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Self-Determination and Empowerment as Challenges to Democracy Promotion

US and German Reactions to Bolivia's „Democratic Revolution"

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Self-Determination and Empowerment as Challenges to Democracy Promotion

US and German Reactions to Bolivia's "Democratic Revolution"

Jonas Wolff

1. Introduction*

Democracy means sovereignty of the people, democratization political emancipation. How, then, can self-determination and empowerment possibly become a challenge to external democracy promotion policies? No question – in dealing with non-democratic regimes, the dual aim to support democratization as a process of regime change and democratic self-determination as a result is intrinsically contradictory. More specifically, it is regularly acknowledged that processes of political empowerment associated with the introduction of democratic institutions may increase the risk of violent conflict: They may either overburden the capacity of state institutions not ready for processing broad-based political mobilization and participation (Huntington 1970) or threaten entrenched authoritarian elites (Snyder 2000), or empowered majorities might turn against (e.g., ethnic) minorities (Chua 2003). Under such circumstances, processes of democratization do not "only" threaten the intra- and inter-state peace and, thus, crucial goals regularly associated with democracy promotion, but the very aim of establishing democracy as such.

Consequently – and revived by recent experiences with regime change in Iraq and Afghanistan – the project to externally promote democratization as a way to foster peace both within countries and internationally is increasingly questioned (cf. Goldsmith 2008; Hobson 2009; Jahn 2007a, b; Smith 2007; Whitehead 2009).[1] This critical debate on the premises of external democracy promotion, however, is focused on the prominent and particularly hard cases of coerced regime change (cf. Diamond 2005; Grimm/Merkel 2008; Smith 2007), the democratization of authoritarian regimes (cf. Asmus et al. 2005; Kienle 2007; Schlumberger 2008) and the implementation of democracy into post-conflict societies (cf. Goodhand/Walton 2009; Hippler 2008; Jarstad/Sisk 2008). Thus, it tends to produce the image that these important, but specific problems do not affect the "normal" day-to-day business of democracy promotion that is concerned with strengthening political institutions, supporting civil society and dissolving "democratic defects" and "authoritarian legacies" in more or less, but not entirely democratic regimes. In such post-transition countries, the agenda for would-be democracy promoters is largely seen as straight-forward: Cooperation with the elected government strengthens the democratic regime, while democracy assistance that supports institutional capacities and civil society participation simultaneously contributes to the consolidation and deepening of democracy. To be sure, there is a broad debate about the (limited) impact of democracy promotion and the right strategies and measures to be taken under different circumstances. Yet, this debate is rather limited in the sense that it is oriented at problem-solving within an unquestioned agenda of

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1 For the wider debate on contemporary challenges to democracy promotion see Burnell/Youngs (2010); Carothers (2009, 2010); Diamond (2008); McFaul (2010).

democracy promotion without critically examining the normative and conceptual premises behind this agenda.[2]

This working paper argues that it is not only in authoritarian contexts, post-conflict societies and cases of coerced democratization, but also in the broad range of "normal" post-transition countries that democracy promotion is confronted with a series of conflicts of objectives. The paper outlines this general argument and illustrates it with a view to Bolivia and to US and German reactions to the ongoing transformation of democracy in this South American country. The example of Bolivia, here, is significant as it represents an easy case for North-Western democracy promotion (see below, 3.). Thus, to identify the proposed conflicts of objectives with a view to Bolivia would strongly support the claim that these are rather general phenomena and not something particular to some very specific hard cases. Diverging "donor" profiles make the comparison of US and German engagement (and, specifically, democracy promotion) in Bolivia interesting: The US has important interests in Bolivia, especially regarding the so-called "War on Drugs", and thus severe conflicts of objectives of the type "interests vs. norms" can be expected; for Germany, Bolivia is interesting almost only as a recipient of German development aid and thus the normative side to the conflicts of objectives can be assessed without much "noise" constituted by particular (economic, security) interests.

The paper proceeds as follows: It starts by outlining four conflicts of objectives in democracy promotion that are associated with increasing political empowerment and national self-determination in post-transition countries (2.). Then it summarizes the main characteristics of the ongoing transformation of democracy in contemporary Bolivia in order to describe the specific forms these conflicting objectives take in this particular case (3.). The main empirical part looks at the US and German reactions to Bolivia's "democratic revolution" and compares the respective handling of conflicts of objectives (4.). Finally, I draw some conclusions (5.).

2. Self-Determination and Empowerment as Challenges to Democracy Promotion in Post-Transition Countries

The conflicts of objectives that are potentially relevant for post-transition countries, in a basic sense, correspond to those usually discussed with a view to the democratization of authoritarian regimes and post-conflict societies (see above). This is due to the fact that promoting democracy in countries that have established at least basic democratic institutions implies democratization as well, albeit a further democratization of democracy: The "quality of democracy" (O'Donnell et al. 2004) is to be increased, or democracy is to be "deepened" (cf. Mettenheim/Malloy 1998). Of course, such improvements can aim at a whole series of dimensions of democracy (e.g., the strength and capacity of democratic institutions, the rule of law). Yet, relevant dimensions will most certainly concern the questions of political empowerment and national self-determination: Real-existing democracy – everywhere, but especially in "Southern" democracies that usually feature sharp social inequalities – are characterized by high asymmetries in de facto political participation, representation and responsiveness; at the same time, asymmetric inter- and transnational interdependencies imply that national sovereignty as a condition for democratic self-determination is particularly constrained in the Global South (cf. Huber et al. 1997; Gills et al. 1993; Robinson 1996). Promoting democracy under such circumstances should comprise activities to reduce these asymmetries by contributing to the political empowerment of disadvantaged social sectors and increasing the scope for national self-determination.

2 Of course, there are critical analyses of democracy promotion that fundamentally call into question the whole endeavor, most prominently the work by William Robinson (1996). Yet, these studies regularly deny any real substance behind the rhetoric of democracy promotion and, consequently, are not really interested in the intrinsic contradictions contained in the democracy promotion project.

This said, conflicting objectives in post-transition countries arise from the very nature of democracy as self-determination and of democratization as political empowerment (cf. Whitehead 2010). First of all and not very surprisingly, the political empowerment of marginalized sectors of society, if successful, implies an at least partial change in political elites that – if there is any real substance to democratic self-determination – should have an impact on a given country's official political preferences. Given the highly asymmetric distribution of economic welfare and political power in the contemporary world, such changing preferences (that are driven by formerly marginalized sectors in relatively disadvantaged countries) should more often than not deviate from the political preferences of those "North-Western" countries that are most engaged in democracy promotion. In addition, such deviance may not "only" concern the usual hard, i.e. economy- or security-related interests of the so-called "donors", but can equally include a divergence in terms of the conception of what democracy and "good" governance is. In both cases, the "recipient" country, based on the claim to national self-determination, will challenge "donor" preferences.

Furthermore, the political empowerment and inclusion of marginalized sectors of society constitutes a process of redistributing political power. Yet, the democratic state (as any state) institutionalizes social power relations (Robinson 1996); post-transition democracies are regularly built on (institutionalized) pacts and social compromises (cf. O'Donnell/Schmitter 1986); and, in general, democracy under conditions of structural social inequalities depends on systematic limits to democratic participation in order to include the elites in the political game (cf. Acemoglu/Robinson 2006; Przeworski 1991; Rueschemeyer et al. 1992). Hence, a deepening of democracy that aims at leveling the democratic playing field by enhancing the participation by marginalized sectors will lead to demands for institutional change and – if successful – to a de-consolidation of real-existing democratic institutions. Such processes may, on the one hand, undermine the democratic institutionality; on the other, if radical demands for redistribution in economic resources and political power meet the fierce resistance on part of threatened elites (including the privileged middle sectors), polarization can lead to escalating violent conflicts, with the threat of civil war looming. In both cases, political empowerment in the "recipient" country clashes with the "donor" aim to protect a stable and peaceful constitutional order.

There are, then, four types of conflicting objectives: On the one hand, the democratically driven deviance from (1) donor interests and (2) donor conceptions of "good, democratic governance" poses the question whether to tolerate deviance in the name of democratic self-determination or not; on the other, rising tensions between (3) the consolidation and the deepening of democracy and between (4) democracy and intra-state peace raise the question whether too much political empowerment is eventually to threaten democracy as such. The first two conflicts refer to contradictions between donor and "recipient" preferences, the latter two emerge from contradictory developments within the "recipient" country itself that lead to conflicting objectives on part of the donor (see Table 1).[3]

3 At the same time, the types 2 and 3 refer to intrinsic conflicts of objectives – in the sense that conflicting objectives emerge within the general aim to promote democracy –, while the types 1 and 4 concern extrinsic conflicts – as, here, the aim of democracy promotion clashes with other objectives (on this distinction, see Spanger/Wolff 2007).

Table 1: Conflicts of Objectives

Problem	Conflicting Objectives
Political deviance *of* recipient country	Self-determination vs. donor interests
	Self-determination vs. universalist donor approach
Political conflict *in* recipient country	Political empowerment vs. consolidation of democracy
	Political empowerment vs. intra-state peace

3. The Transformation of Democracy in Bolivia

Bolivia is an interesting case for both scrutinizing the mainstream thinking on democratization and for analyzing the reactions of democracy promoting states to the deviation from this linear script of political development. Bolivia represents a region that can be considered an easy case for the promotion of democracy because Latin America, as compared to Africa and Asia, is culturally, socially and politically rather close to the North-Western world and its standards. In fact, following a turbulent transition to democracy, Bolivia after 1985 became a much-lauded development model that successfully followed a path of democratization, stabilization and (neo-) liberal economic reform (cf. Mayorga 1997; Puhle 2001). After the turn of the century, however, this changed. Between 2000 and 2005, a series of political crises erupted, characterized by massive social protests that forced the renunciation of both elected President Sánchez de Lozada (in 2003) and his successor Carlos Mesa (in 2005).

In the course of this period of recurring crises, the union leader, coca grower and head of the political Movement towards Socialism (MAS), Evo Morales, established himself as the leading representative of the diverse protest movements. In December 2005, Morales was elected President of Bolivia by an absolute majority of the vote, becoming the country's first head of state of indigenous origin. Since then, Morales has initiated a period of profound political change that, *inter alia*, included a Constituent Assembly (*Asamblea Constituyente*) and a new constitution (adopted by referendum in January 2009) as well as a change of course in economic and social policies symbolized by the "nationalization" of the hydrocarbon sector and a series of social programs. Here is not the place to analyze this complex process of political change. Instead, I will only – very briefly and very generally – outline five main characteristics of Bolivia's self-proclaimed "democratic revolution" that have led to conflicting objectives on the part of external actors like the US and Germany.[4]

First, the clear-cut and multiple democratic legitimation of the government and its political "project" contrasts with a whole series of procedural irregularities and outright breaches of constitutional and administrative law during the process of political change. On the one hand, impressive electoral victories since 2005 have demonstrated that Morales and his MAS party can

4 For a more detailed analysis of the following characteristics and tensions, including literature references, see, e.g., Wolff (2008, 2009, 2010).

rely on solid and clearly majoritarian support among the population.[5] On the other hand, the whole process of constitutional reform has been accompanied by controversial and, in part, openly irregular procedures. E.g., in a highly disputed procedure, the draft for the new constitution was adopted by the Constituent Assembly by a two-thirds majority of the *present* members of the Assembly only, with the most important opposition groups being absent. Following some nine months of political struggle, a two-thirds majority in Congress agreed on a detailed revision of the constitutional draft; this procedure lacked any legal basis, but was crucial for enabling the constitutional reform to be accepted even by important parts of the opposition and, thus, preventing a further escalation of the political conflict (cf. Romero et al. 2009). The regional autonomy movements, based in the eastern lowland departments (the so-called *media luna*), on their part promoted autonomy statutes that received significant popular support in the respective *departamentos*, but clearly violated the constitution.

Second, there are important improvements in the quality of democracy as measured in terms of representation and participation (inclusion and vertical accountability), but at least temporal deteriorations in terms of institutional controls (horizontal accountability) and transparent, effective, efficient and rule-bound ("good") governance. There can be no doubt that both Bolivia's government and the parliament are considerably more representative today than ever before, and political participation – measurable in, but not limited to electoral events – has clearly grown. At the same time, the restructuring of political institutions has meant, first, that respect for the established institutional order was limited and that, second, during the process of constitutional reform the old institutional controls and procedural rules were gradually dismantled while new ones had yet to be established. E.g., disputes between the government and the highest branches of the judiciary abounded, with the latter gradually losing their capacity to act and decide in a series of resignations that were not followed by new appointments (cf. BTI 2009).

The profound restructuring of the political system, *third*, generally corresponds to established standards of liberal democracy and human rights, but includes important deviations from established liberal-democratic (and thus "donor") conceptions. On the one hand, the new constitution includes the "classical" series of political and civil rights and the new political system is dominated by "traditional" mechanisms and institutions of representative democracy. Yet, this basically liberal-democratic order is amended and modified to an important extent: E.g., indigenous (customary) law is established as a second justice system besides ordinary law with equal ranking; indigenous collective rights provide for self-government in autonomous indigenous territories following indigenous customs and practices; indigenous minority groups in rural areas elect their delegates in national parliament through special electoral districts; mechanisms of direct democracy like recall and other referendums or popular legislative initiatives are established; the highest branches of the judiciary will be elected by popular vote; "organized civil society" gains vaguely defined, but potentially far-reaching rights to participate in the design of public policies and to control public administration; finally, social and economic rights clearly go beyond anything usual in North-Western liberal democracies, possibilities for privatization (e.g., of public social services) are constrained, and property rights (e.g. in land) are delimited (cf. Wolff 2009).

The latter implies, *fourth*, that the changes in economic and social policies promoted by the new government (and, in fact, already during the predecessor interim government led by Carlos Mesa), albeit in line with broad majorities of the Bolivian population, differ significantly from both US and German conceptions of "sound" development policies *and* US and German economic interests. The most important example here is the policy of "nationalization", particularly, but not only in the hydrocarbon sector: In general, international companies were forced into new contractual relationships, the control of the state (and state companies) in the respective sector was strengthened

5 Morales was elected in 2005 (52%), confirmed in a recall referendum (67%) and reelected in December 2009 (63%); the MAS won national elections in 2005 (only narrowly missing the absolute majority in Parliament), in 2006 (absolute majority in the Constituent Assembly) and 2009 (two-thirds majority in the new Parliament); and in January 2009, the new constitution was adopted in a referendum by a clear-cut majority of 61%.

and fiscal participation increased. Another example of political deviance from donor interests, particularly concerning the US, relates to the policy of coca eradication: The Morales government shifted from the US-style "War on Drugs" that included the coerced eradication of coca plants towards a combination of cooperative coca eradication and continuing counternarcotics efforts with a view to drug trafficking (cf. Ledebur/Youngers 2008).

Fifth, the political inclusion of anti-systemic social movements contributing to political stabilization and conflict de-escalation has been accompanied by a political marginalization/ alienation of former political and economic elites, thereby reinforcing regional-cum-ethnic cleavages, political polarization and conflict escalation. At the latest since the toppling of President Sánchez de Lozada in 2003, it was clear that it had become virtually impossible to govern Bolivia against the "popular sectors" as represented by the country's social and indigenous movements. Hence the expectation that the election of Evo Morales would lead to political stabilization. In fact, although social protests led by a diverse spectrum of popular sector groups continued throughout Morales' first term in office, Morales initially brought some relative stability to the country, as compared to the years before (Romero 2007). Yet, in particular in the context of the constitutional reform process, serious political disputes and social conflicts escalated again. The opposition now came from regional autonomy movements in the *media luna* region, led by elected governors (*prefectos*) and "civic committees". In September 2008, protests in the opposition-dominated lowland departments peaked with cities, streets and gas pipelines blocked, central-state institutions occupied and violence escalating between oppositional and pro-government groups (cf. Peñaranda 2009: 152-165).

From the very beginning, the "democratic revolution" initiated by the government of Evo Morales has constituted a whole series of challenges to German and, especially, US policies. The turning away from "neoliberal" economic policies and the US-driven "War on Drugs" compromises the development strategies propagated by the US and Germany and also directly affects economic and security interests of both countries (including individual US/German companies). This evokes the well-known trade-off between interests and norms in democracy promotion. At the same time, the political transformation promoted by Morales partially deviates from the model of democracy and good governance the US and Germany adhere to and, in actual fact, includes the replacement of the democratic institutionality as established in the 1980s and actively supported by both, USA and Germany, by something new. In this sense, the first three characteristics of Bolivia's democratic transformation mentioned render the strategy of external democracy promotion inherently contradictory: An emphasis on self-determination, including related principles like alignment and ownership, clashes as much with the donors' universalist notions of what good democratic governance means (self-determination vs. universalism) as with the aim to protect and strengthen existing democratic institutions, good governance standards and the rule of law (deepening vs. consolidation of democracy). The fourth characteristic points to the clash between democracy promotion and donor interests. Finally, the "refoundation" of Bolivia is domestically controversial and, thus, a conflict-ridden process that destabilizes the country and threatens the intra-state peace. This implicates a tension between the two general aims of promoting democracy and promoting peace.

4. US and German Democracy Promotion Policies in Bolivia[6]

The baseline against which US and German policies towards the government of Evo Morales have to be measured is constituted by the *status quo ante*. As regards the topic of this paper, US and German relations with Bolivia until the premature end of Sánchez de Lozada's second presidency (in October 2003) can be summarized in two dimensions:

- *Good bilateral relations and explicit support to democratically elected governments.* As regards US foreign policy, good and close bilateral relations included a general support to democratic governments and, in particular, to elected presidents in times of domestic political crises. US support mainly consisted of diplomatic approval, trade preferences, and financial and technical assistance – all this heavily focused on cooperation in the US-driven "War on Drugs". Germany traditionally has been far less exposed and committed in Bolivia, but, again, bilateral relations have traditionally been good and without major disturbances. German support to the democratic governments primarily included development assistance, German foreign policy towards this country mainly *is* development co-operation.
- *Co-operative measures to strengthen democracy and promote good governance.* US and German development assistance to Bolivia included a range of projects explicitly oriented at strengthening democratic institutions, processes and actors (cf. USAID 2009a; US GAO 2003; BMZ 2007a; GTZ 2007; Wolff 2010).

Continuity and change in US and German policies towards Bolivia can, thus, be traced along these two dimensions. The corresponding questions read: Is there continuing explicit support to and co-operation with the new government of Evo Morales or can we observe changes towards a neutral or even hostile attitude? Do democracy-related development programs continue or are cooperatively adjusted to changing local government preferences, or can we observe adjustments towards a reduced commitment or even adversarial measures?

4.1 US Reactions

Directly following the election of Evo Morales, the US took a wait-and-see approach. The official formula was to "congratulate the people of Bolivia on a successful election and their commitment to democratic and constitutional processes", but emphasize that "the behavior of the new government" would determine the course of the bilateral relationship: "It's important that the new government govern in a democratic way and we'll look to them to see what kind of cooperation they want to do on economic issues, as well." (White House 2005) Already prior to the elections, the US government had taken a "low-key approach" (Rieff 2005: 72) – an important difference to the 2002 presidential elections when then US Ambassador Manuel Rocha had openly threatened a possible withdrawal of US assistance if the Bolivian people would dare to elect Morales (Gratius/Legler 2009: 206). Now there were no negative reactions even when Morales first of all went to visit Fidel Castro and Hugo Chávez and appointed a cabinet that was widely perceived as close to the indigenous and social movements and critical of neo-liberal economics and the US "War on Drugs"; the US Embassy in La Paz even signaled its willingness to shift its policies oriented at coca eradication towards a fight against cocaine and "surplus" coca only (cf. *Latinnews Daily*, 2 Feb 2006; *MiamiHerald.com*, 17 Feb 2006).[7]

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6 The following analyses draw on 51 interviews conducted in Bolivia in April and May 2009 with representatives from US and German institutions in Bolivia, local NGOs, the academic community and the Bolivian government. In addition, 22 interviews were conducted in Washington, DC, in May 2010 both with (former) representatives of the US government and US institutions involved in democracy promotion and with experts on democracy promotion, US Latin America policy and US relations with Bolivia in particular.

7 All this is fairly remarkable, given the history of direct and open US involvement in Bolivia's internal affairs, on the one hand, and the crucial role the US has traditionally attached to cooperation in the US-led "War on Drugs" (cf. Gamarra 1994, 1999; Lehman 1999). However, below official rhetoric and general bilateral relations, the US reacted not only in cooperative ways: "After Evo Morales took office in early 2006, U.S. alternative development efforts in conjunction

According to US government accounts, it was in late 2008 only that "Bolivian government hostility and provocations" reached the point where the US government saw itself forced to react (US Department of State 2008; cf. Gray Molina 2009: 174-5). In June 2008, the Bolivian government endorsed the announcement of the *cocalero* movement and local mayors from Bolivia's largest coca growing region (Chapare) to sign no further agreements with USAID (Ledebur/Walsh 2008: 5; US Department of State 2008). In September, in the midst of a severe domestic political crisis, President Morales declared US Ambassador Philip Goldberg "persona non grata", accusing him of supporting opposition forces; the US government, in direct retaliation, expelled Bolivia's Ambassador to Washington (cf. Ribando 2008: 15). A few days later, the US President declared that Bolivia had "failed demonstrably" to adhere to her "obligations under international counternarcotics agreements"; Bush thus "decertified" Bolivia, but avoided the automatic withdrawal of US assistance by declaring that "continued support for bilateral programs in Bolivia are vital to the national interests of the United States" (White House 2008; cf. Ledebur/Walsh 2008).[8] Yet, the US President proposed to suspend Bolivia's participation in the Andean Trade Promotion and Drug Eradication Act (ATPDEA) "based on its failure to meet international counternarcotics obligations" (US Department of State 2008). The suspension became effective in December 2008 – shortly after the Bolivian government expelled the Drug Enforcement Agency (DEA) (cf. Ribando 2008: 1, 15).

As a further sanction, Bolivia lost access to funding from the Millennium Challenge Account (MCA). In 2004, Bolivia had been selected as eligible for the MCA, i.e. as complying with the conditions in terms of "governing justly, investing in their own people and promoting economic freedom" (MCC 2004). In September 2007, the Morales government submitted a new proposal to the Millennium Challenge Corporation (MCC), superseding a first proposal from December 2005. Yet, a "MCC assessment scheduled for December 2007 was postponed due to unrest surrounding the Constitutional Assembly Process" and, in December 2008, "the MCC Board of Directors decided to not reselect Bolivia as eligible for compact assistance" (US Department of State 2008). According to the MCC scores for Bolivia for fiscal year 2009, this decision could point to a deterioration in three World Bank Governance Indicators (Government Effectiveness, Rule of Law and Regulatory Quality) (MCC 2009). But this gradual decline in some indicators alone would not have caused the suspension, be it not in combination with the crisis in US-Bolivian relations. In general it seems clear that neither the "democratic revolution" as such (and the harm it might have caused to Bolivian democracy) nor the change in economic policies (e.g., the policies of "nationalization")[9] directly impacted on US-Bolivian relations and prompted US reactions, but bilateral clashes concerning the drug issue.

In line with this deterioration in bilateral relations, "the number of official statements that are critical of Bolivian democratic practices rose" (Gratius/Legler 2009: 207). Already in June 2006, USAID Assistant Administrator Adolfo Franco (2006: 19) stated that the Bolivian government had, "on several occasions, demonstrated inclinations to consolidate executive power and promote potentially anti-democratic reforms through the Constituent Assembly and other means". In early

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with Chapare municipal governments were put on hold for most of 2006 and the first half of 2007. Subsequently, USAID has returned to its policy of conditioning its assistance on prior coca crop reductions." (Ledebur/Youngers 2008: 5)

8 Since 1986, the US President is obliged by law to "certify" annually that countries categorized as a major drug transit or major drug producing country have, during the previous twelve months, complied with a range of counternarcotics obligations. If a country is "decertified", US foreign assistance is cut (unless the President declares US aid to be of vital national interest) and, in the case of the Andean countries, trade preferences are suspended (cf. Gamarra 1999: 188; Ledebur/Walsh 2008).

9 The relative silence on the part of US officials regarding Evo Morales's policy of "nationalizations" (cf. US Department of State 2006b, c) is clearly related to the relatively minor presence of US companies in Bolivia. In fact, the most important process of "nationalization" concerned the gas sector and primarily affected companies from Spain (Repsol-YPF) and Brazil (Petrobras) (Ribando 2008: 11). In the case of Ecuador – where the cancellation of a contract with an oil company affected US-based Occidental Petroleum – the US government directly responded by suspending negotiations on a trade agreement (Lettieri 2006).

2006, then Director of National Intelligence John Negroponte reported that Evo Morales, since his election, "appears to have moderated his earlier promises to nationalize the hydrocarbons industry and cease coca eradication", although "his administration continues to send mixed signals regarding its intentions" (Negroponte 2006: 17); but one year later he saw democracy "most at risk in Venezuela and Bolivia": "In both countries, the elected presidents, Chavez and Morales, are taking advantage of their popularity to undercut the opposition and eliminate checks on their authority." (Negroponte 2007: 9; cf. McConnell 2008: 33). As regards the drug issue, President Bush in September 2006 expressed concern "with the decline in Bolivian counternarcotics cooperation since October 2005" (White House 2006). A year later, Bush drew an "uneven" balance, acknowledging Bolivian interdiction and certain eradication efforts, but urging the Bolivian government to resume comprehensive coca crop eradication (White House 2007; cf. Ribando 2008: 15).[10]

In general terms, declining US foreign aid mirrors this deterioration in bilateral relations (see Annex, Tables 2-3). However, the reduction well precedes the series of expulsions in 2008, starting already during the interim government of Carlos Mesa (2004-2005) and continuing throughout Morales' first presidency (2006-2009): Total US foreign assistance per year declined continuously from more than USD 150 million per year in 2002-2004 to less than USD 100 million in 2008 and 2009. Yet, US assistance remains significant, and the request for fiscal year 2010 even aimed at increasing aid flows – signaling an interest to remain engaged, if at a lower level than in the early 2000s.

A closer look at US foreign assistance demonstrates that this engagement has two faces. First, continued assistance is justified by continued local needs, especially in terms of narcotics control, poverty reduction and democracy promotion (cf. CBJ 2010: 573, 2009: 659, 2008: 603, 2007: 538). Second, an explicitly political nature of foreign aid is acknowledged. Directly following the election "of a government that campaigned on promises that included decriminalizing coca and nationalizing private property", the US expressed the necessity to demonstrate "flexibility to protect our core interests"; flexibility here meant to try "to engage with the new government (as circumstances allow)", but also with "the military and, particularly, the regional governments" (CBJ 2007: 538).[11] In fact, the new program Strengthening of Democratic Institutions (*Fortalecimiento de Instituciones Democráticas* – FIDEM) prioritized the *prefecturas*, i.e. the regional governments (USAID 2009a, 2007d). This programmatic change directly reacted to the first-time election of regional governors (*prefectos*) in December 2005. Yet, in these elections, while Morales and his MAS party obtained majorities at the national level, oppositional candidates won most (six out of nine) *prefecturas*. The direct consequence was that, when FIDEM was initiated in October 2006, USAID directly supported Evo Morales' most important opponents.[12]

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10 On the one hand, the Bolivian government "has closely cooperated on interdiction, and operations and seizures have reached record levels"; Bolivia was even seen as "on track to reach 5,600 hectares of eradication this year, surpassing its goal of 5,000 hectares". On the other, "these measures have been outstripped by replanting and expansion of cultivation in Bolivia" because Bolivia's strategy of "zero cocaine, but not zero coca" has "focused primarily on interdiction, to the exclusion of its other essential complements, especially coca crop eradication" (White House 2007).

11 As regards support for the Bolivian armed forces via International Military Education and Training (IMET) and Foreign Military Financing (FMF), the reduction in funding (cf. CBJ various) partially reflects automatic sanctions envisioned by the American Service-Members Protection Act (ASPA): Bolivia ratified the Rome Statute of the International Criminal Court (ICC), but the Bolivian Congress did not ratify a bilateral (Article 98) agreement with the US that would exempt US citizens from prosecution in the ICC. In 2007 and 2008, the US administration could resume IMET funding by "de-linking" it from ASPA sanctions, but abstained from reviving FMF because of "competing priorities worldwide" (CBJ 2008: 606).

12 It is impossible to say if the new focus on regional governments reflects a deliberate US decision to support the departmental governments (and the autonomy movements behind them) as a counterweight to the MAS or even a preventive adjustment to an expected victory of Morales in late 2005. Yet, what FIDEM does imply is the decision to shift support from the municipal to the regional level. In this sense, one could argue that the programmatic change reacts to problems with the counterparts at the local level. In fact, USAID has been very hesitant to cooperate with mayors representing the MAS and the cocalero movement. E.g., in the framework of the Alternative Development program, USAID is reported to have "resisted working with Chapare municipalities, even though the municipal governments are the designated planning unit"; the US even applied pressure on the European Union's Alternative

An additional instrument in the adaptation of US assistance to changing political conditions was the USAID Office of Transition Initiative (OTI). OTI's general mission is to seize "critical windows of opportunities" by providing "fast, flexible, short-term assistance targeted at key political transition and stabilization needs" (USAID 2009b). In Bolivia, OTI launched a program in March 2004 as a direct response to the political crisis surrounding the resignation of President Sánchez de Lozada, in order "to help reduce tensions in areas prone to social conflict and to assist the country in preparing for key electoral events" (USAID 2007b). Given the importance of social protest in the city of El Alto during the so-called *guerra del gas* that ended Sánchez de Lozada's presidency, OTI initially focused on "community based activities aimed at reducing conflict in El Alto and the *altiplano*" (USAID 2004; cf. Lindsay 2005).[13] Yet, after the December 2005 elections, "OTI retargeted its program" towards "building the capacity of prefect-led departmental governments": Between March 2006 and June 2007, OTI approved "116 grants for $4,451,249" that included "technical support and training for prefecture staff", *inter alia*, "to help departmental governments operate more strategically" (USAID 2007b; cf. Golinger 2009).

Consequently, in the outline of US foreign assistance for Fiscal Year 2008, the Bolivian government is not even mentioned as a partner: The general goal of foreign assistance is "closer ties between the United States, the Bolivian people, and the international community"; and "partnerships will be developed with regional and local governments and non-governmental organizations (NGO), the private sector, and other non-executive branch entities to prevent further erosion of democracy, combat cocaine production and trafficking, improve healthcare, and increase educational opportunities" (CBJ 2008: 603).[14] As regards democracy and governance assistance, funding, on the one hand, "will be used to strengthen the Congress as well as state and local governments, encourage moderate national leaders, support legislation that complies with international standards to combat corruption and money laundering, and expand public diplomacy to emphasize the positive correlation between democracy and development"; on the other, US assistance will "be provided to support an active, credible civil society […] and to strengthen political parties" (CBJ 2008: 604).[15] Consequently it is reported that, "beginning in 2005, the Department of State reprogrammed Economic Support Funds from the Bolivian government to non-governmental organizations" (Gratius/Legler 2009: 207). In addition, the National Endowment for Democracy (NED) massively increased its activities in Bolivia reinforcing the shift towards civil society support (see below).

This emphasis on regional governments – the bastion of the opposition – and "civil society" is perfectly in line with a strategy explicitly outlined by USAID: to focus assistance on "the support of counterweights to one-party control such as judicial and media independence, a strong civil society, and educated local and state level leaders" (Franco 2006: 19). Yet, given a highly sensitive Bolivian government – that, on several occasions, denounced US support in favour of the

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Development program PRAEDAC not to work "through the municipalities"; in April 2004 only, "USAID/Bolivia declared that it would expand its working relationship with Chapare municipalities" (Farthing/Kohl 2005: 193, 194, 195). According to another source (Ledebur/Youngers 2008: 5), it was "in 2003" that "USAID began working directly with Chapare municipal governments, which are led by coca growers […]. Previously, confrontational USAID policies intended to weaken coca grower unions through the formation of parallel producers' associations […]."

13 OTI's activities in El Alto included a "civic education program" and "[s]hort-term community-based self-help activities". At the national level, OTI aimed at supporting "public education communication initiatives" of Interim-President Carlos Mesa and "public information campaigns related to the gas referendum" (USAID 2004).

14 The evaluation of the new coca eradication strategy adopted by the Morales government is now unambiguous: "[T]he Government of Bolivia's (GOB) coca cultivation policy of relying on voluntary eradication compliance undercuts eradication efforts." (CBJ 2008: 604)

15 However, rhetoric here is perhaps stronger than the political practice on the ground. E.g., the Administration of Justice Programs that include the support for Integrated Justice Centers (IJCs) – which provide justice services to citizens in marginalized, "peri-urban" areas (CBJ 2010: 575) – are implemented in close cooperation with the Bolivian government (cf. USAID 2005: 47; US Department of State 2009c; Gratius/Legler 2009: 207). The US was apparently disposed to continue this program (cf. USAID 2008a), but the Bolivian government gradually took over the IJCs, in 2009 decided to demand the closure of USAID cooperation in this area and signed an agreement with Denmark that provides for Danish support for IJCs (LaPrensa.com.bo, 29 Sep 2009).

opposition –, this decidedly political mission had to be framed and implemented "in an apolitical, balanced manner" (US Department of State 2007: 13): Hence, support for regional and local authorities included assistance for governments led by representatives from both the opposition and the ruling party (US Department of State 2007: 11; USAID 2007a);[16] and US-funded programs that support political parties, since late fiscal year 2007, have been limited to "multi-party training events so as to ensure a clear public perception of apolitical 'balance'", putting on hold "[o]ne-on-one political party trainings and consultations, which were a key part of a political party strengthening program" (US Department of State 2007: 13). This especially concerns the local offices of the International Republican Institute (IRI) and the National Democratic Institute (NDI): Until September 2007, the US party institutes capacitated candidates for the Constituent Assembly, and from October 2007 to July 2008 IRI and NDI supported political parties, citizen groups and indigenous peoples "via multi-party activities" like events and workshops (USAID 2009a).[17]

In this context, the Congressional Budget Justification for FY 2009 declared Bolivia a "priority Freedom Agenda country" in the region (CBJ 2009: 659),[18] and requested "a substantial increase in rule of law, good governance, electoral processes and consensus-building, civil society and education", while reducing US commitment "in health and economic growth programs" (CBJ 2009: 661). In the end, US activities in the area of "governing justly & democratically" not only continued – but, at least in relative terms, actually increased markedly: Requests for 2008, 2009 and 2010 all aimed at investing between 20 and 30 percent of US foreign assistance in this sector, and actual flows represent a continuous relative increase from around 10% (2006-2007) to 13.2% (2008) and 17.5% (2009) (see Appendix, Table 2).[19] In addition, the number and total amount of NED grants to Bolivia increased massively.[20] The largest NED programs in Bolivia were with the National Democratic Institute (NDI), the International Republican Institute (IRI) and the Center for International Private Enterprise (CIPE). E.g., NDI, in 2003 and 2007, implemented political

16 Consequently, an official ("sensitive but unclassified") US document, on the one hand, confirms that "USAID was the first donor to support the democratically elected departmental governments", but, on the other, emphasizes that "[d]ecentralization programs make every effort to include MAS and will continue to reach out to local MAS officials in various departments" (USAID 2008b: 1). At the same time, at least one activity (during 2007) of USAID's support for departmental governments focused on (oppositional) Santa Cruz, as "the department most advanced in its decentralization" (USAID 2007d). The only activity explicitly intended to "counter" the Bolivian government concerns the "public diplomacy program" which is "critical to counter attacks on the USG (including USAID) from senior levels of the GOB [Government of Bolivia]" and which, in 2007, included "more than 100 public events with media […], double from 2006" (USAID 2008b: 2).

17 Yet, at least with a view to their 2007 capacitation activities, IRI and NDI have been criticized for privileging the oppositional parties PODEMOS, MNR and MIR (cf. Golinger 2009). Such criticism can point to earlier experiences: E.g., in 2002, a "planned USAID Political Party Reform Project" was explicitly intended to "dovetail" with the (then-governing party) MNR and to "help build moderate, pro-democracy political parties that can serve as a counter-weight to the radical MAS" (US Embassy La Paz 2002).

18 In the framework of Secretary Rice's Transformational Diplomacy Initiative, Bolivia consequently "benefited" from the global repositioning of foreign service personnel: In 2006 and 2007, Bolivia "gained" four slots for diplomats – along with Venezuela (6), Haiti (4), Nicaragua (4) and Ecuador (3) (Nakamura/Epstein 2007: 27-8). In general, Bolivia – together with Colombia, Ecuador, Peru and Haiti – was mentioned among the countries in the region that "remain the focus of transformational diplomacy efforts" (CBJ 2008: 9). A year later, Bolivia was dubbed one of "the U.S.'s highest priority countries" in Latin America (CBJ 2009: 648).

19 Regarding counternarcotics assistance, the picture again is ambivalent. On the one hand, US funding in the program area "Counter-Narcotics" since 2006 has declined significantly in absolute terms as well as in relative importance; on the other, counternarcotics cooperation remains operative, and funding levels still exceed all other programs by far (cf. CBJ various). In May 2008, a study concluded that "U.S.-Bolivian counterdrug collaboration remains strong" (Ledebur/Youngers 2008: 1), and even after "the tensions following the U.S. ambassador's expulsion, the Bolivian government and the U.S. embassy's Narcotics Affairs Section (NAS) have continued to coordinate closely on coca reduction and interdiction efforts" (Ledebur/Walsh 2009: 2). In April 2009, both governments even "signed a new bilateral drug control agreement, entailing $26 million in U.S. funding to support coca reduction" (Ledebur/Walsh 2009: 2). Yet, what remains suspended is Bolivian cooperation with the DEA, and USAID's Integrated Development Program now focuses on the Yungas, the second coca growing area besides the Chapare (cf. LaPrensa.com.bo, 28 Jun 2009).

20 The number of organizations that received NED grants – NDI, IRI and CIPE along with a range of most different local NGOs – increased from 5 in 2006 to 14 in 2008 and 2009. The total amount of grants more than doubled from US$ 564,284 in 2007 to US$ 1,360,824 in 2009 (cf. NED various, see Appendix, Table 4).

leadership programs; IRI promoted good governance and citizen participation at the local level between 2007 and 2009; and, in 2006, NDI and CIPE supported inputs from civil society to the Constituent Assembly (cf. NED 2003-2009).

While the trend of an increasing emphasis on democracy and governance programs continues, the Congressional Budget Justification for FY 2010 signaled important adaptations to official Bolivian preferences. Firstly, "Bolivian government counterparts" were reintroduced rhetorically (CBJ 2010: 573). Secondly, a significant increase in funding was requested for the support for Integrated Justice Centers (CBJ 2010: 575), a program implemented in direct cooperation with the Ministry of Justice (see above, note 12). Thirdly and most notably, a "new municipal strengthening activity" ("Local Government and Decentralization") was announced: This "priority program" will "expand efforts to improve municipal performance" and – "when fully operational in FY 2011" – shall support "approximately 100 out of the 327 municipalities" in Bolivia (CBJ 2010: 576). This announcement reflects a crucial adjustment in the US democracy assistance portfolio. Since 1996, USAID had supported local governments in Bolivia (US GAO 2003: 90) and the Country Strategic Plan 2005-2009 originally planned to continue focusing on municipal governments (USAID 2005). Since 2006, however, the new program FIDEM has been prioritizing the departmental level (see above). US support for the state governors met with fierce criticism from the Bolivian government – culminating in the above-mentioned expulsion of the US Ambassador. With the phase-out of FIDEM in 2009, the US now decided to end the support for regional government and focus again on the municipal level – in line with the preferences of the Bolivian government. This decision predates the election of Barack Obama and can thus not be explained by the exit of the Bush Administration.[21] The disposition to adjust US democracy promotion activities to official Bolivian preferences indicates a decision to adapt to a government that was probably there to stay for quite a while, signaling at least an interest to stay engaged.[22] In line with the analysis of Gratius and Legler (2009: 206), this rather pragmatic US behavior characterized by "a mix of incentives and persuasion logics" can probably be attributed to a "desire to continue to engage Bolivia on the drug front as well as to minimize Chávez's regional influence."

At the general level of bilateral relations, the incoming Obama administration started a bilateral dialogue with first meetings in May and October 2009, and Secretary of State Hillary Clinton met twice with her Bolivian counterpart David Choquehuanca (US Department of State 2009a, 2009b). Yet, President Obama refrained from reinstating Bolivia's trade preferences and, in September 2009, again "decertified" Bolivia (cf. AIN 2009; Ledebur/Walsh 2009), while Bolivian authorities responded by continuing to accuse the US of supporting opposition groups.[23] In this context, bilateral negotiations aiming at a new framework for bilateral cooperation did not advance in the course of 2009. Current USAID democracy programs, however, were all scheduled to end in 2008 and 2009, and the initiation of new activities – like the Local Government Program mentioned

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21 Already in December 2007 and February 2008, documents from USAID/Bolivia mention plans for "a major new program helping municipal governments better deliver on democratically channeled citizen demands" (USAID 2007c; cf. USAID 2008a). Both documents were obtained through the FOIA and published by journalist Jeremy Bigwood. More proposals that demonstrate a clear willingness on the part of USAID/Bolivia to adjust democracy promotion activities, at least partially, to official Bolivian preferences include: to launch "a much-needed management training program for GOB [Government of Bolivia] officials", because "[t]his effort could enjoy strong GOB support and would greatly facilitate bilateral coordination and implementation of our program"; to provide "additional funds for the justice program [the IJCs, see above, note 12]" that is conducted in close collaboration with the Bolivian Ministry of Justice; to resume "support for legislative activities, which have been eliminated under our current FY 2008 budget"; and – in the case of heavily increased funding – to increase "civil society activities related to harmonization of community justice systems with the formal justice system […], which is a high priority for our GOB counterparts" (USAID 2008a).

22 Interviews conducted by the author in April and May 2009 suggest that the US was even willing to accept that people close to the Bolivian government implement the new program. This disposition to adjust to official Bolivian preferences probably follows the lessons learnt in 2008 when the somewhat confrontational US stance had openly failed: In the course of 2008, the expulsions of US officials and institutions were accompanied by a series of political victories of the Morales government (see above, note 3).

23 Cf. LaPrensa.com.bo (7 Sep 2009, 25 Sep 2009, 8 Jul 2009).

above – depended on a new bilateral agreement. In August 2009, the Bolivian government instructed USAID to close and reorient its democracy promotion activities, while signaling its willingness to accept the projected expansion of US support for municipal governments (*Programa de Fortalecimiento Municipal*). Accordingly, in 2009, USAID closed its democracy and governance programs, "with the exception of some municipal strengthening activities" (CBJ 2011: 658).[24] Also NDI had to close its Bolivia program in 2009. IRI lost USAID democracy aid, but continues to support good governance in four municipalities through a NED grant. In fact, NED funding is the only type of official US democracy assistance that (up to now) remains unaffected by the continuing crisis in bilateral relations.

At the time of writing, negotiations between the US and Bolivia continue. Until July 2010, shifting signals make it difficult to forecast the future course of the dialogue.[25] It seems that, on the one hand, both governments want to avoid an open rupture of bilateral relations but none of both, on the other, is willing to make significant concessions first. The latest development included the appointment, on part of the US government, of Mark Feierstein as head of USAID's programs in Latin America. As Feierstein, in his former job as consultant and pollster, did advisory work for Bolivia's Gonzalo Sánchez de Lozada during his 2002 Presidential campaign (i.e., against then candidate Evo Morales), this decision met with open criticism from the Bolivian government and confirmed the perception that USAID was in fact a partisan organization associated with the Bolivian opposition to Morales and the MAS (cf. Hertzler 2010; *LaRazon.com*, 6 Jun 2010).

4.2 German Reactions[26]

In general, bilateral relations between Germany and Bolivia have been far less affected by Morales' election and government than US-Bolivian relations. Consequently, there is much more continuity regarding German development cooperation with Bolivia. The official reaction to Morales' victory was decidedly positive: Then Federal Minister for Economic Cooperation and Development, Heidemarie Wieczorek-Zeul, in February 2006 promised continued support for Bolivia (BMZ 2006b) and two months later traveled to La Paz in order to send a "signal that the Federal Republic [of Germany] is a reliable partner for Bolivia and that we support the new government's efforts especially regarding poverty reduction, nature conservation and the strengthening of the rights of the indigenous population" (BMZ 2006c). In intergovernmental negotiations in June, both countries agreed to continue German development cooperation in the three established priority areas, including – in the area "modernization of state and democracy" – support to the Constituent Assembly (BMZ 2006a). In a new country strategy, adopted in June 2007, the Ministry for Economic Cooperation and Development Cooperation (BMZ 2007a: 1) stated that the Bolivian government's "new orientation of economic and societal policies" and, in particular, the aim to include the marginalized indigenous majority of the population offered "new chances for development cooperation". Although the document mentions risks of "radicalizing political polarization" and raises "doubts" regarding the consistent commitment to "democratic rules" within the "very heterogeneous MAS movement", the core problems mentioned are structural "deficits" including socio-economic inequality, poverty, weak institutional and administrative capacities, corruption and a "deficient culture of conflict resolution" – all problems the Morales government had inherited and, thus, needed support to be able to cope with (BMZ 2007a: 1, 8, 3).

Officially, a position towards the new Bolivian government that combines the hope for political change with an offer to support it applies for the Federal Government in general (Bundesregierung 2006: 9-10, Vogl 2006). Although the German Foreign Ministry is said to not have been that

24 Cf. LaPrensa.com (23 Nov 2009, 22 Nov 2009, 19 Sep 2009); LaRazon.com (19 Sep 2009).

25 Cf. ElDeber.com.bo (30 Jun 2010); IPSNoticias.net (15 Jun 2010); LaRazon.com (2 Jun 2010, 25 Jun 2010).

26 On the following, see in greater detail Wolff (2010).

enthusiastic, the German Embassy in La Paz is considered rather sympathetic to the new government.[27] On the part of the German government it was especially the "nationalization of gas" that was met with skepticism (cf. BMZ 2007a: e; Vogl 2006: 547). In fact, it was this topic only that provoked a public statement on Bolivia by the German Foreign Minister: In an interview, Frank-Walter Steinmeier expressed his "great skepticism" about the decision "to nationalize the Bolivian oil and gas industry" (*Die Welt*, 12 May 2006: 5; cf. *Süddeutsche Zeitung*, 3 May 2006: 10). Yet, development minister Wieczorek-Zeul directly responded by stating that every country should "have the sovereignty to decide how to organize its sector of natural resources"; it would be "wrong and counterproductive", she argued, to threaten with a suspension of development cooperation in "business disputes about the status of energy companies" (*Der Spiegel*, 8 May 2006: 19). Regarding the one German company affected by the "nationalization" (Oiltanking), the German Embassy continuously engaged the Bolivian government to reach a negotiated solution and Chancellor Angela Merkel apparently dedicated a good part of her conversation with Morales at the EU-Latin America/Caribbean Summit in Lima in May 2008 to this topic (cf. *La-Razón.com*, 22 May 2008; *ElDiario.net*, 26 May 2008). The German government in fact suspended a project in the area of climate and energy as a direct sanction, but in general this dispute had no discernible wider implications for bilateral relations (cf. Riedler 2009: 14).

As said, democracy promotion – under the heading of "state and democracy" (BMZ 2007a: 7) – continues to be one of the three priority areas of German development assistance to Bolivia. The data on German Official Development Assistance (ODA) confirms such continuity in both the general amount of aid and the absolute size and relative weight of democracy promotion activities (see Annex, Tables 5-7). German ODA commitments, as agreed upon in intergovernmental negotiations, even increased during the government of Evo Morales. According to OECD aid categories, the sector "Government & Civil Society" accounts for between one-fifth and one-third of German ODA to Bolivia – with "Government Administration" constituting the most important subsector, followed by "Strengthening Civil Society". The German orientation in Bolivia towards strengthening (good) governance capacities (Zilla 2006) is confirmed by the fact that, between 2006 and 2008, around 75 percent of "Government & Civil Society" aid was channeled through the public sector. In 2008, new German ODA commitments to Bolivia went largely (60.7%) to the subsector "Government administration", with "Legal and judicial development" and "Strengthening civil society" accounting for 16.7 percent, respectively.

The most important development program in this area is "Decentralized Governance and Poverty Reduction Support" (*Programa de Apoyo a la Gestión Pública Descentralizada y Lucha contra la Pobreza*–PADEP). The program is executed by the GTZ, the organization implementing the bulk of official German technical cooperation.[28] PADEP started in 2002 with a thematic focus on poverty reduction, decentralization and municipal development, and a regional focus on two particularly poor regions (Norte de Potosí and Chaco). The program is subdivided in between 4 and 6 components that change frequently (cf. PADEP 2010). PADEP's first phase ended in 2005 so that the commencement of the second phase (2006-2009) coincided with the change in the Bolivian government (GTZ 2007: 10). A third and last phase (2010-2011) started this year (cf. GTZ 2010). The adjustments to the program clearly reflect an adaptation to changed Bolivian priorities as well as to the new political setting in general: Cooperation on the national level has grown in relevance (relative to subnational entities) and there is much more work related to structural

27 This observation is based on interviews and off-the-record conversations in Bolivia and Germany in 2009. As regards the German Embassy, in December 2005 then Ambassador Erich Riedler had promised continued German support to Bolivia no matter who would be elected president (La-Época.com, 20 December 2005; cf. Riedler 2009).

28 Another (minor) GTZ project in the priority area provides assistance to the reform of criminal proceedings law (GTZ 2007: 13). The other major player in German official development cooperation responsible for implementing the financial cooperation, the KfW, in Bolivia largely centers its work on the other two priority areas (water supply/sanitation and sustainable agriculture). A third "implementing organization", the German Development Service (DED), focuses on democracy promotion via the strengthening of civil society, namely of marginalized (indigenous, peasants and women) groups (cf. Wolff 2010: 9-11; Zilla 2006: 16).

political reforms than originally anticipated. Most notably, a new component was added to support the Constituent Assembly, the most important political initiative promoted by the incoming Bolivian government.[29] This cooperation included support for the presidential entity (REPAC) established in March 2006 to prepare the *Asamblea Constituyente* as well as direct assistance to the Assembly itself: its Directorate, the Technical Unit and the commissions (GTZ 2008). After the end of the Constituent Assembly, the respective component shifted its focus to start accompanying the constitutional transition process, the implementation of the new constitution and the new parliament, the *Asamblea Legislativa Plurinacional* (cf. GTZ 2010). Regarding work in PADEP's component "decentralization", the GTZ, e.g., worked closely with the Bolivian Ministry of Autonomies to support the new process of decentralization under the heading of "autonomies".[30] In addition, at the request of the Bolivian government, support to the national planning system was upgraded to an independent (sixth) component of PADEP.[31] That the Development Ministry, on its website, states that Germany "initiated" (much older) PADEP in order to promote the implementation of Morales' National Development Plan nicely symbolizes the program's alignment to the priorities of the new government (BMZ 2009b).

Another dimension of adjustment in German development cooperation concerns a strengthened emphasis on crisis prevention and conflict resolution – this emphasis, however, is only partially a recent reaction to the new government and more generally responds to the escalation of social protest since 2000 (and, additionally, mirrors a global trend in German development cooperation).[32] Within PADEP, one component now centers on "Constructive Conflict Resolution and Culture of Peace" (PADEP 2010). German development cooperation in general, since 2007, has applied instruments like "Peace and Conflict Assessments" and "Do no Harm" and planned to introduce a common procedure for all German development programs and projects to identify and eventually avoid conflict-aggravating effects (GTZ 2009). As regards democracy promotion activities, the sensitivity to potential political and conflict-enhancing ramifications of supposedly "technical" cooperation seems to have grown (cf. GTZ 2008). Consequently, PADEP's work with political institutions (central and subnational governments, parliament, Constituent Assembly) shifted, at least partially, from technical advice to efforts at promoting dialogue and concertation. An important example concerns the (inofficial) role the German development cooperation played in facilitating negotiations between central government and regional opposition that, in the end, prepared a Congressional agreement on the constitutional reform (cf. Wolff 2010: 23).

German democracy promotion as implemented by GTZ is, in large part, oriented at the Bolivian government (at different levels of the state), but as far as party political actors are included, as in the case of the Constituent Assembly, it has a "multiparty orientation" to maintain "an image of neutrality" (GTZ 2008: 50). In contrast to GTZ (and the US party institutes), Germany's political foundations traditionally take explicit political stances. In the case of the Morales government, the social democratic Friedrich Ebert Stiftung (FES) approached the governing MAS party (cf. Zuazo 2009). Such approximation was not easy given the foundation's previous engagement with former governments and "traditional" Bolivian parties, and represented a clear departure from Germany's prior line (apparently an official position taken by the Foreign Ministry) to not cooperate with

29 To be sure, PADEP's initial decision to support the preparation of a Constituent Assembly was taken at the end of 2003 (GTZ 2008: 5). In fact, GTZ – together with the German political foundations Friedrich Ebert (FES) and Konrad Adenauer (KAS) as well as FUNDEMOS (the local counterpart of the German political foundation Hanns Seidel) – has contributed to the preparatory process since its initiation by the interim government of Carlos Mesa in November 2003 (GTZ 2008: 10-18).

30 An initial attempt in 2006 to support a dialogue on decentralization/autonomies that would bring together the newly elected prefects and representatives of the central government had to be terminated with a view to the growing political tensions (cf. GTZ 2008: 17).

31 But only until the end of PADEP's second phase; for the third phase, PADEP's components were reduced to three: "Reform of State Structure", "New Public Management", and "Constructive Conflict Management" (GTZ 2010).

32 Since 2002, PADEP is engaged in conflict resolution and crisis prevention, e.g., by working on a comprehensive "early warning system" for social conflicts (cf. Lorenz 2003).

those opposition forces represented by Morales and the MAS. But it directly followed the German government's decision to engage the new government.[33] Yet, approximation on the part of the FES did not imply a political stance of explicit support for the MAS.[34] On the other side of the political spectrum, the Hanns Seidel Stiftung (HSS), close to the German Christian Social Union, openly supported the main opposition party PODEMOS (through the Bolivian political foundation FUNDEMOS). The Christian democratic Konrad Adenauer Stiftung (KAS) in Bolivia, although clearly oppositional in public statements, in its work adopted a relatively neutral stance.[35] From these different angles, all three German foundations present in Bolivia contributed to the debates surrounding the Constituent Assembly (cf. Alarcón et al. 2008; Chávez et al. 2008; Romero et al. 2009; FUNDEMOS 2008; Schwarzbauer 2007).

The overall picture, thus, confirms the official statement that German development cooperation "supports" the process of change initiated by Evo Morales "in order to deepen democracy and strengthen the fight against poverty" (Deutsche Botschaft La Paz 2007: 1). This general attitude of support, however, does not exclude the regular mentioning of problems that characterize the state of democracy and the rule of law in Bolivia from the perspective of the German government, but this occurs almost exclusively in non-public settings and is, thus, hard to reconstruct. In addition, however, under certain circumstances German cooperation was in fact suspended. E.g., when irregularities and conflicts surrounding the *Asamblea Constituyente* peaked (in December 2006 and again during the last months of the *Constituyente*), German support for the process was suspended (as part of a common European decision). Reacting to the contentious adoption of the constitutional text by the MAS majority in the Constituent Assembly, Germany stepped back from the original plan of supporting the public dissemination of the draft constitution. Similarly, when in 2008 the oppositional departments adopted their "autonomy statutes" in referendums that lacked any legal basis, GTZ/PADEP temporarily abstained from new cooperation initiatives with the prefectures, made cooperation with prefects dependent on agreements with the central government, and limited support to areas that would not contribute to the process of regional autonomy. In general, interviews conducted with German organizations in Bolivia confirm that the priority that determined these German reactions was a conflict-related aim to "do no harm": Considerations of empirical legitimacy or factual approval, not of formal legality and democratic correctness led German agencies to suspend or retake its cooperation. An additional (and major) concern that pervades German development cooperation relates to serious problems they perceive with the government's administrative and technical capacity to implement policies.

5. Conclusion

The four general conflicts of objectives identified in this paper can clearly be found in the cases of US and German democracy promotion policies towards Bolivia. As was to be expected, the different donor profiles characterizing the two countries imply that different conflicts come to the fore in different shapes.

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33 To be sure, that the FES opened up to the MAS also corresponded to the foundation's strategic needs given the demise of the "traditional" political parties and the astonishing rise of the MAS becoming the political force clearly dominating the landscape left to the political center (and, of course, the political landscape in general).

34 FES activities, to a large part, were oriented at promoting dialogue across the MAS-opposition divide and, thus included a broader political spectrum. In addition, FES is reported to support an initiative to build a new social democratic party in opposition to the government (cf. La-Época.com, 25 February 2007).

35 This, not least, resulted from the fact that the "traditional" partners of the KAS among the political parties (the MNR, in particular) were in open crisis, while the main conservative opposition party during the first government of Evo Morales (PODEMOS) was already "occupied" by the HSS. In addition, the KAS has been hesitant to engage with the new regional opposition (especially in Santa Cruz) and, .e.g., after some instances of cooperation until early 2008 retreated from supporting a Santa-Cruz-based political organization ("Autonomía para Bolivia").

For the US, political deviance of the Bolivian government is particularly relevant with a view to specific US interests in the "War on Drugs". Officially, the US government reacted well in line with democracy promotion by respecting self-determination and ownership. In fact, the US continued (and, as far as the Bolivian government allows, continues) to cooperate in Bolivian counternarcotics efforts. Yet, the US made it clear from the outset that certain issues are non-negotiable because considered vital US security interests. The certification process – and the actual de-certification of Bolivia – is the best sign of such explicit limits to the principle of self-determination. As regards the change in economic policies, both the US and Germany proved rather flexible and pragmatic – be it because it was obvious that the political will in Bolivia was so broad and strong that a general attitude of objection would have no effect; be it because no major economic interests were involved. The rather intense efforts (by the German embassy and even the Chancellor) to secure the interests of the one German company affected by nationalization – including the decision to suspend a minor development cooperation project – suggests that the German reaction to Morales probably would have been much less benign and tolerant in the case of a significant harm to German economic interests.

Regarding the self-determined and democratically legitimized deviance from (and, in part, open breach of) mainstream standards of liberal democracy and good governance, both the US and Germany officially reacted with an attitude of respect for alternative paths and models. Both governments continued their development cooperation, and although there was some shift in US priorities (away from central government support) even the US maintained a rather cooperative posture and, especially after the open crisis in bilateral relations in 2008, was willing to make major concessions to official Bolivian preferences. Germany provided direct support to the political changes driven by the Morales government, including the Constituent Assembly. However, the partial deviance from what is perceived by both, German and US representatives, as universal standards is seen as a problem, and alignment to Bolivian decisions is to a big extent more a pragmatic and, in fact, reluctant adjustment. It is driven by the recognition of broad majoritarian support in Bolivia, the intention to have some moderating influence on the Bolivian government, and the strong will to remain somehow engaged in Bolivia (be it out of the self-interest of the different development agencies, be it because of the general political decision that a withdrawal from the country would be the worst option).

With a view to the tension between the deepening of democracy (in terms of empowerment) and its consolidation (in terms of the democratic "institutionality"), the unambiguous majoritarian support for and the democratic legitimization of every major step in the political transformation proved a crucial factor. This made it almost impossible for external actors emphasizing the importance of democracy to openly reject the political project pushed by the Bolivian government. Hence, the US remained more or less neutral (with some explicit support for the government, some open help for political and societal counterweights, and a possible, but obscure backup for the opposition), while Germany openly supported the dismantling of existing democratic institutions (de-consolidation) in favor of "refounding" Bolivian democracy. Yet, in cases where the breach of the democratic/constitutional rules of the game was perceived as too dramatic, the German government decided to suspend its cooperation – but temporarily and with a view to specific projects only. Even in these cases, however, such German decisions to suspend, end or resume cooperation were driven more by concerns related to conflict resolution and intra-state peace than by an adherence to the established institutional order.

This last observation already speaks to the fourth conflict of objectives (political empowerment vs. intra-state peace). In the German case, a de facto priority related to conflict and peace can be observed. This is not to say that Germany tried to limit political empowerment, but its main aim was not to further promote the strengthening of formerly marginalized social groups and actors, but to secure inclusive processes of dialogue and concertation. In this sense, Germany did favor constraining the emancipatory project of the MAS in order to include as much as possible the (former) elites and middle sectors. The perception behind this strategy was that the empowerment of the indigenous and poor majority was real and ongoing, but that it was intra-state peace that

was at risk. The US was not in a position to really contribute to intra-Bolivian dialogue – in fact, at least part of US policies in Bolivia did only increase polarization because the US government was seen as a party to the internal conflict. Yet, in terms of official statements, the US – even if it generally welcomed the growing political inclusion of the indigenous and poor people – aimed more at limiting the powers of the newly empowered by supporting a series of counterweights to the central government in political parties, civil society and at the subnational levels of the state.

It was not the aim of the present paper to develop guidelines for handling conflicts of objectives in democracy promotion, neither with a view to Bolivia nor to post-transition democracies in general. The idea was, first, to present a typology of conflicts of objectives that are associated with processes of political empowerment; second, to illustrate and substantiate this typology for the case of Bolivia's ongoing democratic transformation; third, to analyze how two important external democracy promoters in Bolivia – the US and Germany – have tried to handle the trade-offs brought about by conflicting objectives. What became very clear is that these conflicts of objectives cannot be reduced to the well-known tension between norms and interests. The question whether external democracy promoters prioritize their particular (economic, security) interests or whether they are willing to "really" promote democracy is only one among a series of difficult matters. Conflicting objectives affect the very business of "real" democracy promotion as well: the principles, norms, conceptions and strategies that guide the whole endeavor. A general consequence is, thus, that critical and decidedly normative reflections on the normative premises and conceptual guidelines of democracy promotion are needed. This includes reconsidering the basic assumptions about political development that underlie current democracy promotion policies. Following recent experiences with forced regime change in countries like Iraq and Afghanistan, such reconsideration has, in fact, begun as mentioned in the introduction. Yet, as this paper has shown, we are dealing here with more general problems of external democracy promotion that concern supposedly easy cases and that is the "normal" day-to-day business of democracy promotion as well.

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Annex: Tables 2-7

Table 2: US Foreign Assistance to Bolivia, By Program Area

	2006	2007	2008R	2008	2009R	2009	2010R	2010E	2011R
Peace & Security	76,230	63,057	48,213	48,895	46,456	41,225	44,850	39,328	36,040
of which									
...Counter-Terrorism & Transnational Crime	*0*	*310*	*1025*	*931*	*0*	*0*	*0*	*0*	*0*
...Stabilization Operations & Security Sector Reform	*1364*	*1057*	*188*	*179*	*200*	*225*	*400*	*380*	*390*
...Counter-Narcotics	*74,836*	*61,690*	*47,000*	*47,785*	*46,256*	*41,000*	*44,450*	*38,948*	*35,650*
Governing Justly & Democratically (in % of total US Foreign Assistance)	15,759 (11.8%)	11,255 (9.2%)	24,300 (21.8%)	13,119 (13.2%)	28,492 (28.4%)	15,050 (17.5%)	20,100 (20.0%)	0 (0.0%)	0 (0.0%)
of which									
Rule of Law & Human Rights	*3,658*	*4,650*	*9,156*	*3,676*	*6,450*	*2,853*	*4,027*	*0*	*0*
Good Governance	*9,195*	*2,598*	*7,953*	*6,398*	*13,767*	*7,348*	*10,294*	*0*	*0*
Competition & Consensus-Building	*99*	*279*	*763*	*1,160*	*2,070*	*1,668*	*2,301*	*0*	*0*
Civil Society	*2,807*	*3,728*	*6,428*	*1,885*	*6,205*	*3,181*	*3,478*	*0*	*0*
Investing in People	26,226	27,810	21,500	21,733	14,251	16,836	19,903	16,910	16,410
Economic Growth	15,575	20,069	15,700	15,987	11,200	12,830	15,895	16,300	14,350
Humanitarian Assistance	0	0	2,000	0	0	0	0	0	0
Total	**133,790**	**122,191**	**111,713**	**99,734**	**100,399**	**85,941**	**100,748**	**72,538**	**66,800**

Note: Data ($ in thousands, R=Request, E=Estimate) taken from U.S. Department of State's Congressional Budget Justifications (CBJ 2008: 605-6, 2009: 659-60, 2010: 573-4. 2011: 659).

Table 3: US Foreign Assistance to Bolivia, By Account

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010R	2010E	2011R
Andean Counterdrug Initiative/ Program	0	0	0	90,727	91,000	90,272	79,200	66,000	0	0	0	0	0
International Narcotics Control & Law Enforcement	158,000	52,000	87,600	0	0	0	0	0	30,154	26,000	26,000	20,000	20,000
Development Assistance	25,388	25,098	12,853	12,082	12,032	8,186	10,091	14,700	26,618	42,880	55,348	35,248	30,000
Economic Support Fund	0	1,995	10,000	12,000	8,000	7,936	5,940	4,500	16,862	0	0	0	0
Subtotal	*183,388*	*79,093*	*110,453*	*114,809*	*111,032*	*106,394*	*95,231*	*85,200*	*73,634*	*68,880*	*81,348*	*55,248*	*50,000*
Child Survival and Health	7,583	6,598	19,690	18,594	14,602	16,495	17,233	16,885	16,936	16,836	19,000	16,910	16,410
Foreign Military Financing	0	0	500	1,990	3,976	0	990	0	0	0	0	0	0
International Military Education & Training	548	665	712	800	589	0	0	57	179	225	400	380	390
Public Law 480 (Food Aid)	0	15,918	19,566	31,547	22,276	12,607	15,953	20,049	8,985	0	0	0	0
Transition Initiatives	0	0	0	0	0	0	5,373	0	0	0	0	0	0
Total	**191,519**	**102,274**	**150,921**	**167,740**	**152,475**	**135,496**	**133,790**	**122,191**	**99,734**	**85,941**	**100,748**	**72,538**	**66,800**
Peace Corps	2,865	2,925	2,922	2,947	2,870	2,955	2,888	3,080					

Note: Data ($ in thousands, R=Request, E=Estimate) taken from U.S. Department of State's Congressional Budget Justifications (CBJ 2002: 408, 2003: 398, 2004: 450, 2005: 470, 2006: 502, 2007: 538, CBJ 2008: 603, 2009: 659-60, 2010: 573-4, 2011: 658).

Table 4: National Endowment for Democracy (NED) Grants to Bolivia

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
NED Grants to Bolivia	**0**	**0**	**0**	**72,245**	**128,825**	**270,307**	**672,601**	**564,284**	**834,892**	**1,363,824**
thereof:										
IRI				0	0	0	0	200,000	300,000	650,000
NDI				72,245	0	197,445	200,000	50,000	0	0
CIPE				0	128,825	0	265,870	0	0	169,920

Note: Data ($) taken from NED Annual Reports 2000-2009 (NED various).

Table 5: German Official Development Assistance (ODA) to Bolivia

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Commitments	64.2	53.9	27.2	27.6	78.2	75.0	49.3	68.3	82.0	53.0	22.3	48.8	65.6	60.6
Disbursements	72.5	68.5	62.3	71.9	70.9	72.3	84.1	53.3	46.7	78.6	57.4	52.3	39.8	48.7

Note: ODA commitments and disbursements in constant 2007 USD millions, excl. debt-related action (OECD 2010).

Table 6: German ODA to Bolivia: Commitments in Intergovernmental Negotiations

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Commitments	21	21	25,5	25,5	--	36	26	26	31	31

Note: The table only lists commitments (in million euros, per year) as agreed upon in intergovernmental negotiations. Data taken from Wolff (2010: 40).

Table 7: German ODA to Bolivia, By Sector, Channel & Purpose Code

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Commitments	78.2	75.0	49.3	68.3	82.0	53.0	22.3	48.8	65.6	60.6
Sector: Government & Civil Society	11.4	9.0	14.3	2.9	21.9	4.4	5.0	17.5	13.9	16.8
Share in %	*14.6%*	*12.0%*	*29.0%*	*4.2%*	*26.7%*	*8.3%*	*22.4%*	*35.9%*	*21.2%*	*27.7%*
Total Disbursements	[no data available]				46.7	78.6	57.4	52.3	39.8	48.7
Sector: Government & Civil Society	[no data available]				10.7	18.7	16.1	11.4	11.1	10.7
Share in %					*22.9%*	*23.8%*	*28.0%*	*21.8%*	*27.9%*	*22.0%*
Disbursements "Government & Civil Society"								11.4	11.1	10.7
Channel: Public Sector								8.7	8.2	8.4
Share in %								*76.3%*	*73.9%*	*78.5%*
Channel: Civil Society								2.7	2.9	2.3
Share in %								*23.7%*	*26.1%*	*21.5%*
Disbursements "Government & Civil Society"					10.7	18.7	16.1	11.4	11.1	10.7
Purpose Code: Government administration					7.3	5.7	4.8	5.0	5.0	5.1
Share in %					*68.2%*	*30.5%*	*29.8%*	*43.9%*	*45.0%*	*47.7%*
Purpose Code: Civil society					1.7	10.7	9.4	4.8	4.6	3.6
Share in %					*15.9%*	*57.2%*	*58.4%*	*42.1%*	*41.4%*	*33.6%*
Purpose Code: Legal/ judicial development					0.9	1.2	1.0	1.4	1.0	1.0
Share in %					*8.4%*	*6.4%*	*6.2%*	*12.3%*	*9.0%*	*9.3%*
Purpose Code: Human rights					0.8	0.5	0.5	0.1	0.1	0.1
Purpose Code: Women's equality organizations					0.1	0.4	0.2	0.0	0.0	0.2
Purpose Code: Peace-building/ conflict prevention					0.0	0.0	0.0	0.1	0.3	0.5
Purpose Code: Free flow of information					0.0	0.1	0.1	0.0	0.1	0.2
Purpose Code: Economic/ development planning					0.0	0.1	0.1	0.0	0.0	0.0

Note: Data (ODA commitments & disbursements) in constant 2007 USD millions (OECD 2010).

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