the late 1990s, however, IMF influence has waned as middle-income countries in Asia and Latin America have accumulated reserves in order to avoid borrowing from it (Dolan, 2006; Weisbrot and Sandoval, 2006: 10–11).

The not-very-well-known IDB is the largest and oldest of three world regional banks. The IDB is better financed than the other two and is the only one of the three banks that has a mandate for half of its programs to benefit the poor. In a division of labor worked out with the World Bank, IDB lending is largely concessional and concentrated in the region's poorest and smallest countries, of which Bolivia is one.

The IDB is 50 percent controlled by its contributors and borrowers. As its largest contributor, the United States often wields veto power, exercising far more influence than it does on the world's other two regional banks. U.S. political control over IDB policy can be clearly illustrated by its decision to block loans to Allende's Chile and to Nicaragua during the Sandinista government (Tussie, 1977: 77). The IDB has also consistently avoided promoting policies that challenge existing power structures, for example, choosing to support colonization in remote areas rather than pushing governments to address land tenure issues (Tussie, 1997). While the IDB was late in supporting structural-adjustment lending (following the World Bank by 10 years) it has adopted very similar conditionality criteria and generally works in lockstep with the World Bank and the IMF.

Because the World Bank has the largest research and analysis budget of any international financial institution, the development discourse employed by its research department is reflected not only in the global media but also by bilateral aid agencies, other multilateral banks, the World Trade Organization, policy makers, and academics (Cox, 1983; Rückert, 2005; Broad, 2006). For this reason, much of this article focuses on the World Bank as the lead institution in promoting and maintaining neoliberalism.

THE SPREAD OF NEOLIBERAL IDEOLOGY

Neoliberalism, with roots in the classical liberal political economy of Adam Smith, is based on a particular set of ideological assumptions about the

relationship between the individual and the state, in which the state's coercive power is interpreted as the primary threat to individual freedom. Peet (2003: 9) describes neoliberalism as built on "ideas about individual freedom, political democracy, self-regulating markets and entrepreneurship." Neoliberalism changes the accepted terrain of state activity and reduces social spending as the state abdicates its formal responsibility for providing certain services and/or transfers responsibility to the private sector (Feigenbaum and Henig, 1994).

After 1980 this ideological core came to dominate economic policy and public discourse throughout much of the world. Neoliberal ideas spread into international financial institutions through key Reagan administration appointees who threatened funding cuts if the new concepts were not adopted (Gill, 2003: 13). This signaled a change in the orientation of international development policy from state- to market-guided principles, a shift reflected in the elite universities in both the United States and Britain, in which future leaders from low- and middle-income countries receive training in the latest Western economic orthodoxy. These leaders went on to play a key role in the diffusion of neoliberal ideology and policy (Dezalay and Garth, 2002).

The principal mechanism for the diffusion of neoliberalism in the 1980s was the IMF structural adjustment programs, backed by the World Bank, that reduced governments' economic role and opened economies to international capital (Benería and Mendoza, 1995; Goldfrank, 1999). Countries highly dependent on development aid were locked in an unequal power relationship that, along with the collusion of national elites who considered cooperation with global economic orthodoxy in their best interest, ensured that neoliberal practices spread through finance ministries around the world and deepened their influence within international development organizations (Dezalay and Garth, 2002; Peet, 2003).

This bundle of policies came to be known as the Washington Consensus, a term coined by John Williamson (1993: 1329), a World Bank economist, to support the notion that neoliberalism was increasingly becoming "conventional wisdom." Williamson attempted to imbue this ideological position with the force of natural law when he wrote (1330) that the Washington Consensus

seems to me to be in some sense the economic equivalent of [pro-human rights and antiracist issues] (hopefully) no longer political issues. . . . The sooner it wins general acceptance . . . the better for all concerned. . . . The superior economic performance of countries that establish and maintain outward-oriented market economies subject to macroeconomic discipline is essentially a positive question. The proof may not be quite as conclusive as the proof that the Earth is not flat, but it is sufficiently well established as to give sensible people better things to do with their time than to challenge its veracity.

But the interests are not only ideological. The World Bank's financial model required that profits be drawn on market-based loans in order to pay much of the bank's overhead and salaries. As Mallaby (2004: 107) points out,

Time and time again, the Bank would give these defensive loans a structural adjustment coating by projecting that they would kick-start growth; time and time again, these projections proved wrong, discrediting structural adjustment still further. When internal critics questioned the realism of these growth

projections, they were told to be quiet. "Realism" required getting the Bank's own loans serviced.

The international financial institutions, both in country and at their headquarters, are dominated by U.S.- or U.K.-trained economists who, according to Ben Fine (2002: 2063), "impose American orthodoxy" on the profession worldwide. In the IMF, a full two-thirds of the staff are economists (Shultz, 2005). This favoring of economics, and largely neoclassical economics at that, over all other social sciences has significantly reduced the field of debate and had a profound influence on the institutions' policies (Wade, 1996; Engel, 2006). Estrada's (2005) compilation provides ample and detailed evidence of the impacts of U.S.-trained economists on the spread and maintenance of neoliberal ideology from Mexico to Chile. These have not only assumed a pragmatic policy role but also sought to position this ideology and discipline as the only possible analytical framework available.

By the mid-1990s, in no small part in response to mounting international criticism by activists, nongovernmental organizations (NGOs), church groups, academics, and journalists, the World Bank, the IMF, and the IDB began modifying their discourse and absorbing counterhegemonic ideas into what came to be known as the post-Washington Consensus. The new orientation required recipient countries to produce specific poverty reduction strategy papers and recognized that governments play important roles in guaranteeing the success of neoliberal policies, but the fundamentals remain the same. According to the United Nations Conference on Trade and Development (UNCTAD, 2002: 6) "a close examination of the macroeconomic and structural adjustment policy contents of PRSPs [poverty reduction strategy papers] shows that . . . current policy advice continues to contain all the main elements of the first generation of economic reforms, designed to get the prices right."

A FRAMEWORK FOR UNDERSTANDING NEOLIBERALISM'S HOLD

Three theoretical approaches help to explain how neoliberalism became ideologically dominant and has persisted in the face of significant and, in Bolivia's case, overwhelming evidence that it not only failed to achieve the primary goals of rapid economic growth but also contributed to social unrest that threatened political stability. The first is the Gramscian concept of hegemony, the second Michel Foucault's discourse analysis, and the third Thomas Kuhn's concept of paradigms.

Gramsci provides a useful framework even if, as Perry Anderson (1976) notes, at various times the Italian political philosopher gives "hegemony" different and even contradictory meanings. In early writings, Gramsci refers to hegemony as how elites exercise social control, primarily through civil institutions, in order to obtain the consent of the governed rather than through the coercive power of the state. As Anderson notes, Gramsci's understanding of hegemony changed as he shifted his focus from an analysis of Russia to Western democracies, where he saw hegemony "as a synthesis of consent and

coercion" (22). This expands the location of hegemony to encompass both the state and civil society and transforms it to incorporate the separate categories of political and civil hegemony.

Analysis of the language found in international financial institutions' documents, or what Michel Foucault (1978) calls the construction of a discourse, is an important tool for understanding the creation of civil hegemony. "Discourse" in the sociological sense refers to producing knowledge and meaning through the way language is used and subjects are positioned (Hall, 1992). Foucault (1978) argues that often unspoken and underlying assumptions fundamentally shape the way a topic is discussed, and the resulting use of language often determines practice and policy. Ultimately, it is power rather than facts that determines what is "true" and what is "false." The dominant discourse is a tool used by those in power to ensure compliance and, when effective, establishes what Foucault (1980: 131) calls "a regime of truth." It spreads by a "system of dispersion" in which relationships between statements within a discourse "must be regular and systematic, not random" (Hall, 1992: 292). A hegemonic discourse, then, is a discourse used by elite policy makers that serves to gain the consent of the governed through the creation of an ideological framework that justifies a particular set of policies. Not only does it serve to obtain consent but also to create a set of material practices that, in the case of national economic policy, for example, functions to allocate resources in a way that tends to reinforce existing social relations or sets of economic privileges.

Finally, the concept of a paradigm, popularized by Thomas Kuhn (1962) to explain the generation of scientific knowledge, sheds light on the persistence of a hegemonic discourse in spite of mounting material evidence that contradicts its underlying theories. A paradigm is not simply a theory currently in vogue but a worldview shared by a community, based on a series of often-unexamined assumptions. Researchers may dismiss contradictory evidence as an anomaly or simply ignore it until it accrues to a critical mass. Because science operates within a social sphere, with individual careers built on a specific approach, resistance to adopting new paradigms, even within the natural sciences, can be significant. A particular paradigm's social construction represents the interests of a community of researchers, and this is reflected by their use of information and rewards to maintain its hegemony over time (Polsby, 1998). This theory has also been used to examine how economic and political models become conventional wisdom and how maintaining them becomes important to careers and policy choices despite evidence that they are failing (Wade, 1996; Fine, 2002).

Peet (2002: 57; 2003: 15) has combined Foucault's understanding of discourse with Gramsci's concept of hegemony in relation to international financial institutions in what he calls the construction of a "globally hegemonic discourse." He differentiates between the "hegemonic depth" of a discourse—that is, how effectively it can define the boundaries of what is discussed and how—and its "hegemonic extent" or geographic range. He argues that "economic policy does not come from science's ability to mirror the exact structure of social reality. . . . Instead, policy is socially produced by a community of experts who agree . . . to call a certain type of thinking and

speaking ‘rational’” (2003: 16–17). Adding Kuhn’s concept of paradigm helps identify the forces that contribute to maintaining the hegemony of a particular policy framework even in the face of material evidence that these policies are fundamentally flawed.

NEOLIBERALISM AND INTERNATIONAL FINANCIAL INSTITUTIONS IN BOLIVIA

From 1952 to 1985, the Bolivian government served as the country’s prime economic actor. The transition to a market-dominated economy followed a 1986 IMF structural adjustment package largely designed by Bolivian technocrats, with strong support especially from those sectors of the business community with a transnational orientation (Sachs, 1987). It had the explicit intention of regaining the support that the IMF, the World Bank, the IDB, and the United States had withdrawn when the country’s left-of-center government (1982–1985) suspended payments on Bolivia’s foreign debt.

Known as the New Economic Policy, the implementation of neoliberal “market democracy” was in the hands of a weak coalition of capitalists, technocrats, and politicians (Conaghan and Malloy, 1994: 214). President Victor Paz Estenssoro (1985–1989), however, was a consummate politician who found an important ally in Gonzalo Sánchez de Lozada. Raised and educated in the United States, he was the principal owner of COMSUR, the country’s largest private mining company, and a recipient of World Bank loans (World Bank, 2004b: 91). Sánchez de Lozada’s unwavering commitment to neoliberalism, forceful personality, and political skills quickly turned him into one of the New Economic Policy’s chief architects and proponents. Jeffrey Sachs, then a Harvard economist, was invited to Bolivia by a former student several months after neoliberal policies were introduced in 1985. He became a lead advocate for the government to the IMF, requesting support for the new policies even before the thorny issue of reinitiating Bolivia’s debt repayment had been broached (Conaghan and Malloy, 1994: 196). An enduring result of NEP was what Mesa (2008: 150) experienced as the “total autonomy” of the Treasury and Central Bank from the executive branch when he served as Bolivia’s president from 2003 to 2005 which granted them “an inflexible tyranny in policy design” by their supposed by “apolitical” technocrats.

In 1987, Paz Estenssoro’s economic team accepted IMF guidelines that left two-thirds of export income available for foreign debt payments. Subsequently, Bolivia was granted the “Toronto treatment,” previously reserved for sub-Saharan countries, which condoned a third of the country’s bilateral debt and reprogrammed remaining loan schedules and interest rates. Paz Estenssoro was not entirely convinced by neoliberalism: he attempted to pick and choose from the neoliberal package the policies that would give Bolivia the best options. For example, the economic team initiated creative approaches to debt reduction by negotiating debt swaps, most notably to fund environmental projects (Conaghan and Malloy, 1994: 196–199), and at the same time refused to consider privatizing profitable state-owned enterprises.

The carrot-and-stick approach of the international financial institutions and the United States proved essential to ensure both the initial success of the New

Economic Policy and the hegemony that the neoliberal paradigm achieved among Bolivia's political classes through six successive governments. For the most part, once the country decided to conform to international expectations, it had little room to maneuver in terms of negotiating conditions. Funding became essential for the government to meet its basic obligations. From 1985 to 2005, roughly half of Bolivia's public investment was supported by international aid, averaging about 9 percent of the gross domestic product (GDP) annually (World Bank, 2003). This dependency ensured an almost slavish following of the institutions' prescriptions in order to guarantee a steady flow of funds.

The World Bank's funding of Bolivian ministries was decisive in the widespread embrace of neoliberalism. Fernández Terán (2004: 114, our translation) describes how the process spread among most Bolivian intellectuals, through a process of discursive adaptation whose differences from standard neoliberal discourse confirm Foucault's contentions about the "system of dispersion":

More than a just a coarse parroting of current orthodoxy, phrases such as "neoliberalism with a human face," "social-neoliberalism," "protect governability," "it's the only path, there is no other," "get on the train of globalization," and "modernize the country" were coined by many intellectuals seduced by the logic of power and the "magic of the market." At the same time as they took public jobs, they were well-paid consultants . . . or served in public office. It is almost certain that very few understood the principles developed by neoliberal thinkers of the 1930s, such as Hayek and von Mises, and merely limited themselves to repeating, like a distorted echo, supposedly modern values of an old neoliberal discourse.

This process of dispersion was built on overlapping interests and revolving-door relationships between government, business, and the international financial institutions seen the world over (Peet, 2002). In Bolivia, Fernández Terán (2004: 140) delineates the trajectory of a director of the (World Bank-funded) regulatory system, who held positions as minister of finance under Paz Estenssoro, a consultant on Bolivia's privatization process under Sánchez de Lozada, a member of the administrative board of the local Citibank branch, and an employee of the World Bank. These interlocking relationships reinforced the construction of ways of thinking, set the limits of policy debates, and defined conventional wisdom and common sense. They were essential to the creation of hegemony and the maintenance of the neoliberal paradigm.

Until 1993, Bolivian governments all offered some degree of resistance to neoliberal orthodoxy. This was clear in the ongoing reluctance to privatize Bolivian state-owned enterprises. The privatization push was led by the World Bank and the IMF and backed by the United States and later the IDB, and it began soon after the 1985 structural adjustment. Paz Estenssoro recognized that privatization would drastically undermine government income and successfully held it off. The international financial institutions did not back off, however, and in 1992 the Paz Zamora government (1989–1993) saw little option but to pass the Law of Privatization, authorizing the sale of 30 small state firms, which were typically bought by national investors (Villegas, 1997: 48). Paz Zamora was clearly attempting to mollify the financial institutions, as he avoided selling the largest and most profitable firms. This

pressure did not stem only from ideology. A study conducted by the Washington consultancy firm Core International for the U.S. Trade and Development Agency in 1994 revealed that the privatization of the largest state-owned enterprises—most importantly the national hydrocarbons and telecommunications companies—would “benefit US investors, create demand for equipment, open new markets, and create jobs” in the United States (Hindery, 2004: 288).

During this period, Bolivia experienced a modest rate of growth that, when combined with the spectacularly successful economic stabilization, further strengthened the government and public’s commitment to neoliberalism. With the 1993 election of Sánchez de Lozada (1993–1997) at the head of a strong coalition, the international financial institutions finally had a true believer in office. Nonetheless, Sánchez de Lozada deliberately attempted to avoid some of the rent-seeking and regressive redistributionary aspects frequently associated with privatization elsewhere (Schamis, 2002). For example, the innovative 1994 Law of Capitalization sought to use the proceeds from the sale of state firms to support a universal pension fund and thereby deepen neoliberal hegemony by creating a new class of Bolivian citizen-shareholders loyal not only to the political party of the day but also to market democracy in general (Kohl, 2004). During an unusually ambitious and productive four years, Sánchez de Lozada’s “capitalization” transferred complete control but only 50 percent ownership of five of the largest state-owned industries. Two of these—hydrocarbons and telecommunications—generated almost 60 percent of government revenues.

While the financial institutions did not design capitalization, they financed it. The World Bank lent US\$120 million to finance the Ministry of Capitalization, which carried out the feasibility studies and marketed the firms (*La Razón*, 1997). A later example of support for privatization is provided by IDB financing of gas pipeline expansion through Transredes, owned in part by the U.S. firm Enron (IDB, 2002).

Capitalization’s results were not at all as anticipated. The newly installed private owners all used similar strategies to increase profitability: they cut or rebalanced the workforce, increased capital investment, introduced new management techniques and productive technologies, and raised rates for basic services. They stripped assets (airline), shifted profits to wholly owned subsidiaries outside Bolivia (telecommunications), and bought firms at discounted prices (hydrocarbons). Bolivia gained little in terms of either jobs or economic growth but instead faced a substantial decline in government revenues.

RESISTANCE AND CRISIS

Hegemony is fluid, constantly challenged by the counterhegemonic discourse of social movements, the independent media, opposition parties in government, and intellectuals. The international institutions’ attempt to absorb counterhegemonic ideas into their discourse through the promotion of the poverty reduction strategy papers was unsuccessful in convincing the

burgeoning social movements that neoliberalism served their interests. This demonstrates that the ability to construct hegemony at one scale does not automatically transfer to another. As seen the world over, the IMF is often better able to persuade a government minister of the inevitability of cutting funding to reach a deficit target than to convince a crowd protesting increased water or food prices that these cuts are in its long-term interest.

However, rather than seeing counterhegemonic movements as simply a reaction to domination, it is more accurate to employ Polanyi's (2001) concept of the double movement between the push for unregulated markets on one side against social actors who demand protection from the ravages of an unshackled market on the other (Rückert, 2005).

The international financial institutions always supported the coercive side of hegemony or what Gill (2003) calls "disciplinary neoliberalism": elite efforts to destroy, absorb, and redirect social movements. In the one-size-fits-all discourse about low-income countries so prevalent among multilateral and bilateral policy makers, they failed to recognize the constancy of counterhegemonic movements throughout Bolivia's history (Hylton and Thomson, 2004). From 1952 until 1985 these efforts were directed by the Central Obrera Boliviana (the Bolivian Labor Confederation—COB), in its heyday arguably the strongest independent labor movement in the world.

With the adoption of structural adjustment in 1985, systematic government efforts were made to obliterate the COB by destroying its militant backbone, the miners' union, through pit closures, a policy similarly applied in Britain by one of neoliberalism's chief 1980s architects, Maggie Thatcher. Into the vacuum stepped a plethora of social movements, many reflecting the resurgence of indigenous identity that has taken place from Chiapas to Chile (Postero, 2007; Lucero, 2008). Beginning in the late 1980s, resistance was led by indigenous coca producers (*cocaleros*) from Cochabamba's Chapare region, with significant backing from the combative teachers' union. The growers forged a powerful movement to combat the repression associated with the U.S.-financed war-on-drugs and its failed alternative development schemes (Farthing and Kohl, 2005).

With the 1994 passage of the Laws of Decentralization and Popular Participation, the government made an effort—by directing financial resources to newly formed municipalities—to redirect counterhegemonic movements to focus on local governments and ignore national politics (Medeiros, 2001; Ejdesgaard Jeppesen, 2002). At first this strategy was relatively successful, and with the introduction of municipal elections in 1995 popular movements gained entry to formal political spaces for the first time. But many, particularly the coca growers, built on successful local mobilization to rebuild a national counterhegemonic movement.

In 1997, soon after he took office at the head of a weak coalition, the former dictator Hugo Banzer (1997–2001) acceded to constant U.S. pressure to use military force to destroy coca cultivation in the Chapare region east of Cochabamba. The resulting Coca Zero policy virtually destroyed the regional economy, with effects that rippled through the entire country. For Banzer the timing could not have been worse. In 1999 Argentina spiraled into its economic collapse, and many of the one in seven Bolivians living there were no longer

able to send the remittances that sustained their families and communities. Tens of thousands of immigrants returned to a country battered by Coca Zero. The national economic crisis deepened because of the loss of government oil and gas revenues, and Banzer's desperate calls for increased foreign assistance went largely unheeded (Villegas, 2002).

Unable to achieve what the World Bank (2004a: 9) later recognized as "excessive" growth projections, Bolivia saw its fiscal debt, which had dropped propitiously after 1985, climb sharply despite repeated debt relief in 1986 and 1996 that had reduced the roughly US\$3.3 billion 1985 debt by half (Escóbar de Pabón, 2002: 6). Beginning in 1996, reflecting the World Bank's increasing commitment to the post-Washington Consensus, Bolivia also received debt relief under HIPC I and II,¹ totaling 30 percent of the outstanding obligation in exchange for a detailed poverty reduction strategy paper that permitted HIPC expenditures only on international financial institutions' approved projects (12). These consistently favored the private (and particularly foreign) sector.

The composition of the debt, however, had changed dramatically since the early 1980s, when most was owed to private banks. By 2000 the debt was almost entirely multilateral and bilateral, with the IDB, the United States, and Japan the most important lenders. By 2006, one-third was owed to the IDB, and payback totaled over US\$100 million each year (Gugler, 2006). Unlike private debt, multinational and bilateral debt cannot be reduced by sale at a discounted rate on the secondary market, making Bolivia even more vulnerable to imposed conditions (Escóbar de Pabón, 2002).

HEGEMONY UNRAVELING

As the economic crisis of the late 1990s deepened, social upheaval expanded exponentially, as did repression. When the 1998 forcible coca eradication left coca growers scrambling to survive, far from the tropics, in the indigenous highlands, campesinos, often in coordination with other popular movements, repeatedly blocked the principal roads, grinding transport to a halt.

The privatization promoted by the international financial institutions exacted a toll on political stability. As fiscal deficits grew steadily, the pressure to reduce public services magnified, limiting ministries in fulfilling their mandates and, more immediately critical, fomenting greater public unrest and making Bolivia increasingly ungovernable. Instead of balancing the contradictory goals of maintaining a legitimate state and creating a stable market economy, the demands of the World Bank for an orthodox neoliberal market threatened the viability of both.

During the 1990s, when the World Bank made privatization of public services a condition of concessionary loans from Argentina to Senegal, it successfully pressured the 1999 sale of the state-owned Cochabamba water company to Aguas del Tunari, an international consortium owned by Edison of Italy and the U.S. Bechtel Corporation, one of the world's largest construction companies (Shultz, 2001; Finnegan, 2002; Olivera, 2004; and Albro, 2005). The secret contract awarded a 40-year concession with a minimal investment, and water rates quickly increased without any service improvements.

The deal so outraged Cochabambinos that a social movement that united peasant farmers, environmentalists, neighborhood groups, and blue- and white-collar workers quickly became one of the most powerful symbols of the antiglobalization movement around the world (Olivera, 2004). Its success in forcing the government to terminate the contract was heralded as a turning point with enormous psychological impact for grassroots and popular organizations in Bolivia, returning to resistance movements the voice that had been muted during 15 years of largely unsuccessful opposition. Despite this setback, the World Bank's commitment to the privatization of public services did not waver. Initially it supported Bechtel's claim for US\$25 million in compensation for the cancelled contract and threatened to withhold support if the government refused to guarantee investors' property rights (Shultz, 2004).

Sánchez de Lozada returned to office in August 2002 at the head of a coalition that lacked the broad support and relative legitimacy of his first administration. Once in office he lurched from crisis to crisis unable to confront the fundamental constraints imposed on economic policy options. In 2003 the IMF pressured the government to reduce its mounting deficit, and Sánchez de Lozada, following IMF policy recommendations, proposed a flat tax on personal income. The protest that erupted led to clashes in La Paz's main square between the police and the military that caused 29 deaths and two days of riots and looting throughout the country (APDHB et al., 2004; *La Razón*, 2003). A desperate Sánchez de Lozada turned first and foremost to his sponsors in Washington, calling the Department of State with an unanswered plea for \$120 million so that he could avoid imposing the tax (Mesa Gisbert, 2008). The entire episode cost the government much of its legitimacy, presaging what García Linera (2004: 84) called the beginning of a "mutilated" neoliberal hegemony.

Government willingness to use force to impose IMF demands sent a clear message about who was running Bolivia and facilitated counterhegemonic groups' efforts to tie a common nationalist, antineoliberal discursive thread around what, to outsiders, often seemed disparate protests (Shultz, 2005). As the cycle of protest broadened, reversing the 1997 gas and oil privatization became a key rallying cry of social movements (Orgáz García, 2003). A public sensitive to the historic sacking of the country's natural resources was inflamed that Bolivia provided the private hydrocarbons corporations the lowest cost for producing natural gas in the world, with anticipated returns of 10 to 1 or higher (Kohl and Villegas, 2005).

Small demonstrations to renationalize gas were common by the time Sánchez de Lozada returned to the presidency and they steadily expanded with mounting frequency and participation. By October 2003, after he unleashed the military to quell civilian demonstrators (a move that led to over 65 deaths), more than 1 million people (out of 9 million) across the country poured into the streets to demand his resignation. On October 17, after an estimated 500,000 people marched on the presidential palace, Sánchez de Lozada fled to Miami (Arbona, 2007). This moment, the result of the increasing application of disciplinary neoliberalism in Bolivia, signaled the collapse of neoliberal hegemony.

Even the *Wall Street Journal* and *The Economist*—hardly radical critics of neoliberalism—blamed Bolivia’s unraveling on IMF incompetence. They described the IMF as breathing down Sánchez de Lozada’s neck, pressuring him to adopt unpopular policies right up until the moment he was driven from office (O’Grady, 2003; *Economist*, 2003). But the IMF did not let up even in the face of these failures, exerting enormous pressure on President Carlos Mesa, Sánchez de Lozada’s successor, to ensure respect for existing hydrocarbons contracts, to abolish a fuel subsidy that contributed to the government deficit, and to move rapidly to export gas (*La Razón*, 2005). One of Mesa’s greatest frustrations was his inability to influence the largely autonomous Treasury department which “in an obsessive manner” followed neoliberal prescriptions dictated by its real outside influences, the IMF and the World Bank (Mesa Gisbert, 2008: 150).

Mesa had assumed office with the promise to meet the central demands of the October Agenda: nationalization of gas, formation of a constituent assembly, and the end of impunity for elected officials involved in civilian deaths. He resigned in June 2005 as over a half million Bolivians protested his inability to fulfill these promises. Mesa had attempted to leave office three months earlier, and his speech (Mesa Gisbert, 2005, our translation) then starkly revealed the power of financial institutions and the international community that, even as president, he was unable (or unwilling) to challenge:

I want to emphasize that this [hydrocarbons] law is . . . impossible. . . . [It] is a law that the international community will not accept and that the oil companies will take to arbitration. . . . Whether this is just or unjust is a theme for discussion and debate. But it is clear; everyone has told us: Brazil has told us, Spain has told us. The World Bank, the United States, the International Monetary Fund, Great Britain, and the entire European Community. “Señores Bolivians, approve a law that is viable and acceptable to the international community.”

Much to the consternation of the United States and its partners, Evo Morales won 54 percent of the vote in the elections held in December 2005. He rode to power because social movements convinced the electorate that neoliberal policies had failed. Morales has repeatedly stated that he wants to undo the neoliberal straitjacket that constrains the country. Neoliberalism’s discursive hegemony had been broken, but reversing its impacts on the country has proven much more difficult.

On assuming office, Morales immediately traveled to Europe, South Africa, and China to seek external financing sources not dominated by the United States. He strengthened relations with Cuba and Venezuela, which could serve to diminish the financial instability that has wracked the country from its beginnings and reduce the power of the international financial institutions, multinational corporations, and their government backers in the United States and the European Union (Weisbrot and Sandoval, 2006). At the end of March 2006, the Morales government determined that Bolivia had sufficient financial reserves to avoid an immediate additional standby agreement with the IMF. By April 2007 Morales announced Bolivia’s withdrawal from the World Bank’s international arbitration tribunal, the International Center for the Settlement of Investment Disputes (ICSID). Arguing that the bank was both judge and party

to ICSID processes and that judgments consistently favored multinationals over low-income countries, he presented a clear rebuke of the hegemony of the international financial institutions in Bolivia. However, by 2008, as his government faced mounting opposition, he complained that the neoliberal laws and practices that still dominated the country limited his ability to move ahead with fundamental economic and political restructuring.

While much of the opposition he confronts comes from far-right regional elites in the eastern part of the country, he also faces a moderate conservative opposition that includes the professionals with a solid commitment to market principles who worked in neoliberal governments, international financial institutions, and consultancies during the 1990s. With funding from the USAID and other donors, they now promote regional development as a mechanism to reduce the importance of the central state.

LEARNING FROM MISTAKES?

As Bolivia underwent the Jekyll-and-Hyde transformation from a poster child for neoliberal policies to a leading star for the antiglobalization movement, the international financial institutions continued to insist on essentially the same policy package even as they made modifications to accommodate the policy initiatives of the government in power. For the most part, they have expressed little self-criticism or assumption of responsibility for the failures of their policies. Rather, they cast much of the blame on external shocks such as the crisis in Argentina and the incompleteness of and delays in neoliberal reforms. Shultz (2005: 32) reveals the frustration of outsiders in observing these paradigm-maintenance activities:

Over and over again, when confronted with realities on the ground that fall short of their theories and predictions, IMF and World Bank officials place the blame not on the theory but on faulty implementation by poor governments. It is the governments, they say, that make the real decisions. . . . This approach—we just set the general parameters, the governments make the real choices—is a convenient one for the IMF and the World Bank. It allows them to deny responsibility when those policies go wrong. It relieves them of accountability when people suffer, or when blood is spilled.

Another key element in maintaining the neoliberal paradigm is the relative insulation of the international financial institutions from the kinds of difficulties faced by governments that have lost legitimacy because of neoliberal policy. Demonstrations take place in front of national government offices, not the institutions' local offices. In addition, both the World Bank and the IDB have large in-country staffs made up of technocrats with a strong economic orientation that allows them to exist in a culture largely unto themselves. All these factors—blaming governments for the failure of policies they have insisted on, insulation from protest, and an insular institutional subculture—mean that neoliberal hegemony is very deep (in Peet's sense) and the paradigm itself capable of enduring more repeated failures than any single national government.

Nonetheless, in contrast to the IMF and the IDB, the World Bank has expressed some consternation that policy orthodoxy failed in Bolivia. A late 2005 Country Assistance Evaluation Report reviewing the period from 1999 to 2004 signals that “there was mounting evidence by the time of 2001 Country Assistance Strategy (CAS) Progress Report that the basic scenario envisaged in the 1998 CAS was not materializing, while virtually all of the risks were. . . . The Bank’s strategy in the 2001 CAS Progress report did not make any adjustments to address these issues” (World Bank, 2005: 32). Rather, “overly-optimistic political and/or social assessments, overly-optimistic macroeconomic frameworks, and overly-optimistic assessments of the Bank’s ability to implement CDF principles contributed to *less than fully-satisfactory development outcomes* of Bank assistance” (vi, emphasis added). Without considering why the bank continued with a clearly unsuccessful strategy that exacerbated the country’s instability, the evaluation goes on to note that “unbiased, balanced assessments of risk, and re-assessment during implementation, improve the prospects for ex-post development effectiveness” (36). Why did the bank fail to conduct such assessments?

Part of the answer is suggested by in Mawdsley and Rigg’s (2002) analysis of the discursive strategies utilized in the World Bank Development Reports. They found that behind the technical, problem-solving language lay a predetermined position that permitted no consideration of alternative policy proposals. Fernández Terán (2003) provides an example of these unstated assumptions in his description of how the World Bank limited the terms of the debate during development of Bolivia’s Country Assistance Strategy in 1997.

Even more important, however, is the hegemony of the assumptions themselves. An unusually self-critical World Bank report (2004a) recognizes that in Bolivia the financiers “deluded themselves—by faith [that during] the initial years of democracy and several years of reasonable growth” they could completely reinvent the country. Such “faith,” clothed in scientific principles and analysis, promoted by intelligent, well-educated people in expensive suits, and backed by the world’s most powerful governments, institutions, and businesses, created the “regime of truth” that Foucault describes. In Bolivia, international financial institutions’ faith in neoliberal ideology led them to believe that a good dose of neoliberalism would overcome a political culture, forged by 500 years of exclusion and counterhegemonic resistance, that largely sought resolution of grievances in the streets.

As Peet (2003) and Pithouse (2003) predicted, the late 1990s emphasis on poverty reduction has had little impact on underlying principles and belief patterns. Engel (2006) argues that while there has been a greater emphasis on what the bank calls “social capital” and local participation (in an instrumentalist form), four items fundamental to the broader agenda are not open for discussion: (1) promoting market principles, (2) promoting individual and private property rights, (3) increasing foreign investment, and (4) demanding fiscal restraint. We contend that these principles cannot be adapted in the face of failure because too much is at stake for the bank in doing so—the high-powered careers of its staff, getting its own financial needs serviced, and even its own importance in world affairs. This is a classic example of the politics of paradigm maintenance in operation (Wade, 1996).

Despite the assertion that “given the past circumstances, the World Bank cannot adopt a business-as-usual approach” (World Bank, 2004a: ii), just as Engel (2006) predicts, all of the international financial institutions have, for the most part, continued to repeat the same free-market mantra. While the World Bank’s Bolivia Interim Strategy for the two years beginning late in 2006 includes increased social spending reflecting the priority areas set by the Morales government, key bank documents (2006a; 2006b) argue that the country should resume the 1990s reform agenda, promoting private investment and a fuller integration into world markets. The dissemination of these ideas is a key part of World Bank strategy in Bolivia.

Examples abound to show that policies have been modified only at the margins. The IMF continues to push for tax reform with little indication that it understands the disastrous results of the 2003 effort and consistently stresses the need for Bolivia to improve its “investment climate” (IMF, 2005; 2007b). The IDB’s Country Strategy (2004–2007) is firmly centered on the pillars of the Washington Consensus (IDB, 2003). A World Bank Private Sector Development and Finance Office–funded project that supports Morales’s government initiatives to provide greater assistance to small producers has tellingly changed its name from “Competitiveness” to “Productivity and Job Creation” (World Bank, 2007).

The reasons for this policy continuity despite the evidence lie not only in the deep discursive hegemony that neoliberalism achieved within these institutions but also in the relative isolation from political pressures that they enjoy, as well as the dominance of the neoliberal paradigm within the world economic system. Until “experts” at these institutions accept the evidence that the “less than fully satisfactory” material outcomes of neoliberal policies are predictable and that they threaten both economic growth and political stability, the dominant neoliberal paradigm will make adjustments at the margins as it has done in Bolivia. Meanwhile, the paradigm shift necessary for fundamental change will remain elusive.

NOTE

1. HIPC, for “Heavily Indebted Poor Countries,” was adopted in 1996 by the IMF, the World Bank, and the G8 countries (the United States, Japan, Britain, Germany, France, Italy, Canada, and Russia) when the international financial institutions responded to sustained pressure from low- and medium-income governments and international NGO coalitions to recognize that the poorest countries were unable to repay their debts.

REFERENCES

- Albro, Robert
2005 “The water is ours, *carajo!*: deep citizenship in Bolivia’s water war,” pp. 249–271 in June Nash (ed.), *Social Movements: An Anthropological Reader*. Oxford and Cambridge: Basil Blackwell.
- Anderson, Perry
1976 “The antinomies of Antonio Gramsci.” *New Left Review* 100 (November): 5–78.
- APDHB, ASOFAMD, CBDHDD, DIAKONIA, FUNSOLON, and RED-ADA
2004 *Para que no se olvide: 12–13 febrero 2003*. La Paz: Plural Editores.

- Arbona, Juan
2007 "Neo-liberal ruptures: local political entities and neighborhood networks in El Alto, Bolivia." *GeoForum* 38 (1): 127–137.
- Assies, Willem
2004 "Bolivia: a gasified democracy." *Revista Europea de Estudios Latinoamericanos y del Caribe* 76: 25–43.
- Benería, Lourdes and Breny Mendoza
1995 "Structural adjustment and social emergency funds: the cases of Honduras, Mexico, and Nicaragua." *European Journal of Development* 7 (1): 53–76.
- Broad, Robin
2006 "Research, knowledge, and 'paradigm-maintenance': the World Bank's Development Economics Vice-Presidency." Global Policy Forum. <http://www.globalpolicy.org/soecon/bwi-wto/wbank/2006/1120wbdec.htm> (accessed January 18, 2009).
- Conaghan, Catherine M. and James M. Malloy
1994 *Unsettling Statecraft: Democracy and Neoliberalism in the Central Andes*. Pittsburgh: University of Pittsburgh Press.
- Cox, Robert W.
1983 "Gramsci, hegemony, and international relations: an essay in method." *Millennium: Journal of International Studies* 12: 162–175.
- Dezalay, Yves and Bryant G. Garth
2002 *The Internationalization of Palace Wars: Lawyers, Economists, and the Contest to Transform Latin American States*. Chicago: University of Chicago Press.
- Dolan, Mike
2006 "Bolivia seen likely to end IMF financing ties." Reuters, March 9.
- Economist*
2003 "What will the IMF say now? Bolivia." *Economist* 336 (8312): 33.
- Ejdesgaard Jeppesen, Anne Marie
2002 "Reading the Bolivian landscape of exclusion and inclusion: the Law of Popular Participation," in Neil Webster and Lars E. Pedersen (eds.), *In the Name of the Poor*. London: Zed.
- Engel, Susan
2006 "Where to neoliberalism? The World Bank and the Post-Washington Consensus in Indonesia and Vietnam." <http://coombs.anu.edu.au/SpecialProj/ASAA/biennial-conference/2006/Engel-Susan-ASAA2006.pdf> (accessed January 9, 2009).
- Escóbar de Pabón, Silvia
2002 *Condicionabilidad externa y desarrollo: Evaluando la estrategia boliviana de reducción de pobreza*. La Paz: CEDLA.
- Estrada Álvarez, Jairo (ed.)
2005 *Intelectuales, tecnócratas y reformas neoliberales en América Latina*. Bogotá: Universidad Nacional de Colombia.
- Farthing, Linda and Benjamin Kohl
2005 "Conflicting agendas: the politics of development aid in drug producing areas." *Development Policy Review* 23: 183–198.
- Feigenbaum, Harvey and Jeffrey Henig
1994 "The political underpinnings of privatization: a typology." *World Politics* 46 (January): 185–208.
- Fernández Terán, Roberto
2004 *Fondo Monetario Internacional, Banco Mundial y estado neocolonial: Poder supranacional en Bolivia*. 2d edition. La Paz: Plural Editores.
- Fine, Ben
2002 "Economics imperialism and the New Development Economics as Kuhnian paradigm shift?" *World Development* 30: 2057–2070.
- Finnegan, William
2002 "Leasing the rain." *New Yorker* (April 8), pp. 45–53.
- Foucault, Michel
1978 "Politics and the study of discourse." *Ideology and Consciousness* 3: 7–26.
1980 *Power/Knowledge: Selected Interviews and Other Writings 1972–1977*, Ed. Colin Gordon. London: Harvester.

- García Linera, Álvaro
2004 "La crisis del estado y las sublevaciones indígena-plebeyas," pp. 27–86 in Álvaro García Linera, Raúl Prada, and Luis Tapia (eds.), *Memorias de Octubre*. La Paz: Muela del Diablo.
- Gill, Stephen
2003 *Power and Resistance in the New World Order*. New York: Palgrave Macmillan.
- Goldfrank, Walter L.
1999 "Neoliberalism and class conflict in Latin America: a comparative perspective on the political economy of structural adjustment." *American Journal of Sociology* 104 (5): 1595–1596.
- Gugler, Alfred
2006 "Inter-American Development Bank refusal to grant debt relief a blow to Bolivia." Albuquerque: International Relations Center. <http://americas.irc-online.org/am/3184> (accessed January 9, 2009).
- Gwin, Catherine
1994 *US Relations with the World Bank 1945–92*. Washington, DC: Brookings Institution.
- Hall, Stuart
1992 "The West and the rest: Discourse and power," in Stuart Hall and Bram Gieban (eds.), *Formations of Modernity*. London: Open University/Policy.
- Hindery, Derrick
2004 "Social and environmental impacts of World Bank/International Monetary–Funded economic restructuring in Bolivia: an analysis of Enron and Shell hydrocarbons." *Singapore Journal of Tropical Geography* 25: 281–303.
- Hylton, Forrest and Sinclair Thomson
2004 "The roots of rebellion." *NACLA Report on the Americas* 38 (3): 15–19.
- IDB (Inter-American Development Bank)
2002 "IDB approves \$132 million to expand capacity of private sector natural gas pipeline operations in Bolivia." December 11. <http://www.iadb.org/news/articledetail.cfm?language=EN&artid=1357> (accessed January 18, 2009).
2003 *Bank Strategy with Bolivia (2004–2007)*. Washington, DC.
- IMF (International Monetary Fund)
2005 *Bolivia: Expost Assessment of Longer-term Program Engagement*. Country Report 05/139. Washington, DC.
2007a "IMF at a glance." <http://www.imf.org/external/np/exr/facts/finfac.htm> (accessed January 15, 2007).
2007b "IMF Executive Board concludes 2007 Article IV consultation with Bolivia." Public Information Notice No. 07/80. <http://www.imf.org/external/np/sec/pn/2007/pn0780.htm> (accessed January 18, 2007).
- Kohl, Benjamin
2004 "Privatization Bolivian style: a cautionary tale." *International Journal of Urban and Regional Research* 28: 893–908.
2006 "Challenges to neoliberal hegemony in Bolivia." *Antipode* 38: 304–326.
- Kohl, Benjamin and Linda Farthing
2006 *Impasse in Bolivia: Neoliberal Hegemony and Popular Resistance*. London: Zed.
- Kohl, Benjamin and Carlos Villegas
2005 "Otras formas de captación de la renta petrolera." *La Época*, May 1.
- Kuhn, Thomas S.
1962 *The Structure of Scientific Revolutions*. Chicago: University of Chicago Press.
- La Razón*
1997 "El crédito de ajuste estructural." July 17.
2003 "La policía se amotinó en La Paz y dejó desprotegida a la ciudad." February 12.
2005 "El FMI insta al país a utilizar su gas y a brindar seguridad jurídica." February 19.
- Lucero, José Antonio
2008 *Struggles of Voice: The Politics of Indigenous Representation in the Andes*. Pittsburgh: University of Pittsburgh Press.
- Mallaby, Sebastian
2004 *The World's Banker*. Ed. Council on Foreign Relations. New York: Penguin Press.
- Mawdsley, Emma and Jonathan Rigg
2002 "A survey of the World Development Reports: discursive strategies." *Progress in Development Studies* 2: 93–111.

- Medeiros, Carmen
2001 "Civilizing the popular: the Law of Popular Participation and the design of a new civil society in 1990s Bolivia." *Critique of Anthropology* 21: 401–425.
- Mesa Gisbert, Carlos D.
2005 "Mensaje del Presidente Carlos Mesa anunciando su renuncia a la primera magistratura." *La Razón*, March 7.
2008: *Presidencia sitiada: Memorias de mi gobierno*. La Paz: Editorial Plural.
- O'Grady, Mary Anastasia
2003 "An ousted president fears for Bolivia's future." *Wall Street Journal*, October 24.
- Olivera, Oscar
2004 *Cochabamba! Water War in Bolivia*. Trans. Tom Lewis. Boston: South End Press.
- Orgáz García, Mirko
2003 *La guerra del gas: Nación versus estado transnacional en Bolivia*. 3d edition. La Paz: OFAVIN.
- Peet, Richard
2002 "Ideology, discourse, and the geography of hegemony: from socialist to neoliberal development in postapartheid South Africa." *Antipode* 34: 54–84.
2003 *Unholy Trinity: The IMF, World Bank, and WTO*. New York: Zed.
- Perreault, Tom
2006 "From the Guerra del Agua to the Guerra del Gas: resource governance, popular protest, and social justice in Bolivia." *Antipode* 38: 150–172.
- Pithouse, Richard
2003 "Producing the poor; the World Bank's new discourse of domination." *African Sociological Review* 7: 118–148.
- Polanyi, Karl
2001 *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press.
- Polsby, Nelson
1998 "Social science and scientific change: a note on Thomas S. Kuhn's contribution." *Annual Review of Political Science* 1: 199–210.
- Postero, Nancy Grey
2007 *Now We Are Citizens: Indigenous Politics in Postmulticultural Bolivia*. Stanford: Stanford University Press.
- Rückert, Arne
2005 "(Re-)producing neoliberal hegemony? The poverty reduction strategy paper (PRSP) approach in Nicaragua and Honduras." MS, Carleton University, Ottawa.
- Sachs, Jeffrey
1987 "The Bolivian hyperinflation and stabilization." *American Economic Review* 77: 279–283.
- Schamis, Hector
2002 *Re-forming the State: The Politics of Privatization in Latin America and Europe*. Ann Arbor: University of Michigan Press.
- Shultz, Jim
2001 "Bolivia's water wars." Democracy Center Online. <http://www.democracyctr.org/newsletter/vol36.htm> (accessed January 15, 2009).
2004 "A real life Scrooge vs. Bolivia's poor." Democracy Center Online. <http://www.democracyctr.org/newsletter/vol59.htm> (accessed January 15, 2007).
2005 *Deadly Consequences: The International Monetary Fund and Bolivia's Black February*. Cochabamba: Democracy Center.
- Tussie, Diana
1997 *El Banco Interamericano de Desarrollo*. Buenos Aires: FLACSO/UBA.
- UNCTAD (United Nations Conference on Trade and Development)
2002 "Economic development in Africa: from adjustment to poverty reduction: what is new?" <http://www.unctad.org/en/docs/pogdsafri2.en.pdf> (accessed November 15, 2006).
- Villegas Quiroga, Carlos
1997 *Nuevo escenario y nuevos agentes de inversión en Bolivia*. Documentos de Trabajo 11. La Paz: CEDLA.
2002 *Privatización de la industria petrolera en Bolivia: Trayectoria y efectos tributarios*. La Paz: CIDES-UMSA and Plural Editores.

Wade, Robert

1996 "Japan, the World Bank, and the art of paradigm maintenance: The East Asian miracle." *New Left Review* 217 (May–June): 3–36.

Weisbrot, Mark and Luis Sandoval

2006 "Bolivia's challenges." Washington, DC: Center for Economic and Policy Research. <http://www.cepr.net/index.php/publications/reports/bolivia-s-challenges/> (accessed January 15, 2009).

Williamson, John

1993 "Democracy and the 'Washington Consensus.'" *World Development* 21: 1329–1336.

World Bank

2003 *Towards Country-led Development: A Multi-Partnership Evaluation of the Comprehensive Development Framework*. Washington, DC.

2004a *Report and Recommendations on a Country Assistance Strategy for the Republic of Bolivia*. Report 26838-BO. Washington, DC.

2004b *First Programmatic Bank and Corporate Restructuring Program Adjustment Loan in the Amount of US\$15 Million and Credit in the Amount of SDR 10.5 Million (US\$15 Million Equivalent) to the Republic of Bolivia, January 12, 2004*. Report 27495. Washington, DC.

2005 *Bolivia Country Assistance Evaluation*. Operations Evaluation Department. Report 33493. Washington, DC.

2006a *Interim Strategy Note*. International Development Association, International Finance Corporation Report 36095-BO. Washington DC.

2006b *Redoblando el crecimiento para multiplicar el empleo*. La Paz: Martínez Acchini.

2007 "Project Information Document (PID) Concept State." BO Productivity and Job Creation (formerly Competitiveness) Report AB2903. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/02/21/000104615_20070221145432/Rendered/PDF/PID.pdf (accessed January 15, 2009).