A Time for Change

A Case Study of the Bolivian Democracy

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Abstract

Bolivia is a country with a troubling political past, and crammed with political instability and turmoil the Bolivian society inhabits a wide spectrum of cleavages. In this paper we determine that Bolivia is a case of unstable democracy. We use consociational theory and consensus democracy theory to answer why this is the case, by looking at the development Bolivia’s institutional design in order to see how this has affected the development and process of democracy and what the consequences have been on the democracy in Bolivia. Our results have shown that Bolivia is a pluralistic and fragmented society that has democratically suffered from its previous institutional design using polices that have not been in the best interest of the country. We also conclude that Bolivia with the new indigenous president Evo Morales is in the middle of a process of institutional change, towards the inclusion of the different groups represented in the society.

*Key words:* Bolivia, Democracy, Institutional Design, Consociational Theory, Consensus Democracy

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1 Introduction

The political scene in Bolivia and its transition towards democracy has been a rocky road jammed with political and economic instability and turmoil, even to that point that “Bolivianization” became somewhat of a synonym for political and economic chaos (Kaplan 2006 pp.503, 505). The conclusion that can be drawn from its political history is one quite evident – Bolivia is a case of unstable democracy.

In this paper we therefore ask why Bolivia’s democracy is so unstable. We do so using Arend Lijphart’s consociational approach on the form of government and his consensus democracy theory on institutional design. We ask how the institutional design has affected the development and process of democracy in Bolivia, what are the consequences on democracy. The purpose of the essay is to see what factors within the consociational approach and consensus democracy that answers to Bolivia’s incapacity to democratize. While consociational theory will give us a broad overlook on power sharing in grand coalitions and group autonomy, consensus democracy will help us look deeper into the institutional design. We think that this will give the paper a good overview of Bolivian society and institutional design, which will help us analyze why Bolivian democracy is so unstable.
2 Political Background of Bolivia

2.1 The transition towards democracy

Bolivia was a Spanish colony until 1825 and after gaining their independence and until 1982 Bolivia suffered from a long period of political instability and numerous military coups. By 1982 Bolivia had undergone more than 180 different military coups since 1825 (Freedom House, 2010-04-28).

The transition towards democracy was initiated by the former dictator and general, Hugo Bánzer Suarez already in 1978, with hopes of turning Bolivia under constitutional rule. The path towards democracy was however interrupted and hindered by issues such as questionable elections and political leaders, economic issues and confrontations and violence of the public and military (Whitehead 2001 p. 6-7). In the years between 1978 and 1982 the two constitutionally elected governments where out powered by several military coups and it even went so far that “Bolivianization” became a synonym for political and economic breakdown (Mayorga 1997 p.142).

Hernán Siles Zuazo was appointed president 1982 and was left to clean up the mess after the militaries economic chaos, which especially meant dealing with the growing public debt. Siles politics got opposite effect and ended up worsening the economic situation in Bolivia, causing outrageous levels of inflation (Manuel Pastor 1991 pp.212-215). From 1981 until 1985 Bolivia’s GDP had decreased with 11 percent (Manuel Pastor 1991 pp.212) and in a twelvemonth period between 1984 and 1985 the price had increased in Bolivia in a total of 20,000%, suggesting a hyperinflation (Sachs 1987 p.279). These high levels of inflation had never occurred before in history, without a pre-involvement of war or revolution. The main reason behind the inflation reaching extreme abnormalities lies much in the hands of Siles government and his economic policies. Bolivia was yet again falling apart and even though Siles announced his early resignation the economy kept deteriorating. (Manuel Pastor 1991 pp.212-215).

2.2 The transition towards neoliberalism

A new era in Bolivian history emerged in elections 1985 where Víctor Paz Estenssoro was appointed president by the congress (Mayorga 1997 p.144). Paz introduced “The New Economy Policy” (Mendel 1991 p.212-214) where he intended to implement neoliberal economic policy in Bolivia. The policy
implicated a shift towards more market oriented politics, changing the political scene in Bolivia (Lehoucq 2008 p.112) with the main purpose to deal with the inflation and the public debt and a more long term purpose for the state to have a different less intervening role in the society. The two succeeding presidents after Paz Estenssoro: Jamie Paz and Sánchez de Lozada persisted on this road towards a more market friendly Bolivia (Mayorga 1997 pp.144-147).

The results from introducing more market oriented politics, the “New Economic Policy”, had a crucial impact on the inflation that within the year reached normal levels (Sachs 1987 pp.279, 282). But the discussion on how the policy furthered affected Bolivia and its degree of success is divided. Whitehead argues that “The New Economic Policy” was the road to democratic progress in Bolivia where democracy developed and improved, with successfully competitive elections, a controlled military and programs of social and economic reforms (2001 pp.8-10). Critics of “The New Economic Policy” state that even though the inflation regained normal levels, it had the effect of rising levels of unemployment and urbanization, creating informal workers, workers that did not pay taxes nor experience any benefits like job protection and health care. Critics further argue that implementing such market oriented policies and structural reforms in underdeveloped countries like Bolivia, where their lack of functioning institutions and competition on the international market, causes them never to be able to be fully incorporate the policies (Jenkins 1997 p.125-126).

There is no question that the people in Bolivia were not satisfied with the situation that the country was in, dealing with problems like unemployment and declining wages (Freedom House, 2010-04-28). The growth in Bolivia did not obtain the same positive effects as the inflation, and between the years 1997 and 2003 the growth rate actually declined 3.5 percentages. The poor society was left out and little was done for raising their living standards. Problems with corruption flourished and the trust of the law and political system was very low. And at the same time people were losing their confidence in democracy as a concept (Salman 2006 pp. 167-170).

2.3 The transition towards socialism

Evo Morales, party leader of “Movement towards Socialism” (MAS), won the presidential election in December 2005 with an absolute majority of 54 percentages, (Lee Van Cott 2007 p.2) the greatest victory in Bolivian history. (Kohl, Farthing 2009 p.60). Morales is the first president ever in Bolivia, or for that matter in South America, who originates from an indigenous group, (Salman 2007 pp.111-112) even though over 60 percentages of Bolivia’s population has an indigenous background. We draw the conclusion that Bolivia is a pluralistic society since it consists of a big mixture of different ethnicities from different cultures, institutions, religions, languages and belief systems whereas much as 60 percentages comes from different indigenous groups (Kaplan 2006 pp.503-504).
Morales presidency was in many ways seen as a breakage point between the neoliberalism and the new socialism that was to be introduced in Bolivia the following years (Lehoucq 2008 p.110-112). In the presidential election Morales' main political platform included an anti-corruption agenda, a remake of the constitution and the unmaking of market oriented policies and nationalization of the natural gas reserves (Freedom House, 2008-04-28). After becoming president Morales acted quickly by nationalizing the country's gas reserves and started a long struggle towards introducing a new constitution, something that the opposition repeatedly tried to oppose (Lehoucq 2008 p.111). The relationship between MAS and the opposition and its supporters kept worsening, and the conflicts that arose involved constitutional conflicts about regional autonomy, indigenous rights and the state structure. Protests in 2007 increased and in September 2007 the violence culminated into a massacre where several supporters of the government were shot in a demonstration. After this incident the Constituent Assembly met again and started compromising and agreed on a draft of the new constitution (Freedom House, 2010-04-28). In the elections 2009 in January, 61 percentages approved the new constitution. Later that same year the presidential elections took place and Morales was reinstated as a president with 64 percentages of the votes. The election was judged as free and fair (Freedom House, 2010-05-13).
3 Theory

We have chosen to use both consociational theory and consensus democracy theory in our analysis on why democracy in Bolivia has been so unstable. We have based our theoretical selection on the similarities between the country’s political difficulties and institutional design and how the theories, if implemented, are assumed to make democracy in Bolivia more stable.

We have chosen the consociationalism theory because even though it might not be the ultimate way of making a democracy work, we consider consociationalism to be a good start to our case Bolivia because of its success in turning a fragmented political society into a stable democracy (Lijphart 2008 pp.31-32). We have chosen consensus democracy simply because Lijphart considers that by using the theory we receive a more successful and stable democracy, especially in a pluralistic society, something we consider Bolivia to be (Lijphart 1999 p.2).

The two theories overlap each other but are still different in some aspects (Lijphart 2008 p.8) and the reason why we have chosen both is partly because both theories are non-majoritarian theories and partly because using both theories will give our research a much broader and at the same time deeper analysis. While Consociational theory demands the inclusion of all communal groups as well as all parties, the consensus democracy on the other hand facilitates power sharing and inclusion of all communal groups and parties as possible into a decision-making coalition. Consociational theory will give us a broad overlook on power sharing in grand coalition and group autonomy in Bolivia, consensus democracy will help us look deeper into the institutional design. We think that this will give the paper a good overview of Bolivian society and institutional design, which will help us analyze why Bolivian democracy is so unstable.

3.1 Consociational Theory

Consociational theory was coined by Arend Lijphart in 1968 (Jarstad 2001 p.23). Lijphart describes consociationalism as an inferior form of democracy. He puts forward the shortcomings of insufficient accountability, elite control of the media and passive citizens and deemed these things necessary for avoiding collapse and even civil war (Jarstad 2001 p.26). Though this seems a bit extreme, consociationalism is said to be able to provide a solution to the “stateness problem” when it allows the minority to be included in the national government and at the same time be granted a higher degree of autonomy (Ibid.).
3.1.1 Democracy and Consociational Theory

Lijphart defines democracy as “government by and for the people” which is in accordance with the common majoritarian principles of democracy. But Lijphart also believes that majority rule should be considered “only as a minimum requirement: instead of being satisfied with narrow decision making majorities, it seeks to maximize the size of these majorities” (Lijphart 1999 pp.1-2). In our opinion Lijphart seeks to show how consociational theory works to benefit the entire country’s population and include everyone into the country’s world of political decision-making.

For the democracy to be successful in a fragmented society the consociational theory has four requirements. The first is that elites are able to provide for the interests and demands from subcultures. Second, the first condition demands that elites can join forces with the elites from other subcultures. Third, this latter depends on the elites efforts to preserve to the unity and stability of the system. Finally, the previous conditions require that the elite are aware of the risks of political fragmentation (Lijphart 2008 p.32). Achieving this might be of great effort and relies to a great deal on the elites to be able to compromise and work together without losing the support of their own groups that they stand to represent (Lijphart 2008 p.35). It is noteworthy here to quote Ernest S. Griffith in saying “democracy is more likely to survive, other things being equal, in small states. Such states are more manageable” (Griffith 1956 p.102). Having clearly articulated interests from political parties and interest groups makes consociationalism work on an elite level, when these parties and groups stand to represent the subcultures within society. The representatives can then come together to form the elite and work together based on the interests that have been articulated (Lijphart 2008 p.36).

3.1.2 Criticism and the Consociational Theory

There is a great deal of criticism of consociational theory regarding power sharing and group autonomy. In the case of power sharing at the executive level the critics argue that it is not democratic enough, that it does not work in practice and that it does not carry any incentives for moderate behavior and because of that, the theory have not worked in practice. In the case of autonomy the criticism focuses on the problems of awarding autonomy to ethnic groups. Primarily the critics believe that autonomy will lead to secession and partition instead of unifying the country and its diverse interests. The critics believe this because of its strengthening of cohesion and distinctiveness to each ethnic group within the different regions of the country, making them more prone to conflict with other ethnic groups. The elements of consociational theory is also said to be of European or Western experiences and would in other parts of the world be unsuitable, implemented on multi-ethnic societies (Lijphart 2002 p.40).

As we noted before, even despite the fact that Lijphart himself considers consociational theory be an inferior democracy, we see the model as good start for
the further development of democracy in a fragmented society, as Bolivia in fact is.

3.2 Consensus Democracy

Lijphart characterizes the consensus model as being inclusive, bargaining and compromising (Lijphart 1999 p.2) and for this reason the consensus democracy according to Kaiser can be termed as “negotiation democracy” (Lijphart 1997 p.434). The consensus model separates, shares, and restrains power to benefit as many citizens as possible when implemented. The consensus model principally lets as many parties as is possible share it through cooperating in a broad coalition (Lijphart 1999 p.34). Surely the coalition would be a bit rocky being so broad but the leaders of rival subcultures can set aside their competitive behavior and work together in countering the effects of an unstable democracy due to a wide cultural fragmentation (Lijphart 2008 p.28).

3.2.1 Consensus Democracy versus Majoritarian Democracy

Linking democracy itself solely with majoritarian democracy is a common misinterpretation, failing to recognize consensus democracy as an alternative and equally legitimate type of democracy to that of majoritarian rule (Lijphart 1999 p.2).

The majoritarian idea that a strong opposition with the main purpose of “becoming the government” would make for a good and stable democracy is in Lijphart’s view misconceiving. It is a view based on the assumption that democracy spell two-party system or two opposing blocs of parties. The consensus multiparty system on the contrary if implemented tend to consist of coalitions, which would with a change in government most commonly only mean a partial change in party composition and not the opposition “becoming the government” (Lijphart 1999 p.6). Consensus democracy would therefore in fact be suggesting a more stable democracy than a majoritarian one because the government of a country in transition to democracy, year after year, should tend to turn over the government to the opposition after each subsequent election. This peaceful turnover of governmental power tends to destabilize the country’s development into a working democracy (Lijphart 1999 pp.6-7).

The majoritarian definition of democracy, “government by the majority of the people”, argues that democracy is consistent with being the will of the majority, the majority of the people that is and that the minority should be respected and listened to but in the end have no direct political power to participate in decisions and therefore oppose the government’s decision-making in general (Lijphart 1999 p.31). The consensus model is opposed to this view of the definition and bases this on the Nobel Prize-winning economist Sir Arthur Lewis’s work, which points
out that what the majority rule and the government-versus-opposition pattern of politics implies may be interpreted as undemocratic, as it is based on principles of exclusion (Lijphart 1991 p.31). Lewis further points out that democracy’s main ideas are that “all who are affected by a decision should have the chance to participate in making that decision either directly or through chosen representatives” and additionally that “the will of the majority shall prevail” and by using the majoritarian model the two ideas conflict “to exclude the losing groups from participation in decision-making clearly violates the primary meaning of democracy” (Lewis 1965 p.64-65).

The two conditions that the majoritarians can legitimately respond with to solve the incompatibility noted by Lewis, is first of all that the exclusion of minorities is to extenuate that the majorities and minorities alternate in government. This would have to mean that the minority would have to have a possibility of becoming the majority, in the next election instead of becoming a permanent opposition (Lijphart 1999 pp.31-32). The second condition is that a homogeneous society, with parties not too differentiated in their policies, has quite similar political parties since they tend to keep to the political center. This would mean that one party’s exclusion from power might be undemocratic in terms of “government by the people” but not in the criterion of “government for the people” in terms of the definition of democracy earlier presented (Lijphart 1999 p.32).

When looking to less homogeneous societies, these two conditions do not apply. The political parties usually have a more rigid voter loyalty, which results in the governmental power alternating much less frequently between the main political parties (Ibid.). Plural societies have proven to divide populations into ethnic, cultural, linguistic, ideological, religious and racial groups. These different groups are often organized into “sub-societies” with their own political parties, interest groups and media of communication. The majoritarian democracy, which needs certain flexibility, is then sure to be at fault as the flexibility is most likely to be absent in such societies (Ibid.). In a society such as this, majoritarian rule would then be a threat to democracy, as it would display an undemocratic and repressive type of democracy. The reason for this would be that the minorities being denied access to power through exclusion and discrimination would have reason to lose faith and allegiance in the current regime (Lijphart 1999 pp.32-33). The cure for this democratic deficit would be to implement a consensus democracy, which would emphasize “consensus instead of opposition”. The purpose of this is to “maximize the size of the ruling majority” and to unite the people in a common goal of delivering a working and including democracy (Lijphart 1999 p.33).

3.2.2 Dimensions

Lijphart’s consensus model has two distinct dimensions with five variables in each dimension, closely related with the majoritarian model since the characteristics are “derived from the same principle and therefore are logically connected”
according to previous research that Lijphart bases his theory on. He refers to the first dimension as the “executive-parties dimension” and the second as the “federal-unitary dimension”. The differences between the majoritarian versus consensus models within these ten variables are described below where the majoritarian characteristics are listed first in each variable and the consensus model is listed second. The countries may be at either end of the scale but also in the middle of it (Lijphart 1999 pp.2-3).

**Executive-party dimension**

1. Concentration of executive power in single-party majority cabinets versus executive power sharing in broad multiparty coalitions.
2. Executive-legislative relationships in which the executive is dominant versus executive-legislative balance of power.
3. Two-party versus multiparty systems.
4. Majoritarian and disproportional electoral systems versus proportional representation.
5. Pluralist interest group systems with free-for-all competition among groups versus coordinated and “corporatist” interest group systems aimed at compromise and concentration.

**Federal-unitary dimension**

6. Unitary and centralized government versus federal and decentralized government.
7. Concentration of legislative power in a unicameral legislature versus division of legislative power between two equally strong but differently constituted houses.
8. Flexible constitutions that can be amended by simple majorities versus rigid constitutions that can be changed only by extraordinary majorities.
9. Systems in which legislatures have the final word on the constitutionality of their own legislation versus systems in which laws are subject to a judicial review of their constitutionality by supreme or constitutional courts.
10. Central bank that is dependent on the executive versus independent central banks.

(Lijphart 1999 pp.3-4)
4 Method

To analyze what makes democracy unstable in Bolivia we apply two theories onto a Bolivian context. To begin with we work with consociational theory, comprised of two distinctive characteristics: grand coalition in power sharing and group autonomy (Lijphart 2008 p.4). The two characteristics are defined and discussed in the theory chapter to clarify how we intend to put them into practice. The second theory is consensus democracy theory, which is divided into two dimensions the first is the executive-parties dimension and the second is the federal-unitary dimension. Both dimensions are comprised of five variables in each dimension (Lijphart 1999 pp.2-3).

In the analysis the theory will be applied onto the material in a fashion that is intended in the first stage to decide whether or not Bolivia inhabits the characteristics of consociational democracy. Are all groups included in the decision-making process? Is group autonomy in use? And in the second stage look deeper into the institutional design and try to pin down whether the Bolivian institutional design is built on consensus or majoritarian principles. To do this we use the ten variables provided to us by Lijphart. Our ambition in the analysis is to use consociational theory and consensus democracy theory to find a part of the cause of the Bolivian democracy being unstable. To interpret the material correctly the analysis is based on previous theories and models. To give our research legitimacy we conduct a similar case study that has already been made, (Devine 2002 p.203) but with a new case, Bolivia.

By interpreting our findings from the material with two theoretical models, we use a qualitative method of analysis in a case study on Bolivian democracy (Marsh, Stoker 2002 p.15). The data collected from the material is applied to identify the structural cause of certain phenomena upon which we will try to explain why they occur and how we see fit to solve them (Marsh, Furlong 2002 pp.19-20). It is important that the method chooses the best option in our efforts of addressing the research question (Devine 2002 p.202). We have chosen this method in the belief that it is the most suitable method to use in order to be able to answer our research question and also in accordance with the material analyzed in the work.

The validity in this research “to measure what our theory is suppose to measure” (Esaiasson et al. 2009 p.63) is in our opinion good. We base our analysis on scientific materials and a sound and grounded theory that has been criticized over a long period of time that, in our opinion have let the theory matured enough before being used in our research. We are also aware of the criticism of both consociational theory and consensus democracy theory and we have discussed this in the theory chapter, with that in mind we believe that our analysis is sound and scientific.
Before conducting the analysis, the operational indicators selected must be defined, interpreted and function correctly with the theory’s definitions to be valid (Esaiasson et al. 2009 p.65). Our operational indicators are scientific articles; we believe they are reliable in depicting the situations that has happened in Bolivia the last three decades. We also use other sources of material in our work, such as Freedom House. The interpretation of the materials and theory can only be as correct as the researcher claims it to be in accordance to a well executed research process (Devine 2002 p.203). To stay on top of keeping an objective mind it is important to stay none biased in the analysis of the materials provided (Devine 2002 p.205). We have tried to stay as objective as possible and with a critical mind analyzed the situation in Bolivia through the scientific articles that we base our analysis on. The research process has been conducted in such a way that all the material is critically analyzed. The views tend to alternate among the different authors of our material, even though they base their own analysis on the same facts provided to them.

It is possible to cultivate knowledge based on the social world and provide contributions in the form of understanding and explanation to society as well as the scientific world (Devine 2002 p.204). We believe that our analysis on Bolivia provides a new perspective on the solutions of a problematic constitutional design in a divided society, something others then can build on in further research on divided societies or on Bolivia’s institutional design.

The problem of not being able to generalize the findings from a qualitative case study often dismisses the method. Problems like the study being conducted on a small population and researchers conducting the study with faulty research techniques or methods and not staying objective are good reasons to not conduct a qualitative case study (Devine 2002 p.207). Our theory and model have already been generalized and used on a large number of other countries and criticized on a number of issues. We believe that our case study on Bolivia is best conducted using a qualitative method of analysis, as it is hard to find good statistics in a country such as Bolivia and the institutional design in our opinion being best analyzed using a qualitative method. Using this case study in a future comparative study should help the researcher to find unexpected differences and similarities between this case and others done in the same fashion (Hopkin 2002 p.249). This should produce further cumulative knowledge within political science and make the case study interesting knowledge for society as a whole as well as within the scientific field (Esaiasson et al. 2009 pp.31-32).
5 Material

The materials we have chosen to include in our analysis are mostly scientific articles produced over the last three decades in the time-vicinity of the different events. To disregard any biased views from the authors or, to achieve a good reliability in the content (Esaiasson et al. 2009 p.70) – and avoid other unsystematic or aleatorical errors in their analysis we go about using them with a critical mind. The articles are published in different journals and scientific magazines that are well known and established, they have also all been peer-to-peer reviewed before published.

The language barrier was a problem that we from the start believed would complicate our search for reliable materials but as we researched further we found that a lot of the English produced materials were based on local language materials produced by local academic scholars. Cross national boarder cumulative research should be good to be used in the basis of a scientific analysis as long as it is derived from a previous scientific method (Esaiasson et al. 2009 p.19). The materials we use are mostly produced by other university representatives and should in our opinion hold a high validity according with being cumulative research, and also keeping in mind considering the former discussion about keeping a critical view of if the material is biased or not.

We also used country reports from Freedom House, which is an independent watchdog organization that promotes and supports the expansion of freedom in the world. We realize the importance of having a critical view of the materials before making any judgment in our analysis. The questions that came to mind when we selected the material to our analysis where: Where does this material come from? Has it been peer-to-peer reviewed before published? Is the material biased in any way? When was it published? And, who is the author?

Defining ambiguous words and concepts is of greatest importance in giving the analysis as good validity as possible (Esaiasson et al. 2009 p.20). We have tried to classify our definitions as well as possible - through the process of arguing - and believe that we have assured our analysis as good enough validity in our definitions as we could possibly do.
6 Analysis

6.1 Central Aspects of the Consociational Theory

We look further into the central aspects on consociationalism – power sharing in grand coalitions and group anatomy and analyze why Bolivia’s democracy is so unstable by the design of these central aspects in Bolivia and how they affected the development and process of democracy. We try to find what the consequences are on the democracy and how Bolivia can adjust to agree on these central aspects and establish a democratic government.

6.1.1 Power Sharing in Grand Coalitions and Group Autonomy

Bolivia’s multiethnic composition together with a history of elite political control has caused a great divergence in the nation, especially where the indigenous people has been excluded throughout history (Kaplan 2006 p.503-504). A fully democratically developed system in Bolivia according to the consociational theory’s key aspects power sharing and group autonomy would imply that different ethinical groups in Bolivia would not only be part of the decision making process but also that the political power would be shared jointly between them, and that groups would especially have autonomy in questions of internal affairs, education and culture within their own group (Lijphart 2008 pp.75-76).

Because of Bolivia’s history with indigenous exclusion and elite control we draw the conclusion that there has not been a great deal of either power sharing nor group autonomy in the country, which has had an obvious lessening effect on the democracy in Bolivia. Because of its lack of inclusiveness, the elite which is a minority by count, has been left to rule Bolivia and as the fragmented country it is, we find the need for power sharing and group autonomy to be vital for the stabilizing of the democracy.

Since Bolivia’s transitions to democracy in 1985 there have been attempts to include the indigenous people. Especially during the presidency of Sánches de Lozada (1993-1997) and his indigenous vice presidency Cárdenas, a set of policies and reforms were made to include the indigenous population. The policies implied a decentralization of Bolivia, creating over 300 municipalities (Assies, Salman 2006 pp.275-276) and giving them regional and local autonomy in questions of education, culture, economic and legal issues. (Kaplan 2006 p.512) We consider that this directly increased power sharing in Bolivia, and created an opportunity for indigenous groups to participate in the political sphere and also
increased the matter of group autonomy, granting indigenous people more power in question of their own. But unfortunately were these attempts not completely successful regarding power sharing between the elite and the indigenous groups, since the indigenous people still felt left out of the political sphere (Assies, Salman 2006 pp.276-277). We can draw the conclusion that the effects these reforms had on the Bolivian democracy and society where at least a start towards a change, even though it was not completely successful.

Since Morales gained presidency Bolivia is now on the verge of change, with a new constitution that recognizes 36 indigenous nationalities, the struggle towards a new indigenous Bolivia has begun (Freedom House 2010-05-13). The new constitution includes policies for the protection of the indigenous groups, (Lehoucq 2008 pp.120) and we consider that it consists of efforts towards establishing and increasing power sharing by for example reserving seven seats in the Chamber of Deputies exclusively for indigenous people (Freedom House 2010-05-13). On the other hand Morales and his government has opposed to provide greater autonomy for the nine departments that Bolivia consists of, indicating a lessening of the group autonomy, but concerns mainly the issue of giving away too much economic power to the richer departments, especially to those departments that are wealthy in their gas reserves (Lehoucq 2008 pp.117-118). Obviously there has been a paradox in granting greater autonomy to the departments because even though it might lessen the group autonomy, giving more economic autonomy to the richer departments, departments where indigenous people do not live, would just lead to decrease the power sharing in Bolivia since it would cut the indigenous peoples resources. We consider that Morales purpose is to grant more power sharing and group autonomy to the indigenous people but at the same time do not want to lose out on his economic resources. In the last referendum 2009 the last of the four departments also voted for greater autonomy, joining the remaining five departments, (Freedom House, 2010-05-13) and only the future can tell which results, increasing the level of departmental autonomy, Bolivia will experience.

6.2 Dimensions of the Consensus Democracy

We have decided to analyze Bolivian democracy using Lijphart’s two dimensions on the consensus model; the ten variables comprising the dimensions are going to be used as the analytic tool in our analysis. By using these dimensions we can look deeper into the institutional design in Bolivia and see how the design of these has affected the Bolivian democracy and what the consequences are on the democracy.

As presented in our theory chapter: the majoritarian characteristics are presented first in each of the variables and the consensus characteristics last (Lijphart 1999 p.3).
6.2.1 Executive-Party Dimension

Cabinets

In the first dimension, the first variable “concentration of executive power in single-party majority cabinets versus executive power sharing in broad multiparty coalitions” (Lijphart 1999 p.3) the majoritarian model tends to concentrate the executive power in one-party or a bare-majority cabinet (Lijphart 1999 p.34). In sharp contrast to this the consensus model with its grand coalition cabinets disperse the executive power onto a number of parties, this to include “all or most of the important parties” (Ibid.).

In Bolivia the governmental system consists of a fusion of both parliamentarianism and presidentialism, where the main feature of the system lies in the presidential election. Article 90 in the Bolivian 1967’s constitution states that whenever a candidate in the presidential elections does not obtain absolute majority then the congress will elect the president, choosing from the two candidates with the largest amount of votes (Breuer 2008 p.14). As this has been a common procedure in the Bolivian presidential elections it is said that Bolivian politics is comprised of “a double logic of electoral competition” (Mayorga 1991 pp.148-149). The complex game begins with political parties working to maximize their electoral vote shares; the parties conduct their election campaigns with the expectation of the popular vote not being the final stages of the election process. It is simply the stage in which each party tries to maximize their bargaining power before the upcoming postelection coalition bargaining. This is done to achieve a large enough coalition in order to gain a majority in the congress which later appointments the president (Ibid.).

We believe that the system essentially concentrates executive power in one political party or by a bare-majority as the president is elected either by the people in a presidential election or by the congress through a majority vote. This makes the coalition-building in the legislative power work together but not essentially in the executive power. The new constitution from 2009 will instead include a presidential runoff to replace the previous system; this will end the era of the Bolivian congress appointing the presidency in the incident of no candidate procuring the majority vote in the election (Freedom House, 2005-10-13). Through this constitutional change the Bolivian system has gone back towards a presidential system, which would deprive the electoral system of the postelection bargaining and coalition building from the past. We will have to see the results from this change in the next presidential election and evaluate then what effects on Bolivian politics this will have.

Executive-Legislative Relations

In the second variable “Executive-legislative relationships in which the executive is dominant versus executive-legislative balance of power” the majoritarian model implies that the political power should be concentrated into the hands of the majority, while the consensus model instead suggests that the political power
should be in the hands of a broad coalition in order to facilitate power sharing and include as many as possible (Lijphart 1999 p.90-91).

The Bolivian governmental system should be considered mainly as a presidential system, even though the congress has the power to appoint the president, the president is still appointed for a fixed period of time with or without the congress future support (Mayorga 1991 pp.148-149). This has surfaced some concern regarding the inability of dealing with a government crisis, if the president of Bolivia loses the support of the congress there are no mechanisms as those found in a parliamentarized government to bring down the president, as through a vote of confidence for example. Implementing such a mechanism in the constitution would bring the system to become a fully parliamentarized system (Mayorga 1991 p.154). Having a president appointed for a fixed period of time as the Bolivian constitution declares (Mayorga 1991 pp.148-149) makes it difficult for the congress to remove a president that later would become incapacitated due to incompetence or illness (Lijphart 2008 pp.80-81). The Bolivian presidency also inhabits the power to appoint and dismiss cabinet members without congressional approval (Mayorga 1991 p.149). Even if the president no longer has the congress support it still carries the power to change the composition of the cabinet, making the postelection bargaining coalitions ineffective if a change in the coalition in possession of the legislative power occurs. The “parliamentarized” feature of the system is based on the fact that the congress has the power to appoint the president under special circumstances, a system that is designed to insure the president majority support in the congress (Ibid.) and to avoid the problems of minority governments which might create legislative deadlocks, which derive from the complex combinations of presidential regimes in multiparty systems (Breuer 2008 p.14). The feature of congress appointing the president has been frequently used ever since the 1980’s as none of the political parties have accumulated enough votes in the election until the election of Evo Morales in 2005 (Freedom House, 2010-05-13).

In our opinion not being able to remove the president of his power, reflect badly on obtaining a healthy accountability within the government, although it gives the government a more rigid and independent presidency with a firmer grip on the executive power. We ask if the case in Bolivia, because of its history of exclusiveness, only can move forward towards the consensus model with a broader coalition, by first having an independent president to take them there.

**Party Systems**

When looking into the third variable “two-party versus multiparty systems” (Lijphart 1999 p.3) Bolivia inhabits a multiparty system. The plural society is divided along a wide spectrum of cleavages (Lijphart 1999 p.36), the party system in such societies usually reflects this plurality displayed in them (Ibid.). Bolivia has several cleavages that have helped form the multiparty system that the country inhabits, cleavages like; ethnicity, political class, socioeconomic class, language, culture (Kaplan 2006 p.503). Such a fragmented society as Bolivia with numerous “sub-societies” produces a wide spectrum of political parties, all with competing
interests to be heard. Because there is such a great number of political parties competing for power none of them have been able to secure the majority vote in congress, meaning that the need for coalition building is necessary in obtaining the majority of seats in congress and to be able to appoint their own presidential candidate through the congressional vote (Mayorga 1991 pp.149-150). The moderate multipartism displayed in Bolivia have made the transformation to parliamentarized presidentialism less problematic as multipartism gives the political parties incentives to bargain and build coalitions (Mayorga 1991 p.150). These incentives, coalitions and negotiations have moved the political parties closer together into a more centrist position on the political map, with shared values in some cases as the coalitions have helped crosscut cleavages within the party system (Ibid.).

This shows us that multipartism will help raise interests to the surface and facilitate a process of bringing political parties to bargain and negotiate in order to build working coalitions in congress. These coalitions have helped Bolivian parties to start working together in uniting their interests in order to make their policies work as well as crosscut cleavages. Multipartism in Bolivia has developed a more institutionalized society, with weaker parties declining, as the stronger parties grow even stronger.

Electoral systems

As we move on in our analysis we now look to the fourth variable “Majoritarian and disproportional electoral systems versus proportional representation” (Lijphart 1999 p.3) where the majoritarian model typically is characterized by singe member district plurality, contrasting sharply with the consensus model that uses proportional representation. (Lijphart 1999 p.143).

Bolivia chose to implement a mixed-member proportional (MMP) electoral system in 1994 in their strive to solve the problems of lack of responsiveness and accountability (Breuer 2008 p.14). As they changed their electoral system from a list proportional representation system to the MMP system they combined first-past-the-post voting in single-seat districts and party list voting by proportional representation in the national assembly (Ibid.). This is a combination of a majoritarian electoral system and a consensus electoral system, that works well as it addresses different issues of power within the Bolivian society. The MMP election procedure is composed of two votes per citizen, one in the election of the single-seat district representatives and the other one for the party list to the national assembly (Lijphart 1999 p.148). The Bolivian MMP-system also inhabits a fused-ballot feature, forcing the citizen to elect their presidential candidate as well as their legislative representatives from the same political party (Lehoucq 2008 p.113). This induces stability to the election with almost predictable election results. The reason why the MMP system is considered a proportional representational (PR) system is that the list PR seats in the national assembly compensate for any disproportionality in the district seat results, how well this works depends on how many list PR seats are available in order to compensate for any disproportionality (Lijphart 1999 p.148). The system
has received praise for creating incentives for the representatives to work closer with the voters in single-seat districts while at the same time guaranteeing a fair representation in the national assembly (Breuer 2008 p.14). The system enables the government to become more responsive to the voters interests in the different districts all over the country as well as procuring a well-composed representation in the central government.

Interest Groups

In analyzing the fifth variable “pluralist interest group systems with free-for-all competition among groups versus coordinated and “corporatist” interest group systems aimed at compromise and concertation” (Lijphart 1999 p.3) onto the Bolivian society we begin by defining the term “corporatist” as it has been debated what this term describes (Lijphart 1999 pp.37-38). The solution that was reached was to divide the term into two distinguished subcategories. The first subcategory *social corporatism* is comprised of the labour unions and similar interest groups as the dominant voice and the second subcategory *liberal corporatism* is predominantly comprised of business associations that want to voice their interests (Ibid.). The three general elements of corporatism are; “Relatively few and relatively large interest groups, and prominence of peak associations” (Lijphart 1999 p.38).

Bolivia tends to have a larger number of labour unions and neighbourhood associations working to improve both the living and working conditions in the different agricultural and industrial occupations as well as in the rural and inner-city areas that the country inhabits (Lehoucq 2008 p.114). The water privatization that went on in the cities Cochabamba and El Alto united the people in protest as the water prices soared and left large groups of people out of water, together with the peasants and their demands for new tractors to be able to work their fields in the rural communities (Ibid.). Morales MAS began to organize upon these and other demands from already existing organizations and would later generate a strong voter loyalty as they built bridges in between these groups. The organization began to grow, becoming a broad organization with revolutionary ambitions (Ibid.). As a number of interest groups have come together into larger groups that have become peak associations the three elements of corporatism are fulfilled in the social corporatism category. Bolivian politics have in the past revolved around the capital, La Paz, and as the population of the lowlands became wealthier as the economy grew the business elite and other wealthy members of the department’s population began to express interest in becoming an autonomous department. The natural resources would make them less dependent on La Paz (Breuer 2008 p.13). But with a large amount of the population working in the metal-mining industry, privatization would induce the indigenous population to migrate into the cities. Without other means of making a living, the *campesinos* of the Altiplanoto were forced take up coca leaf growing. But with the US state department working against them in order to stop the growing of coca leafs, protests and civil unrest erupted (Breuer 2008 pp.13-14). The MAS political party brought the fight for employment all the way up to the central government and
expressed concern about the departments of the lowlands becoming autonomous (Ibid.). In the liberal corporatism category the associations are large and few with peaks that still fight for their special interests, which means that also in this category the three general elements of corporatism are fulfilled.

We draw the conclusion that there has been a development towards the consensus model and its “corporatist” interest groups in Bolivia, as a solution to the problem of exclusion that the different indigenous groups have experienced throughout history.

6.2.2 Federal Unity Dimension

Division of Power

In the second dimension the sixth variable “unitary and centralized government versus federal and decentralized government” the majoritarian model implies a democratic system where the power is concentrated into the hands of one unitary government. The consensus model on the other hand sees that the power is divided between central and non-central parts of the government, where the non-central parts also have significant amount of power at both levels. The consensus model perceives the federal state system as superior because it supplies minority groups in pluralistic societies with autonomy (Lijphart 1999 p.185-186).

Bolivia has had a long political history with a centralized government and elites ruling the country (Kaplan 2006 p.506-507). In the beginning of the 1990’s Bolivia took steps towards recognizing the multi-pluralistic structure in the country and introduced reforms to decentralize the political power and structure to give more power and autonomy to different regions in Bolivia (Assies, Salman 2005 p.276). In 1995 the Law of Decentralization was introduced, creating a total of 311 municipalities, 187 of them new. As much as one fourth of these municipalities voted for an indigenous mayor, empowering the indigenous groups in the Bolivian society and transferring capital to rural areas (Kaplan 2006 p.506-507). When Morales gained presidency 2005 it definitely was a breaking point and a new beginning of an era of politics in Bolivia, going towards socialism and for the inclusion of the indigenous people in the society (Salman 2007 p.111) (Lehoucq 2008 p.111-112, 117). At the same time there the geographical polarization in the country increased, and four of the richer eastern departments of Bolivia voted for autonomy, something that the Morales government has opposed, because of the these departments natural gas supplies (Lehoucq 2008 pp.117-119). In the elections December 2009 then the remaining departments voted for autonomy as well (Freedom House, 2010-05-13).

We believe that the newfound increasing autonomy of the regional government in Bolivia, can work in favor for the country according to the consensus theory. By decentralizing the power and giving more power to non-central governments there is a greater probability that minority groups will be politically represented and that the conflicts and tensions within the country will decrease. We concurrently recognize the problem with dividing departments into
poorer and richer ones, especially since this can lead to worsening the situation for
the poorer departments giving the richer ones greater economic autonomy.

Parliaments and Congress

In the seventh variable “concentration of legislative power in a unicameral
division of legislative power between two equally strong but
differently constituted houses” the majoritarian model implies that the legislative
power should be held in one single chamber whereas the consensus model rather
sees that the power is divided in a two-chamber congress (Lijphart 1999 pp.201-
202) this because it increases the possibility for the inclusion of minorities in the
congress. For the possibility to include minorities in the congress two features
must be satisfied: first the senate has to be elected on different terms than the
chamber of deputies and secondly the chamber of deputies must actually contain
power. (Lijphart 1999 pp.39-40)

In Bolivia the legislative power divided into two chambers: the Senate
consisting of 36 members and the Chamber of Deputies consisting of 130
members. All the members in the Senate and 53 of the deputies are elected in
proportional elections while 70 are elected in respective departments, (Freedom
House, 2010-05-13) changes that were made to increase the indigenous peoples
participation in the congress because it would be more likely that they could be
elected in their departments (Assies, Salman 2005 pp.276-277). The remaining 7
from the Chamber of Deputies are reserved for indigenous people, to further
include the indigenous people and to increase the representativity in the congress
(Freedom House, 2010-05-13).

The conclusion that we reach is that the legislative power in Bolivia is
divided; it includes minority groups and therefore increases the representativity
of the Bolivian society as a whole in the congress and a more representative congress
is according to our point of view a better congress. And further to be more
representative should according to us imply being more democratic. We recognize
the potential problem of using a system of quotas, for including indigenous
people, and this having the effect of excluding perhaps “better politicians”. This
can be opposed with the paradox fact that the indigenous people are a minority in
the political sphere but a majority as a whole in Bolivia and using quotas gives
more room to include them, at least for a start.

Constitutions

The eight and the ninth variable in the federation unitary dimension are related to
each other, they both concern the restraints that the congress has or lack, on the
constitution changing process. The eight variable “flexible constitutions that can
be amended by simple majorities versus rigid constitutions that can be changed
only by extraordinary majorities”, the majoritarian model suggest that a
constitution can be changed by simple majority of the congress while the
consensus model instead suggest a constitutional change that needs approval of a
“supermajority” in the congress, (Lijphart 1999 p.216) In the ninth variable
“systems in which legislatures have the final word on the constitutionality of their own legislation versus systems in which laws are subject to a judicial review of their constitutionality by supreme or constitutional courts” the majoritarian model proposes a system that whenever the constitution conflict with the normal laws then the congress takes an interpreting role on the constitution while in the consensus model there is an independent body like a constitutional court that are in charge of that task (Lijphart 1999 p.216).

Since Morales became president 2005 Bolivia’s political history came to be much about Morales attempts to change the constitution and the opposition’s attempts to stop it, and the conflicts and demonstrations surrounding their disputes (Freedom House, 2010-05-13). As soon as Morales became president he called for elections to a Constituent Assembly, an independent body that would introduce and vote on the new constitution, (Lehoucq 2008 p.111) agreeing with the consensus models idea of judicial review. Morales party MAS won simple majority, gaining 137 seats of a total of 255. This majority was however not enough for the 2/3 majority requirement needed for the approval of a constitutional draft, suggesting that Bolivia’s constitution needs a “supermajority” approval, is in fact rigid, and agrees with the consensus model on that point.

The Assembly meetings came to be long disputes and escalated when in November 2006 MAS secretly held a midnight meeting in, in secret from the opposition, where they voted to allow a simple majority for passing a draft of the new constitution. This was obviously not approved by the opposition and they answered with boycott but in February 2007 MAS re-establish the 2/3 majority condition (Lehoucq 2008 p.117-119). The conflicts escalated into a massacre, that further lead to a compromise in the Assembly on a constitutional draft. The new constitution was approved by the Bolivian people in a referendum 2009 (Freedom House, 2010-05-13).

We believe that the reasons why Bolivia’s new constitution has had such a long road to be implemented, has had a lot to do with the constitutions consensual structure, the rigid path towards change has been hardened by the need of “supermajority” approval and the existence of a reviewing body like the Constituent Assembly. We see this slow development as something positive, questioning and compromising on such an important and fundamental democratic feature as the constitution is in fact important. We believe that rather having a too easy process of constitutional change with simple majority amendment can easily lead to an exclusion of minorities.

**Central Banks**

In the tenth variable “central bank that is dependent on the executive versus independent central banks” the consensus model proposes a system where the central bank is independent. Being independent gives the central bank a vital function in the policymaking process and strengthens it, in contrast to a dependent central bank that would be completely dependent on the government and the legislative power, and considered weak and undemocratic (Lijphart 1999 pp.232-233). In Bolivia the Central Bank is independent and should therefore according
to the consensus model have a crucial role in its policy process (Banco Central de Bolivia, 2010-05-18). But in the presidency of Morales and MAS the Central Bank general manager was incarcerated and held for six weeks without being charged for anything, (Freedom House, 2010-05-13) this according to us implying it being less independent, and more dependent on the government, at least to avoid being incarcerated.
7 Conclusion

7.1 Consociational theory

The central aspects of power sharing and group autonomy have in a long period of time in Bolivia been non-existing. We consider that the nonexistence of these aspects has worsened the development towards democracy. We cannot say that the absence of the aspects is solely the reason for Bolivia being an unstable democracy, but we believe that a fragmented society like Bolivia has a big need for power sharing and group autonomy since it consists of so many different cultures and groups. The elite have ruled the country with an iron fist, and ironically they have done it being a minority by count. The indigenous people are more, but less organized and has never been given before any real power. Bolivia is though in a period of change, and with the right tools we believe they have the power to succeed in going toward a fully democratic society, including all of the population. It would be interesting doing our study maybe in ten years to see how the changes in the constitution have actually effected the development towards democracy and if Morales route towards socialism was a failure or just exactly what Bolivia needed.

7.2 Consensus Democracy

In the two dimension of the consensus democracy we looked at its ten variables and analyzed Bolivia’s institutional design. In the first two variables we draw the conclusion that Bolivia inhabits an institutional design with power concentrated at the executive level of government, because of the freedom and power that the president holds after gaining office, even though he might need congress support to be elected. This agrees with the majoritarian models characteristics of power concentration. We conclude that this has made the democracy in Bolivia unstable because of the president’s power to change the composition of the cabinet, making the previous electoral processes inadequate. In the third variable we determined that Bolivia inhabits a strong tradition of multiparty system, reflecting the fragmented society, agreeing with the consensus characteristics of democracy. The conclusion that we reach is that the consequence of the multiparty system in Bolivia is a good way of representing different interest, but in Bolivia, because of its previous electoral system, has contributed to make the Bolivian democracy unstable. In the fourth variable the electoral system we see that the change from a PR system to a Mixed Member PR system has made the country more responsive
and accountable towards its citizens. This has made Bolivia more democratic and has at the same time increasing incentives for politicians to work closer with their potential voters in listening to their interests. In the last variable of the first dimension interest groups we conclude that the interest groups in Bolivia moving towards the consensus concept of democracy as small groups have joined together and creating larger interest groups with a broader coalition of interests in order to change their situation. According to us, this has increased the inclusiveness in Bolivia, making the representation of Bolivian society more accurate.

In the second dimension we looked first at the division of power within the Bolivian society. We argue that with Morales government there has been an increasing level of division of power, going towards the consensus model, something we find positive for the further development of democracy. The second variable concerning parliaments and congress, we saw that Bolivia has a divided legislative power, this according to the consensus model increases the representation, including minority groups. In the third and fourth variable in the second dimension we looked at the constitutions in Bolivia and observed that the need for a “supermajority” in changing the constitution and the need of a judicial review body has made the procedure very rigid. This has encouraged the development of the political process and furthered the development of democracy, because an easy process of changing the constitution may exclude minority groups, which is a bad development in our opinion. In the last variable concerning the central bank in Bolivia we draw the conclusion that having an independent central bank in Bolivia is good development towards stabilizing democracy in our opinion, and according to the consensus model, but the incarceration of the banks general manager seems to suggest the opposite.

We have already concluded that Bolivia is an unstable democracy, looking at Bolivia’s history we have found some of the answers to why this is the case. Bolivia’s institutional design has long been characterized by the majoritarian features of democracy, being exclusive with a political minority elite ruling the country. We consider that the institutional design in a plural society like Bolivia has stalled the development and process of democracy. The consequences being a more undemocratic Bolivia, because the indigenous people, in this case the majority of the people, have been denied access to political power and it has even gone so far that the majority of the Bolivian people lost their confidence in democracy as a concept. When Morales became president and introduced the new constitution a lot of efforts were made towards the development of democracy, efforts that we consider being associated with consensus democracy. He has successfully made the country more inclusive and cooperative, for example by increasing the division of power and the existence of coordinated interest group systems. We think it would be interesting to recreate our study in order to analyze the effects of the new constitution on Bolivia’s democracy development. It would be further interesting to see if Morales efforts towards being more inclusive will stabilize Bolivian democracy.
8 References

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