



Aborted Corporatism:

The Case of Bolivia under the Movimiento Nacionalista Revolucionario

(MNR, 1952-64)

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Abstract

In this paper, I apply theories from the literature on corporatism to Bolivia. Despite developing the necessary policies and institutions to fully incorporate labor into the political sphere, the Movimiento Nacionalista Revolucionario (MNR) never achieved regime stability as the corporatist project was ultimately aborted for industrial labor and the miners. The primary cause of this failure was the exogenous shock of a stabilization package from the International Monetary Fund (IMF) and the increasing influence of United States in the Bolivian political process. When analyzing critical junctures or path dependent processes, scholars need to pay more attention to the conditions that disrupt the generation of positive feedback. Using the Bolivian case, I demonstrate how exogenous shocks in particular can impede path dependent trajectories.

Resumen

En este trabajo, aplico teorías existentes sobre el corporativismo al caso boliviano. A pesar de desarrollar las políticas e instituciones necesarias para incorporar plenamente a los obreros a la esfera política, el régimen del Movimiento Nacionalista Revolucionario (MNR) nunca alcanzó la estabilidad necesaria para beneficiar con su proyecto corporativista a los obreros industriales y a los mineros. La razón principal de este fracaso fue la violenta intervención externa de un plan de estabilización del Fondo Monetario Internacional (FMI) y la creciente influencia de los Estados Unidos en el proceso político boliviano. Cuando se analizan las coyunturas críticas o los procesos de trayectorias dependientes, los investigadores deben prestar más atención a las condiciones que afectan la elaboración de una crítica positiva. Con el caso de Bolivia, demuestro cómo las intervenciones exógenas pueden impedir las trayectorias dependientes.



Introduction

Studies on corporatism in Latin America have found that one model, radical populism, has represented the most successful and stable model of labor incorporation. In contrast with other corporatist examples, the radical populist cases² included: corporatist arrangements explicitly initiated by a political party, an overarching objective of broad electoral mobilization, a major effort to link unions to the party, and most importantly, a parallel incorporation of the peasantry and industrial workers (Collier & Collier, *Shaping*, 2nd ed., 165)³. By incorporating the peasants, the corporatist period assumed a more radical posture, pursuing land reform and weakening the landed oligarchy. At the same time, the inclusion of the peasantry reduced the party's dependence on support from organized labor. According to Collier and Collier, both dynamics depressed the conservative opposition to corporatist policies and ultimately, encouraged regime stability. Unfortunately, these aforementioned studies have not included the case of Bolivia.⁴

Between 1952-64, under the administrations of the Movimiento Nacionalista Revolucionario (MNR), the corporatist experiment in Bolivia demonstrated all the necessary conditions of radical populism. During the years of the MNR revolution, the party mobilized workers for largely electoral purposes and explicitly linked the union movement to the party by promoting high profile labor activists to leadership positions. Far surpassing any example in Latin America, the MNR even initiated a period of *co-gobierno* (co-governance) with the national labor confederation. Similar to the other radical populist cases, the MNR sought to simultaneously incorporate industrial labor and peasants. As the revolution progressed, the MNR strengthened linkages with the peasantry to the detriment of organized industrial labor. Yet while demonstrating all the crucial attributes of the radical populist model, Bolivia never achieved



regime continuity. In 1964, a coup led by General René Barrientos terminated the MNR's revolutionary experiment. While Bolivia had developed all the necessary institutions needed to successfully incorporate labor into the political process, in 1956, Bolivia received an exogenous shock from the United States (US) and the International Monetary Fund (IMF) that no other nation confronted in their corporatist period. In the aftermath of Collier and Collier's superior publication on corporatism in Latin America, it is worth revisiting the case of Bolivia as it demonstrates several important shortcomings in the literature.

First, most studies have limited their observations to cases where incorporation was carried out in a relatively systematic fashion. Coherent and consistent policies were enacted and while there was cross-national variation, cases generally terminated with the relatively successful incorporation of labor. In contrast, the Bolivian corporatist experiment was left incomplete. While peasants were successfully brought into the political process, urban workers were ultimately excluded. Therefore, Bolivia represents a unique case of aborted corporatism. By analyzing the characteristics of unsuccessful labor incorporation, we can develop a more holistic understanding of the complexity of corporatist efforts in developing countries. Yet, while the Bolivian case illustrates a different corporatist experience, it also permits us to refine our current conceptualization of critical junctures and path dependence.

Arguments that adopt a critical juncture framework and make claims of path dependent processes must document the presence of positive feedback (Pierson). Positive feedback reinforces the critical juncture and generates trajectories that are strikingly stable. Yet, little attention has been devoted to the conditions that disrupt and inhibit the generation of positive feedback. This lack of research is a glaring omission as the loss of positive feedback alters the original trajectory and undermines the critical juncture. In the case of Bolivia, the exogenous



shock of a stabilization package devised by IMF in 1956 and increasing US influence during the last eight years of the revolutionary period (1956-64) altered the direction of the revolution and hindered the solidification of corporatist mechanisms that would generate positive feedback and adequately produce a successful legacy of labor incorporation. In the absence of these mechanisms, state-labor relations deteriorated until they concluded in an aborted attempt at corporatism.

In this article, I start with a brief methodological discussion of radical populism, critical junctures, path dependence, and positive feedback, emphasizing the potentially significant role of exogenous shocks. Next, I proceed to a case study of Bolivia using process tracing to highlight the notable aspects of the Bolivian experience. I analyze the antecedent conditions that preceded the MNR revolution, the critical juncture of the revolution, and the legislation and institutions that attempted to institutionalize the corporatist efforts for organized labor and peasants. Next, I discuss how the stabilization package and US influence blocked positive feedback that under different circumstances would have produced the incorporation of organized labor. Finally, I conclude offering some general remarks on corporatism in Latin America and recommendations for future research that embraces path dependence.

Radical Populism, Critical Junctures, and Path Dependence

Collier and Collier argue that the distinct patterns of conflict and accommodation that typified corporatism in different countries explain the varying institutional development of party systems in Latin America. The authors conclude that the radical populist model was the most successful and stable example of labor incorporation (see Table 1). Countries⁵ with a radical populist framework experienced: integrative party politics, minimal levels of violence, and considerable regime continuity. This regime success appears to be related to the fact that the



radical populist model represents the only example of corporatism that included: corporatist arrangements explicitly initiated by a political party, an overarching objective of broad electoral mobilization, a major effort to link unions to the party, and a parallel incorporation of the peasantry, in addition to the incorporation of industrial workers (Collier & Collier, *Shaping*, 2nd ed., 165).

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Under the MNR, the Bolivian corporatist experiment developed all the necessary components of the radical populist model. During the revolutionary years, the party mobilized workers for largely electoral purposes and explicitly linked the union movement to the party by promoting high profile labor activists to leadership positions. Far surpassing the other models of radical populism, the MNR even initiated a period of *co-gobierno* (co-governance) with the national labor confederation. Most importantly according to Collier and Collier, while the MNR sought to incorporate industrial labor, they simultaneously incorporated the peasantry. As the revolution progressed, the MNR strengthened linkages with the peasants to the detriment of organized industrial labor. Thus, the corporatist efforts of the MNR constituted radical populism. Nevertheless, unlike other instances of radical populism, Bolivia never achieved regime continuity and the 1964 coup led by General René Barrientos terminated the MNR's revolutionary experiment. The cause of this failure was an exogenous shock from the IMF and the US.

In *Shaping the Political Arena*, Collier and Collier construct their argument relying heavily on the concepts of critical junctures and path dependence.⁶ Critical junctures represent

momentous occasions of change when political actors attempt to rectify underlying political cleavages. However, these junctures are not mere watersheds, but represent crucial events that establish structural patterns with long lasting causal implications. Despite the influence of antecedent conditions, critical junctures maintain a degree of “plasticity and contingency” and actors make relatively less inhibited decisions. Inherently, when one looks at these events across cases, a natural variation emerges in actors’ decisions and this inspires divergent trajectories. These trajectories acquire a path dependent nature as positive feedback re-enforces the critical juncture. As the positive feedback accrues, high transition costs impede the possibility for reversal or change and generate a bias in favor of the status quo. These trajectories produce historical legacies with observable implications and explanatory hypotheses.

According to Pearson, in this entire qualitative equation, the most crucial element is positive feedback. Without mechanisms that consistently reinforce the decisions and institutions made during the critical juncture, path dependence fails to take hold. While scholars have made arguments utilizing a critical juncture framework, the discussion of how positive feedback creates these path dependent cycles appears largely assumed. Once the decision is made or the institutions are formed, policy reversal is rendered improbable as the costs of such transformation become prohibitively high according to Arthur and Pierson. The latter one argues that these high costs may arise due to dilemmas of collective action, institutional density, power asymmetries, or just “complex, opaque political processes” (37).

Collier and Collier analyze how corporatist institutions⁷ generated positive feedback in a way that structured subsequent political trajectories. Among the authors’ eight cases, they note three instances of aborted corporatism⁸, where positive feedback failed to reinforce corporatist efforts. These cases involve the death of the leader or a military coup, but these efforts never



constituted a “full-blown corporatist project” (*Shaping*, 2nd ed., 164). This case selection reveals a potential bias. By only focusing solely on relatively successful instances of labor incorporation, the authors fail to appreciate how certain variables may impede the generation of positive feedback loops and promote aborted corporatist projects. Furthermore, their analysis only considers domestic variables and thus, does not contemplate how exogenous, international political and economic factors may promote or inhibit corporatist policies.

While Collier and Collier fail to consider the impact of the international political economy, in his analysis of liberalism in Central American countries, Mahoney examines liberal experiments derailed by exogenous shocks. In the case of Nicaragua and Honduras, US intervention directly “stunted domestic structural change” and inhibited the development of normal feedback loops (Mahoney 14). Particularly in the developing world, the threat of external intervention can severely limit the ability of nations to autonomously develop and create the desired, path dependent institutions. This external interference was the determining factor in the Bolivian case. While domestic factors like elite heterogeneity, social fragmentation, and inflation may have eventually threatened the generation of positive feedback for corporatist policies; it was the external shock of US intervention and an IMF stabilization package that definitively blocked potential feedback loops by destroying the nascent corporatist institutions.

I will now proceed to analyze the MNR revolution, looking at the antecedent conditions, the critical juncture, and the corporatist institutions that were promulgated during the revolutionary period.

Antecedent Conditions: 1932-52

In 1932, President Daniel Salamanca embarked on one of the bloodiest and most unsuccessful ventures in Bolivian history: the Chaco War. While initially capturing the ironically



named Fort Sorpresa from Paraguay in the first battle, the tide quickly turned against the Bolivian army. Despite outnumbering the Paraguayan forces by 150,000 soldiers, Bolivia was soon overwhelmed by a Paraguayan offensive that ejected the Bolivian army entirely out of the Chaco and threatened the important oil town of Villamontes (de Mesa 553). After three years of fighting, the warring sides finally reached a peace agreement. The entire debacle was a humiliation for Bolivia and the final statistics were devastating. 50,000 dead, 20,000 captive, \$228 million dollars squandered (exponentially raising Bolivia's foreign debt), and some 250,000 km of land was forfeited to Paraguay (de Mesa 553; Sandoval Arenas).⁹ As angry Bolivians rioted in the streets to protest the corrupt and ineffectual governing class, it became quickly apparent that the reign of Liberals and Conservatives was drawing to an abrupt close.

After 100 years of elite rule, Bolivia descended into an utter meltdown of the established order and the ideological predispositions of successive governments violently seesawed between progressive and conservative forces. Between 1935 and 1952, there were 5 successful coups ('35, '36, '37, '43, '51), 2 successful civilian, urban insurrections ('46, '52), 3 large-scale bloody confrontations between the military and labor ('42, '47, '50), and an untold number of smaller strikes, demonstrations, and political assassinations. The underlying cleavage creating such instability was a stagnant political system that still excluded the vast majority of the population. Workers, peasants, and even some from the middle class were marginalized and disenfranchised. The breaking point emerged in 1951. After the MNR won the national elections¹⁰, even as most of its leadership remained in exile and many of its supporters lacked the right to vote, the military intervened and General Hugo Ballivián was pronounced president. Denied power through the ballot, the MNR would take power using the bullet. After three days of fighting and over 600 casualties, the insurgents, largely composed of industrial workers, defeated the Bolivian



military (Klein, *Bolivia* 600). The MNR took over the government it had been previously denied and Víctor Paz Estenssoro returned from exile in Argentina to assume the presidency.

Critical Juncture: MNR 1952-64

Given the antecedent conditions, generations of scholars¹¹ agree that the MNR period represents a “critical juncture” in Bolivian history. On assuming power, the MNR had virtual *carte blanche* to recreate the existing social, economic, and political order. Having defeated and disbanded the army and armed sympathetic miners and peasants, the MNR faced no violent opposition. Furthermore, the elite economic opposition (or *la Rosca*) of tin barons and large landowners largely had fled the country or “were economically weak and incapable to oppose the fundamental social and economic reforms of the MNR” (Klein, *Bolivia* 231). Other Leftist parties, like the Partido Obrero Revolucionario (POR) and the Partido Izquierda Revolucionaria (PIR), were too small or badly discredited and consequently, posed little threat to the MNR from the Left.¹² Overwhelmingly supported by the middle class, workers, and peasants,¹³ the MNR enjoyed substantial power and “felt no obligation to moderate its program or compromise with any traditional institution” (Klein, *Bolivia* 226). But who was the MNR?

Mitchell’s biographical sketch of the MNR leadership reveals a relatively homogenous set of backgrounds. All the founders were males, in their mid 30’s to late 40’s, university educated, predominantly lawyers and journalists, and resided in La Paz. Only when activist miner Juan Lechín joined the party in 1944 did the MNR leadership boast a figure from the working class. Despite the apparent similarities among the leadership, the group was ideologically heterogeneous.¹⁴ One faction headed by Carlos Montenegro and Augusto Céspedes tended towards overt fascism, although this wing diminished in strength over time. Hernán Siles Zuazo and Wálter Guevara Arze adopted more moderate, capital-friendly understandings of the



revolutionary process, while union leaders like Juan Lechín and Ñuflo Chávez pushed for a more radical, socialist-inspired program. Paz Estenssoro mediated between the moderate and radical wings of the party, developing his own centrist, personalistic faction. While this ideological heterogeneity of the MNR could have paralyzed the party when it came time to nominate presidential candidates, the MNR attempted to institutionalize the transfer of power amongst the various factions of the party. The party expected to swap the presidency amongst its various wings. While the right and center would assume executive office, the left never received its opportunity. The crucial factor that inhibited the ascension of a left wing executive from the MNR was the continued opposition of the United States to Juan Lechín's candidacy.

Despite an ultimate inability to institutionalize their party like the Mexican Partido Revolucionario Institucional (PRI), the MNR leadership publicly stated affinities for the Mexican model. Former foreign minister Wálter Guevara Arze claimed, "we want the Mexican Revolution without 10 years of Pancho Villa" (Malloy & Thorn 20). Not unlike the PRI, the MNR's political strategy largely reflected a "multi-class populist" orientation that was based on electoral competition and "poly-classism" according to Mitchell. Most authors would argue that the MNR did not abolish or really restrict the democratic process. On assuming power, there was no violent liquidation or forced exiling of previous elite.¹⁵ Opposition was permitted and could freely organize, campaign, and disseminate literature critical of government policy.¹⁶ After the revolution, there was no press censorship of even the more conservative press outlets like *El Diario* and Alexander mused "there was a lively press during the MNR period, most of it was in the opposition" (*Bolivia* 97).

Generally popular, the MNR leadership permitted dissent, as it believed that the party could fashion a legitimate electoral hegemony of the middle class, workers, and peasants, an



alliance very similar to the PRI. In order to amalgamate these variegated interests, official rhetoric was frequently expressed through abstract slogans¹⁷ and policy was largely reformist in nature (Lora; Malloy; Gamarra). Ladman writes, “Rather than being Castro or Árbenz introducing 20th century communism, most MNR leaders were content with bringing about a measure of 19th century social justice” (30). The first policy designed to increase the political power of these constituents was an electoral reform.

Electoral Reform

Issued on July 21, 1952, a little more than one month after assuming power, the MNR passed an electoral reform that radically altered Bolivia’s political landscape. The bill stipulated that elections would be held every 4 years for the president, Senate, and House of Deputies, however voting would be by list, not candidate. Additionally, presidents could not stand for immediate reelection.¹⁸ However, the most important provisions of the new law pertained to adult suffrage. During the earlier “democratic” period, eligibility was limited to roughly 20 percent of the total population, but only 3 or 4 percent of the total population actually voted (Mitchell 12). Under the new law, all adults, regardless of gender, over 21 (18 if married) were entitled to the right to vote. Literacy tests were abolished. Property ownership was no longer a prerequisite. While it would take time for all the new voters to be registered, the bill marked the first time in Bolivian history that elite party politics was replaced by popular vote. Having enfranchised workers and peasants, the MNR would now create legislation and institutions that would popularize the party among these new constituents and generate positive feedback for the regime.

Incorporation of Industrial Labor: *Co-gobierno* and the Nationalization of Mines



The support of the labor was crucial to the success of the 1952 insurrection (Alexander *Bolivia, A History*). When the outcome appeared doubtful, the miners, having already defeated military regiments in Oruro, moved into La Paz and secured victory in the capital city. After the successful insurrection, virtually every labor union would affiliate with the MNR and it became a crucial bastion of support for the regime. This support was evident through the newly minted labor federation, the COB (Central Obrera Boliviana), where the MNR retained the majority of the leadership positions (Mitchell; Alexander, *A History*). Nevertheless, this support was not guaranteed and armed worker's militias gave labor an independent source of power. In order to maintain support and incorporate industrial labor into the state apparatus, the MNR enacted two key reforms, *co-gobierno* and the nationalization of the three largest mining companies.

One of the most distinctive and far-reaching efforts to incorporate the urban workforce was that of *co-gobierno* between the COB and the MNR. Founded on the heels of the successful insurrection, the COB constituted the first genuinely unified labor confederation in Bolivia¹⁹ and represented some 150,000 workers, coalescing their disparate demands into coherent platforms and unified action (Mitchell 44). With *co-gobierno*, the three largest labor unions in COB could name three ministers to the cabinet. Initially, the three ministries under specific worker control were the Ministries of Mining and Petroleum (the miners), Labor (the factory workers), and Public Works (railroad workers).²⁰ Later on, the COB was also permitted to name Ñuflo Chávez head of Peasant Affairs. In practice, the ministers were virtually autonomous, boasting veto power over the MNR decisions, and ran their particular ministries with little external interference. Furthermore, the MNR permitted worker control, especially in the mines, which permitted a degree of direct worker participation at every level of state-run enterprises.²¹ In return, union members were expected to join and support the party (Alexander, *A History* 86). In



short, the arrangement gave urban workers powerful positions that controlled the economy; however, workers were expected to join the corporatist state.

Within the COB, the most militant and organized group was the miners. According to estimates, the miners outnumbered the next largest union (the factory workers) by almost 2:1 (Mitchell 44). As the most powerful group within the COB, the MNR could ill-afford to upset this constituency. While *co-gobierno* offered a significant carrot to organized labor, in order to promote the incorporation of the miners, the MNR went even further by enacting their long-standing demand, the nationalization of the tin mines.

In 1950, Bolivia extracted nearly 20 percent of the world's tin, yet production was confined to three individuals (Patiño, Aramayo, and Hochschild) who resided in foreign countries, lived opulent, playboy lifestyles and heavily influenced the policies of the national government (de Mesa 620). Taxation on the Big Three was minimal, as little as 3 percent, and profits generated by the barons migrated to banks in the United States and Europe (Malloy, *Bolivia* 43-4). Thus, the wealth generated from Bolivia's national resources failed to produce stable economic development inside the country.

On October 31, Paz Estenssoro announced the nationalization of the Big Three mines²² at the symbolically important Catavi mines.²³ The mines were turned over to COMIBOL (Corporación Minera de Bolivia), the newly created semi-autonomous state enterprise, and overnight, 85 percent of the country's tin mines, 95 percent of its' foreign exchange receipts, and about 50 percent of the central government's fiscal receipts moved from private to state hands (Morales 145). Included in the nationalization was also a provision for worker control where the workers elected representatives to all levels of COMIBOL. These union representatives could veto any plans initiated by management that were deemed detrimental to the workers. In addition



to administering this property, COMIBOL also provided and subsidized social services like healthcare, education, food, and housing to miners and their families. Thus, the miners had tremendous leverage over the management of the mines and were provided public services that had long been deficient or totally absent.

The policies of *co-gobierno* and the nationalization of the mines were designed to enhance MNR prestige among one set of non-incorporated actors, organized labor. The reforms offered considerable benefits to the workers and bolstered their support for the party. The reforms also created corporatist institutions that would explicitly link the workers to the party/state and would generate continued working class support for the MNR.

Incorporation of Peasants: The Agrarian Reform

According to a 1950 government census, 72 percent of the population was involved in agriculture (Klein, *Parties* 394). Nevertheless, the countryside remained mired in an economic situation that most scholars refer to as some shade of feudal,²⁴ replete with severe inequality and injustice. In a 1950 report, the Ministerio de Hacienda documented that six percent of landowners controlled 92 percent of the total arable land. To compound matters, the owners were usually absentee landlords and cultivated a mere 1.5 percent of their lands (Klein, *Bolivia* 228; Clark). The large landowners (*latifundistas*) controlled vast swaths of land, farmed largely for subsistence, relied on labor-intensive agriculture, and virtually owned their tenants (*colonos*) that worked on their lands. Peasants²⁵ were largely subsistence-oriented, disenfranchised, and apolitical according to Clark. While Liberal leaders had attempted to assimilate peasant groups, little effort had been made to actually incorporate them into the political process. During the 1952 revolution, few peasants joined the insurgents and prior to the agrarian reform, the principally urban MNR maintained little contact with the rural parts of the country (Patch 128).



If the MNR was going to build a hegemonic party, they had to incorporate the overwhelming majority of the population, the peasants.

Amidst traditional offerings of *chicha* and *coca* leaves²⁶, on August 2, 1953, Paz Estenssoro announced the land reform in Ucareña, Cochabamba.²⁷ The agrarian reform contained three main components: land reform, labor incorporation and colonization²⁸. The decree abolished both the large land holding (*latifundio*) (Art. 12, 30) and the stifling debt peonage (*pongueaje*) (Art. 144-5). While owners of expropriated property were entitled to compensation (Art. 156-60), few bothered to collect their government bonds, as the amount offered was usually grossly underestimated and quickly rendered negligible by inflation (Alexander, *Bolivia* 87). Unused land was to be confiscated by the state and given to landless or land-scarce peasants (Art. 34). Furthermore, after submitting an application and receiving approval, the tenant could officially own all land that he or she²⁹ cultivated (Art. 77-100). By abolishing the debt peonage, tenants would now receive wages for all services rendered to the owner (Art. 144-5).

Having shattered the chains that bound the tenant to the owner, the MNR offered to fill the void. Shortly after the revolutionary victory, MNR activists (usually union activists from the COB) fanned out into the countryside, mobilizing peasants and forming MNR-sympathetic unions. Directed by the newly established Ministry of Peasant Affairs (MAC) headed by agrarian reform advocate Ñuflo Chávez, the numerically superior peasant unions quickly assumed an influential role in the political sphere (Heath 391). Furthermore, the peasant unions were armed and acted as protectors of the MNR government (Alexander, *The Bolivian* 79). Additionally, the unions could be mobilized by the MNR in order to secure a continued electoral hegemony.



In order to coax peasant enrollment into the unions, the MNR offered several incentives. First, while individual claimants could bring forth a land request, the primary mode in which peasants requested and received land titles was through a union representative (Art. 95, 132; Clark). The secretary general of the local union would present the relevant paperwork to a judge and help the peasant navigate the complex, new bureaucracy. Furthermore, the union leaders were empowered to engage in collective bargaining and negotiate wages and benefits with landowners. Second, through the MAC, local unions helped in the provision of basic social services, primarily education and healthcare, which had previously been nonexistent. In his closing address to the national legislature, Paz Estenssoro reported that between 1952 and 1956, the state constructed 1,327 schools, doubled student enrollment, and elevated the number of teachers by 1.684 (*Mensaje* 120).³⁰ In the speech, the President also mentioned the construction of several new mobile health facilities, health centers, and maternity wards (*Mensaje* 110-7). Obviously, coupled with the agrarian reform, the appearances of these incentives for the first time were rather attractive to peasants and the unions were quickly organized. In 1956 elections, the MNR swept the countryside and established a political machine that would assure its continued electoral success until elections would no longer be held.

Having discussed the critical juncture and the corporatist institutions of the MNR, I will now discuss how increasing US involvement threatened the incorporation of organized labor and inhibited the generation of positive feedback.

US Influence and Aborted Corporatism

Before 1956, clear corporatist legislation and institutions empowered peasants and organized labor and explicitly linked these groups to the state. Despite the unprecedented capabilities afforded to Bolivian workers under *co-gobierno* and the nationalization of and



control obrero (worker control) in the mines, after 1956, relations between the MNR and industrial labor deteriorated considerably. Part of this tension may have been a change in the national leadership. Hailing from the center-right of the party³¹, Hernán Siles Zuazo replaced Paz Estenssoro in the executive branch. At the same time, expecting to nominate their representative Juan Lechín as the official candidate of the MNR for the subsequent 1960 presidential elections, urban labor generally acquiesced to the arrangement. While tension existed over executive succession, this feuding did not inherently spell the demise of the corporatist project as all MNR officials generally supported the corporatist institutions in place and supported altering power between the various wings of the party (Mitchell; Klein, *Bolivia*). Rather, the principal cause for aborted corporatism was the exogenous shock of 1956 IMF stabilization plan and increasing US influence over the Bolivian public policy. As US involvement in Bolivia expanded, the power of organized labor was mitigated. In order to placate US concerns, previously instituted corporatist policies were undermined or rescinded. Thus, the linkage between organized labor and the MNR was severed and could never fully consolidate, leaving the corporatist project without the necessary institutions that could generate positive feedback.

Increased US aid started in response to deteriorating economic conditions in Bolivia³². Between 1952 and 1957, the cost of living index skyrocketed from 100 to 4,881 (Zondag, *Bolivian Economy* 56). Inflation exploded as the government printed money to fund the tin nationalizations, the agrarian reform, and other economic development projects. Coupled with severe capital flight, the Bolivian currency sank from 190 bolivianos to 14,000 bolivianos to the dollar (Zondag, *Bolivian Economy* 56). Unable to print more money or ignore the meltdown of the national economy, Siles turned for assistance to the US.



Since 1954, the US had offered agricultural aid and small loans to Bolivia, however increasing ties between the two countries led the US to sponsor an IMF loan. A principal character throughout the negotiation process was the “unsympathetic” US trade representative, George Eder (Malloy, *Bolivia* 237). Describing the Bolivian people, Eder writes,

Admittedly, I had no contact or means of communicating with the torpid, sullen, coca-chewing Indians who passed through the streets like being from another world...From my stay in La Paz, I can recall much ignorance and considerable mendacity and thievery, yet certainly no more stupidity than could be found anywhere else in the world. As for laziness, for many of the Bolivians, not to be lazy under the Revolutionary Government, with full pay for no work, would indeed be stupid. (19)

In terms of the IMF stabilization package, Eder argued repeatedly that the source of Bolivia’s economic malaise was the Bolivian government itself, arguing,

The obvious remedy for the situation was simple. [It was] the repudiation, at least tacitly, of virtually everything that the Revolutionary Government had done over the previous four years...Stabilization would only be possible with an almost complete change in course from a controlled to a free market economy- save for the irreversible blunders of a misguided agrarian reform and nationalization of the mines. (88)

Furthermore, throughout his book, Eder frequently belittles *co-gobierno*, *control obrero*, and labor regulation as inefficient and unproductive. To Eder, corporatist institutions were statist solutions to a problem that should only be solved by the free market. This purely economic framing led Eder to erroneously underestimate the political elements of corporatist institutions and depreciate their overall value to Bolivian society.

The US- and IMF- sponsored stabilization package totaled some \$30 million US dollars and represented some 10 percent of Bolivia’s gross domestic product. Klein writes, “ the stabilization plan was an extreme one by the standards of the day,



envisioning the creation of a stable currency with almost zero inflation within one or two years” (*A Concise* 221). Zondag likened the program to a “major surgery before the availability of anesthesia” (“Bolivia’s” 34). In order to secure the loan, Siles was told to balance the national budget, restricting government initiatives and reducing government expenditures by 40 percent. In order to accomplish this degree of austerity, Siles was given a 50 step plan that froze wages, cut social programs, relaxed labor laws, ended deficits at state-run companies, terminated all price controls and state subsidies on basic foodstuffs. Finally, the *boliviano* was to be fixed to the dollar at an exchange rate of 7,700 to one (Eder 626-47). While the stabilization plan was ultimately successful in balancing the budget, stabilizing the currency, and ending the runaway inflation, the political costs were enormous. As Klein notes “the United States insisted that the [stabilization] program be carried out regardless of the political consequences” (*Bolivia* 243). Kofas concurs writing, “the stabilization plan aggravated social tensions, resulted in more uneven income distribution, and precipitated authoritarianism in a fragile democracy” (214). Naturally, the US had a greater interest in opening Bolivia’s economy than preserving the political gains of the revolution.³³ Taken as a whole, the agreement undermined the fundamental underpinnings of nascent corporatist structures.

The end of subsidies and frozen wages meant that most workers could no longer afford rising food costs. Although Lechín and the COB had offered tentative approval for the package during negotiations, once urban workers saw the effects of the program, the protest was immediate. *Co-gobierno* effectively ended when three of the four COB ministers resigned to protest the stabilization package³⁴. Work stoppages proliferated³⁵ throughout the nation and the COB threatened a general strike. As worker protests and strikes increasingly manifested worker



discontent, Siles developed a multi-faceted approach to divide organized labor, openly questioning the leadership of Juan Lechín. Within the COB, Siles played on the ideological differences and used the state resources to support unions more sympathetic to his position. Subsequently, Siles successfully divided the group into pro-Siles and Pro-Lechín factions (Mitchell 69; Malloy, *Bolivia* 238-239). So fractured was the COB that for the next 6 years, the organization generally failed to achieve the necessary quorum of members to vote.

In addition to dividing labor internally, Siles diminished the overall influence of labor by breaking the previously amicable relationship between labor and peasants. By enacting the Agrarian Reform, the MNR created an incredibly loyal base of support that constituted a majority of the Bolivian population. Ultimately, this support base was not radical, as Klein writes,

The [peasants] became a relatively conservative force and grew indifferent, if not hostile, towards their former urban worker colleagues. The appeasement of their land hunger turned the peasant inward so that for the next two generations the primary concern of the communities and the *sindicatos* was the delivery of education and healthcare and the guaranteeing of their land titles. Subsequently, they were receptive to reformist and even conservative policies in the urban centers. (*Bolivia* 238)

The MNR no longer needed labor support in order to achieve electoral hegemony. Armed peasant militias were used against striking miners and workers. For the remaining years of the Siles administration, labor continually clashed with the government severely damaging the link between labor and the MNR.

Only one possibility assuaged the potential for a total rupture. In the internal negotiations that had preceded Siles' presidency, Lechín had been promised the MNR candidacy in the 1960 elections. Thus, many in the labor camp assumed that with a president friendly to organized labor in office, *co-gobierno* could resume and workers rights would be re-instated. Even Siles



accepted the idea of Lechín and the Left succeeding him in office (Klein, *A Concise* 221). At the same time, Lechín's presidential aspirations confronted the firm opposition of the US. Given his strident opposition to the IMF stabilization package and his socialist leanings, Lechín was viewed as “an archenemy by the US embassy” that “needed to be isolated and destroyed” (Klein, *A Concise* 221). Viewed in this light, not even a trip by Lechín to Washington and Formosa in support of the Chinese Nationalist would assuage US doubts. Given the amount of foreign aid that the US contributed to Bolivia, continued US opposition ensured that Lechín would not assume the presidency and Paz Estenssoro returned to the presidency as a compromise candidate with Lechín as a symbolic vice-president.

During the second Paz Estenssoro administration, the incorporation of labor was definitively aborted. As Klein writes, “Paz showed himself implacably opposed to the continued power of COB and the mineworkers in his regime” (Klein, *Bolivia* 224). This development totally blindsided workers. Having already rejected Wálter Guevara Arze as being more right wing than Siles, the COB supported Paz because they expected a return to the corporatist policies of the earlier revolutionary years. Why did Paz totally reverse course?

One must again look at the exogenous influence of the US.

-----Table 2 here-----

In 1956, US aid was nearly 3 times the expenditures of the Bolivian central government. Annually, US aid would fluctuate between 4-11 percent of Bolivia's gross domestic product and would continue rival the total expenditures of the Bolivian government. By 1960, Bolivia had received well over \$100 million in US aid giving it the



distinction of being the largest single recipient of American aid in Latin America and the largest per capita recipient of US aid in the world (Klein, *A Concise* 218). Over the course of the revolution, the Bolivian government developed a heavy dependence on US aid and this restricted their ability to chart an independent trajectory. With increased US assistance, there was the tacit expectation that Bolivia would accommodate US interests. As Klein notes, “it was evident that the US was willing to put enormous pressure on the Bolivians to satisfy private US economic interests” (*Bolivia* 241). One of the major US interests was ensuring greater access to Bolivian natural resources.

By 1960, output from the nationalized Bolivian mines was roughly 50 percent below its 1952 levels. Tin exports plummeted from 35,371 metric tons in 1953 to 19,714 in 1960. Other minerals like zinc, copper, lead, silver, and gold experienced similar declines (Zondag, *Bolivian Economy* 81). While the reasons for this decline were multiple³⁶, a group of US consultants concluded that, “while technical problems are surmountable, the real problems facing the industry are those of a human nature” (Malloy, *Bolivia* 298; Eder). In response, West Germany, the United States, and the Inter-American Development Bank offered roughly \$220 million dollars in aid if the Bolivian government agreed to the rationalization and privatization of COMIBOL. The miners were initially supportive of the effort to inject new capital into the flailing industry, however the plan emphasized diminishing labor costs by cutting all nonessential social services, adjusting wages to emphasize productivity, placing decision making in the hands of management, and reducing the labor force. The new measures effectively ended all vestiges of *control obrero* and drastically reduced the social services available to miners and their families. Once these elements of the plan became apparent, the miners



launched strikes and even took several American hostages at the Catavi mines (Malloy, *Bolivia* 302). Paz responded by sending in the military to secure an unconditional surrender. Leaders of the strike were imprisoned. The most militant group among the labor unions, the miners, was finally broken. The event became the “swan song” for organized labor and marked a definitive end to corporatist policies for labor (Malloy, *Bolivia* 301).

As the 1964 elections approached, it was clear the labor would be excluded from the MNR coalition. Once again facing a strong US opposition, Paz refused to permit a Lechín candidacy and opted to modify the constitution and run for reelection (Alexander, *A History* 113). Although Paz won the election with strong support from the peasants in the countryside, he confronted intense opposition in the urban areas and a military coup ended the rapidly disintegrating MNR revolution. Between 1961 and 1964, the US provided \$12.4 million dollars to re-outfit and strengthen the military so that it would be superior to the armed worker and peasant militias (Alexander, *A History* 114). Despite the intention of empowering the MNR by rebuilding the disbanded military, US aid had inadvertently politicized the military and encouraged the conditions for intervention.

Despite being at the forefront of the MNR insurrection, organized workers had been abandoned by the MNR leadership in order to secure financial aid from the IMF and the United States. While they were able to vote, the entire corporatist structure of the state had been dismantled. By 1964, organized labor moved into the opposition and actively supported the coup. In the lead up to the coup, the COB published the following words,

After twelve years of promises, the working class sees with great dismay and indignation how these promises of national liberation have been converted into the vilest of hoaxes; how on the blood of the martyred workers colossal fortunes



have been built, how instead of progress and happiness, backwardness is consolidated reinforcing the chains of our dependency, based on hunger and restoration of the whip of our oppressors. (Alexander, *A History* 112)

Unfortunately for labor, the MNR revolution represented the only sustained moment in Bolivian history where political elites attempted to incorporate and empower urban labor. In the ensuing military years, with the brief exceptions of the Ovando and Torres administrations (1970-1), the military leaders actively sought to exclude and diminish the power of organized labor. A return to democratic rule in 1982 did little to change the relationship between labor and the state. Only with the election of Evo Morales have workers boasted any institutional political power. Under the new constitution of 2009, among many rights, workers have finally received the right to collective bargaining (Art. 49).

Conclusion

Throughout the incorporation process, Bolivia boasted all the necessary conditions of the radical populist model. A political party explicitly initiated the corporatist arrangements. There was an overarching objective of broad electoral mobilization. A major effort was made to link unions to the party. Most importantly, there was a parallel incorporation of the peasantry and industrial workers (Collier & Collier, *Shaping*, 2nd ed., 165). Nevertheless, unlike expectations generated by the radical populist model, Bolivia did not achieve regime continuity. Despite promulgating the necessary corporatist policies and institutions needed to create the stable tripod of labor, peasant, and bourgeois interests, Bolivia was dependent on US aid. This dependence inhibited the generation of positive feedback for the incorporation of labor and precipitated their ultimate exclusion. Financial agreements between the US and the Bolivian government like the stabilization package of 1956 and the Triangle Plan fundamentally attacked the basic corporatist



structures of *co-gobierno* and *control obrero*. When these policies and institutions were reduced or rescinded, there was no positive feedback for the original corporatist trajectories for labor, removing an important leg of support for the MNR regime. With no positive feedback to reinforce the original objectives, the MNR's corporatist project collapsed as Lechín and the COB were forced into the coup-plotting opposition. When corporatist policies in Bolivia were only attractive to the rural peasants, the regime collapsed.

When analyzing critical junctures in the developing world, we need to remain especially cognizant of the difficulties that face these nations as they develop public policy. The evolution of corporatist policies over the course of the MNR revolution was inextricably related to US interests and policy. Dependent on foreign aid and markets, nations like Bolivia can lack the tools necessary to develop independent public policy. Exogenous shocks from foreign nations, whether such intervention is intended to be benevolent or malevolent, can alter path dependent trajectories and have long lasting political consequences. While some scholars may presume that a study on labor corporatism in Latin America may be an antiquated subject, it is important to note the rise of progressive politicians, like current Bolivian president Evo Morales, which claim to represent the marginalized sectors of society. While nearly all nations boast universal suffrage, leftist leaders are developing programs and policies designed to better integrate members of the informal sectors of the economy and other marginalized groups into the political arena. As these projects continue, it will be important to note if and how exogenous forces may alter these new processes of incorporation.

Notes

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¹ These cases included Mexico under the Partido Revolucionario Institucional (1917-40) and Venezuela under Acción Democrática (1935-48)

¹ See Table 1

¹ For an exception, see Malloy 1977.

¹ For Collier and Collier, these cases included Mexico and Venezuela.

¹ For other examples see Scully; Mahoney.

¹ Collier and Collier define corporatism as the state structuring of groups that produces a system of officially sanctioned, non-competitive, compulsory interest associations that receive state subsidies states and face state-imposed constraints on their behavior (Collier and Collier 2002, 51).

¹ Mexico (Madero 1911-3), Peru (Leguía 1919-20), Argentina (Yrigoyen 1916-20).

¹ In contrast, Paraguay suffered 40,000 casualties, 2,500 prisoners, and spent \$128 million dollars (de Mesa 553)

¹ Alexander posits that the MNR had “at least a plurality” *Bolivia*, 79; see also Heath et al 26). Klein (1992, 224) concludes that the MNR won a massive majority with 39,000 out of the 54,000 votes. While there appears to be little consensus as to the exact percentage of votes garnered by the MNR, their victory was indisputable.

¹ Alexander 1958, 1982, 2005; Patch 1961; Zondag 1966; Heath et al 1969; Malloy 1970; Mitchell 1977; Ladman 1982; García Argañarás 1992; Klein 1992; Yashar 2005

¹ Despite the voluminous writings of Guillermo Lora (1978, 1987), the Partido Obrero Revolucionario (POR), particularly after 1952, never boasted the same organizational success as the MNR (see Alexander 1982, 95-6 for more information). Furthermore, the MNR co-opted much of the POR’s platform, vastly diminishing its potential attractiveness. After watching the demise of President Gualberto Villarroel (1943-46), the Partido de la Izquierda Revolucionaria (PIR) decided to cooperate with more traditional parties. In 1947, it was a PIR Minister of Labor that actually ordered the military to brutally suppress and murder striking miners in Catavi (see Klein 1992, 222). Before the *matanza*, the miners had been the bedrock of support for the PIR (Mitchell 1977,16).

¹ See Mitchell.

¹ Alexander (2005,77) considers these arguments about the “heterogeneity” of the MNR to be overstated. While there may have been some basic assumptions shared in common, obvious “Leftist” and “Rightist” factions existed in the MNR and increasingly polarized supporters after 1956.

¹ While altercations between peasants and *latifundistas* did lead to some bloodshed, these actions were relatively few in number and no definitive evidence has linked these episodes to the MNR leadership.

¹ Throughout the revolution, the FSB was the primary vehicle for the opposition. Modeled on Franco’s Falange in Spain, the FSB was pro-Church, nationalistic, and xenophobic. After the Falange launched an unsuccessful coup against in 1956, the MNR had the police keep closer tabs on the party, but the FSB was never formally banned.

¹ Examples like: “Contra la Democracia Falsa” (“Against False Democracy”), “Contra el Socialismo Falso” (“Against False Socialism”), “Con el MNR” (“With the MNR”), and “Por la Liberación Económica” (“For Economic Liberation”) (see Paz Estenssoro 1954).

¹ An article of the reform often unmentioned by most historians is that there would no longer be local elections, a feature of the previous political regime. The executive branch would now appoint mayors.

¹ For a description of smaller, preceding organizations see Alexander 2005. Despite hegemonic support for the MNR, it was not the only party militating within the COB. The POR, the Stalinist-oriented Partido Comunista Boliviano (PCB), and the Catholic Partido Social Democrático (PSD) enjoyed influence among several smaller unions.

¹ The unions named their respective executive secretaries to fill the ministerial posts (Juan Lechín, Germán Butrón, and Angel Gómez).

¹ For more information on the specifics of worker control, see Malloy 1970; Alexander 2005.

¹ In a move to appease the more moderate faction of the MNR, Paz limited the nationalization to the Big Three, avoiding the nationalization of medium and small mines (many of which were owned by American interests) and adequately compensated the expropriated owners. The miners explicitly argued against indemnification (see Alexander 1958 for tentative statistics on compensation).

¹ In 1942, miners, joined with their wives and children, went on strike to protest the abysmal conditions of the mines. Then-president Enrique Peñaranda ordered the military to open fire on the protesters. An exact number of



fatalities appears elusive, but estimates range in the hundreds. The massacre drew international condemnation (including US) and the MNR grew in popularity among the miners after forcefully condemning the attacks.

¹ Alexander 1958,1982; Zondag 1966; Heath et al 1969; Ladman 1982; Garcia Argañarás 1992; exceptions Frank 1969; Klein 1993

¹ Similar to Liberal reformers, the MNR explicitly chose to downplay the indigenous heritage of the rural population. While rejecting the racially prejudiced “*indio*” (Indian) and choosing “*campesino*” the MNR sought to craft an identity based on economic occupation, not ethnic heritage. By limiting the flexibility of identity, the MNR could delete indigenous heritage, avoid a potentially divisive issue, and create a “modern” melting pot (Rivera Cusicanqui 1993; Albro 1998; Healy and Paulson 2008). Given the focus of this paper on the MNR’s corporatist project, I will utilize their terminology.

¹ *Chicha* is a malted alcohol traditionally imbibed in the Andes. *Coca* leaves are mild stimulants that indigenous people routinely chew in order to combat stress and the effects of living at high altitudes.

¹ Spurred by the Marxist peasant leader, José Rojas, armed peasants in Ucureña had staged several land invasions against intransigent landowners immediately following the MNR victory. These invasions turned violent and the *patrones* were forcibly expelled. The forfeited land was redistributed among peasants that were landless or land-scarce. The site served as a rallying point and a symbol for peasants tired of the subservient relationship with the *patrón*.

¹ For a copy of the Agrarian Reform see Ministerio de Información 1955, 1964.

¹ Article 77 of the land reform explicitly promises land to any peasant seeking land, regardless of gender.

¹ For more on education promoted by the agrarian reform see Albó 1979.

¹ Initially, Siles had been seen as a more unifying, centrist candidate for the presidency in comparison with the more conservative Wálter Guevara Arze.

¹ As Zondag notes (Ladman 1982, 27), unlike Russia, Mexico, or Guatemala, Bolivia did not immediately face US resistance. Zondag credits Dr. Milton Eisenhower, brother of then-President Dwight Eisenhower for smoothing the relationship between the US government and the MNR. By 1953, the two nations had negotiated several aid agreements concerning agricultural and technological products.

¹ As Kofas (1995, 220) notes, the US was adamantly opposed to any modifications to the stabilization plan, as other Latin American nations with IMF stabilization packages would demand similar treatment.

¹ Only railway union leader Ramón Claure remained as the Minister of Transportation (Alexander 2005, 104).

¹ Former labor minister Aníbal Aguilar estimated that between 1957-59 there were at least 3,400 strikes (Alexander 2005,106).

¹ Alexander (2005,110) notes that the causes included the inability to open new, productive mines or replace antiquated equipment, excess employment, high labor costs, and chronically poor labor relations.

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Appendix:

Table 1: Collier and Collier's Radical Populist Model

<u>Incorporation:</u> Mexico (1917-40) and Venezuela (1935-48)	Radical Populism: Electoral and organizational mobilization. Encompasses rural sector. Major concessions to labor. Left cooperates.
<u>Aftermath:</u> Mexico (1940-52) and Venezuela (1948-63)	Transformation of Majority Coalition: Populist party retains or regains power and moves toward center, reconstituting a conservative "coalition of the whole", including labor
<u>Heritage:</u> Mexico (1940-82) and Venezuela (1958-78)	Integrative Party System: Mexico: one-party system; Venezuela: electoral competition between two cooperating parties.
Regime Outcome:	Regime Continuity

Source: Collier and Collier 2002, 752-3

Table 2: U.S. Aid to Bolivia (1952-1964)

	<u>Gross Domestic Product</u> (Millions of US Dollars)	<u>Total US Aid</u> (Millions of US Dollars)	<u>US Aid</u> (% of GDP)	<u>US Aid</u> % of <u>Central Government Expenditures</u>
1952	382.1	5.9	1.5	39.3
1953	344.2	4.7	1.4	53.4
1954	347.3	14.8	4.3	182.7
1955	370.6	12.4	3.3	193.8
1956	355.3	27.6	7.8	278.8
1957	355.3	28.2	6.9	88.4
1958	346.5	25.9	7.5	77.1
1959	325.1	23.2	7.1	77.1
1960	410.1	17.9	4.7	59.9
1961	448.4	17.3	4.2	49.6
1962	482.8	30.3	6.8	79.1
1963	544.0	39.6	8.2	93.2
1964	604.4	62.1	11.4	128.3

Source: Ladman 1982, 90.

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² These cases included Mexico under the Partido Revolucionario Institucional (1917-40) and Venezuela under Acción Democrática (1935-48)

³ See Table 1

⁴ For an exception, see Malloy 1977.

⁵ For Collier and Collier, these cases included Mexico and Venezuela.

⁶ For other examples see Scully; Mahoney.

⁷ Collier and Collier define corporatism as the state structuring of groups that produces a system of officially sanctioned, non-competitive, compulsory interest associations that receive state subsidies states and face state-imposed constraints on their behavior (Collier and Collier 2002, 51).

⁸ Mexico (Madero 1911-3), Peru (Leguía 1919-20), Argentina (Yrigoyen 1916-20).

⁹ In contrast, Paraguay suffered 40,000 casualties, 2,500 prisoners, and spent \$128 million dollars (de Mesa 553)

¹⁰ Alexander posits that the MNR had “at least a plurality” *Bolivia*, 79; see also Heath et al 26). Klein (1992, 224) concludes that the MNR won a massive majority with 39,000 out of the 54,000 votes. While there appears to be little consensus as to the exact percentage of votes garnered by the MNR, their victory was indisputable.

¹¹ Alexander 1958, 1982, 2005; Patch 1961; Zondag 1966; Heath et al 1969; Malloy 1970; Mitchell 1977; Ladman 1982; Garcia Argañarás 1992; Klein 1992; Yashar 2005

¹² Despite the voluminous writings of Guillermo Lora (1978, 1987), the Partido Obrero Revolucionario (POR), particularly after 1952, never boasted the same organizational success as the MNR (see Alexander 1982, 95-6 for more information). Furthermore, the MNR co-opted much of the POR’s platform, vastly diminishing its potential attractiveness. After watching the demise of President Gualberto Villarroel (1943-46), the Partido de la Izquierda Revolucionaria (PIR) decided to cooperate with more traditional parties. In 1947, it was a PIR Minister of Labor that actually ordered the military to brutally suppress and murder striking miners in Catavi (see Klein 1992, 222). Before the *matanza*, the miners had been the bedrock of support for the PIR (Mitchell 1977,16).

¹³ See Mitchell.

¹⁴ Alexander (2005,77) considers these arguments about the “heterogeneity” of the MNR to be overstated. While there may have been some basic assumptions shared in common, obvious “Leftist” and “Rightist” factions existed in the MNR and increasingly polarized supporters after 1956.

¹⁵ While altercations between peasants and *latifundistas* did lead to some bloodshed, these actions were relatively few in number and no definitive evidence has linked these episodes to the MNR leadership.

¹⁶ Throughout the revolution, the FSB was the primary vehicle for the opposition. Modeled on Franco’s Falange in Spain, the FSB was pro-Church, nationalistic, and xenophobic. After the

Falange launched an unsuccessful coup against in 1956, the MNR had the police keep closer tabs on the party, but the FSB was never formally banned.

¹⁷ Examples like: “Contra la Democracia Falsa” (“Against False Democracy”), “Contra el Socialismo Falso” (“Against False Socialism”), “Con el MNR” (“With the MNR”), and “Por la Liberación Económica” (“For Economic Liberation”) (see Paz Estenssoro 1954).

¹⁸ An article of the reform often unmentioned by most historians is that there would no longer be local elections, a feature of the previous political regime. The executive branch would now appoint mayors.

¹⁹ For a description of smaller, preceding organizations see Alexander 2005. Despite hegemonic support for the MNR, it was not the only party militating within the COB. The POR, the Stalinist-oriented Partido Comunista Boliviano (PCB), and the Catholic Partido Social Democrático (PSD) enjoyed influence among several smaller unions.

²⁰ The unions named their respective executive secretaries to fill the ministerial posts (Juan Lechín, Germán Butrón, and Angel Gómez).

²¹ For more information on the specifics of worker control, see Malloy 1970; Alexander 2005.

²² In a move to appease the more moderate faction of the MNR, Paz limited the nationalization to the Big Three, avoiding the nationalization of medium and small mines (many of which were owned by American interests) and adequately compensated the expropriated owners. The miners explicitly argued against indemnification (see Alexander 1958 for tentative statistics on compensation).

²³ In 1942, miners, joined with their wives and children, went on strike to protest the abysmal conditions of the mines. Then-president Enrique Peñaranda ordered the military to open fire on the protesters. An exact number of fatalities appears elusive, but estimates range in the hundreds. The massacre drew international condemnation (including US) and the MNR grew in popularity among the miners after forcefully condemning the attacks.

²⁴ Alexander 1958,1982; Zondag 1966; Heath et al 1969; Ladman 1982; Garcia Argañarás 1992; exceptions Frank 1969; Klein 1993

²⁵ Similar to Liberal reformers, the MNR explicitly chose to downplay the indigenous heritage of the rural population. While rejecting the racially prejudiced “*indio*” (Indian) and choosing “*campesino*” the MNR sought to craft an identity based on economic occupation, not ethnic heritage. By limiting the flexibility of identity, the MNR could delete indigenous heritage, avoid a potentially divisive issue, and create a “modern” melting pot (Rivera Cusicanqui 1993; Albro 1998; Healy and Paulson 2008). Given the focus of this paper on the MNR’s corporatist project, I will utilize their terminology.

²⁶ *Chicha* is a malted alcohol traditionally imbibed in the Andes. *Coca* leaves are mild stimulants that indigenous people routinely chew in order to combat stress and the effects of living at high altitudes.

²⁷ Spurred by the Marxist peasant leader, José Rojas, armed peasants in Ucureña had staged several land invasions against intransigent landowners immediately following the MNR victory. These invasions turned violent and the *patrones* were forcibly expelled. The forfeited land was redistributed among peasants that were landless or land-scarce. The site served as a rallying point and a symbol for peasants tired of the subservient relationship with the *patrón*.

²⁸ For a copy of the Agrarian Reform see Ministerio de Información 1955, 1964.



²⁹ Article 77 of the land reform explicitly promises land to any peasant seeking land, regardless of gender.

³⁰ For more on education promoted by the agrarian reform see Albó 1979.

³¹ Initially, Siles had been seen as a more unifying, centrist candidate for the presidency in comparison with the more conservative Wálter Guevara Arze.

³² As Zondag notes (Ladman 1982, 27), unlike Russia, Mexico, or Guatemala, Bolivia did not immediately face US resistance. Zondag credits Dr. Milton Eisenhower, brother of then-President Dwight Eisenhower for smoothing the relationship between the US government and the MNR. By 1953, the two nations had negotiated several aid agreements concerning agricultural and technological products.

³³ As Kofas (1995, 220) notes, the US was adamantly opposed to any modifications to the stabilization plan, as other Latin American nations with IMF stabilization packages would demand similar treatment.

³⁴ Only railway union leader Ramón Claure remained as the Minister of Transportation (Alexander 2005, 104).

³⁵ Former labor minister Aníbal Aguilar estimated that between 1957-59 there were at least 3,400 strikes (Alexander 2005, 106).

³⁶ Alexander (2005, 110) notes that the causes included the inability to open new, productive mines or replace antiquated equipment, excess employment, high labor costs, and chronically poor labor relations.