



## City profile

# La Paz–El Alto

Juan M. Arbona<sup>a,\*</sup>, Benjamin Kohl<sup>b,1</sup>

<sup>a</sup> *Growth and Structure of Cities Program, Bryn Mawr College,  
139 Thomas, Bryn Mawr, PA 19010, USA*

<sup>b</sup> *Department of Geography and Urban Studies, Temple University,  
312 Gladfelter, Philadelphia, PA 19122, USA*

The conurbation of La Paz and El Alto, Bolivia, the highest seat of government in the world, can be described as an indigenous urban center overlooking a colonial city. In this metropolitan area of 1.4 million people, location and altitude accurately predict class and ethnicity as well as the level of city services, demonstrating how social relations adapt to and shape the built environment. This profile shows how the implementation of the neo-liberal project influenced the organization of urban space and concludes with a discussion of some of the tensions generated by these policies and how they are being manifested in this unique metropolis.

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### Introduction

The conurbation of La Paz and El Alto, Bolivia (*Figures 1 and 2*), one of the world's most spectacular urban environments, can be described as an indigenous urban center overlooking a colonial city. A visitor stepping off an airplane at La Paz international airport (actually in El Alto), 4000 m above sea level, is immediately struck by the oxygen-depleted, windswept, and almost treeless plateau called the *altiplano* (high plateau). Leaving the airport, visitors pass billboards advertising luxury hotels and global goods and confront a different reality.

The road to La Paz's center passes through streets crowded with people, many of them women in traditional Aymara Indian dress, framed by adobe (sun-baked mud bricks) and brick buildings. Abruptly, the road arrives at the "*Ceja*", literally the

"eyebrow", the edge of a steep basin filled with buildings, and Mt. Illimani's snow covered peak, rising to 6458 m behind it. Rapidly dropping 400 m into the basin or *ollada* from the indigenous gateway to the city, the visitor is in the midst of a bustling, *mestizo* (hybrid) urban center. Continuing 10 km beyond the downtown area, the highway descends another 500 m to wealthy residential neighborhoods that resemble suburbs in the US or Europe. In this metropolitan area of 1.4 million people, location and altitude accurately predict class and ethnicity, the level of city services, and other urban amenities, dramatically demonstrating how social relations adapt to and shape the built environment. While, socially and economically interdependent, El Alto and La Paz are administrated separately and unequally (Pacheco, 1997).

The resulting tensions brought about by the increasing inequalities stemming from the neo-liberal politics adopted on a national scale in 1985 boil over with regularity, as neoliberalism's emphasis on individualism cla-

shes sharply with indigenous discourses on collectivism.<sup>2</sup> Residents of El Alto close off the roads, not just to the airport, but to the rest of the country, to protest unpopular economic and social policies. In October 2003, hundreds of thousands of residents of El Alto—*Alteños*—played a critical role in demonstrations that led President Gonzalo Sanchez de Lozada to resign from office and flee the country.

In this profile, drawing on Castells (1983), we analyze urban space not as static convergence of population but rather as a social process to discuss how the history of La Paz and El Alto and their differing urban fabrics reflect and reproduce a particular system of spatial organization (*Figure 3*). We explore how changes in this spatial structure are linked to changes in the global economy.

\*Corresponding author. Tel.: +1 610 526 5380; fax: +1 610 526 7955; e-mail: jarbona@brynmawr.edu

<sup>1</sup>Visiting Scholar, City and Regional Planning, Cornell University.

<sup>2</sup>We do not want to romanticize notions of indigenous collective ideals as there are deep tensions between and within different indigenous groups. For a discussion of these political fragmentations, see Albó (2002).

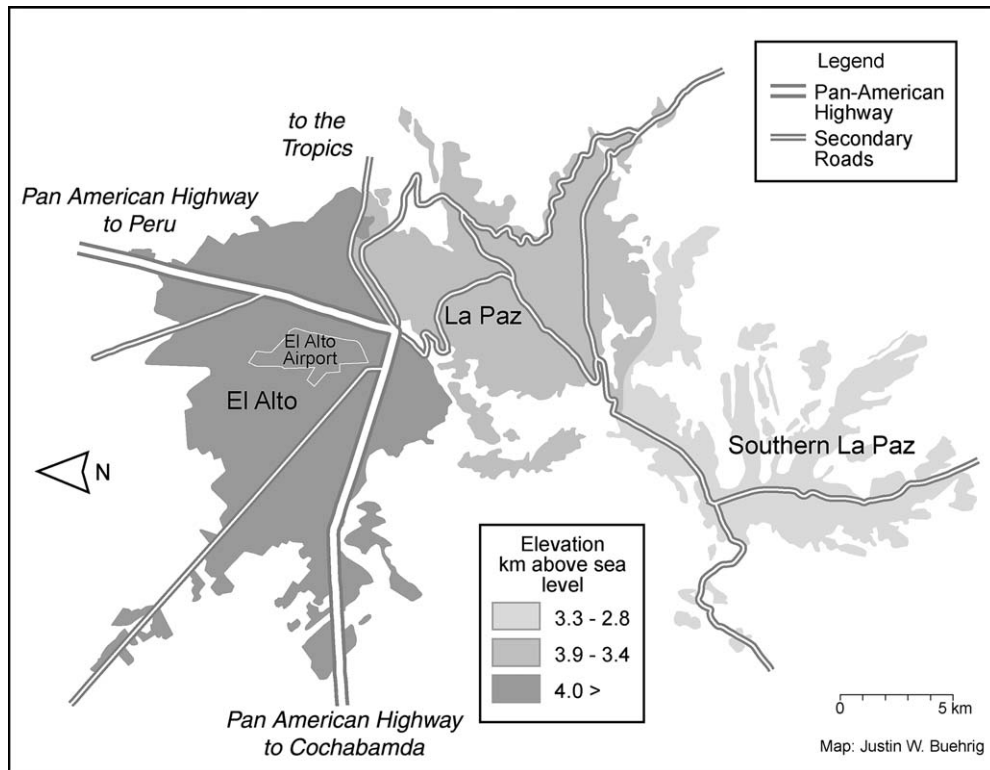


Figure 1 La Paz–El Alto metropolitan area

### History

During its 500 years as an important producer of primary materials, chiefly silver and tin, Bolivia has been peripheral to the global centers of the age—first Spain, then England, and most recently the US (Morales, 1992;

Dunkerley, 1984, 1990). Nationally, however, since 1899 La Paz has served as the country’s political core and the rest, including El Alto, as its periphery. Local and regional elites have always pushed to decentralize state power and investment to either

Bolivia’s nine departments or, more recently, to its 314 municipalities (Kohl, 2003a).

Bolivia first gained global prominence during the Spanish colonial period when for over 100 years, the mines of Potosí, counted for more than half of world production of gold and silver (Klein, 1998). Initially, the Spaniards sited a rest stop for caravans transporting silver to Peruvian ports on the altiplano at the town of Laja, but the hostile climate propelled a move in 1549 to La Paz, situated in a more temperate basin cut by the Choqueyapu River, 40 km away (Klein, 1992). La Paz quickly became the center of political and economic power on the altiplano, second in importance only to Potosí and its administrative center of Sucre (de Mesa et al., 1999).

Indigenous resistance to Spanish domination was constant throughout the colonial period, particularly during what Stern (1987) refers to as the “age of Andean insurrection” between 1742 and 1782 when rebellions erupted against taxes, loss of land, forced settlements, and work in the mines, textile workshops, or on agricultural planta-



Figure 2 Bolivia

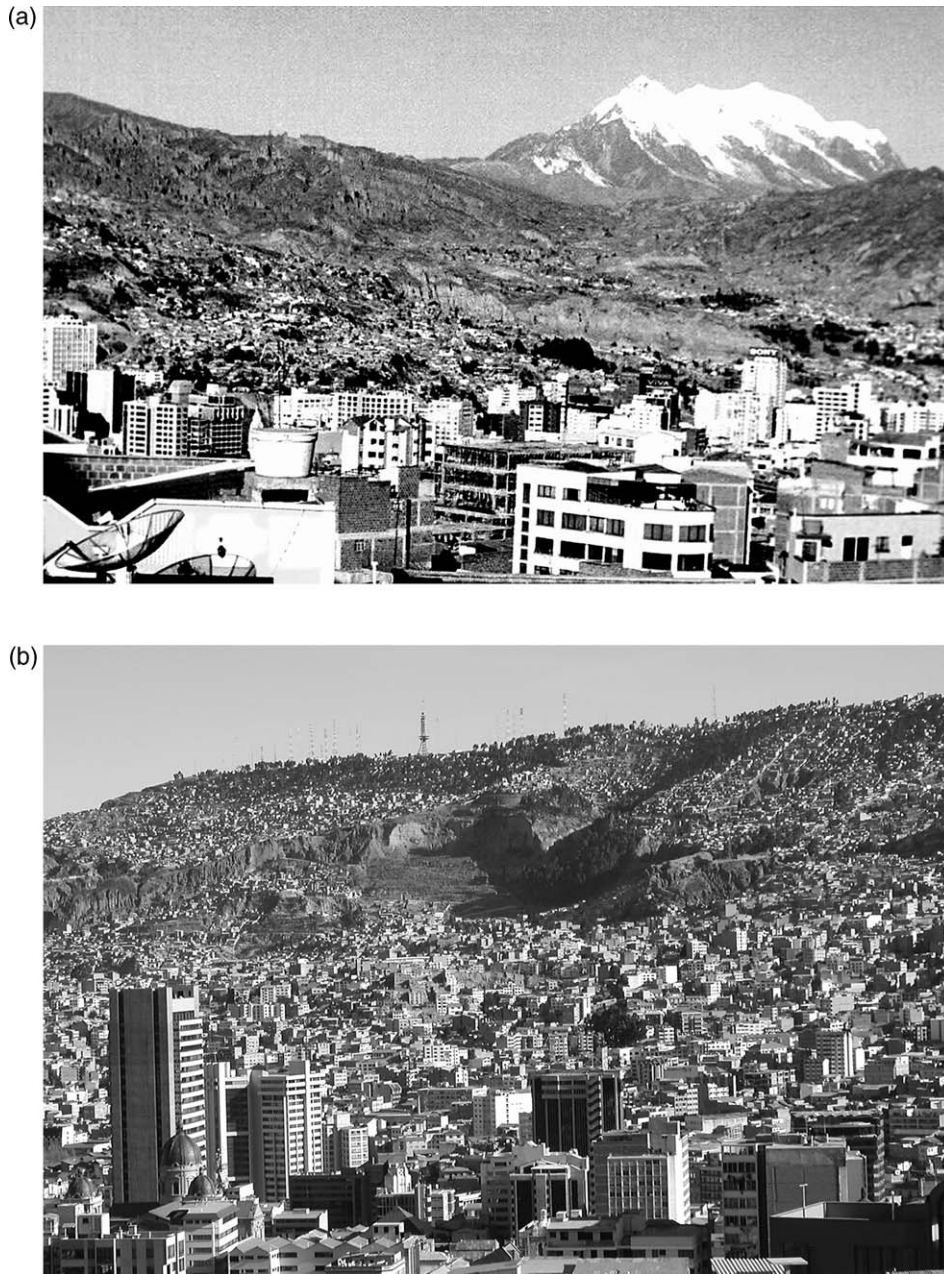


Figure 3 (a) La Paz city center: Mt. Illimani, at 6476 m above sea level, dominates the view. (b) The hills rise steeply from the city center and houses are built on unstable ground. Note the slide area in the middle of the hillside. © Benjamin Kohl

tions. The most famous of these rebellions was the ultimately unsuccessful uprising led by Tupac Katari in 1781, which laid siege to La Paz for 8 months (Quispe, 1988; del Valle, 1990). The siege of the city by an indigenous army remains firmly seated in the imaginations of Paceños (residents of La Paz) and Alteños, recurring repeatedly in the political dynamics of the two cities.

By 1800, La Paz was the largest city of Upper Peru (Bolivia's pre-republican name), serviced by large estates (*haciendas*) on its *altiplano* hinterland. After independence from Spain in 1825, increased revenues from royalties previously destined for Spain allowed for investments in the infrastructure of La Paz (de Mesa *et al.*, 1998), although the city grew slowly during the 19th century as a series of

unstable, often military, governments ruled the country.

Towards the end of the 19th century, a new national political force, the liberals, centered around the tin mines in the northern part of the country, arose to challenge the conservatives, the traditional silver mining elites in the south, who were in decline because world demand for silver had dropped. As the international demand for tin increased

their wealth, the “tin barons” demanded more power and tensions grew steadily until 1899, when revolution broke out as the northern liberals called for a change from a unitary to a federal state. When the liberals decided to arm indigenous peasants, a decision which led them to the verge of victory, the southern conservatives compromised. Bolivia maintained its unitary state, but the executive and legislative branches of government moved from southern Sucre to northern La Paz. The judicial branch remained in Sucre, dividing the country’s capital between the two cities. La Paz emerged from the conflict as the principal city in Bolivia, and a year later, construction began on an international railroad network linking it to the Pacific coast.

As the families controlling Bolivia’s new tin mining wealth were concentrated in La Paz, the city articulated the interaction between national and international economies. Fernando Calderón encapsulates this fundamental role

La Paz was, to a great extent, part and product of the hacienda regime and the Aymara culture. . . . The city of La Paz expresses the national division of work and its productivity, and summarizes the development process of Bolivian society in terms of the coexistence of backward pre-capitalist relations of production and reproduction with [global] capitalist dynamics (1984: p 76–77 [our translation]).

La Paz’s small wealthy minority required a large pool of indigenous and *mestizo* (mixed Spanish and indigenous) labor to perform activities vital for the sustenance of the city. Those who lived in the city, largely as

servants, had clearly demarcated spaces in which they could participate in the urban economy. Their status was enshrined in Bolivia’s Constitutions, which restricted the vote to property and business owners and specifically excluded domestic servants (Felix Trigo, 1958). The *mestizo* population slowly increased and, though legally excluded from the city center, was permitted to settle on the hills within La Paz’s basin. As the basin filled, people spilled onto the plateau that surrounds La Paz, forming what is now the city of El Alto.

Bolivia’s 1952 revolution attempted to end generations of oligarchic control over the country’s political and economic institutions (Malloy, 1970). A new constitution freed the indigenous population from bonded labor on the haciendas and allowed them access to the country’s urban centers. After the revolution, these new residents of La Paz found themselves living in marginal/segregated areas and working in marginal/integrated economic spaces as is seen today in post-apartheid South African cities. While still subject to discrimination, they did enjoy formal civil and political citizenship rights, including the right to live and work in the city (Kohl, 2003a).

### Demography and the built environment

In the 18th century, La Paz had about 40,000 people. The population grew to 70,000 by 1900 and to 320,000 including El Alto by 1950. Since 1950, population growth has been dramatic with the metropolitan area doubling in size by 1970, and then doubling again by 2000 (INE, 2001a). Currently, 16% of Bolivia’s population resides in the twin cities

and the annual metropolitan growth rate has been about 3.5% during the last 50 years (see Table 1).

Until the early 1980s, metropolitan growth was concentrated in the city’s urban core. In the early 20th century, industries that demanded a good deal of space—the airport, an oil refinery, and a railroad company—built facilities on the plateau above La Paz but few people lived there. In 1950, the district of El Alto had a population of 11,000 (Sandoval and Sostres, 1989: p 21–22). The first wave of growth came in the 1950s as newly mobile *campesinos* (literally people who live in rural areas) freed from the haciendas settled in El Alto. The population grew steadily until the 1980s when two specific events—one natural and one economic—led to dramatic increases in migration. El Niño-related droughts in 1982–1983 drove tens of thousands of *campesinos* off their subsistence plots into the city. And, in 1985 when the adoption of neo-liberal policies closed state mines, a wave of ex-miners arrived in El Alto (McFarren, 1992; Rossell, 1999). By 2002, El Alto’s population had grown to roughly 650,000 (INE, 2001a), an average annual growth rate of 8.2% since 1950. This intense migration has created a political culture that combines aspects of trade unionism with traditional forms of land-based organization within a context of marked economic insecurity and social frustration.

In part, El Alto’s rapid growth is due to the physical shape of La Paz. The small steep basin and dramatic elevation changes limit the possibilities for expansion of La Paz’s colonial core. Density within the core reaches 23,000 people per square kilo-

Table 1 Population of El Alto and La Paz

Year	La Paz			El Alto			Metropolitan area	
	Population	Annual growth (%)	Percentage of total	Population	Annual growth (%)	Percentage of total	Total	Annual growth (%)
1950	321,063	–	97	11,000		3	332,063	
1960	363,000	1.3	92	30,000	10.5	8	393,000	1.7
1970	563,020	4.5	90	60,000	7.2	10	623,020	4.7
1976	635,283	2.4	87	95,434	8.0	13	730,717	2.7
1985	650,000	0.3	74	223,239	9.9	26	873,239	2.3
1992	713,378	1.2	64	405,492	8.9	36	1,118,870	3.6
2001	723,293	0.2	53	649,958	4.8	47	1,373,251	2.1
2010	732,000	0.2	43	962,097	4.0	57	1,700,097	2.7

Source: Sandoval and Sostres (1989: p 63), INE (1988: p 53, 1993: p 74, 2001a) and Rossell (1999).

*City Profile: J M Arbona, B Kohl*

meter (CEP, 2003: p 7) and continues to increase as multi-story concrete apartments replace adobe houses. The slopes of the Andes limit expansion to the east, although constant migration has led to increasing number of adobe houses built by indigenous residents on the steep and inherently unstable

cliffs of La Paz's *ollada* (La Paz, 2000). Mudslides occur every year—flash floods in February 2002 led to 70 deaths as homes collapsed or slid down the slopes (La Razón, 2002). In contrast, the flat terrain of El Alto poses no a priori physical limitations to new settlements and offers the only

place available to absorb the city's immigrants. Also, some sections of El Alto, like Ciudad Satélite, have attracted middle class professionals looking for affordable housing with an easy commute to La Paz's center (see Figure 4).

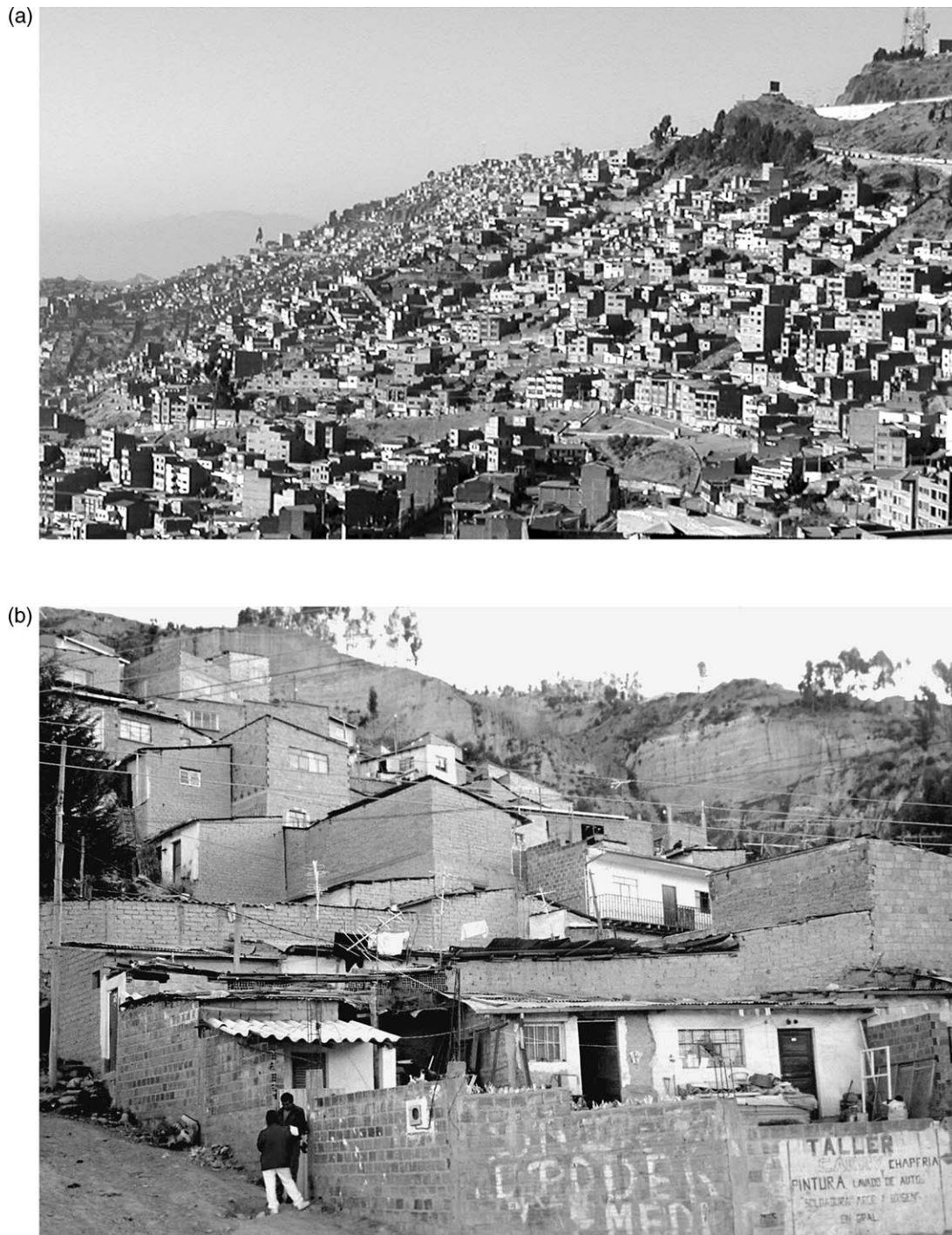


Figure 4 Housing on city slopes. © Benjamin Kohl



Figure 5 Upper class house in the southern part of La Paz. © Benjamin Kohl

In the last 20 years La Paz has also expanded south, down the valley, where despite limited flat, or at least stable, land, middle- and upper-class subdivisions have blossomed. The area houses many of the international diplomatic core as well as exclusive American, German, and French schools, and the types of services common in international and elite enclaves throughout the developing world. The southern zone is characterized by large, modern homes set behind fortified walls and surrounded by trees, open streets, paved roads, and pedestrian areas (Figure 5).

The southern zone is, if not Bolivia's attempt at a global city, at least a "global neighborhood" that functions in a global economy (Sassen 2000). The walled luxury houses and gated communities would fit in any national capital. The command points of the global system represented by agencies like US Agency for International Development, UNICEF, the United Nations, and a host of banks and financial institutions, including those of the nation's emerging financial markets, line Cala Coto's streets. Service workers from the city center or El Alto come down

the hill to ensure that families can reproduce the lifestyle of global elites.

The real estate market in the southern zone serves to illustrate this point. Land prices in one of the older and most exclusive districts, Cala Coto, peaked in the late 1990s at US\$ 600 per square meter. These prices began to slide in the late 1990s with the Latin American economic crisis that also affected Bolivia and were between US\$ 200 and US\$ 300 per square meter by 2003. With lots for single family houses between 500 and 1000 square meters, land prices alone run between US\$ 100,000 and US\$ 300,000, astounding sums in a country with a per capita income around US\$ 1000.

Housing and land in El Alto present a stark contrast. While commercial space prices near El Alto's major markets may approach those of city neighborhoods (US\$ 50–100 per square meter), in general, land price in El Alto is a fraction of that in either the city center or the southern zone. Lots with rustic adobe houses may sell for as little as US\$ 7.00 per square meter. While finished construction in the southern zone runs between US\$ 150 and US\$ 250 per square meter, a simple adobe house in El Alto, often built with family labor,

can cost less than US\$ 15 per square meter. In El Alto, location and age of the neighborhood provides a good predictor of price and access to basic services as the older neighborhoods are more favorably located, better served, and, therefore, more expensive.

The built environment of La Paz and El Alto reflects the class and ethnic divisions that characterize these cities (see Table 2). In general, the built environment of La Paz reflects a slower rate of population growth and years of public investment, albeit limited, on services. On the other hand, El Alto's limited physical infrastructure reflects a city that grew so rapidly that its municipal government had limited time or funds to provide basic public services. In La Paz, altitude and the age of housing provides a good predictor of access to services. Recently constructed houses built higher up the slopes are less likely to have basic services.

The *La Ceja* neighborhood of El Alto is characterized by congested streets, unpaved sidewalks, low rise buildings in varying degree of completion, and inadequate drainage (Figure 6). The residential areas surrounding *La Ceja* are even more precarious as the vast majority of houses

**Table 2 Basic services in La Paz and El Alto**

	La Paz (%)	El Alto (%)
House made of brick	53	22
House made of adobe	46	77
Domestic water (in house)	65	35
Domestic water (in the yard)	26	54
Household without access to toilet or latrine	16	37
Household with electricity	95	85
All basic necessities satisfied	37	7

Source: INE (2001b,c).

in El Alto are made of adobe (see Table 2). Fifty-four percent of the residents of El Alto rely on outdoor plumbing for access to water, compared to 35% of the people in La Paz. A similar disparity is evident in relation to access to sanitary services.

**Key urban issues**

Two key urban issues have been influential in the disparities in the built environment of these cities: economic

informalization and political decentralization.

*Informal economy*

While the informal sectors absorb the largest share of labor in both cities, there are substantial differences in the principal types of economic activities. La Paz employs thousands of national government public sector workers, international development agency employees, and service sector employees. As the third largest municipality in the country after Santa Cruz, and La Paz, El Alto houses most of the manufacturing industries in the Bolivian highlands. It also serves as a key transportation hub, connecting the country to the Pacific Ocean via the Pan American Highway. El Alto supplies the city with thousands of day laborers and small-scale marketeers of goods from pencils to onions.

The predominance of the informal sector in Bolivia’s economy since the 1970s reflects the general shift from resource extraction and manufactur-

ing to commerce and services. While data on the informal sector are in general problematic, all researchers agree that it continues to increase. Between 1976 and 1984, the informal sector increased from 47% to 58% of the economically active population (EAP) (Casanovas, 1988: p 147). More recent data place the percentage of the EAP in El Alto in the informal economy as high as 73.5% (Rossell, 1999). At the same time, as rural families have sent more family members to the city to work, lower wages and higher prices have led urban families to send more of their members into the labor force. As Calderón points out, one of the “results of urbanization is a general increase in the [informal] sector of the economy and the development of the non-capitalist sector” (Calderón, 1984: p 83).

Increasing economic disparities within and between the two cities demonstrates the dramatic growth in the informal economy relative to increases in the total population and the EAP (Escóbar de Pabon, 1990, 1992). Table 3 shows that the informal economy has become an increasingly important sink for labor in both cities, as the EAP has grown faster than the population as a whole. This parallels Orlando and Pollack’s (2000) findings that three of four new jobs in Latin American during the 1990s have been in the informal sector. However, the reasons for these increases differ in the two cities. Clearly, as EAP has increased faster than the population, more members of a household are forced in the labor market. As El Alto continues to be a magnet for migrants, the growth in the EAP reflects both the growth of population in general and the job opportunities in the informal economy that are available to this population (Figure 7). Yet, the growth of the EAP in La Paz suggests increasing economic instability for urban households. During the same period, that La Paz experienced a 60% increase in the informal economy, El Alto experienced a phenomenal 162% increase.

The concentration of such a large proportion of the informal economy in El Alto begins to explain the disparities in the quality of the built environment. The informal economy

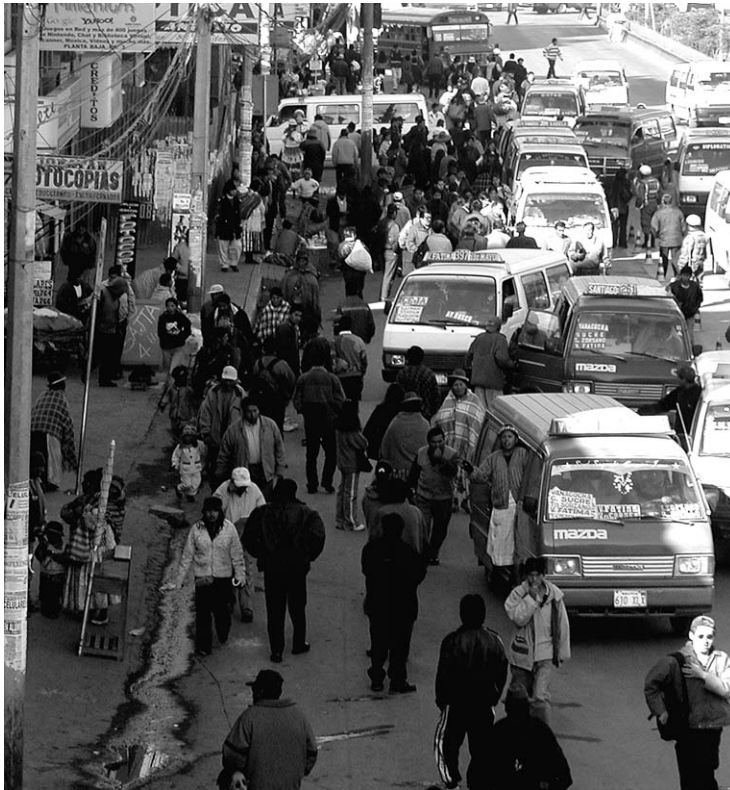


Figure 6 Congestion in the Ceja: most traffic from El Alto to the center of La Paz passes through the Ceja. © Benjamin Kohl

**Table 3 Economically active population in La Paz and El Alto, 1992–2001**

	La Paz (%)	El Alto (%)
Change in population	1	60
Change in EAP	19	79
Workforce participation (EAP/population, 1992)	37	29
Workforce participation (EAP/population, 2001)	43	33
Change in informal economy	60	162
IE/EAP 1992	25	30
IE/EAP 2001	34	44

Source: INE (2001a).

not only provides lower than average wages, but it also generates fewer tax revenues per capita than the formal economy. The growth of El Alto, coupled with the overall growth of the informal economy, has generated tensions that threaten the political stability in the country. Unable to present effective job creation policies, the government has relied on political

maneuvers and decentralization policies to contain dissent.

*Politics/decentralization*

In 1988, El Alto became an autonomous municipality with the hope that the separation from La Paz would improve its fortunes. Three interrelated factors contributed to this change. First, El Alto residents, who saw the lion’s share of municipal resources being spent in the city center, demanded access to and control over financial resources. At the same time, municipal leaders in La Paz recognized that the growing impoverished population of El Alto would inevitably strain municipal resources. Finally, with the introduction of direct municipal elections scheduled for 1989, La Paz political leaders also saw the growing population of El Alto as an electoral threat. Underlying all these reasons was the generalized view that El Alto was not just

poor but was also indigenous and, therefore, dangerous (Arbona, 2003). In this context, decentralization served both to devolve responsibility to marginal areas under the guise of autonomy, while also to maintain elite space and protect political coalitions (Kohl, 2002).

Although El Alto did gain control of its own budget when it became a municipality, the city has always had far fewer resources to draw on than La Paz. This is evident in the contrast of built environments and the ability of each city to raise taxes, borrow money, and obtain financial support from international institutions. While La Paz and El Alto are roughly the same size, La Paz raises about five times more tax revenues per capita than El Alto. In part, this discrepancy is explained by El Alto’s high levels of poverty and the inability of the municipality to effectively tax property without facing violent resistance. But a large part of the difference



Figure 7 Informal economy: Aymara women changing money in El Alto. © Benjamin Kohl

in municipal revenues results from Bolivian law that requires businesses to pay taxes where they are incorporated and have their administrative offices, regardless of where they do business. Remarkably, most factories located in El Alto pay their share of corporate municipal and value added taxes only in La Paz.

### Planning and budgeting

Municipal planning and budgeting take place at two distinct levels in La Paz and El Alto. Revenues that are raised locally, including property and business taxes as well as vehicle and business licensing fees, go into a general fund controlled by the city council. In addition, since the adoption of administrative decentralization and the Law of Popular Participation (LPP) in 1994, 20% of the national budget goes to the country's municipalities as revenue sharing funds, assigned on a per capita basis (Crabtree and Whitehead, 2001; Kohl, 2003c). The LPP mandates that municipal governments allocate these funds through a participatory planning process, where grassroots representatives not only approve the spending plan to ensure that the municipality follows specific guidelines, but also, in an effort to control corruption, ensure that the funds are actually spent as mandated.

The LPP specifies that municipalities spend these funds in five major areas: schools, health clinics, urban infrastructure, micro-irrigation systems, and sports facilities. Eighty-five percent of LPP funds must be used for construction, leaving only 15% for maintenance and administration. For a handful of cities with an independent tax base and the ability to raise their own resources, like La Paz, the LPP has provided an important additional source of revenue. For

most of the country's municipalities, including El Alto, the LPP provides the majority of municipal revenues and the limitations on these funds pose problems. Sometimes, the investment areas specified under the LPP are not the priority of residents, but more frequently, as the social infrastructure grows, so do the demands on municipal resources to maintain them (see Table 4).

The participatory discourse surrounding the LPP has restructured planning in both municipalities. El Alto and La Paz have written municipal development plans (MDPs), required by law to receive revenue sharing funds, with the financial and technical support of international development institutions and non-governmental organizations (NGOs) (Kohl, 2003b). La Paz had support from the United Nations Development Program (UNDP), the Dutch and Danish bilateral aid organizations, and the University of Toronto. In La Paz, the MDP was written after 17,000 citizens from local grassroots groups established priorities and submitted requests for neighborhood projects in a series of public meetings (La Paz, 2000: p 2). Similar efforts were made in preparing the MDP for El Alto.

In both cases, the demands from citizen groups far outweighed the resources of the municipality to provide public services. This is unsurprising given public per capita revenues of less than US\$ 90 for the relatively wealthy city of La Paz and US\$ 44 for El Alto, including funds from World Bank debt restructuring programs that target poor municipalities.

While public resources are limited, a culture of corruption permeates both municipalities and reduces the purchasing power of public funds. Bolivian economists estimated that corruption diminishes economic

growth by as much as 60% (Los Tiempos, 21 October 1997). The country is usually one of the top ranked countries on Transparency International's corruption index ([www.transparency.org/cpi/2003/cpi-2003.html](http://www.transparency.org/cpi/2003/cpi-2003.html)). Spectacular cases of municipal corruption in La Paz include one mayor authorizing the sale of national parkland on the outskirts of the city, while another transferred four checks for US\$ 25 million each to a Bahamian bank "for safe keeping". In the later case, the cash was recovered, but not the interest on the US\$ 100 million. In La Paz and El Alto, more than 10 mayors have been removed from office, many on charges of corruption (Mamani, 1997). A 1996 audit of municipal accounts in El Alto found that receipts for almost 25% of total city spending were missing (Ministerio de Hacienda, 1996).

Endemic corruption also reduces citizen willingness to pay taxes and participate in planning. After the LPP, municipalities must increase tax collections to pay for public services that had previously been paid for with funds transferred from the national coffers, but the common public perception is that these new taxes are divided as booty among political parties. This, understandably, has led to tax revolts in both La Paz and El Alto. In February 2002, a strike in La Paz by police in response to a proposed income tax only ended 2 days after the military fired on strikers. By that time, the unrest had spread to El Alto where residents burned the city hall. Several times between 1997 and 2002, residents of El Alto violently protested proposed tax increases.

Distrust in government also means that citizens also have less interest in participation in planning. Benjamin Cáceres, President of the "First of

**Table 4 Municipal revenue and investment—La Paz and El Alto 2003 estimates (in current US\$)**

	Local revenues	Investment	Revenue sharing (including LPP and Highly Indebted Poor Country)	Total
La Paz	43,171,132	28,534,179	17,298,810	89,004,121
El Alto	7,784,076	4,225,920	16,954,203	28,964,199

Source: [www.enlared.org/bo/principal.default.asp](http://www.enlared.org/bo/principal.default.asp).

Figures in US\$ 2003, BS 7.79 = US\$ 1.00.

May” neighborhood organization in El Alto and then representative to the National Confederation of Neighborhood Organizations (*Confederación Nacional de Juntas Vecinales—CON-AJUVE*), explained:

“we go through the steps [of participatory planning] because it’s the law, but the mayor and the council do what they want with the Annual Operating Plan. They [the mayor and the council] are still following the old model of the mayor doing it and then just presenting it for approval. There’s no real participation, only in theory.”

To attribute the problem of political capacity simply to corruption, however, negates the depth and complexity of economic and political life. While corruption does create problems, these are complicated by the economic and labor precariousness that define daily life for most residents. This is particularly evident in both municipalities inability to develop policies to control land use policies. Many of the houses built on the slopes of La Paz in the last 15 years, for example, have been constructed without permits in areas planners deem unsafe for construction. These areas, which had been kept vacant because of their instability, have been settled by migrants. Also, in El Alto, as the city continues to sprawl across the plateau, new developments typically fail to allocate land for schools, parks, and other public uses according to municipal norms. As in many third world cities, developers sell lots without providing basic infrastructure. This is followed by the emergence of neighborhood organizations that demand services as a normal part of neighborhood consolidation.

### Critical issues for future development

El Alto, which has developed in large part as a result of 20 years of restructuring informed by neo-liberal development policies, has also emerged as the site for resistance to those policies. The dramatic growth in the informal economy characterizes how restructuring policies exacerbated social inequalities

between different areas and social groups of La Paz and El Alto. In this sense, the requirements of global capital—manifested through neo-liberal development policies—have had direct consequences in the social organization and physical structure of these cities. The massive protests in La Paz and El Alto in October 2003 that left over 80 civilians dead, hundreds wounded, and pressured the president to resign, reflect the tensions between and within the two cities (Rother, 2003). The convergence of tens of thousands of *Alteños* along with lowland coca growers and highland *campesinos* in El Alto before marching on to La Paz, reflects the political positions that these two cities occupy in the imagination of Bolivians as sites of both hope and marginalization. These events highlight how social tensions generated by ethnic and class inequalities inform how cities are physically organized and how residents contest that organization.

In the present decade, El Alto will surpass La Paz in population at the same time as it is likely that a discourse of democracy will continue to spread and take on new meaning throughout the country. Democracy, however, means markedly different things to the residents of these cities depending on their ethnic identity or class position. The confrontations of February and October 2003 brought these differences to the fore, simultaneously encouraging *Alteños* and the poor residents of the slopes of La Paz to continue their struggles for a greater share of local resources and encapsulating the debate over the meaning of the city, and the rights and entitlements of citizens. It is imperative that future policies initiatives recognize these tensions and address them in a manner that goes beyond superficial gestures.

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