

EUROPEAN PARLIAMENT

DELEGATION FOR THE OBSERVATION OF ELECTIONS IN BOLIVIA ON 18 DECEMBER 2005

**Report by Luis Yañez-Barnuevo García, chairman of the delegation,
for the Committees on Foreign Affairs and on Development**

16 to 19 December 2005

Brussels, 12 January 2006
LMG/nal

CR\598334EN.doc

PE 365.508

Introduction:

At the proposal of the Committee on Foreign Affairs, the Conference of Presidents authorised the appointment of a five-member delegation for the observation of general elections in Bolivia on 18 December 2005 (item 8) at its meeting of 8 December 2005. The composition of the delegation was decided using the d'Hondt system.

At the delegation's constituent meeting on 13 December 2005, Luis Yañez-Barnuevo García was appointed chairman.

A European Parliament ad hoc delegation, consisting of three Members and chaired by Fernando Fernández Martín had visited La Paz and Santa Cruz de la Sierra from 12 to 16 September 2005.

Domestic situation:

Bolivia's history was plagued with military coups until the restoration of democracy in 1982, when President Hernán Siles Suazo's electoral victory of 1981 was recognised one year on, a coup by General Luís García Mesa having taken place in the meantime. Since then, Bolivia's various governments have, without exception, been democratic. Today, it can be said that democracy there is stable, evidence of which is the fact that the country's most recent crises have been solved constitutionally. Nevertheless, Bolivia's institutions are weak and, like its traditional political parties, to a large extent discredited.

Although President Jorge Quiroga's Government, which succeeded that of General Hugo Bánzer in August 2000, had enjoyed some macroeconomic successes, its legacy to President Sánchez de Lozada in August 2002 did not include any improvements regarding the structural problems of poverty, exclusion of indigenous peoples or unequal distribution of income. President Quiroga also left behind a relatively high budget deficit (8% in 2003), caused in part by the reform of the pensions system and the fiscal consequences of a high level of smuggling en route from Chile. This public debt hampered the Sánchez de Lozada Government. The riots in February 2003, in Oruro and El Alto in particular, over the decision to export gas via Chile led to roadblocks and the burning of buildings, forcing the Government to change its plans.

The freezing of police salaries triggered riots by police officers, who clashed with the army, with some public buildings in La Paz still bearing the scars of this conflict.

In October 2003, bloody confrontations took place, resulting in 80 deaths. These deaths have still not been accounted for, partly, some of the delegation's interlocutors claimed, because of a lack of political will on the part of the authorities and of cooperation on the part of the police. Gonzalo Sánchez de Lozada resigned on 17 October 2003 and was replaced by his Vice-President, Carlos Mesa Gisbert.

Carlos Mesa, who enjoyed great popularity throughout his time in office, found his administration hampered at all times by the absence of a parliamentary majority and the ongoing roadblocks and protests by dissatisfied sections of the population. Faithful to his promises,

President Mesa called a referendum on 18 July 2004 on gas and hydrocarbons policy and the convening of a Constituent Assembly. The outcome of the referendum allowed him to present a bill on hydrocarbons. As he lacked the necessary political support, this bill underwent fundamental amendments and was presented to the President for his signature. President Mesa did not sign it within the specified time limit and the bill was adopted by the Bolivian Parliament.

The changes to the content of the law gave rise to protests by the sector's multinational companies, who were forced to accept a rise in royalties from 18% to 50% and to renegotiate their contracts to bring them into line with the new legislation. Some of these multinationals have filed proceedings and, most importantly, suspended investment and exploration operations in Bolivia.

More roadblocks were erected at the beginning of June 2005 and the President, keeping the promise he had made at the start of his term not to use force, resigned. His resignation was accepted by Congress on 6 June 2005.

The President was replaced once more in full compliance with the Constitution, although not without the exertion of popular pressure. As the speakers of the upper and lower parliamentary chambers, Mr Vaca Díez and Mr Cossio, both declined to stand for the presidency, the President of the Supreme Court, Eduardo Rodríguez Veltzé was appointed President of Bolivia. As a result of this appointment, the parliamentary term, scheduled to last until 2007, was shortened and elections were called.

Under Mr Rodríguez Veltzé's transitional government, there were further riots and roadblocks, albeit to a lesser degree than in the past. The most recent unrest concerned the distribution of the new royalties - the tax on hydrocarbons (the IDH) - among the Central Government, universities and municipalities.

From an economic point of view, the country's situation is grave. Although Bolivia managed to overcome inflation of up to five digits and even to achieve annual growth of 4.5% between 1993 and 1997, for the most part these successes, insufficient in view of the country's vegetative growth, were cut short by the crisis in Asia and the neighbouring Southern Cone. According to the calculations of some of the delegation's interlocutors, 180 000 Bolivians enter the job market each year whilst only 40 000 jobs are created. This would explain why 2.5m Bolivians live abroad.

More than in any other country of Latin America, macroeconomic successes belie the situation for the majority of the population, who live in poverty in a parallel economy, outside the conventional economic system.

The European Parliament has been monitoring the situation in Bolivia very closely and on 9 June 2005 it adopted a resolution in which it decided to send an ad hoc delegation to the country.

Meetings with candidates:

Although the decision on the election observation mission was taken not long before the elections were held, it was possible, particularly thanks to the assistance of the Commission delegation in La Paz, to arrange meetings with candidates from various electoral groupings.

The chairman of Parliament's delegation, accompanied by the Commission representative and Commission delegation officials, held a meeting in Cochabamba with the MAS presidential candidate, Mr Evo Morales, who discussed the course of the political campaign in particular. He described the incidents that had occurred during the campaign as minor. Mr Morales was convinced that the elections would take place entirely peacefully and without fraud.

The European delegation reported the great interest with which Europe was following the elections, in the hope that democracy and the sovereignty of the people would be respected as to the utmost degree.

Mr Yañez-Barnuevo García asked Mr Morales about the likelihood of a second round and possible alliances if that were the case. Mr Morales voiced his conviction that he would be declared the winner following the first round, as he expected to exceed 50% of the votes. With regard to public opinion polls, these were not usually an accurate reflection, as the surveys tended to be carried out among the higher levels of society.

On the subject of his manifesto, Mr Morales mentioned his promise to convene a Constituent Assembly even though its mandate and the method of electing members had yet to be decided. He considered the presence of international observers, especially from the EU, to be useful in this process.

Discussions also touched on the other two main issues the MAS had addressed throughout its election campaign: the nationalisation of the hydrocarbon industry and the legalisation of coca-leaf production. On the latter issue, the MAS leader was awaiting a Commission-funded study relating to traditional consumption of the coca leaf. He believed that the results of the study would show the existence of a potential market for coca-leaf consumption in Europe, particularly for medicinal purposes. It would also enable the coca leaf to be removed from the UN list of narcotic substances.

Regarding hydrocarbons, Mr Morales's party advocated to some extent the expropriation without compensation of the multinational companies present in Bolivia. It maintained that ownership of this wealth should be restored to the Bolivians. Ownership would not be restricted to the subsoil as previously. The State would contract out the extraction and transformation of the product to the multinationals. The marketing of hydrocarbons would also be in the hands of the State, which would have paid for their extraction and transformation.

In any case, the present contracts had not been adapted to the legislation in force and needed, therefore, to be brought into line.

Mr Morales stressed that expropriation measures would only be applied in the case of companies that had committed fraud.

The presidential candidate also discussed regional integration, indicating that this could take place by means of gas and oil, following the European model. The European delegation pointed

out the advantages of integration in resolving the bilateral disputes between Chile and Peru and Chile and Bolivia.

An exchange of views was also held with the leader of the 'Podemos' campaign, Mr Mauro Bertero, on the course of the election campaign. He described the situation in Bolivia as revolving around two parties, a strong polarisation having emerged during the campaign between the supporters of Mr Quiroga and of Mr Morales. These circumstances meant that the preferred option from a centrist point of view, Mr Doria Medina, had lost ground. In Mr Bertero's view, there would be a tie between Mr Quiroga and Mr Morales.

He considered the grouping headed by ex-President 'Tuto' Quiroga to be the most credible from an international point of view and the only one capable of achieving a better distribution of wealth while maintaining budgetary discipline.

Referring to 'the morning after' the elections, Mr Bertero stated that in spite of the fact that the MAS candidate had pledged to respect the decision of Congress, which would have to decide on the holding of a second round, there were doubts as to how citizens, particularly those in El Alto, might react should Mr Morales obtain any kind of victory in the first round.

Meeting with the Government:

The delegation was received by President Rodríguez Veltzé and the Foreign Minister, Mr Armando Loayza.

President Eduardo Rodríguez Veltzé welcomed the presence of a European delegation as proof of the EU's political willingness to aid Bolivia in its electoral process. He referred to Parliament's mission as political as opposed to the technical mission being carried out by the long-term election observation team. On the problem of 'the purged' (citizens who were unable to vote because they were not on the electoral register), this could be attributed in part to the bringing forward of the elections, which had been scheduled for 2007. The Foreign Minister himself was among those 'purged' from the register.

The lesson learnt was that the register needed to be improved and updated. This task would be made more difficult by the high number of Bolivians that had emigrated.

Other meetings:

The delegation held a working meeting with the Secretary of the Episcopal Conference, the Bishop of El Alto, Mgr Jesús Juárez, who informed the delegation of the mediatory role the Bolivian Church had been playing during the election campaign. He also referred to the difficulties the new President would face in governing, whichever party he was from, and the need to keep the population of El Alto at the centre of the Government's priorities.

If the MAS presidential candidate did not win, he could 'govern from the street'. Felipe Quispe from the Pachakuti Indigenous Movement had gone as far as claiming that the indigenous population would come to power 'via the ballot box or by force'. An MAS Government would have to respond quickly to indigenous demands.

Mgr Jesús Juárez described the situation over the last few years as a 'trade union dictatorship', in which protests and roadblocks were compulsory and could force presidents to resign.

The election campaign:

Under Bolivian election law, should neither candidate achieve an absolute majority in the first round of the presidential elections, it is up to Congress, once it has been constituted, to appoint the new President. After the last general election, held in June 2002, the winning parties from the first round (the MNR - 22.4% and the MAS - 20.9%) presented their presidential candidates to Congress, which elected Gonzalo Sánchez de Lozada of the MNR (Nationalist Revolutionary Movement) over Evo Morales of the MAS (Movement Towards Socialism). The former won 84 and the latter 43 of a total of 157 votes (130 deputies and 27 senators).

With regard to the elections of 18 December 2005, there was no doubt about having to hold a second round. In such a case, agreements between parties or political forces could snatch the victory from the first-round winner, provoking discontent among the electorate. The polls in the run-up to the election indicated a first-round lead for the MAS candidate, but in no way augured the absolute majority that he obtained in the end.

During the campaign, there were several attempts to come up with methods and arrangements to prevent a possible first-round tie or narrow victory by one of the candidates from triggering unrest. The Podemos group had proposed that the candidate with the most votes in the first round should be automatically elected or that the second round should be by universal suffrage. The Church also attempted to mediate in order prevent a potential conflict.

Statements to this effect had even been made by an accredited ambassador in La Paz and Bolivian military leaders.

The response from the MAS was always to comply strictly with the constitutional and electoral law in force.

The elections of 18 December were intended to renew all elected offices, including, for the first time, regional governors.

The traditional parties fielded hardly any candidates likely to win or simply fielded no candidates at all. Some of their members stood as candidates for new parties or electoral groupings, since Bolivia's electoral system favours larger parties.

The candidates for the Presidency and Vice-Presidency were:

Jorge QUIROGA and María DUCHÉN of 'Podemos' (Social and Democratic Power);
Evo MORALES and Álvaro GARCÍA of the MAS;
Michiaki NAGATANI and Guillermo BEDREGAL of the MNR;
Samuel DORIA and Carlos DABDOUB of the UN (National Unity);
Felipe QUISPE ('El Mallcu') of the Pachakuti Indigenous Movement;
Gildo ANGULO and Gonzalo QUIROGA of the NFR (New Republican Force).

There was criticism during the campaign of acts of violence, albeit rare, the selection of the electoral board and, above all, the failure to update adequately the electoral register. Many voters had been 'purged', because they had not been at home to receive the election correspondence, had not participated in the previous election or were not in possession of an identity card, meaning they were unable to register to vote.

Election day:

Delegation members, accompanied by the Commission representative, Andrew Stanley, visited several polling stations in La Paz, Ciudad Satélite and La Paz throughout the day. They were also present as the polling stations closed and the votes began to be counted.

Voting took place in entirely peaceful conditions, with only a few minor incidents in some polling stations. Good preparation by polling station officials and the presence of information points meant that the day passed smoothly.

The main problem was the electoral registers. The deletion from the register of those who had not participated in the previous municipal elections had created a situation where 1.4m voters were unable to participate. Aware of this error, the electoral authorities had launched an information campaign, succeeding, according to some sources, in registering a further million voters. Even so, there was huge frustration among those who turned up to vote only to find they were not registered, not least because voting is compulsory in Bolivia.

- Polling stations generally opened at 8 a.m. and were supposed in principle to be open for eight hours.
- Voters had to fill in two ballot papers, choosing the President and Vice-President, senators, deputies (single-seat and multi-seat) and governors.
- There were clear instructions at all polling stations to avoid disputes.
- All voters were issued with a certificate of voting, on which a thumbprint was made in indelible ink.
- All ballot papers were signed by polling station committee members and political party monitors.
- When the polling stations closed, the papers that had not been used were to be returned.

It should also be noted that on election day only the few vehicles that had been authorised were on the road, which meant that many voters made long journeys on foot to polling stations. To a certain extent this made greater flexibility necessary with regard to closing times for polling stations in case there were still people waiting to vote at the designated closing time.

Results:

Presidential elections of 18 December	Votes	%
---------------------------------------	-------	---

Juan Evo MORALES AYMA / Álvaro Marcelo GARCÍA LINERA - (Movimiento al Socialismo/Movement Towards Socialism)	1 544,374	53.7
Jorge Fernando 'Tuto' QUIROGA RAMÍREZ / María René de los Ángeles DUCHÉN CUÉLLAR - (Poder Democrático y Social/Social and Democratic Power)	821,745	28.6
Samuel Jorge Doria MEDINA AUZA / Carlos Fernando DABDOUB ARRIEN - (Frente de Unidad Nacional/National Unity Front)	224,090	7.8
Michiaki NAGATANI MORISHITA / Guillermo Luís BEDREGAL GUTIÉRREZ - (Movimiento Nacionalista Revolucionario/Nationalist Revolutionary Movement)	185,859	6.5
Felipe QUISPE HUANCA / Camila CHOQUETICLLA - (Movimiento Indígena Pachakuti/Pachakuti Indigenous Movement)	61,948	2.2
Gildo ANGULO CABRERA / Gonzalo José Silvestre QUIROGA SORIA - (Nueva Fuerza Republicana/New Republican Force)	19,667	0.7
Eliceo RODRÍGUZ PARI / Rodolfo Antonio FLORES MORELLI - (Frente Patriótico Agropecuario de Bolivia/Agrarian Patriotic Front of Bolivia)	8,737	0.3
Néstor GARCÍA ROJAS / Teodomiro ENGEL HUANCA (Unión Social de los Trabajadores de Bolivia/Workers' Social Union of Bolivia)	7,381	0.3
Total (turnout: 84.5 %)	2 873,801	100.0
Spoilt ballot papers	104,570	3.4
Blank ballot papers	124,027	3.0
Total	3,102,417	100.0

Voters				3,671,152	
Parliamentary chambers	Votes	%	Deputies	Senators	
Movement Towards Socialism	1 544,374	53.7	72	12	
Social and Democratic Power	821,745	28.6	43	13	
National Unity Front	224,090	7.8	8	1	
Nationalist Revolutionary Movement	185,859	6.5	7	1	
Pachakuti Indigenous Movement	61,948	2.2	-	-	
New Republican Force	19,667	0.7	-	-	
Agrarian Patriotic Front of Bolivia	8,737	0.3	-	-	
Workers' Social Union of Bolivia	7,381	0.3	-	-	
Turnout: 84.534 %	2 873,801	100.0	130	27	
Spoilt ballot papers	104,570	3.4			
Blank ballot papers	124,027	3.0			
Total	3 102,417	100.0			
Voters	3 671,152				

Conclusion:

In spite of all forecasts, the MAS presidential candidate, Evo Morales, won an absolute majority in the first round. The other candidates acknowledged his victory immediately and without question. The cloud hanging over the Bolivian horizon, namely that a victory would be won through a majority in Congress following a second round, which could have reversed the results of the first round, thus dissipated.

Aside from the issue of the reliability of an electoral register from which a chunk of the population was missing, the elections took place in entirely peaceful circumstances with only minor incidents on election day.

Nevertheless, the task facing the new President is enormous. Enormous with regard to its substance, which should live up to his election pledges, in particular: indigenous integration, tackling corruption and impunity, liberalisation of coca production and reforms to the hydrocarbon sector. The initial effects should be felt shortly. On election day itself, representatives of the residents of El Alto made statements granting the new Government a 90-day grace period, during which it should try the former President, Gonzalo Sánchez de Lozada, in addition to nationalising hydrocarbons production.

President Morales's Government will also have to address the issues of the convening of a Constituent Assembly, the election method and responsibilities of which have yet to be decided, and the application or reform of the current hydrocarbon law (Law 3058) in order to remove the judicial uncertainty within the sector.

A new challenge for Bolivia is that of regionalisation, towards which it is progressing, the first step having been the election of governors, whose responsibilities and powers are still unclear.

In Santa Cruz and Tarija, which are opposed to the nationalisation of hydrocarbon production and are calling for greater autonomy and a greater share in this revenue, there could be increased protests. In some circles, albeit minorities, there is talk of a secessionist movement in favour of a 'República Camba'.

Nor will life be easy for Bolivia from a foreign-policy point of view. The United States, which is a traditional ally but demanding with regard to the eradication of coca production, views with suspicion a President-Elect who is friends with Presidents Fidel Castro, Hugo Chávez and Lula da Silva.

It is more necessary than ever that the European Union, and all other political forces, should continue to provide support and assistance to Bolivia. Our interlocutors were unanimous in stressing this need, especially during the election and proceedings of the Constituent Assembly.

STATEMENT BY THE EUROPEAN PARLIAMENT DELEGATION

We would like to offer our most heartfelt congratulations to the Bolivian people for their exemplary lesson in public-spiritedness on election day, which passed peacefully and without incident, in a spirit of democratic conviction and freedom.

The high turnout demonstrated Bolivians' commitment to their Constitution and democratic institutions, which guarantee the exercise of citizens' freedoms, rights and duties.

We would also like to congratulate the winning candidate, Mr Evo Morales, who obtained 51% of the vote, automatically becoming President.

Our congratulations are also extended to the prefects, senators and deputies who emerged victorious in their respective elections.

We welcome the swift acknowledgement of Mr Morales's victory by those presidential candidates who did not win, but who, in participating, ensured the expression of Bolivia's political pluralism.

We thank the Bolivian Government and electoral authorities for having invited us to attend as European Parliament observers and allowed us to complete our task freely and with the cooperation of others at this historic time for Bolivia.

Our most fervent wish is for the new era that has begun in Bolivia with these elections to provide it with the governance and stability that have been lacking these last few years.

We ask all political parties, business organisations, trade unions, social movements and civil society to work with the new President and his Government on the immense tasks they are facing and we call on the President-Elect to govern on behalf of all Bolivians, particularly the most disadvantaged, in a spirit of peace, tolerance, consensus and inclusiveness.

We will forward the results of our observation mission to the President of the European Parliament and will ask that the European Parliament, the Commission and the European Council should support the President-Elect of Bolivia and assist the country as it strives for the governance, stability and sustainable development that will allow it to reduce and even eradicate poverty and exclusion.

La Paz, Monday, 19 December 2005

PARLAMENTO EUROPEO

<http://www.europarl.eu.int>

Delegación ad hoc para la observación de las elecciones en Bolivia

17-19 de diciembre de 2005

Lista de Participantes

Miembros de la Delegación

Nombre		Apellido	Grupo político	País
Sr.	Luis	YAÑEZ-BARNUEVO GARCÍA <ul style="list-style-type: none">• Comisión de Asuntos Exteriores, Miembro• Subcomisión de Seguridad y Defensa, Miembro	PSE	España
Sra	Nathalie	GRIESBECK <ul style="list-style-type: none">• Comisión de Presupuestos	ALDE	Francia

Grupos Políticos de los Miembros de la Delegación

PSE -Grupo del Partido de los Socialista Europeos

ALDE -Grupo de la Alianza de los Demócratas y Liberales por Europa

Secretaría de la Delegación

Sr. Luis **MARTÍNEZ-GUILLÉN** Administrador Principal

Intérprete

Sra. Andrea **BATEMAN-SUBERCASEAUX**

PARLAMENTO EUROPEO
DELEGACIÓN PARA LA OBSERVACIÓN ELECTORAL EN BOLIVIA
16-19 de diciembre de 2005
Programa

Viernes 16 de diciembre de 2005

Europa / La Paz

23:50 Llegada de la delegación al aeropuerto El Alto de La Paz con el vuelo TA 35 proveniente de Lima y traslado al

Hotel EUROPA
Calle Tihuanacu N°64
LA PAZ, Bolivia
Tél. : (591-2) 231 56 56 // Fax : (591-2) 211 39 30

Sábado 17 de diciembre

La Paz

05:40	Salida del Hotel Europa hacia El Alto (Diputado Sr. YÁÑEZ)		
07.00	Partida a Cochabamba con el Vuelo Aerosur 300 Lugar: Aeropuerto de El Alto	10.00	Encuentro con el Presidente Sr. RODRIGUEZ VELTZE Lugar: Palacio Presidencial (Diputada Sra. GRIESBECK)
11.00	Encuentro con el candidato del MAS: Sr. Evo MORALES Lugar: Federación del Trópico-Plazuela Busch		
15.00	Llegada a La Paz con el vuelo Aerosur 116		
16:00	Visita en su residencia al Monseñor Jesús JUÁREZ Obispo de El Alto y S.G. de la Conferencia Episcopal		
18.00.	Reunión con el Jefe Nacional de PODEMOS Sr. Mario BERTERO GUTIÉRREZ Reunión con representantes del Tribunal Supremo Electoral		
19.00	Cóctel en honor de las delegaciones de MERCOSUR y europeas Lugar: Embajada de Brasil		
20:00	Cóctel en honor de los observadores internacionales ofrecido por la Embajada de España		

Domingo 18 de diciembre	La Paz
--------------------------------	---------------

- 07:30 Acto de instalación de Elecciones
Lugar: La Paz
- mañana Visita a centros de votación en La Paz, Ciudad Satélite y El Alto
- Almuerzo
 Lugar: Hotel Europa
- tarde Visita a centros de votación en La Paz, Ciudad Satélite y El Alto
- 16:30 Asistencia a cierre de centros de votación y conteos de votos
Centros de votación de El Alto y La Paz
- 18.00 Reunión de evaluación
Lugar: Hotel Europa

Lunes 19 de diciembre	La Paz / Europa
------------------------------	------------------------

- 10.30 Conferencia de Prensa
Lugar: Hotel Europa
- 16.00 Vista Protocolar al Excmo. Presidente de la República Sr. RODRÍGUEZ VELTZÉ
Lugar: Palacio Presidencial
- 17:00 Salida hacia el aeropuerto
- 19.00 Salida del vuelo LB 869 hacia Santa Cruz y conexión a Madrid