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## FEATURED Q&A

### Why Has Morales Continued to Dominate Bolivian Politics?

**Q** Bolivian President Evo Morales was re-elected Sunday to a second term, which will last five years. What explains Morales' continued dominance of the political scene, and what will he seek to accomplish in his next term? Morales has acknowledged that a main challenge for him will be attracting investment. Will he succeed in that effort or have his nationalizations permanently scared off investors? What will be the effects of Morales' MAS party winning control of Bolivia's Senate and maintaining control of the lower chamber?

government has plenty of money to spend on public works and three popular 'bonus' programs that put cash directly into voters' hands. Morales laid out the challenges of his second term in a meeting with government officials the day after the vote—battling corruption and ineffectiveness within his own government. Also key will be plans to 'industrialize' the country's natural resources, especially its newly sought lithium reserves. That task will be not so much about attracting foreign investment as having a realistic plan and getting access to cer-

*Continued on page 2*

**A** Jim Shultz, executive director of the Democracy Center in Cochabamba, Bolivia: "It takes only a few conversations here to understand the force behind President Morales' historic and huge election victory. For the first time in their lives, most Bolivians see in their president someone who shares their own experience of poverty and who has plainly made the needs of the poorest the centerpiece of his presidency. That constituency of identity has also combined with three powerful features of current Bolivian politics and economics. First, the national opposition is so weak that it almost doesn't exist anymore. Second, Morales and MAS have staved off any real challenge within its base of the rural and the poor. Third, thanks to the big revenues generated by Bolivia's new taxes and levies on foreign petroleum firms, the



### Cardoso: Region's Hopes for Obama Yet to Be Fulfilled

Expectations have been high for U.S.-Latin American relations under President Barack Obama, but those hopes are yet to be fulfilled, former Brazilian President Fernando Henrique Cardoso said Thursday. See story on page 2.

*Photo: Latin America Advisor.*

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## NEWS BRIEFS

**Valenzuela Starting First Trip to South America Sunday**

Arturo Valenzuela will head Sunday to South America in his first trip there as U.S. assistant secretary of state for Western Hemisphere affairs, the State Department said Thursday. In the Dec. 13-18 visit, Valenzuela will make stops in Brazil, Argentina, Uruguay and Paraguay. Valenzuela, who was confirmed to his post last month, will discuss democracy, citizen safety and improving economic and political conditions, the State Department added.

**Honduras' Zelaya Plans to Leave Embassy by Jan. 27**

Deposed Honduran President Manuel Zelaya said today that he will leave the Brazilian Embassy in Tegucigalpa, where he has been holed up for nearly three months, by the day the country's next president takes office, the Associated Press reported. Zelaya told Globo TV that he will leave the embassy by Jan. 27, the day Porfirio Lobo is to be sworn in. The top Brazilian official at the embassy also told the television station that Zelaya must leave by that date, but he did not say where the ousted president would go.

**Workers at Chilean Copper Mine End Blockade**

Workers at a copper mine owned by Chile's **Codelco** ended a blockade Thursday, allowing production to resume, a spokeswoman for the state-owned company told Bloomberg News. Workers had blocked access to the Chuquicamata mine Wednesday after wage talks between the company and workers broke down. The two sides restarted talks Thursday, a union spokesman told Bloomberg News.

**Economic News****U.N. Commission Sees Quicker Growth Than Earlier Forecast**

Next year, Latin America will recover more quickly from the global financial crisis than previously expected, according to a report released Thursday by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). In the annual report, the commission credits countercyclical government policies for helping the region recover from the global economic slowdown. Policies including reduction of interest rates, increased state-owned bank loans, expanded public expenditures and social programs such as consumer subsidies have helped the region weather the crisis, said the report. "The worst of the crisis is behind us," said Alicia Barcena, ECLAC's executive secretary. "The motors of growth have been turned on again, but we don't know how long the fuel will last." The report forecasts 4.7 percent growth next year for South America and a 3 percent growth for Central America. Mexico is expected to have a growth rate of 3.5 percent, the same rate expected for Costa Rica and the Dominican Republic. The Caribbean is forecast to have a 1.8 percent growth rate in 2010. Brazil will experience



Barcena

File Photo: ECLAC.

the region's fastest growth next year, with a 5.5 percent increase, followed by Peru and Uruguay at 5 percent. For this year, ECLAC estimates Latin America's economies will contract 1.8 percent, which is slightly better than the commission's previous estimate for a 1.9 percent contraction.

**Political News****Cardoso: Hopes for Obama in Latin America Have Yet to Be Realized**

Former Brazilian President Fernando Henrique Cardoso on Thursday said the hemisphere's high expectations for the administration of U.S. President Barack Obama have yet to be fully realized, but he rejected the notion that recent controversies in U.S.-Latin American relations have shattered those hopes. "I don't see it like that, but like all expectations, they have to be fulfilled. The issue is that Obama opened up many expectations, and now we have to see how those will become a reality," Cardoso said in Washington following an Inter-American Dialogue event. He added that Latin American countries, not only the United States, should play a key role in fulfilling these expectations. At the Summit of the Americas in April, Obama pledged relationships with countries in the region based on mutual respect and equal partnerships. But U.S. policy has since come under fire from some Latin American countries who disagree with the adminis-

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

tain foreign technology. In short, Morales' second term will be less about changing the country's political landscape and more about getting right the nuts and bolts of governing."

**A** Eduardo Gamarra director of the Latin American and Caribbean Center at Florida International University:

"Three obvious reasons explain why Evo was re-elected. The first and probably the

main one has to do with the very nature of Bolivian political culture. Evo has played well to the majority of Bolivians, who identify with him and identify with his movement. But there's another side to this; recent surveys from Vanderbilt University's Public Opinion Program reveal a strong relationship between those who believe that the country is doing well and those who have little tolerance for divergent views. Unfortunately, the climate of intolerance

*Continued on page 4*

tration's handling of the coup in Honduras and a deal to allow U.S. troops greater access to Colombian bases. Cardoso called Honduras a "very delicate" issue, but said Brazil and other Latin American nations should move toward

“Obama opened up many expectations, and now we have to see how those will become a reality.”

— *Fernando Henrique Cardoso*

recognizing the results of the country's November presidential election, which were thrown into doubt by the June 28 coup that ousted President Manuel Zelaya. So far, the United States, Costa Rica and Panama are among the countries in the hemisphere that have agreed to recognize the elections held under the interim government. "I don't think there's an alternative," Cardoso told reporters. "If Hondurans believe that their government is legitimate ... we have to accommodate ourselves to that situation." Addressing another sore spot between the United States and Brazil, Cardoso criticized the visit to Brazil earlier this month by Iran's controversial president, Mahmoud Ahmadinejad. "I never would invite him to come," said Cardoso, adding that the visit was purely "rhetorical" since Brazil currently lacks sufficient influence in the Middle East to affect Iran's behavior.

### Ecuador: U.S. Intelligence Used in 2008 Colombia Bombing Raid

Colombia's military used intelligence gathered by the United States in order to carry out a March 2008 bombing raid in Ecuador that killed a Colombian rebel leader, according to an Ecuadorean government report released Thursday, Reuters reported. The report says U.S. forces based in Manta, Ecuador aided Colombia's military in targeting Raul Reyes, a commander of the Revolutionary Armed Forces of Colombia. Reyes was killed in the raid, which led Quito to sever

## Capitol Hill Watch

### A Look at U.S. Congressional Activity on Latin America

#### U.S. House Approves \$37 Million for Caribbean Security Initiative

The House of Representatives on Thursday approved \$37 million to promote security and fight drug trafficking in the Caribbean as part of an omnibus spending bill for fiscal year 2010, which will now go to the Senate for final approval. President Barack Obama had initially asked Congress for \$45 million to fund the Caribbean Basin Security Initiative (CBSI), which he announced last April at the Summit of the Americas in Trinidad in Tobago. In testimony before the House Foreign Affairs Western Hemisphere Subcommittee, Deputy Assistant Secretary Julissa Reynoso said the new program was necessary so that U.S. efforts to crack down on drug trafficking in Colombia, Central America and Mexico don't end up pushing the drug trade further into the Caribbean. "Success in one area cannot simply mean moving the problem to another," she said in written testimony. That concern was shared by Subcommittee Chairman Eliot Engel (D-N.Y.) and Ranking Member Connie Mack (R-Fla.). Engel, who noted that the murder rate in the Caribbean is higher than in any other region of the world, called the CBSI "a good step in the right direction" for tackling the region's security problems. In related news, the House on Tuesday approved Engel's bill to form a Western Hemisphere Drug Policy Commission to evaluate U.S. drug-fighting efforts in Latin America and the Caribbean. "Clearly, the time has come to take a fresh look at our counternarcotics efforts here at home and throughout the Americas, and the Western Hemisphere Drug Policy Commission will do just that," Engel said in a statement.

#### Ros-Lehtinen Urges U.S. to Restore Aid to Honduras

Now that Hondurans have elected a new president and the country's lawmakers have rejected the restoration of deposed President Manuel Zelaya, the United States should normalize relations with the Central American country and restore aid, Rep. Ileana Ros-Lehtinen (R-Fla.) said Tuesday. Ros-Lehtinen, the ranking Republican on the House Foreign Affairs Committee, said the Nov. 29 election of Porfirio Lobo and Honduran lawmakers' vote Dec. 2 against reinstating Zelaya show that Hondurans want to move on from the crisis that has lasted since the June 28 coup. "The writing is on the wall: The people of Honduras are ready to write the post-Zelaya chapter of their nation's wonderful history," Ros-Lehtinen said. "The newly elected president, Porfirio Lobo Sosa, has already taken steps to help bring national reconciliation to Honduras." She added that "responsible nations," and particularly the United States, must "turn the page and rebuild the relationship with the Honduran people." Ros-Lehtinen called on the United States to restore aid to Honduras that was cut off in the wake of the coup. The murder earlier this week in Tegucigalpa of Honduras' top anti-drug official, Gen. Julian Aristides Gonzalez, shows that the country needs help in fighting drug gangs, she said.



Ros-Lehtinen

File Photo: U.S. Congress.

diplomatic ties to Bogota. The two countries are now beginning to re-establish relations. Ecuador also ended its agreement to allow U.S. troops access to

Manta, which led the United States to form an agreement with Colombia to increase U.S. military access there for anti-drug operations.

**Featured Q&A***Continued from page 2*

that plagued the electoral process, and the overwhelming margin of victory, could again taint the way in which Morales governs Bolivia. The second thing has to do with the overall situation of Bolivia since 2005. When you ask Bolivians how the country is going, most believe it's going in the right direction. This is reflected in

clearly and failed to capture true support, which in the end cost it control of the Senate. It would seem that the opposition is even weaker and more divided than before the elections. However, the most obvious candidate for the Senate presidency, Ana Maria Campero, former human rights ombudsperson, is an inter-

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“When you ask Bolivians how the country is going, most believe it's going in the right direction.”

— *Eduardo Gamarra*

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the economic growth rate, which this year will be about 3 percent, one of the highest in Latin America. Number three is the nature of the opposition. It's an opposition that is linked to the past, a past that has been demonized (the neoliberal oligarchy, etc.). But it's also a matter of very poor candidates and terribly run campaigns. On the second question, my expectation is that if Evo wants to secure additional foreign investment, as he claims he does, then he's going to have to demonstrate that he's going to be more pragmatic and more willing to work with foreign investors. Everything suggests that MAS has achieved a two-thirds majority in Congress. If President Morales' legislative bench can remain disciplined, then he will be able to implement his agenda without any opposition."

**A** Ivan Rebolledo, a managing partner at TerraNova Strategic Partners in New York and president of the Bolivian-American Chamber of Commerce: "Evo Morales has been able to outfox the opposition and grow his political base—especially in the Media Luna (Beni, Pando, Tarija, Santa Cruz) region of Bolivia—which contributed to his significant victory on Sunday. Unfortunately, the opposition has not been able to articulate its message

esting choice by the MAS for that role. She will attempt to facilitate dialogue between all political spectrums and the middle class. Many are predicting that the MAS will use its mandate and majority in Congress to impose its agenda at the expense of its opponents—something that might wait until the prefectural and mayoral elections in April. There will be pressure on the Morales administration to distribute key posts and responsibilities equitably to its members within the next 30 days, as well great pressure from its supporters to make key concessions—on all fronts. President Morales, who has now accomplished most of the political agenda goals of his first term, will now focus on maintaining Bolivia's economic growth rate and attracting foreign direct investors—from the more traditional investment partners, since FDI from China, India and Iran has been slow in materializing. The exploitation and processing of lithium will most likely be a priority in the next administration—as well as finding the 'right' foreign direct investors."

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*The Advisor welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org) with comments.*

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