"Entre la espada y la pared" : "Up against the wall": Bolivian coca farmers and alternative development under the Estrategia Boliviana de la lucha contra el narcotráfico 1998-2002

Heather Anne Golding
Colby College

Follow this and additional works at: http://digitalcommons.colby.edu/honorstheses

Part of the Latin American Studies Commons

Colby College theses are protected by copyright. They may be viewed or downloaded from this site for the purposes of research and scholarship. Reproduction or distribution for commercial purposes is prohibited without written permission of the author.

Recommended Citation
http://digitalcommons.colby.edu/honorstheses/1

This Honors Thesis (Open Access) is brought to you for free and open access by the Student Research at Digital Commons @ Colby. It has been accepted for inclusion in Honors Theses by an authorized administrator of Digital Commons @ Colby. For more information, please contact enhodes@colby.edu.
“Entre la Espada y la Pared”
“Up Against the Wall”

Bolivian Coca Farmers and Alternative Development under the
Estrategia Boliviana de la Lucha Contra el Narcotráfico
1998-2002

Heather Anne Golding
Senior Project
Colby College
Fall 1997-Spring 1998
Advisor: Dr. Patrice Franko
# Table of Contents

**Acknowledgments**  
**Tables and Charts**  
**Acronyms**  
**Foreword**

**Chapter I: Introduction**  
P. 1

**Chapter II: Alternative Development & the "War on Drugs"**  
P. 5

- US/Latin American Relations  
P. 7
- Coca: Production and Applications  
P. 7
- US Policy and "The War on Drugs"  
P. 10
- The Certification Process  
P. 12
- Ley 1008 (Law 1008)  
P. 16
- US Strategy: Alternative Development  
P. 19
  - A. What is Alternative Development?  
P. 19
  - B. Bolivia: Alternative Development Strategy-USAID  
P. 22

**Chapter III: Effects of Alternative Development Programs**  
P. 25

- Alternative Development and The Summit of the Americas  
P. 27
- Forced Crop Eradication and Alternative Development Programs  
P. 31
- Afraid of Change: Risk-adverse Behavior  
P. 36
- Advantages of Alternative Development Programs  
P. 39
- Disadvantages of Alternative Development Programs  
P. 42

**Chapter IV: Methodology**  
P. 48

- The Plan of Action  
P. 48
- Obstacles of Fieldwork  
P. 50
- The Actual Bolivian Experience  
P. 52
- The Re-evaluation of my Research: A Change in Course  
P. 55
Chapter V: "Por la Dignidad" Bolivia's new plan for a coca-free nation in 2002

Estrategia Boliviana de la Lucha Contra el Narcotráfico 1998-2002
Finance Requirements for a Successful Strategy
Reasons for Cuts in US Drug Aid to Bolivia

Chapter VI: Anticipated Effects of the New Strategy

Effects of the New Strategy on Development Actors
Perceived Downfalls of the Strategy
   A. The Plan Discriminates Against Non-Coca Farmers
   B. The Plan Affects Community Organization Processes
To Sign or Not to Sign: The Cocaleros Dilemma

Chapter VII: The Current Situation: Crisis in the Chapare

The Crisis
Causes of the Outrage
Final Conclusions

Bibliography
Acknowledgments

I would like to take this opportunity to thank all of the people who have supported me in this year-long process. Without you, none of this would have been possible.

The Ford Foundation, for making this all possible.

Patrice Franko, for this opportunity, and for being a role model and a friend.

Jeana Flahive, Luisa Godoy, Liza Hillel, Amy Lyons, and Stephanie Small for being my "partners in crime" and for their endless support.

Scott and Betty Golding, for everything.

La Familia de la Fuente Mendoza, for their home, their food, and their love.

Alyssa Giacobbe, Karen Schlein, and Maria Thompson, for putting up with me and for being there when I needed it most.

Also.... Colby College, Tom Kruse, Claudia Vargas, and Sandy Maisel, for each of their contributions to my project and to my experiences.
Tables

Page #

11  Table #1: FY 1996-1998 International Narcotics and Law Enforcement Affairs Budget Summary by Functional Activity

12  Table #2  FY 1984-1994 US Economic, Narcotics Enforcement, and Military Aid to Bolivia

28  Table #3  Bolivian Drug Net Production: Coca Leaf 1987-1995

29  Table #4  Summit of the Americas' Plan of Action Counternarcotics Initiative: Crop Reduction & Alternative Development

32-33 Table #5  Cultivation of Coca and Other Products

35-36 Table #6  Families and Workers in Coca-Cocaine Cycle

40  Table #7  Coca Compared to Legal Crops, 1992

43-44 Table #8  INCSR Statistical Tables

71  Table #9  Finance Requirements for 1998-2002 Program

72-73 Table #10 International Narcotics and Law Enforcement Affairs FY 1998 Budget Request

81  Table #11 Profile of the Areas Consolidated as "Coca-Free" Zones
### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEDIB</td>
<td>Cochabamba Center of Documentation and Research</td>
</tr>
<tr>
<td>DAI</td>
<td>Development Alternatives Inc.*</td>
</tr>
<tr>
<td>DIRECO</td>
<td>US Embassy’s Military Counternarcotics Forces</td>
</tr>
<tr>
<td>GOB</td>
<td>Government of Bolivia</td>
</tr>
<tr>
<td>INCSR</td>
<td>International Narcotics Control Strategy Report</td>
</tr>
<tr>
<td>NAS</td>
<td>US Embassy’s Narcotics Affairs Section</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental organization</td>
</tr>
<tr>
<td>PDAR</td>
<td>Cochabamba Regional Alternative Development Project*</td>
</tr>
<tr>
<td>UMOPAR</td>
<td>Unit of Mobile Rural Patrol*</td>
</tr>
<tr>
<td>UNDCP</td>
<td>United Nations Drug Control Program</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>USG</td>
<td>United States Government</td>
</tr>
</tbody>
</table>

* Spanish acronyms have been translated into English for the reader's convenience.
Foreword

"Where?" This is the initial response that I receive from most people when I tell them that I spent a college semester in Bolivia, the Andean nation nestled in the heart of South America. I am neither offended nor surprised by the complete lack of knowledge that many people have about the nation, but I am saddened. I am saddened by the extreme poverty that plagues the nation, and I am sad that there is no easy answer to the question which usually follows the initial "where?"...the "why would you ever want to go there...isn't it dangerous?"

Bolivia's reputation as a "dangerous" nation stems from its connection with the illegal drug trade. Bolivia is currently the world's third largest cultivator of coca, the raw material used to make cocaine. The US State Department warns US citizens not to visit the Chapare because it is "politically unstable." However, the region is not unstable because its inhabitants are savage people, nor is it dangerous because drug cartel members roam the streets. Rather, it is dangerous, because of the social unrest that plagues the region because the poor coca farmers are continuously being hounded to destroy their coca crops, in the absence of an alternative means of survival.

I ask that when people read this paper they keep in mind the people whose lives are being molded by this policy change: the coca farmers. There are real people involved in this saga. I write it, you read it, but they live it.
smother the *cocaleros'* chances of formally organizing against the eradication efforts. In response to this ultimatum, many of the community leaders have fled to the surrounding mountains and dense jungle areas in an attempt to establish some sort of plan. There have already been armed confrontations and conflicts. Only time can tell how this crisis situation will play out.

The crisis situation in the Chapare is a direct response to the Bolivian government's new counternarcotics strategy. The new strategy, announced on January 1st, 1998, links more closely two pillars of the existing counternarcotics strategy: alternative development and eradication. Prior to the new strategy there was no requirement to actually eradicate any coca before, after, or during the period which a farmer received alternative development aid. That has now changed. Funds are now to be distributed to groups of farmers at the local level, after they have signed an agreement with the US Embassy to eradicate all of their coca within a two-year period. To be eligible for any alternative development assistance, including the development and maintenance of infrastructure through these programs, one must agree to phase out the production of *all* coca within two years. This is the first such program in Bolivia to mandate eradication, and the coca growers are not taking kindly to the change.

Tying eradication to alternative development makes it more difficult to choose not to eradicate one's coca crops, which it is intended to do, but it also has the unintended effect of increasing violence in the region. The adoption of a strategy that forces coca farmers to become completely
dependent upon alternative crops for their basic survival, would require that the alternative crops be viable substitutes for coca. As we will see, this is not the case. While the hectareage of licit crops in the Chapare has increased substantially, these alternative products are subject to too many variables which restrict both their marketability and profitability. As a result, the inherent structure of the Strategy leads to violent confrontations between the cocaleros and the UMOPAR because the cocaleros are compelled to accept an unsustainable way of life.

Alternative products are complements to coca, they are not viable substitutes. The Bolivian government’s new Strategy will not be successful as it takes away the peasants’ main source of income without offering a licit alternative means of survival. This will abet violence in the region as coca farmers are forced to defend their lone means of survival, their coca crops, from the forced eradication efforts of Bolivian police forces. Through the use of personal interviews, academic sources, and current events, this paper will attempt to prove this hypothesis.

Chapter II provides a historical framework of the United States “war on drugs” and the manner in which alternative development fits into the overall strategy. Chapter III illustrates the past successes and shortcomings of alternative development strategies, as they have been documented in the existing literature. Chapter V explains the “Strategia Boliviana de la Lucha Contra el Narcotráfico 1998-2002,” or the Bolivian Counternarcotics Strategy, and discusses the rationale behind its implementation. Chapter VI addresses
the anticipated effects of the Strategy at the time of its exposition to the Bolivian populous. Chapter VII describes the manner in which the Strategy has ignited recent inflamed confrontations between coca farmers and police forces in the Chapare, and draws upon the theoretical evidence presented in the paper, as well as recent events to prove how the new Strategy is driving the traditionally peaceful farmers to take up arms to protect their means of survival.
Chapter II
Alternative Development & The "War on Drugs"

Alternative development projects are essential because they provide an alternative means of livelihood for cocaleros (coca producers) forced to eradicate their coca crops by the Bolivian government. Eradication without alternative development is a dead end approach, as it drives poor campesinos to desperation, destroying their livelihood without offering any replacement. While alternative development projects are necessary, given the present structure of the "war on drugs," they have not proven a viable alternative to coca production.

Alternative development strategies will only succeed if the programs are properly funded, if the farmers have access to the necessary equipment, and if there are viable markets for the alternative products. Bolivia is a landlocked country with extremely poor infrastructure. Foreign markets are not easily accessible.

Unfortunately, the past few years have shown a drastic decline in US funding for alternative development programs. More resources are being directed towards Bolivian military and police operations against drug
trafficking (interdiction). Decreases in US funding for alternative development programs will prevent development officials from moving forward in the implementation of new projects. It will also hinder the alternative development agencies' ability to make good on past promises and contracts. This is especially dangerous in light of the fact that many US-funded agencies working in this field have just recently developed trusting relationships with many of the coca-growing peasants in the Chapare.

In a developing country, such as Bolivia, with an extremely weak and bureaucratic governmental system, peasants are not accustomed to the government delivering on its promises. As a result there is much distrust between political leaders and the populous. When the government promises the construction of roads, bridges, or schools, the rural peasants are unwilling to make substantial sacrifices for the programs, because they realize that a majority of the times the promises do not become a reality.

On the other hand, many NGOs and US-funded development agencies have worked hard to create a legitimate dialogue with the peasants. The decrease in funding for promised programs will crush any and all hopes of a successful alternative development strategy in the Chapare region of Bolivia.
US/Latin American Relations

Since the establishment of the Monroe Doctrine in 1823, the United States has played an increasingly larger role in Latin American affairs. In the last ten years or so, relations between Latin America and the United States have become even more intense. With the end of the Cold War, the axis of conflict has changed from East/West to North/South, forcing the United States to pay more attention to nations in the Western Hemisphere.

The United States national security doctrine has changed to reflect new geopolitical realities. The United State’s new security doctrine, “The Doctrine of Enlargement,” identifies three main threats to “new market democracies,” or developing nations which have recently adopted the neo-liberal economic model: drug trafficking, terrorism, and “backlash” rebellious states. This is where Bolivia fits in. As the world’s third largest producer of coca, the raw material used in cocaine production, the US has aggressively engaged Bolivia in its world-wide battle against drug production and trafficking.

Coca: Production and Applications

Coca...the four letter word that represents life to some and death to others. It is the main theme by which the United States has defined its large role in Bolivia. First off, it is imperative to define coca; the leaf, the crop, and

\[\text{[Garcia Interview. Cochabamba, Bolivia. November 20, 1996.]}\]
what it means to the Bolivian people. The coca leaf is a small green leaf that is grown on a bush, mainly in two rural areas of Bolivia: the Chapare and the Yungas regions. Coca is known to have been cultivated for at least 4,000 years in Bolivia, as well as many other countries including Colombia, Ecuador, Peru, Chile, Paraguay, Brazil, and Argentina. The crop itself is extremely advantageous. It yields four crops annually and is extremely easy to grow. It does not require constant attention or care.

Coca is not only a good agricultural crop, but it has tremendous marketability in Bolivia. A large percentage of the indigenous population buys coca leaves daily in local markets for chewing purposes. The traditional chewing process of the leaves consists of simply drying them in the sun, crumpling them up into a ball, and masticating.

The leaf has many important functions. The most important, in the eyes of many Bolivians, is its ability to suppress sensations of hunger and fatigue. This is very important to a people who have limited financial resources, and a dire need to work long hours each day. For many of the poor indigenous laborers, coca replaces the three traditional daily meals. It is estimated that between seven and eight million Andean people still chew coca daily. The majority of these people can be found in Bolivia and Peru.

In addition to the traditional mastication of the coca leaf, various other medicinal applications have been recognized over the years. The coca leaf

---

contains substances which can be used to regulate oxygen shortage, blood pressure, menstrual cramps, formation of muscular cells, as anesthesia, antidiarrhetics, and it aids in the digestion of fats and sugars, among other things.\footnote{Molina, Reynaldo. COINCOCA. Interview. Cochabamba, Bolivia. October 1996.}

Along with the discovery of the wide uses of the coca leaf has come the marketing of "coca products." Examples of coca products include coca tea, coca shampoo, coca toothpaste, coca chewing gum, and many others.

As of 1995, Bolivia was producing 48,600 hectares worth of coca plants.\footnote{"US Embassy Fact Sheet." La Paz; November 13, 1996.} While coca is not cocaine, it does contain 0.5% cocaine. Unfortunately, that is enough to render it as the necessary raw material in the production of the deadly drug. While there are proven beneficial uses of the coca leaf, its biggest claim to fame and consequent downfall is that it is associated with cocaine. That is a very negative thing to be associated with in the eyes if the United States, who is faced with large amounts of drug abuse, and a crisis which is "ripping society apart at the seams." As long as Bolivia remains the third largest producer of coca in the world, the United States is going to have something to say about it.
US Policy and "The War on Drugs"

The Cold War has ended and the US has waged a new war with just as much vigor and conviction as the last. The war of the late eighties and nineties has been "The War on Drugs." In 1968, President Nixon declared a "war on drugs", establishing among other things, the Drug Enforcement Administration (DEA) in 1973. The DEA continues to play the leading role in the drug war in Bolivia today. In the 1980s, President Reagan declared drug trafficking a threat to national security.

Along with the declaration that it was a national security issue, came the militarization of the "war." The Bush and Clinton administrations have continued to fight this war intensely, each year devoting enormous amounts of resources towards these efforts. Between 1996 and 1998 alone, the United States spent approximately US$596,155,000 on narcotics and anti-crime programs. The breakdown of such costs follows.

---

7 Garcia Interview. November 20, 1996.
### Table 1

<table>
<thead>
<tr>
<th></th>
<th>FY 1996 Enacted</th>
<th>% of Total</th>
<th>FY 1997 Plan</th>
<th>% of Total</th>
<th>FY 1998 Request</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Law Enforcement Assistance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and Institution Development</td>
<td>59,185</td>
<td>43.9</td>
<td>85,735</td>
<td>44.4</td>
<td>99,425</td>
<td>46.5</td>
</tr>
<tr>
<td><strong>Economic Incentive/Eradiation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>42,521</td>
<td>31.5</td>
<td>66,208</td>
<td>34.3</td>
<td>80,800</td>
<td>37.8</td>
</tr>
<tr>
<td><strong>International Organizations</strong></td>
<td>7,710</td>
<td>5.7</td>
<td>12,000</td>
<td>6.2</td>
<td>7,000</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>Drug Awareness/Demand</strong></td>
<td>3,610</td>
<td>2.7</td>
<td>3,550</td>
<td>1.8</td>
<td>3,095</td>
<td>1.4</td>
</tr>
<tr>
<td>Reduction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Law Enforcement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>5,300</td>
<td>3.9</td>
<td>6,700</td>
<td>3.5</td>
<td>5,200</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Program Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and Support</td>
<td>16,629</td>
<td>12.3</td>
<td>18,807</td>
<td>9.7</td>
<td>18,480</td>
<td>8.6</td>
</tr>
<tr>
<td><strong>Total Narcotics Programs</strong></td>
<td>134,955</td>
<td>100</td>
<td>193,000</td>
<td>100</td>
<td>214,000</td>
<td>100</td>
</tr>
<tr>
<td><strong>Anticrime Programs</strong></td>
<td>18,200</td>
<td></td>
<td>20,000</td>
<td></td>
<td>16,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Program Plan</strong></td>
<td><strong>153,155</strong></td>
<td></td>
<td><strong>213,000</strong></td>
<td></td>
<td><strong>230,000</strong></td>
<td></td>
</tr>
</tbody>
</table>


The “war on drugs” is fought on two fronts; supply-side and demand-side. “Demand-side” measures include addict treatment, education and prevention programs. “Supply-side” measures include the eradication of coca crops, prevention of new crop plantings, interdiction of drugs coming into
the US at the border, the attempted identification and dismantling of cocaine laboratories, as well as attempts to destroy cartels. The aim at each stage of the “war” is to make it more dangerous and costly to produce, sell, and consume drugs.

Bolivia, a nation that is extremely affected by the US’s supply-side efforts. The country is an intricate part of the US’s plans to stem coca production at the root. The rationale is that if there is no coca production, then there can be no cocaine production, nor consequent abuse of the drug. Between Fiscal Years 1984 and 1994 Bolivia received 851.214 million dollars in US Economic, Narcotics Enforcement, and Military Aid alone towards these ends. (See Table #2)

| Table #2 |
| FY 1984-1994 |
| US Economic, Narcotics Enforcement, and Military Aid to Bolivia |
| (Figures in Millions of US Dollars) |
| Economic | Police | Military | Total: |
| 580,991 | 125,822 | 144,401 | 851,214 |


The Certification Process

In the past decade the United States government has aggressively pursued its “source country” strategy, hoping to combat cocaine where it is produced. In Bolivia, the world’s third largest producer of the coca leaf as well as the second-largest producer of refined cocaine, US government policy
has pressed for the eradication of coca, following the logic of "no coca, no cocaine."

A major component of this strategy is the United States annual “certification process” of the anti-narcotics efforts of some 26 nations. The certification process was created by a 1986 amendment to the Foreign Assistance Act of 1961. Section 490(b) of the Foreign Assistance Act states: the President of the United States by law must certify to Congress whether each producing and/or drug transit country during the previous year has cooperated fully with the United States or has taken adequate steps on its own to:

- meet the goals and objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances including action on such issues as illicit cultivation, production, distribution, sale, transport and financing, and money laundering, asset seizure, extradition, mutual legal assistance, law enforcement and transit cooperation, precursor chemical control, and demand reduction;

- accomplish the goals described in an applicable bilateral narcotics agreement with the United States, or a multilateral agreement; and

- take legal and law enforcement measures to prevent and punish public corruption—especially by senior government officials—that facilitates the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or that discourages the investigation or prosecution of such acts.

- Alternatively, a country that cannot be certified under the foregoing standard may be certified on the grounds that he “vital national interests of the United States require” that assistance be provided and that the United States not vote against multilateral development bank lending to the country. FAA. Section 490(b)(1)(B) 8

---

The US Embassy emphasizes that the process is simply a means by which the President of the United States assures Congress that nations receiving US development aid and assistance are not hostile towards the US in relation to the “war on drugs.” In a conversation with a high level official, it was stressed that the process does not consist of the United States “certifying” all of these developing nations’ anti-narcotics efforts to the international community, and deeming them worthy or unworthy as a nation. It is simply a mechanism by which the President proves to Congress that the US and the recipient nation see eye to eye on the issues of drug production and trafficking, which are currently considered threats to US National Security.

However, this is clearly a US-view of the Certification Process. It is imperative to take into account the way which this law is viewed in Bolivia, especially in widely respected academic circles. Fernando Garcia is a well-respected academic in Bolivia. He was the Director of CEDIB, the Document Publishing Center in Cochabamba. He is currently the Director of the Political Science Department at the Universidad Mayor San Simon in Cochabamba. Speaking with him while in Bolivia in November 1996 shed a new light on the subject.

Garcia suggests that a major component of having successful hemispheric economic and social integration, is the adoption of common

9 Olsen Interview. La Paz, Bolivia. December 3, 1996.
economic models. In the Western hemisphere this entails the adoption of a neo-liberal economic structure in each nation. This is where the certification process comes in, according to Garcia. By conditioning "war on drug" and economic aid on the application of structural adjustment plans, the US controls Bolivia’s economic development. "War on drug" aid stretches far beyond coca crop eradication efforts, to include funding of programs which help the nation in many ways, such as police and military training, infrastructure development, alternative agricultural development programs, and the improvement of the Bolivian judicial system.

Garcia claims that the US is really using the process as another way to foster Bolivia’s dependency upon the US, and assure that the relationship remains a beneficial one for the US. The economic agreements inherently structure the Bolivian economy towards an agro-exporting economy based on the export of raw materials. Even the "alternative development programs" funded by USAID, which are offered as an alternative to coca, are defined as being used to structure the economy towards an export economy. As a result of all of these actions, Bolivia’s dependency on the United States has been further exacerbated. We further discuss the effects of the certification process on local level coca farmers in Chapter 6.

Bolivia is classified by the United States as a "Major drug producing and drug-transit country." A major drug producing country is one that cultivates 1,000 hectares or more of illicit opium poppy, 1,000 hectares or more of coca, or which cultivates 5,000 hectares of illicit cannabis, significantly
affecting the United States, according to the Certification Law. The US’ main basis for judging Bolivian anti-drug efforts each year, is by how well it upholds its own “Ley 1008,” or “Law 1008” to eradicate the illegal production of coca.

**Ley 1008 (Law 1008)**

Bolivia’s Law 1008 permits the legal cultivation of up to 12,000 hectares of coca in “traditional” zones within the Yungas and in one old settlement of the Chapare region. These are the two main areas where the production of Bolivian coca takes place. “Traditional” coca is used for tea, chewing, or for ceremonies; it is not to be processed for cocaine extraction. All other coca is either “excess and transitional” or it is illegal. Excess and transitional coca is that which was growing in the Chapare and in parts of the Yungas not deemed “traditional,” at the time of Law 1008’s passage in 1988. Transitional coca is to be eradicated over time. Law 1008 calls for 5,000-8,000 hectares to be eradicated annually, subject to the availability of funds in the Bolivian treasury and from international donors. All other coca, including newly-planted coca in transitional regions, is illegal. Illegal coca is subject to immediate eradication without economic compensation, nor alternative crop implementation.

---

The law also criminalizes, for the first time in Bolivian history, coca cultivation except in certain expressly identified areas. Law 1008 states that:

- In the Yungas (near La Paz) the coca crop is used primarily for traditional and licit purposes, and up to 12,000 hectares are permitted for legal cultivation;

- In the Chapare (in the Department of Cochabamba) in contrast, the law establishes a framework by which coca cultivation would be gradually eradicated;

- Any coca cultivation outside of the Yungas and the Chapare is illegal.

As a result of the limitations on legal coca production, a sector of society is losing out economically. This sector is the coca growers. It is estimated that over 200,000 people are directly involved in different phases of cocaine production, and some 40,000 peasant families grow coca in the Chapare region alone.13 As a result of US eradication efforts, families are being left without a means of economic survival.

Along with the more aggressive destruction of newly planted coca crops, has come the United States push for net reductions in hectares of coca grown in Bolivia each year. In 1994 and 1995, Bolivia reached the US’s eradication targets; however in both years there was a net increase in hectares of coca grown.14 A main reason that the US Embassy and the President are pushing for net decreases in coca production is that it is very hard to convince

---


14 "Embassy Sheet on Coca Cultivation and Eradication." November 11, 1996.
Congress that nations with continual increases in coca production are our alliances in the drug war. According to a high level official in the US Embassy in La Paz, Congress "doesn't want to hear the sob stories or about the intricacies involved in eradication, they only want to see the numbers, and while Bolivia is really pushing to meet US quotas, it is difficult when you have people constantly planting new crops."\(^{15}\)

As a result of the political and economic pressures felt by the Bolivian government to comply with US desires, oftentimes the well-being of the coca producers takes a back seat to international demands. The Bolivian government is dependent upon the multilateral and bilateral funds that are contingent upon compliance with US-set standards. This effort to meet the requirements of the "certification process" is directly reflected at the local level, as we will see in Chapter 5. Eradication efforts are often met by peasant resistance. However, the efforts must continue in order to continue the flow of funds to Bolivian coffers. As a result, the poor peasant coca farmer is left without a means of survival. Alternative development projects attempt to bridge this gap. They aim to provide the ex-coca farmer with a licit means of income.

\(^{15}\) Olsen Interview. December 3, 1996.
US Strategy: Alternative Development

A. What is Alternative Development?

Coca is a traditional crop grown mainly by peasant farmers. In some areas, such as the Chapare, the local economy has become almost entirely dependent upon illicit crop cultivation. Despite its illegality, growing coca provides many farmers with a basic living; for other farmers, it improves their meager standard of living and ensures economic survival. The allure of the coca crop is that it yields substantially more revenue than legal crops.16

Alternative development projects, such as those supported by the UNDCP (United Nations Drug Control Programme) and USAID (United States Agency for International Development), assist farmers in finding alternative crops and markets to eventually eliminate their dependence on drug crops. These projects often work closely with local communities in remote rural areas where the incentives to grow illegal crops are greater because social and economic conditions in these areas are alarmingly poor. The cultivation of illicit crops typically occurs in developing countries, which often lack the resources to monitor and patrol remote areas.

Farmers are given assistance to work themselves out of an economy dependent upon coca. Many peasants are willing to harvest legal crops if their basic survival is ensured, even though their earnings are unlikely to match drug crops. According to the UNDCP, some farmers want to rid

---

themselves of their dependence on a single crop that links them to violent drug trafficking intermediaries, and exposes them to law enforcement measures that often destroy their crops, not always with compensation. Furthermore, many growers are tired of living under the fear and uncertainty of growing drug crops that place their lives and their livelihood at risk.

UNDCP and US government assistance is conditional upon some type of commitment from recipient governments, communities and non-governmental organizations (NGOs) to prevent, reduce, and eventually eliminate illicit cultivation, processing, trafficking, and abuse in project areas.

According to the UNDCP, specialized crops introduced with the assistance of UNDCP projects have earned about 70-80 percent of the price a farmer could earn from a drug-crop. However, while these products are said to yield large financial returns, it is important to understand that this assumes the farmer’s ability to properly care for the products. Moreover, these returns are contingent upon the farmer’s ability to both secure markets for the products and physically deliver them to market. These are no easy tasks in the dense jungle region of the Chapare. As a result, UNDCP initiatives often offer much broader assistance than simply providing seeds for an alternative crop.

A comprehensive alternative development project is intended to offer farmers technical expertise in selecting, harvesting, processing and marketing substitute crops. In addition, UNDCP projects often complement the work of

17Ibid. p. 5.
others in the overall economic improvement of a country or a region by developing its infrastructure. For instance, it has helped communities build roads, irrigation channels, develop electrification projects, obtain clean drinking water supplies, and develop health centers and social service programs.

The UNDCP recognizes that no single approach to alternative development is suitable for all countries. Even within a country, each region needs a strategy carefully tailored to fit its legal, economic and cultural norms. Local community support and active participation in the implementation of a strategy are prerequisites for success.

The UNDCP supports alternative development projects in the Chapare region of Bolivia, where farmers live in poverty and the density of drug crops is amongst the highest in the world. Coca crops have been replaced with palm oil, palm hearts, essential oils, rubber and fruit trees. In some areas, industrial processing plants were established to process food. The project also developed complementary services such as health care, clean water supply systems, basic sanitation, and informal basic education.

These projects are designed and implemented by experienced and knowledgeable development officials, who supposedly understand that community participation is a “prerequisite for success.” However, one of the greatest downfalls of alternative development is that the projects are not

---

demand-driven. The community does not determine the types of projects
carried out, what crops are introduced, nor the technological processes
employed in the production process.

The projects are almost entirely implemented from above. Instead of
attempting to employ traditional cultivation processes or engaging the
community in a dialogue about the types of crops that they feel would be
successful, it has been a history of UNDP officials introducing carefully
detailed plans to the recipient communities. As long as communities are not
involved at each step of the project's development and implementation,
there can be no hope for a successful or sustainable development strategy.
Now that we have established a basic framework of alternative development,
let us explore the Bolivian case.

B. Bolivia: Alternative Development Strategy-USAID

At the core of the Alternative Development strategy in Bolivia is the
promotion of sustainable, broad-based, free-market economic growth with a
special emphasis on providing viable alternatives to the illegal coca
 economy.\textsuperscript{19} This strategy intends to expedite the transition from a coca-based
economy to one which relies on legal non-coca sources for income and
growth. The evolution of this strategy is closely linked with the structural
changes in the Bolivian economy since 1985. Prior to 1985, the Bolivian

\textsuperscript{19}Markey, John. US Dept of State. \textit{Alternative Development in the Chapare: Getting Results..} 1997
economy was plagued by a hyper inflationary spiral that culminated in the world’s seventh worst case of inflation in history. Since 1985, Bolivia has stabilized and liberalized its economy as dramatically as any country in Latin America. Economic growth reemerged in the late 1980s and has accelerated in the early 1990s.\textsuperscript{20}

Given the mobile nature of labor in Bolivia, the strategy has placed the highest importance on nationwide macroeconomic growth, so that a growing economic pie can attract not only former coca farmers and laborers, but those who would otherwise be potential entrants into the coca labor force. USAID’s own worldwide experience in crop substitution and area development also supports this nationwide approach because illicit crop production is mobile, thereby requiring a national strategy, not merely a regional or crop strategy.

Policy dialogue and the promotion of new economic opportunities nationwide are the core of the Alternative Development strategy at the macro level. To accelerate macroeconomic growth, the strategy particularly stresses trade and investment. Increased stability, improved economic policies, better market opportunities, and economic growth provide the foundation for increased investment and trade.

Increasing economic growth, however, is not enough for coca farmers and others to choose alternative economic opportunities. Therefore, AID is presently executing and designing projects at the micro level to facilitate the transition for workers from the coca industry. The cornerstone of these

\textsuperscript{20}\textit{Ibid.}
projects are the Chapare and Cochabamba Regional Development Projects (CORDEP), which consists of two main branches: the PDAR (Cochabamba Regional Development Project) and DAI (Development Alternatives, Inc.).

These projects provide farmers with the agricultural technology, equipment, credit, and the rural infrastructure to make alternative economic opportunities attractive. Since Alternative Development is predicated on successful counter-narcotics activities, the approach is to work before, during, and after eradication takes place, with an emphasis on the latter.

Again, with these USAID projects we see a lack of community involvement, as was evident with the UNDCP project. While USAID has partnered with NGOs, which usually leads to increased community involvement at all stages of the process, the communities in the Chapare are still very much recipients of USAID alternative development packages, as opposed to active participants in the development and implementation process.
Chapter III

Effects of Alternative Development Programs

Have alternative development projects succeeded in meeting their desired objectives? Depending upon with whom one speaks, the responses to this question may vary greatly. There are some who would choose to illustrate the successes of these programs, and concentrate on the positive effects that they have had on the communities involved. At the same time, there are those who would contend that the programs have been failures for a variety of reasons. It is imperative to explore both sides of the argument to better understand the types of successes and failures that these programs have registered in the past.

One starting point is the official stance of the US State Department’s Agency for International Development. According to the latest progress report by the Bolivian Desk Officer in the State Department, the programs in
the Chapare region have registered great success.\textsuperscript{21} The report states that the joint USAID-Government of Bolivia Alternative Development Program has emerged as "a uniquely successful model for creating sustainable alternative incomes for farmers in coca growing communities."\textsuperscript{22} Following years of investment, research and steady progress, the program is now yielding results far beyond what had originally been expected, according to USAID.

This joint program has received $111 million in USAID funds and $70 million in Government of Bolivia funding since 1983.\textsuperscript{23} The report holds that the efforts of the past few years have resulted in progress in diversifying crops, improving product quality, and expanding national and foreign markets. The report also holds that the hectareage of licit crops in the Chapare is now three times greater than coca cultivation, and 127\% greater than in 1986. The strong demand for planting materials is said to reflect farmers' growing confidence in their ability to profitably produce and market these crops.

Furthermore, the report emphasizes that access to markets for the goods is no longer an obstacle for the alternative products thanks to the infrastructure and market development assistance provided by USAID. To date, 2,974 kilometers of roads have been improved or maintained, and 83 bridges have been built. Another very important aspect of USAID's argument is that even with the increased amount of licit crops, farm-gate prices have remained high because of the improved roads, opening of new domestic and foreign markets, and improved product quality. USAID also claims that even though coca prices have remained high, along with the increased seriousness

\textsuperscript{21}Ibid.
\textsuperscript{22}Markey, John. US Dept of State. \textit{Alternative Development in the Chapare: Getting Results}. 1997
\textsuperscript{23}Ibid.
of the Government of Bolivia's eradication programs and the success of alternative development initiatives, farmers are actively participating in these programs.

The main products developed under the USAID program are bananas, pineapples, palm hearts, and black pepper. Thanks to this program, licit agricultural production in the Chapare now represents 1.5% of Bolivia's gross domestic product. USAID claims that the successes documented in such reports have enabled the GOB(Government of Bolivia) to effectively counter arguments that coca eradication impoverishes poor farmers, leading them to believe that the resulting swing in public opinion has finally made the goal of total coca eradication politically feasible. As a result, the Bolivian government has become increasingly more aggressive in its proposed plans of action. With this supposed newly-found support of the populous, the enactment of forced eradication programs has become both a possibility and a probability.

**Alternative Development and The Summit of the Americas**

There are also those who are not so quick to flatter the results of alternative development strategies, especially of programs in the Chapare. In 1996, 34 American heads of state and government met in Miami to discuss issues of importance in the region. The meeting was called The Summit of the Americas. The issue of drug trafficking was among the top issues discussed at the conference. The goal was to ratify the basic elements of bilateral and multilateral counternarcotics agreements signed by the nations over the course of the past decade.

24 Ibid.
The leaders decided that the main point of contention was to determine whether crop producing nations could implement those programs already on the books, because their conclusion was that the record on established crop reduction programs has not been good. In contrast to the assessments of the US State Department, the Summit of leaders determined that the crop reduction programs have not made substantial progress over the past years. This was determined by examining data from the past few years, which shows that overall cultivation and production of illicit drugs has increased in the Chapare.

Table #3

**Bolivian Drug Net Production: Coca Leaf 1987-1995**

(in thousands of metric tons)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>78</td>
<td>78.4</td>
<td>76.6</td>
<td>77</td>
<td>78</td>
<td>80.3</td>
<td>84.4</td>
<td>89.8</td>
<td>85</td>
</tr>
</tbody>
</table>


When these figures are considered in relation to the amount of funds invested in counternarcotics efforts (See Table #2) by the United States alone, it appears to have been an abysmal failure. Between FY 1984 and FY1994 alone the United States spent over $851,214 million dollars on its counternarcotics efforts. As a result of the recognition that the existing strategy has not solved matters, the region’s presidents at the *Summit of the Americas* decided that something had to change. However, they realized that simply enforcing eradication would not be effective, because this would simply lead to the creation of another problem—a huge percentage of the population without a means of income.

As a result, their Plan of Action called on leaders to seek “national and international support for development programs that create viable economic alternatives to drug production.” Essentially, this statement recognizes that past programs have failed to provide successful alternatives to drug crops, and that only through increased international cooperation in the administration of such programs can progress be made towards these ends. The following is a summary of the main failures of alternative development programs addressed at the conference:

Table #4

**Summit of the Americas’ Plan of Action Counternarcotics Initiative: Crop Reduction & Alternative Development**

- Not much progress has been attained. Coca crops have expanded, and alternative development programs remain largely underfunded.
- Few markets are available for the alternative products.
- Desperate need of new markets for the alternative products.
- Unwillingness to use aerial chemical sprays.
- Funding for alternative development is scarce.
- UN funding is best bet, but is still minimal.
- USAID funds have been cut and are unlikely to increase in the future.

It appears that the main obstacles to the success of these programs is the absence of markets and the underfunding of such programs. However, there is another dimension of the programs which has created obstacles to their implementation and success. The problem lies in the lack of availability of necessary technical support. Once the difficult task of persuading the farmers to switch to the cultivation of these licit products has taken place, the lack of technical support to facilitate this transition causes irreversible problems.

---

26Ibid. p. 10.
27Ibid. p. 12.
While USAID claims that they provide farmers with “agricultural technology, equipment, and rural infrastructure to make alternative economic opportunities attractive” as this is clearly not the case. Again, we can cite the lack of community involvement in devising such strategies as an obstacle to its success. If USAID attempted to employ production processes with which the local communities were familiar, then there would be no absence of advanced agricultural machinery and technologies.

Furthermore, the fact still remains that no other crop has been identified that can provide the income derived from coca. As a result, if the transition to the production of these alternative crops is further complicated by a lack of assistance (both economic and technical), then the farmer will slip back into his traditional means of production. While alternative development programs have not had overnight success, they are still the only scheme around to deal with the hundreds of thousands of Andean coca growers.

Defending alternative development does not mean that enforcement efforts should be forgotten. This is not a black and white issue. The US government’s position is that the Plan of Action initiative in combating illegal drugs provides a way to integrate alternative development programs with law enforcement strategies. The Clinton administration has made efforts to link alternative development with crop eradication programs and to recognize its importance to the overall US counternarcotics strategy.

Since the goal of alternative development, as a component of the counternarcotics strategy, is not to increase the production of alternative products, but to decrease coca production, eradication is the next supply-side step. Straight out military action is not the humanitarian answer in a

---


30
democracy. As a result, by linking forced eradication to economic aid, the Bolivian and United States governments are avoiding much backlash from humanitarian groups and the international community.

Forced Crop Eradication and Alternative Development Programs

Over the past few years the funding for alternative development projects has decreased. Along with this move away from alternative development initiatives has come an increase in the funds allocated to another pillar of the US counternarcotics strategy: the military side. According to an article in Latin American Weekly Report, both the Clinton administration and the new government of Hugo Banzer appear to agree that the policy of compensated eradication of coca, under which farmers have been paid US $2,500 for every hectare of coca replaced by other crops, has been to blame for this state of affairs.

Consequently, the amount of US aid allocated to Bolivia to finance the compensation program has been cut in half, to only US $7.5m for the remainder of this year. More resources are to be devoted instead to police and military operations against drug-trafficking (interdiction), while direct military aid to Bolivia is to be cut. This change in the allocation of resources is especially interesting, as it is not a direct result of an increase in total military aid to the nation. There is a clear reason why the administration has decided that funds would be better spent on military efforts at the local level.

The change in policy will not be welcomed by the residents of the Bolivian Chapare. The virtual elimination of US alternative development

30 Ibid.
aid is being regarded by the Chapare growers as tantamount to a declaration of war. Advisor Filemon Escobar, a veteran trade union leader, says the inevitable consequence of the reduction in compensation payments will be forced eradication, which growers will resist to the death, as they will have no alternative.

Alternative development is a valuable pillar of the supply-side efforts of counternarcotics initiatives. There is very little argument about the need for crop-substitution programs within the present structure of the war on drugs. There is, however, debate about the successes that these programs have registered. Not only is there debate about the past success of such programs, but there is serious question as to whether or not such programs even have the potential for success in the Chapare region of Bolivia.

A key argument that many critics point to in their arguments about the failures of alternative development is the compelling economic rationale behind coca production. The fact remains that, to date, there is no crop that yields higher returns than coca in the Chapare. Coca is grown in larger quantities than all other alternative products combined.32

<table>
<thead>
<tr>
<th>Table#5</th>
<th>Cultivation of Coca and Other Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>La Paz</td>
</tr>
<tr>
<td>Cereals</td>
<td>5.6</td>
</tr>
<tr>
<td>Vegetables</td>
<td>4.6</td>
</tr>
<tr>
<td>Potatoes</td>
<td>22.5</td>
</tr>
<tr>
<td>Other</td>
<td>34.1</td>
</tr>
</tbody>
</table>

31 Ibid.
32 Table 6-3, Smith, Peter H. Drug Policy in the Americas. p. 90.
There is a basic economic rationale behind the Bolivian peasants' decision to produce coca versus other crops. There is a strong world demand, driven by cocaine consumption, which in turn, makes coca production a profitable enterprise for the campesino. Like any other *homo economicus*, the coca producer is making a rational decision in response to signals from the market.  

Accustomed to chewing coca, campesinos tend to be unaware of and unconcerned about the hazards to the health of far-distant consumers. Andean peasants therefore make decisions about the use of land and labor. There is a need for a cash crop to complement foodstuffs, and coca meets that need.

Furthermore, the price elasticity of supply is very high because the availability of land, labor, and technology enables the campesinos to react to market prices. Despite short-term oscillations in prices for coca leaves, profits from coca remain far superior to those from any alternative crop. Coca can also be grown on land on which other crops might not be successful; at the same time coca shrubs develop and grow quickly so that, in the short term, production can be increased to meet market demand. Also, the requisite technology for production is well-known by campesinos, as opposed to the

---


34 Ibid. p. 99.
sometimes confusing processes involved in the production of the alternative crops.

Finally, and very importantly, coca-producing areas are generally located in tropical or subtropical zones, which have very difficult access, resulting in high transportation costs. These areas are consequently inadequate for perishable crops with low bulk sale value. Further, the internal market for foodstuffs is small, because campesinos tend to grow their own food and urban workers have very low purchasing power. Coca, by contrast, is easy to transport; it does not deteriorate easily due to climatic conditions; and it has a wide demand in foreign markets. It is therefore difficult for other crops to be competitive.

When these factors are taken into account, in conjunction with the living conditions and social position of cocaleros within Bolivia, it becomes extremely apparent why coca is the crop of choice, and alternative development can be problematic. The standard of living for many Andean campesinos is comparable to the lowest levels in Africa. When a human being is living under some of the harshest conditions known to man, he is existing to survive. Rationally, he will do all necessary to put food on the table and to keep a roof over his head. Coca is a crop that is easy to produce, has a high demand, and yields immediate returns. The rational campesino will, as a result, produce coca.

In addition, the campesinos, for the most part, are in a sense separated from mainstream Bolivian society. As José Guillermo Justiniano, a Bolivian economist argues "In general, the vast majority of the campesino population has not been integrated into national society. The permanent weakness of the states plus the lack of vision on the part of the long time ruling classes have

---

35 Ibid. p 100.
failed to provide adequate solutions to the historic problem of rural poverty.\textsuperscript{36} Within this context of almost total isolation from the rest of Bolivian society, and subsequently the international community, rural farmers are pushed into coca production.\textsuperscript{(See Table #6)}

Moving peasants out of coca production will clearly introduce significant socio-economic and political changes in the region. Table 6 gives us a more profound understanding of the extent to which coca production is ingrained in the Chapare region. Alternative development programs are not only geared towards changing the economic processes of the region, but they are faced with the obstacle of dismantling an economic process that dictates many other aspects of the coca farmers' lives such as political organization and kinship relations. When we begin to understand the extent to which coca production is ingrained in the region, it becomes evident why the programs have not registered overwhelming successes.

\begin{center}
\begin{tabular}{lcccc}
\hline
\textbf{Employment} & \textbf{Chapare} & \textbf{Yungas} & \textbf{Yapacani} & \textbf{Bolivia} \\
\hline
\textbf{Families} & 35,492 & 23,299 & 2,400 & 61,641 \\
\textbf{Producing Coca} & & & & \\
\textbf{People Employed in Coca Production} & 105,003 & 14,091 & 1,733 & 120,827 \\
\textbf{People Employed in Sulfate Production} & 9,780 & 410 & 110 & 10,300 \\
\hline
\end{tabular}
\end{center}

\textsuperscript{36} Ibid. p 100.
Afraid of Change: Risk-adverse Behavior

As a result of the aforementioned factors, it is difficult to imagine that coercive measures against campesinos could ever register positive results. Peasants producing coca have absolutely nothing to lose. As long as coca provides a family livelihood, that other products cannot, coca growers will protect their coca crops at all costs.

But, one may ask...even though campesinos have maintained a certain quality of life through the production of coca, why would they not be willing to risk the little that they have in hopes of experiencing greater gains through the production of alternative crops? The answer is that the coca farmers are willing to take a chance and invest in the production of alternative crops. They are not, however, willing to do this at the expense of eradicating all of their coca fields. It appears that the coca farmers consider the alternative products to be complements to coca crops, not substitutes. They are not confident that the production of alternative products can financially support them, thus they are unwilling to forsake the production of coca, as they are afraid that without their economic "safety net" they will be unable to survive.
In his textbook, *Economic Development in the Third World*, Michael P. Todaro explains the rationale behind risk, uncertainty, and survival in areas of subsistence farming. Todaro explains that throughout the Third World, agriculture is still in this subsistence stage. But in spite of the relative backwardness of production technologies and the misguided convictions of some foreigners who attribute the peasants' resistance to change as a sign of incompetence or irrationality, the fact remains that given the static nature of the peasant's environment, the uncertainties that surround him, the need to meet minimum survival levels of output, and the rigid social institutions into which he is locked, most peasants behave in an economically rational manner when confronted with alternative opportunities.37

According to the standard theory a rational income or profit-maximizing farm or firm will always choose a method of production that will increase output for a given cost or lower costs for a given output level.38 But the theory is based on the crucial assumption that farmers possess "perfect knowledge" of all input-output relationships in the form of a stable production function for their crop. This is the point at which the theory loses a good deal of its validity when applied to the environment of subsistence agriculture in Latin America.

Subsistence agriculture is a highly risky and uncertain venture. It is made even more so by the fact that human lives are at stake. In regions where farms are extremely small and cultivation is dependent upon uncertainties, such as a high variability of rainfall, average output will be low. In poor years the peasant and his family will be exposed to the very real danger of starvation. In such circumstances, the main motivating force in the

38 Ibid.
peasant's life may be the maximization, not of income, but rather of his family's chances of survival. 39

Accordingly, when risk and uncertainty are high, a small farmer may be very reluctant to shift from a traditional technology and crop pattern that over the years he has come to know and understand, to a new one that promises higher yields (or in our case a more secure lifestyle) but may entail greater risks of crop failure. When sheer survival is at stake, it is more important to avoid a "bad" year (i.e., total crop failure) than to maximize the output in better years. 40

We may conclude that peasant farmers do act rationally and are responsible to economic incentives and opportunities. Where innovation and change fail to occur, we should not assume that peasants are stupid, irrational, or conservative; instead, we should examine carefully the environment in which the small farmer operates to search for the particular institutional or commercial obstacles that may be blocking or frustrating "constructive" change. Efforts to minimize risk and remove commercial and institutional obstacles to small farmer innovation are, therefore, essential requirements of agricultural and rural development.

In the Chapare, efforts to minimize risk and remove commercial and institutional obstacles to small farmer innovation would include the following: the development of legitimate markets for the alternative goods, the establishment of more production and packing facilities in the region, the existence of reliable infrastructure that would ensure the punctual transport of goods to market, and increased technical assistance at each step of the cultivation process. While these are relatively long term goals, there are

39 Ibid.
40 Ibid.
short-term economic incentives that the GOB and USAID could use in the short run to encourage the transition to alternative crop production. The GOB and USAID could subsidize the alternative products until the time that the aforementioned criteria are met. As long as US funds were promised to aid in the subsidization, this would take the risk factor out of the transition process by ensuring financial returns on the risky venture.

This leads us into an analysis of alternative development/crop substitution programs. First we consider the pros and cons of such programs. Then we will explore the specific experiences of such programs in the Chapare region of Bolivia.

Advantages of Alternative Development Programs

There are those critics who hold that alternative crops are, in fact, more profitable and advantageous than the traditional coca crop. As Patrick Clawson and Rensselaer W. Lee III suggest, contrary to a widely held belief, net income from coca is not always higher than that from legal crops.41 For example, in the Upper Huallaga Valley, returns from local citrus, bananas, and agriculture have compared favorably with those from coca, according to data from the Special Upper Huallaga Valley Project (PEAH), which was set up by USAID.42 In Bolivia, a 1992 USAID study found that a variety of nontraditional crops could compete successfully with coca at prevailing leaf prices, as seen in Table #7.

However, this data does not take into account the farmers' unfamiliarity with the alternative products, his lack of access to proper

42 Ibid.
technology, nor the lack of infrastructure to facilitate the fluid movement of goods. Simply referring to the theoretical advantages of producing the alternative crops, does not prove that farmers would benefit from the cultivation of these products. There are many other factors to be considered.

Table #7

**Bolivia: Coca Compared to Legal Crops, 1992**

(Dollars per Hectare, except where noted)

<table>
<thead>
<tr>
<th></th>
<th>Coca</th>
<th>Bananas</th>
<th>Pineapple</th>
<th>Citrus</th>
<th>Black Pepper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Cost</td>
<td>1,120</td>
<td>887</td>
<td>5,068</td>
<td>908</td>
<td>4,575</td>
</tr>
<tr>
<td>Net Income</td>
<td>1,480</td>
<td>1,023</td>
<td>3,764</td>
<td>1,731</td>
<td>1,647</td>
</tr>
<tr>
<td>Days of Farmer Labor</td>
<td>277</td>
<td>155</td>
<td>224</td>
<td>261</td>
<td>182</td>
</tr>
<tr>
<td>Net Income per day</td>
<td>5.34</td>
<td>6.60</td>
<td>16.80</td>
<td>6.63</td>
<td>9.05</td>
</tr>
</tbody>
</table>

Note: Net Income 1,772 without capital cost

Source: Clark, Joel. *Alternative Development of the Chapare*, June 1992, Tables 1 and 26 and authors' assumption of a 20 percent interest rate. Net income is before labor costs.

Calculations of costs and income are always approximate, so too much importance should not be attributed to small differences in the estimated net income per hectare of per day labor. Coca, bananas, and citrus are all in the same rough range, while pineapples earn more for those who can afford the higher investment they require and the longer wait until the investment pays off. The accuracy of these calculations seems to be borne out by the
behavior of farmers, who recently have been producing more pineapples and bananas rather than more coca.  

A much better indication of the profitability of coca farming relative to other crops is to look at what farmers are actually doing. Here there is a puzzle for those who would claim that coca is several times more profitable than other crops. If coca is so much more profitable, then we would expect the area planted with coca to expand rapidly. After all, there is a lot of land available and a lot of underemployed labor looking for better work. Indeed, the area planted with coca rose rapidly when coca prices were booming in the decade from the late 1970s through the late 1980s. Since 1989, this area has continued to increase, but at much a much slower pace. (See Table #8)

The facts that less land is planted with coca and there are fewer workers in the Chapare has not translated into lower coca output, partly because bushes planted earlier have now reached their most productive phase. Also, a shift toward more advanced production techniques, using more chemical inputs and less labor, has increased yields. In short, coca production is no longer on the steep upward track of the 1980s. In Bolivia, production is stagnant as farmers concentrate on other crops.

This suggests that the goals of alternative development strategies have been met, as they have been successful in providing farmers with alternative crops. If the success of alternative development projects is to be judged by an

43 Ibid.
44 Ibid.
45 Ibid.
46 Ibid.
increase in the cultivation of the encouraged products, then the projects have met their goals. However, if one considers a decreased dependency on coca production to be a criteria for success, the projects have been relatively unsuccessful. Clawson and Rensselaer suggest that “coca production is no longer on a steep upward track...”, however there is no evidence to suggest that it is on a sharp downward track, suggesting that the alternative products are indeed complements to, not substitutes for, coca cultivation.

**Disadvantages of Alternative Development Programs**

Until now, bilateral and multilateral aid for rural development programs geared towards changing coca crops for legitimate production has not been very successful, for various reasons. First, it is difficult to persuade campesinos to reduce or destroy coca crops when profits are high. For the most part coca prices have remained very stable over the years, discouraging farmers from changing crops.

Second, most development projects have been pilot programs on a reduced scale due to scarce resources. For that reason it has not been possible to distribute resources to all of the relevant producers. In some cases, friction has arisen because of the perceived discrimination in favor of coca producers who participate in the reduction programs.

Third, technical and economic solutions in coca-production areas take a relatively long time—five to ten years—to achieve concrete and positive results. In subtropical areas, due to the quality of the soil and climatic conditions, the majority of the programs—if they are feasible—must be based
on long-cycle perennial crops and on commercialization processes that require a slow maturation process. This time frame is too remote, and it creates uncertainty on the part of the campesinos. The alternative crops fail to provide a means of daily survival. The poor peasant cannot think in terms of the benefits that will be derived in the long run, when his family does not have food today.

The INCSR (International Narcotics Control Strategy Report) published annually by the US Department of State seems to suggest that this is so. According to Table #8, net coca cultivation has actually increased over the past few years, and in 1996 overall cultivation had increased by 200 hectares over the 1991 level.

### Table 8: INCSR Statistical Tables

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coca</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cultivation*</td>
<td>48,100</td>
<td>48,600</td>
<td>48,100</td>
<td>47,200</td>
<td>45,500</td>
<td>47,900</td>
</tr>
<tr>
<td>Eradication</td>
<td>7,512</td>
<td>5,493</td>
<td>1,100</td>
<td>2,400</td>
<td>5,149</td>
<td>5,486</td>
</tr>
<tr>
<td>Cultivation</td>
<td>55,612</td>
<td>54,093</td>
<td>49,200</td>
<td>49,600</td>
<td>50,649</td>
<td>53,386</td>
</tr>
<tr>
<td>Leaf Potentially</td>
<td>75,100</td>
<td>85,000</td>
<td>89,800</td>
<td>84,400</td>
<td>80,300</td>
<td>78,000</td>
</tr>
<tr>
<td>Harvestable**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Seizures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coca leaf</td>
<td>76.40</td>
<td>110.09</td>
<td>202.13</td>
<td>201.25</td>
<td>188.90</td>
<td>5.45</td>
</tr>
<tr>
<td>Coca Paste***</td>
<td>0.05</td>
<td>0.02</td>
<td>0.01</td>
<td>0.33</td>
<td>0.94</td>
<td></td>
</tr>
<tr>
<td>Cocaine Base****</td>
<td>6.78</td>
<td>4.60</td>
<td>6.44</td>
<td>5.30</td>
<td>7.70</td>
<td>3.12</td>
</tr>
</tbody>
</table>

---

47 Ibid.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cocaine HCL (mt)</td>
<td>3.17</td>
<td>3.59</td>
<td>1.02</td>
<td>0.31</td>
<td>0.70</td>
<td>0.32</td>
</tr>
<tr>
<td>Agua Rica # (ltrs)</td>
<td></td>
<td></td>
<td>16,874</td>
<td>14,255</td>
<td>50,820</td>
<td>23,230</td>
</tr>
<tr>
<td>Arrests/</td>
<td></td>
<td>600</td>
<td>1,469</td>
<td>1,045</td>
<td>1,226</td>
<td>1,003</td>
</tr>
<tr>
<td>Detentions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labs Destroyed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cocaine HCl na</td>
<td>na</td>
<td>18</td>
<td>32</td>
<td>10</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td>Base</td>
<td>na</td>
<td>2,226</td>
<td>1,891</td>
<td>1,300</td>
<td>1,393</td>
<td>1,461</td>
</tr>
</tbody>
</table>

**Domestic Consumption**

| Coca Leaf (licit) (mt) | 13,300 | 13,300 | 13,300 | 13,300 | 10,000 | 10,000 |


There are various explanations that can be employed to explain the recent increase in coca cultivation. Three of the most important are soil problems, the high transportation costs of alternative products, and a lack of accessible markets for the alternative products. Kenneth Eubanks, a contractor for USAID, noted in 1991 that the Chapare’s prospects seem especially problematic because “suitable alternative crops with acceptable marketing margins will be difficult if not impossible to identify.”

James Jones, an anthropologist specializing in the Chapare, came to a similar conclusion: “Some areas of the Chapare, because of their ecological fragility, should have neither roads nor agriculture. So why build roads

---

there? Why try to develop these areas?" This leads us into the second critique—geographical remoteness. The Chapare region is removed from the markets of Cochabamba and Santa Cruz. While the two hour ride to Cochabamba and the four hour ride to Santa Cruz may not appear distant on a map, the main problem lies in the constant impassability of the respective roads.

In the rainy season, poor weather conditions and landslides frequently obstruct travel. In addition, the trip to the large Buenos Aires market takes two days from the Chapare. The principal consequence of remoteness is high transportation costs, averaging 60 percent of the value of products from the Upper Huallaga Valley and 80 to 85 percent of the value of Chapare products. Because of these high transport costs, certain crops can be sold only in the local markets; a larger harvest would require shipment to markets far enough away as to make the transport uneconomical.

A third factor contributing to the lack of success of such programs lies in the lack of confidence on the part of farmers that there truly are markets for the alternative products. Certain particularly promising crops, such as passion fruit and papaya in the Chapare cannot be exported in the fresh form. As a result many of the farmers are not even willing to grow the crops unless processing facilities are introduced in the region. This is a development that would take years.

50Ibid.
When farmers develop confidence that the markets exist, they can shift quickly. In the Chapare, farmers were skeptical in the early 1990s that they would be able to sell the bananas and pineapples that USAID was encouraging them to grow. Markets in Lima, Peru, and Buenos Aires, Argentina have in fact emerged as a result of USAID projects. These projects range from the construction of roads to the search for wholesalers in destination markets. As farmers saw how much pineapples could earn, they became so eager to plant the crop that, in 1993-1994, the price of starter plants rose so high that pineapple farmers could make as much from the starter plants as from the fruit. Unfortunately, nothing of the sort has happened since the pineapple boom.

As we have seen, while alternative development projects have allowed some farmers to cultivate crops other than coca, they have failed to truly provide a viable, dependable alternative to coca production. This is made even more evident by the failure of the Chapare region to register net decreases in coca production in the region. The increase in the area of alternative crops grown in the Chapare clearly suggests that the products have been accepted to a certain extent. However, the absence of a corresponding decrease in coca production implies that the alternative products are simply complements to coca production. They are not viable substitutes.

As a result of the failure of alternative development strategies to provide farmers with a licit alternative to coca cultivation, the farmers

---

51 Ibid.
remain economically dependent upon coca. However, while alternative
development may not have succeeded in providing coca farmers with a
viable alternative to coca production, these programs appear incontestable on
paper.

It appears as if the GOB and US governments are offering an
alternative means of survival to the coca farmers forced to eradicate their
illegal coca crops. In theory it is rational, but in practice it has not worked. As
a result, the GOB's new Strategy will abet violence in the region as the coca
farmers will be forced to defend their primary means of survival from the
forced eradication efforts of the Bolivian government.

52 Ibid.
Recently, the United States government revamped its “war on drugs” strategy, earmarking more funds for interdiction efforts (i.e. military and police activities) than compensation programs, such as alternative development. This initially caused many people to question how the decrease in funds for alternative development programs would affect the development workers’ ability to implement and execute effective programs. My initial thesis was that the decrease in funds would compromise the success of such programs at the local level.

The opportunity to undertake fieldwork in Bolivia added a new dimension to the investigative process. The purpose of the trip to Bolivia was to speak with as many people as possible about the decrease in alternative development aid. The local level coca farmers were the sector of society upon which most of the research was centered, and as a result they were the main group of people targeted in the interview process.

A list of questions to be asked at each meeting was devised. There was one set of questions for government officials, USAID development workers, academics, and NGO workers. (See Chapter IV, Appendix II) There was a second list of questions for use in the field with the coca farmers. (See Chapter 4, Appendix I) While a majority of the cocaleros (coca farmers) speak Quechuan, an indigenous Andean language, the questions were prepared in Spanish. It was determined that a child or another willing member of the community could be paid to assist with translations when and if it was necessary.

While it was necessary to speak with government officials and development workers, the main focus of all research activities was to determine the effects that the decrease in funds would have at the local level. Consequently, as much time as possible was to be spent in the Chapare region.
of Bolivia, where a majority of the coca is produced, and where the large majority of alternative development funds are invested.

**Obstacles of Fieldwork**

There were two main anticipated obstacles to the research process; the limited period of time, and being an American woman. Let us first address the obstacles of the time constraint. A main concern of academic researchers doing fieldwork is the ability to develop a level of trust in the community which one is working. As a result of the limited time frame of a one month-long research period, gaining long term trust would prove virtually impossible. Consequently, the first few days in Bolivia were to be spent attempting to contact USAID, NGOs, or non-governmental organizations, and human rights groups about potentially accompanying them to the Chapare, to attempt to piggy back on established relationships with peasants.

In Bolivia it would be both dangerous and impractical to attempt to travel to the Chapare alone, in hopes of speaking with the local people. The region is neither politically nor geologically stable, and is consequently no place for a 21 year old woman to be traveling alone. As a result, the aforementioned agencies were contacted in hopes that they would soon be traveling to the region, and would not mind the company of a curious researcher. Clearly it would be more desirable to accompany an academic researcher or someone without any US or GOB affiliations, so that coca farmers would not draw any connections between the research being conducted and US or Bolivian government agencies. However, in the face of such a restricted time period, it would be necessary to weigh the options presented, and take advantage of the best possible scenario if it would provide
the opportunity to visit alternative development projects and speak with the growers.

The second anticipated obstacle to doing fieldwork in Bolivia is being an American woman. These two components present separate issues in themselves. Traveling alone, as a young woman in a Latin American country presents some serious safety concerns. As a result, certain proposals for trips or arranged meetings with men, that stretched beyond the usual business setting, would have to be carefully considered and planned before agreeing to the terms of such arrangements.

Being an American would actually prove advantageous in arranging meetings at USAID and USAID-sponsored agencies. However, for many of the same reasons that it would be an advantage at these agencies, it would be a disadvantage in the rural areas; the precise areas being targeted. As a result of the US's role in counternarcotics affairs in the region, DEA agents are the only Americans with which many of the local peasants have ever had contact. These agents are the same Americans that accompany Bolivian police forces in their routine eradication efforts. As one can imagine, the DEA agents are extremely unpopular with the cocaleros, or coca farmers.

The anticipated obstacles did in fact present some problems, but were not detrimental to the research efforts conducted in Bolivia. In fact, the geological instability of the Chapare region proved to be the largest obstacle to the month-long fieldwork, and this setback actually proved advantageous in the long run, as it allowed for a more intense investigation of the issue in the urban area.
The Actual Bolivian Experience

Arriving in La Paz on December 30, 1997, two days before the Bolivian government announced its new “Bolivian Strategy for the Fight Against Narcotrafficking 1998-2002” had a profound effect on the ultimate focus and direction of the research process. The GOB's (Government of Bolivia) new strategy aimed to link more closely alternative development efforts with the eradication of coca. In order to receive any alternative development assistance, including the development of infrastructure through these programs, one must agree to phase out the production of all coca within two years. This is the first such program in Bolivia to mandate eradication, and the peasants are not taking kindly to the change.

It was an amazing time to be in Bolivia studying counternarcotics initiatives. The new program was making headlines for weeks and the issue was an extremely controversial one. The program was announced on January 1st, and on January 27th, coca producers from all over Bolivia were demonstrating in the streets of Cochabamba, opposing the new strategy. The controversy had yet to die down. This still, quite obviously, is the case.

It eventually became evident that the people with whom I spoke were far more interested in discussing the GOB’s new plan, than they were in discussing the probable effects of a decrease in funding. All conversations seemed to come full circle back to the subject of the GOB’s new Strategy. The direction of my research soon changed to reflect the obvious interests of the Bolivian people.

Cochabamba appeared to be the rational place to start the investigation process. The majority of the people involved with development organizations in the Chapare work and live in Cochabamba. The climate of
the Chapare is very hot and muggy and the roads to the region are limited and of poor quality; therefore the development folks generally prefer to live in the city.

After being in Bolivia for only four days, the goal of finding a way to get to the Chapare was achieved. Technicians from USAID extended an invitation for a four day visit to the Chapare. That very night the highway from Cochabamba to the Chapare washed off the side of a mountain on account of heavy rainfall which had turned the highway into a quasi-mud slide. The Chapare is only accessible to Cochabamba by this specific highway, as a result all communication between the two areas halted. It was estimated that after a few days the road would be repaired and travel to the region would once again resume. Unfortunately this was not the case. The end of January signified the beginning of the rainy season, which promised a continuation of the muddy conditions for at least another two months.

Fortunately, USAID has four wheel drive vehicles that were allowed to pass through the feet deep mud. Unfortunately, the Bolivian government was not even permitting the passage of such vehicles until two weeks later. As a result, all hopes of visiting the Chapare with non-governmental organizations was out of the question. USAID and the UNDCP are the only development agencies in Cochabamba with the economic capacity to purchase such vehicles, aside from the Bolivian government. They are also the only agencies with the political connections to be allowed access to the region, even when such access has been strictly forbidden. Consequently, they would provide the only hope of getting to the region.

As a result of the mudslides, the first part of the month was spent in Cochabamba speaking with technicians, government officials, academics, journalists, and cocalero leaders. This actually proved to be quite
advantageous, allowing more time to become familiar with current issues before going to the Chapare.

It was soon discovered that conducting research during the month of January presents some problems of its own. January is the summer month during which most Bolivian professionals take some time off. Consequently, some of the people with whom I wanted to speak simply were not available for contact. Furthermore, many US nationals working in Bolivia for development agencies often take the month of January as a vacation month. As a result, interviewing Bolivian and US workers, alike, became quite a challenge.

One woman, however, Maria Elisa Martinique of the UNDCP agreed to a January 2nd meeting. Martinique was the first to downplay the effects of the decrease in funding for alternative development programs. She stressed that the reason for the decrease in such funds is that the "hard work" has already been done.53 She explained that the construction of infrastructure in the Chapare had already taken place, there was potable water and electricity in half of the region, as well as roads to provide access to the main cities. As a result, less funds are now required for such programs. She suggested that this is now the point where private sector investment needs to begin to bear the brunt of the economic burden for such projects. Maria Elisa suggested a meeting with Gregory Minnick, the Director of the UNDCP in Cochabamba.

Minnick also expressed the same point of view as Maria Elisa regarding the decrease in funding for alternative development programs. He stressed that at this stage in the game, it is time that private sector investment begins to bear the burden of funding such programs. He explained that the UNDCP is looking for a sort of "exit strategy" in the region. The funding that they

have been receiving is running out, because the purposes it was meant to
serve have been met. He wants private investment to pick up where UNDCP
programs have left off, having provided for the construction of roads,
electrification, and providing potable water in the region. He suggested that it
is time for private investment to add sustainability to the model which the
UNDCP has been implementing. This interface between the public and
private sector is further explored in Chapter 6.

Minnick also explained how the nature of compensation programs is
changing from individual to community-based efforts. As he was explaining
the new program, it was apparent that it reflected Ambassador Romero’s
suggestions for the steps that must be taken in order to make alternative
development programs more successful. In a November 1997 meeting,54
Ambassador Romero outlined the failures of the $2500 compensation
program, and stressed the need for more community-based development
programs.

**The Re-evaluation of my Research: A Change in Course**

Drawing the connection between Peter Romero’s declaration of a need
for a more community-based strategy, with the GOB’s decision to move
towards a community-based strategy, led to a re-examination of the course of
research. Suddenly it became apparent that this interesting change was a
more important event in the alternative development scenario than the
probable effects of a decrease in funding for such programs. This revelation,
coupled with the GOB’s proposal of the new Strategy against drug trafficking,

---

54 Romero, Peter. Interview. US Department of State, Principal Deputy Assistant Secretary of State for
led to the compilation of a new set of interview questions (See Chapter 4, Appendix III) to help analyze how the transformation from individual to community-based compensation and eradication measures would affect the rural poor, in the face of decreasing alternative development funds.

Claudia Vargas in the PDAR, which is an organization funded and maintained by USAID, shared her views next. She encouraged me to explore the way in which the proposed plan would affect the ability of rural farmers to access the necessary funds, and also to explore the extent to which the program is being accepted by the cocaleros.

She set up a meeting with Jack Roscholt, the Director of DAI, another organization funded by USAID. Mr. Roscholt was extremely helpful in describing the interaction that takes place between the various agencies funded by USAID in Cochabamba. He explained the changes, and was not very supportive of the US and Bolivian governments' new strategy. He said that it basically ties the hands of USAID in terms of the farmers that they can now assist.

Next, Fernando Garcia, a very well respected academic in Cochabamba, agreed to an interview. Fernando was previously the Director of CEDIB, and is currently the Head of the Political Science Department at the Universidad San Simon in Cochabamba. He has published various articles on the coca/cocaine issue, and is often looked to by government officials and cocaleros alike for information and opinions on the subject.

Garcia added a whole new dimension to the alternative development dialogue: the political side. He stressed that the alternative development programs were, in reality, a Band-Aid used to ameliorate some of the pain of coca producers, but that they are by no means a long term solution to the problems faced by cocaleros. He expressed deep concern about the new
strategy that ties alternative development to forced eradication, suggesting that it would force the cocaleros into an impossible situation. He also stressed that violent confrontations would most likely be seen in the Chapare immediately before "certification time" because the GOB would be very aggressive in its eradication efforts, while the coca farmers would defend their crops at all costs.

That same day a meeting was scheduled with Cristina Cardosa from CEDIB. She was in the process of conducting research in the Chapare, for a project very similar to my own. It was very interesting to discuss her findings. Cristina really was, up until that point, the person who had the most contact with cocaleros. This provided the opportunity to discuss how policies have been accepted or rejected by the rural farmers, the main objective of the research.

Jose Infantes, Director of the USAID Regional Counternarcotics Office, was the next person who agreed to discuss the issue. He had a copy of the proposed Strategy, but refused to share it, claiming that it was a private document of the Bolivian government. We discussed the probable impacts of the proposed plan, and the reaction that it would ignite amongst the coca growers themselves.

The Trip to the Chapare

Finally, it was time to go to the Chapare. The trip which should have taken two hours in our well-equipped Ford Bronco, ended up lasting eight hours. Driving through the night, it was extremely dangerous, as there were constant mud slides that sent endless streams of mud into the road, blocking the traffic at steady intervals. There was thunder and lightening, the
magnitude of which was incredible. Fortunately the trip was extremely productive, which made up for the long wait.

The following day a meeting was held between coca producers and USAID agents. As a result, the opportunity was presented to speak with coca producers. As it turns out, Claudia Vargas of the PDAR has developed numerous personal relationships with the peasant women. Being with her put the women at ease, and they spoke very openly about the issues at hand. They were more than willing to answer any questions. They were not afraid to criticize the programs or complain about the recent change in strategy.

Hours were spent speaking with one woman in particular. She later explained that she is the head of the women's organization in their community, and that her husband is a "dirigente" (director) of her community's peasant organization. Interestingly, together they shared very opposing views. It was amazing to witness the debate that ensued within that particular family about what should be done in response to the proposed plan. The husband stressed that it was necessary to comply with the demands of the Bolivian and US governments and agree to get rid of all coca within a two year period. The wife, on the other hand, claimed that it was simply not a rational choice. If they were to get rid of all coca, what crop would they rely upon? To say the least, this is no easy question, and there are no easy solutions.

The trip to the Chapare also provided an opportunity to watch USAID officials interact with the coca producers. It was extremely interesting to watch the director of USAID in Bolivia discussing the programs with a coca producer who only speaks broken Spanish because his native language is Quechuan. It would have been ideal to send more time in the Chapare, but unfortunately the matter was beyond anyone's control.
strategy that ties alternative development to forced eradication, suggesting that it would force the cocaleros into an impossible situation. He also stressed that violent confrontations would most likely be seen in the Chapare immediately before "certification time" because the GOB would be very aggressive in its eradication efforts, while the coca farmers would defend their crops at all costs.

That same day a meeting was scheduled with Cristina Cardosa from CEDIB. She was in the process of conducting research in the Chapare, for a project very similar to my own. It was very interesting to discuss her findings. Cristina really was, up until that point, the person who had the most contact with cocaleros. This provided the opportunity to discuss how policies have been accepted or rejected by the rural farmers, the main objective of the research.

Jose Infantes, Director of the USAID Regional Counternarcotics Office, was the next person who agreed to discuss the issue. He had a copy of the proposed Strategy, but refused to share it, claiming that it was a private document of the Bolivian government. We discussed the probable impacts of the proposed plan, and the reaction that it would ignite amongst the coca growers themselves.

**The Trip to the Chapare**

Finally, it was time to go to the Chapare. The trip which should have taken two hours in our well-equipped Ford Bronco, ended up lasting eight hours. Driving through the night, it was extremely dangerous, as there were constant mud slides that sent endless streams of mud into the road, blocking the traffic at steady intervals. There was thunder and lightening, the
magnitude of which was incredible. Fortunately the trip was extremely productive, which made up for the long wait.

The following day a meeting was held between coca producers and USAID agents. As a result, the opportunity was presented to speak with coca producers. As it turns out, Claudia Vargas of the PDAR has developed numerous personal relationships with the peasant women. Being with her put the women at ease, and they spoke very openly about the issues at hand. They were more than willing to answer any questions. They were not afraid to criticize the programs or complain about the recent change in strategy.

Hours were spent speaking with one woman in particular. She later explained that she is the head of the women's organization in their community, and that her husband is a "dirigente" (director) of her community's peasant organization. Interestingly, together they shared very opposing views. It was amazing to witness the debate that ensued within that particular family about what should be done in response to the proposed plan. The husband stressed that it was necessary to comply with the demands of the Bolivian and US governments and agree to get rid of all coca within a two year period. The wife, on the other hand, claimed that it was simply not a rational choice. If they were to get rid of all coca, what crop would they rely upon? To say the least, this is no easy question, and there are no easy solutions.

The trip to the Chapare also provided an opportunity to watch USAID officials interact with the coca producers. It was extremely interesting to watch the director of USAID in Bolivia discussing the programs with a coca producer who only speaks broken Spanish because his native language is Quechuan. It would have been ideal to send more time in the Chapare, but unfortunately the matter was beyond anyone's control.
Upon returning from the Chapare a meeting was arranged with Oscar Coca, an attorney and popular advisor to coca farmers. This meeting proved to be one of the most valuable. Oscar Coca was very different from the government employees. He spoke very frankly about the problems that the proposed plan was going to cause, and had already caused, in the Chapare. He also allowed me to make a photocopy of the “top secret” proposal of the plan, that the USAID folks refused to hand over. His insights on the issue were invaluable.

A Brief Reflection on the Research Process

Taking into account the mudslides and the fact that many people were vacationing during January, the research went very well. For the most part people were willing to share their views on the touchy subject with an American research student. Furthermore, the fact that the timing of the trip coincided with the announcement of the new plan, proved to be a decisive factor in the direction of the research process.
### Methodology Appendix I

#### List of Interviews

<table>
<thead>
<tr>
<th>DATE</th>
<th>NAME</th>
<th>POSITION</th>
<th>ORGANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/14/97</td>
<td>Peter Romero</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>US Department of State</td>
</tr>
<tr>
<td>11/14/97</td>
<td>Johanna Mendelson</td>
<td>Co-Director, Post Conflict Unit Director</td>
<td>Office of Transitions Initiatives, USAID</td>
</tr>
<tr>
<td></td>
<td>also at OTI, USAID:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/14/97</td>
<td>Bill Yeager</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dave</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cynthia Fletcher</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chris O'Donnell</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Heather</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/14/97</td>
<td>Dr. Ines Bustillo</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>UN ECLAC</td>
</tr>
<tr>
<td>11/14/97</td>
<td>Dr. Ruthanne</td>
<td></td>
<td>Poverty Unit, IADB</td>
</tr>
<tr>
<td>11/17/97</td>
<td>John Markey, Jr.</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>US Department of State</td>
</tr>
<tr>
<td>11/17/97</td>
<td>Peter Hakim</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>InterAmerican Dialogue</td>
</tr>
<tr>
<td>11/17/97</td>
<td>Steve Holtzman</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>Post Conflict Unit</td>
</tr>
<tr>
<td>11/17/97</td>
<td>Lisa Haugaard</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>Latin American Working Group</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BOLIVIA</td>
<td>Bill Reiser</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>Security Department</td>
</tr>
<tr>
<td>12/31/98</td>
<td>Maria Elisa Martinique</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>US Embassy La Paz</td>
</tr>
<tr>
<td>1/2/98</td>
<td>Greg Minnick</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>UNDCP, Cochabamba</td>
</tr>
<tr>
<td>1/5/98</td>
<td>Claudia Vargas</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>PDAR, USAID</td>
</tr>
<tr>
<td>1/5/98</td>
<td>Lee Cridland</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>Cochabamba</td>
</tr>
<tr>
<td>1/6/98</td>
<td>Jack Roscholt</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>Red Andina</td>
</tr>
<tr>
<td>1/6/98</td>
<td>Cristina Cardosa</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>Cochabamba</td>
</tr>
<tr>
<td>1/9/98</td>
<td>Fernando Garcia</td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>DAL, USAID</td>
</tr>
<tr>
<td>1/9/98</td>
<td></td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>Cochabamba</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>CEDIB Cochabamba</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Principal Deputy Assistant Secretary of State for Latin American Affairs</td>
<td>UMSS Cochabamba</td>
</tr>
</tbody>
</table>
1/21/98
José Infantes
Director
USAID
Counternarcotics
Division

1/14/98
Tom Kruse
Director
Counternarcotics
Division

1/23/98
Ernesto Salinas*
VP
SIT Program

1/23/98
Richard Fisher*
Director
FONADAL

1/23/98
Carlos Sarabia*
Director
USAID-Bolivia

1/23/98
Dr. Miguel Rocha*
Dirigente
PDAR

1/23/98
men and women
Cocaleros
Producers Association

1/26/98
Roberto Laserna
Director/Author
Producers Associations

1/26/98
Oscar Coca
Advisor/Lawyer
CERES Cochabamba
Advocacy Group
Cochabamba

*Spoke with in the Chapare.
Methodology Appendix II
Initial Interview Questions

Elite Interview Questions/USA and Bolivia

What role has alternative development played in the US's “war on drugs?”

What specific purpose are these projects intended to serve?

What is your reaction to the cut in alternative development funds? Will this compromise the local level projects' ability to receive adequate funding?

Could you help me to understand the rationale behind the distribution of counternarcotic funding? Why the recent switch from the encouragement of licit crop production to forced eradication efforts?

What measures of effectiveness of alternative development vs. military efforts have been used in arriving at this decision?

Have goals changed with the change in instruments?

What exactly are the goals which have been set for the increased military funds? What instruments will be employed to ensure the successful implementation of such efforts?

How will the effect of decreased alternatives to traditional means of production and increased military might play out in the rural areas of Bolivia? What are your predictions as to what will happen at the local level?

If Bolivians are forced to abandon the production of a crop for which there is a huge demand (both domestically and internationally), in return for crops which have very limited markets, how will this help Bolivia in their US-directed efforts to democratize and move towards export-led growth?

What are the possibilities of multilateral involvement?

What do you think the US and Bolivian governments could do to solicit markets for the alternative products? Are there more cost effective means of achieving the goals of alternative development strategies?

How is success defined as far as development projects are concerned? What are the performance indicators?
Interview Questions for Local Level Coca Producers:

When did you begin working with the project?

What were you doing before?

Why were you convinced to/decide to change?

How did you find out about the project?

Do you feel that your economic situation has improved since you began? Why?

Do you know people who didn’t switch to these crops? Why do you think that they decided not to? How/what are they doing now?

Where do you feel you stood economically in relation to the rest of Bolivia when you began this project? Now? Where do you see yourself in 5 years?

Where are most of your products sold?

How much do you receive for the alternative products? How does this compare to what you were earning with coca/your previous form of income?)

Do you have access to the necessary tools/assistance to cultivate the new crops?

Are there people to help you plant the seeds?
Are there people to help you care for the crops?
Are there people to help you harvest the crops?
Who takes them to market?

What kind of help would you most like/do you need with your crops? What is missing?

What do you think the effects of the cutbacks in aid will be at the local level?

What will happen with the increased presence of military personnel?
Methodology Appendix III
New Questions

What are your initial responses to the GOB's recently proposed Strategy?

How do you feel it will be accepted at the local level?

How exactly will it change alternative development as it currently exists?

What effects will the decrease in funding for alternative development have on the success of the plan?

Will more farmers be willing to sign the convenios in the near future?

What will happen when the funds are gone?

Will the new Strategy compromise development agencies ability to complete and introduce new projects?

Can coca farmers survive without their coca crops?

How will the shift from individual to community-based compensation affect alternative development strategies?
Chapter V
"Por la Dignidad"
Bolivia’s new plan for a coca-free nation in 2002

La Estrategia Boliviana de la Lucha Contra el Narcotráfico 1998-2002

On January 1st, 1998 the Bolivian government announced its proposal for a new strategy concerning the struggle against illegal drug trafficking. It is formally entitled, "Estrategia Boliviana de la Lucha Contra el Narcotráfico 1998-2002," (Bolivian Strategy for the Fight Against Narcotrafficking 1998-2002). More interesting, however, is the slogan being used to gain the support of the Bolivian populous and the international community for the plan; "por la dignidad" ("for dignity.")

This idea of national dignity is an interesting way to market a difficult proposal to the citizens of the second poorest nation in the Western hemisphere. What exactly does "dignity" mean in a culture where 70% of the population lives in poverty, where the illiteracy rate for those aged 15 and over was 22.5% in 1995, where the average life expectancy is 59.6 years, and
where 86 out of 1,000 babies die before they are a year old? It appears as though one way that the Bolivian government is attempting to convince its people that they can be “dignified” is to stop the illegal production of coca, the raw material used in the production of cocaine; a drug that is being consumed at increasing rates in the most wealthy and powerful nation in the world.

Towards these ends, on New Year’s Day the Government of Bolivia announced its new counternarcotics strategy for the 21st century. The proposed plan rejects the previous compensation program that provided farmers with US$2,500 for every hectare of coca eradicated. Both Greg Minnick and Peter Romero of the US State Department agree that the previous strategy was a huge failure, claiming that the coca farmers would eradicate a hectare of coca, collect their US$2,500, and reinvest a portion of the money into the planting of new coca crops. It was a vicious cycle. As a result, a more community-based strategy was sought. The new Strategy completely changes the rules of the game by transforming the nature of compensation from individual to community-based.

The Bolivian government’s new Strategy is centered upon four main pillars: alternative development, prevention and rehabilitation programs, interdiction, and the eradication of illegal coca. As President Banzer writes in his formal introduction to the program, “each pillar acts together with the

---

52 A hectare is a unit of measurement that is the equivalent of 10,000 square meters or approximately 2.47 acres of land.
others. It is impossible to understand any of the actions without the support of the other three. This is how the strategy is conceived."\textsuperscript{58} The main objective of the new strategy is to use alternative development funds as an economic incentive to encourage the eradication of all illegal coca crops.

Community-based strategies aim to increase accountability at the local level. No longer will USAID or the GOB deal with farmers on an individual basis. All negotiations are to be carried out with recently formed "producer associations," that consist of groups of farmers from a particular community who have expressed an interest in the crop substitution programs. The producer associations are now required to sign \textit{convenios}, or agreements, with the DIRECO. The DIRECO is an agency of the Bolivian Government, that is funded by the US Embassy's NAS (Narcotics Affairs Section). The DIRECO oversees all eradication operations in the Chapare, and maintains control over the UMOPAR (Rural Mobile Patrol Unit), the branch of the tropical police structure in charge of enforcement and coca eradication.

The agreements signed with the DIRECO commit the producer associations to the complete eradication of all coca crops within a two year period. After signing the agreement with DIRECO, the representatives of the producer association are able to meet with a technicians at PDAR, who will ask the representatives what their community most needs and desires from the alternative development assistance. The technician will then outline what the PDAR is willing and able to do for the community, and if both sides

\textsuperscript{58} "\textit{Por la dignidad; Estrategia Boliviana de la Lucha Contra el Narcotráfico 1998-2002.}" Document of the
feel that the deal is fair, the agreement is put into action. According to Jack Roscholt, the Director of DAI, an organization also under the auspices of USAID, aid will begin to flow into the community within 16 weeks after the signing.  

In signing the convenio the farmers now acknowledge that they have made a formal commitment to the Bolivian and United States governments to eradicate all of their coca in the next two years. The farmers lose their ability to claim ignorance about the eradication issues. They sign an agreement and the deal is done.

Only after this process has been completed are the coca farmers eligible to receive alternative development funds, which include funds set aside for the construction, maintenance, and improvement of infrastructure. While to date, 2,974 kilometers of roads have been improved to all weather standard or maintained, and 83 bridges have been built, there are still large areas of the Chapare without such services (Please See Map Insert of Chapare Region).

Without access to markets, or assistance in the cultivation of licit crops, the coca farmers will remain just that; coca farmers. Without adequate funding for alternative development projects, there can be no hope of a successful move towards the production and marketing of licit crops in the region.

In addition to the new focus on community-based compensation, the Bolivian government, under pressure from the United States to register net

60 Markey, John. “Alternative Development in the Chapare: Getting Results.”
decreases in coca cultivation in order to receive multilateral and bilateral funds, has decided that it is time to begin forced eradication efforts. Thusfar Bolivia has been successful in its quest to diversify the economy of the Chapare region. There are many more hectares of legal alternative crops being cultivated than in the past. The area planted with licit crops has increased from about 60,000 hectares in 1993 to 96,500 hectares in 1997. The furthermore, the hectareage of licit crops planted in the Chapare is now three times greater than coca cultivation, and 127% greater than 1986 when the programs were implemented. However, the Chapare region has failed to register a corresponding decrease in the hectares of coca produced.

Top level officials in the United States fully support Bolivian President Banzer's plans for the total eradication of all coca within a five year period. General Barry McCaffrey, Director of the Office of National Drug Control Policy (ONDCP), is very impressed with the new plan and commented that the title of the plan was impressive itself: With Dignity. It was, I think, the collective opinion of the US representatives from the Department of State, from Customs, from Treasury, from AID, from the National Security Council and others, that the concept was extremely well thought-out and deserved our support. We look forward to working with President Banzer's team in the years to come and in achieving concrete results and the inexorable reduction of coca production to near zero levels in five years.

José Infantes, Administrator of the USAID Anti-Narcotics Division of Alternative Development in Cochabamba, suggested that contrary to what US
politicians have claimed about the domestic origins of the new Bolivian plan, the new program is actually a USAID-devised strategy to assist the Government of Bolivia in its efforts to make the Chapare coca-free by 2002. It appears that this plan is being implemented by Americans to appease American demands.

**Finance Requirements for a Successful Strategy**

The success of this program is dependent upon the economic support of the international community. Bolivia does not have the economic resources to fund all aspects of the proposed plan. As President Banzer states in the Strategy's formal introduction,

> The resources that Bolivia requires in this struggle are very large and cannot be financed only by the Bolivians. I hope that the additional resources that are outlined in the Strategy will be provided by the international community who understands and supports the sacrifices that Bolivia is making in this fight.

Table #9 outlines the total funds being solicited by the GOB for each pillar of the Strategy.

---

Table #9

<table>
<thead>
<tr>
<th>Program 1998-2002</th>
<th>$US Millions</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Eradication</td>
<td>108</td>
<td>11.34</td>
</tr>
<tr>
<td>2. Alternative Development</td>
<td>700</td>
<td>77.32</td>
</tr>
<tr>
<td>3. Interdiction</td>
<td>129</td>
<td>9.67</td>
</tr>
<tr>
<td>4. Global Prevention</td>
<td>15</td>
<td>1.67</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>952</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source:* "Por La Dignidad." p. 16.

The impressive aspect of the plan is that US$700 million is being requested for alternative development projects. This clearly signifies a dedication, on the part of the GOB, to the success of community-based alternative development strategies. The unfortunate aspect of the GOB's newly-implemented drug policy is that it comes at a time when the US Government is proposing a decrease in drug aid to Bolivia for 1998. President Banzer is referring to the threat of decreased funding as a "short-term hiccup" in the marketing of the new strategy.

The question still remains...if the United States is indeed dedicated to supporting nations such as Bolivia in their efforts to stop the cultivation of coca crops, then why are funds being cut when and where they are needed most? The Office of National Drug Control Policy submitted to Congress a $45 million request for drug aid to Bolivia in 1998. The request was initially

---


68 Ibid.
denied, and not only was there no increase in funding for 1998, but funding was actually decreased from the 1997 level of $34 million to a proposed $12 million for 1998.69 (See Table #10) This cut comes as a surprise when one considers that Bolivia has been "certified" by the United States regarding their efforts to thwart the drug trade since the Certification process was implemented eleven years ago.

Table # 10

<table>
<thead>
<tr>
<th>International Narcotics and Law Enforcement Affairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 1998 Budget Request</td>
</tr>
<tr>
<td>(US$000)</td>
</tr>
<tr>
<td>FY 1996 Actual FY 1997 Plan FY 1998 Request</td>
</tr>
<tr>
<td>Narcotics Programs</td>
</tr>
<tr>
<td>Latin America</td>
</tr>
<tr>
<td>Bahamas</td>
</tr>
<tr>
<td>Bolivia</td>
</tr>
<tr>
<td>Brazil</td>
</tr>
<tr>
<td>Colombia</td>
</tr>
<tr>
<td>Ecuador</td>
</tr>
<tr>
<td>Guatemala</td>
</tr>
<tr>
<td>Jamaica</td>
</tr>
<tr>
<td>Mexico</td>
</tr>
<tr>
<td>Peru</td>
</tr>
<tr>
<td>Venezuela</td>
</tr>
<tr>
<td>Regional</td>
</tr>
<tr>
<td>Subtotal</td>
</tr>
<tr>
<td>Asia/Africa/Europe</td>
</tr>
<tr>
<td>Laos</td>
</tr>
<tr>
<td>Pakistan</td>
</tr>
</tbody>
</table>

69 Ibid.
If we take a look at Table #10 we can see that Bolivia has been the largest recipient of counternarcotics funds over the past two years, by a substantial amount. In 1997, for the first time ever, Bolivia not only met the criteria for certification, but went so far as to register a net decrease in coca production—a 5% net decrease. This has led Vice President Quiroga to question why the funds are now being cut. He recently stated that, "The signal (from the US) is clear. If you are certified with flying colors, you lose your funding. That is the wrong message to send." However, this is clearly not the case when one considers that funding to Peru and Colombia increased from 1997 to 1998. Peru, once the world’s largest producer of coca, has seen its overall production drop by 40% in the past year. As a reward for its progress, US aid to Peru grew from $26 million in 1997 to $31 million in 1998.

So...what has caused the US government to propose the decrease in funding for Bolivia while increasing funding for Peru and Colombia?

---

72 Ibid.
Reasons for Cuts in US Drug Aid to Bolivia

There are various opinions and theories on why the US Congress has proposed to decrease drug aid to Bolivia. Some claim that the decrease in funds to Bolivia can be directly linked to the Clinton administration's desire to allocate more funds to counternarcotics military operations in Colombia. Republicans in Congress, led by Rep. Benjamin A. Gilman (N.Y.), successfully sponsored a bill that directed the State Department to spend $35 million to supply Colombia with UH-60 Black Hawk helicopters and authorized $14 million to upgrade the Colombians' aging UH-1H Huey helicopters. The State Department opposed buying the Black Hawks, arguing that the Colombian police do not have the training to fly them or money to maintain them and that funds to other countries would have to be cut to pay for the shift. Congress, however, did not buy State Department's argument, and passed the bill.

Another factor that is rumored to have influenced the Clinton administration's decision to cut aid to Bolivia has to do with Bosnia. Representative Benjamin A. Gilman, a New York Republican and Chairman of the House International Relations Committee, said that Clinton has "mishandled the aid issue," suggesting that "the administration is trying to take funds from Bolivia to pay for police training in Bosnia and making Congress the scapegoat..." and that "the same administration that dropped the

ball on Colombia in the first place is now trying to use a clear and carefully targeted appropriations earmark as an excuse for chopping aid for yet another Latin American ally in our war on drugs."\(^74\)

Clearly, there is debate as to the real reason why the US government wants to cut drug aid to Bolivia. In Bolivia, the general consensus seems to be that the majority of the expensive work, such as the construction of roads, bridges, potable water systems, and rural electrification, has now been completed. Both Gregory Minnick at the UNDCP and Claudia Vargas at USAID stated that this was their opinion as to the real reason for cuts in alternative development aid to the region.

Gregory Minnick emphasized that "most of the hard work has been done,"\(^75\) and that along with the decentralization program that the Bolivian government has been pursuing for the past few years, more responsibility is lying with local level officials to use designated funds for such programs. Local level government funds as well as private investment, both domestic and international, are expected to now finance alternative development projects. As Minnick suggests, the UNDCP and USAID have set the ground for future efforts in the Chapare region, and are currently seeking an "exit strategy."\(^76\)

However, while the Chapare has, according to USAID, turned from a "rural backwater controlled by narco-traffickers to one of Bolivia's growth


\(^75\) Minnick Interview. La Paz, Bolivia. January 5, 1998.

\(^76\) Ibid.
poles,"77 the region has failed to prove itself a secure or profitable venture for large scale foreign direct investment. The majority of private investment in the Chapare is "small adventure-types who are willing to take a risk."78 USAID emphasizes the increase in private investment in the region by citing that 16 private firms have invested over $8.6 million of their own resources in alternative development related agroindustries.79 However, when this figure of $8.6 million is compared with the estimated $700 million that the Bolivian government estimated will be necessary to keep alternative development programs running for the next five years (See Table #9), we can see that the $8.6 million is a relatively small amount of capital for such projects.

While much progress has been made in the region over the past years, it is still unstable. On account of the "rainy season," which lasts from January through April, roads are many times made impassable by mudslides. This past January, for example, the Santa Cruz-Cochabamba highway, that connects the Chapare to two of Bolivia's largest cities, was shut down for approximately one month on account of mudslides. Large trucks destined for both domestic and international markets were backed up for days, and were only allowed to pass for two hour periods each day. The goods simply could not get to market.

77 Markey, John. "Alternative Development in the Chapare: Getting Results."
Large foreign operations are not willing to invest capital and time in an area where there is consistent limited access to markets. This factor, coupled with the political instability that plagues the region, scares potential investors away from investing in the Chapare. The US State Department strongly discourages foreigners to even visit the Chapare, never mind expand commercially there. As a result, the outlook for substantial foreign investment in the region in the near future, seems very unlikely. There appears to be a policy gap here, the region simply is not yet ready for this next step of private investment-led growth.

While Gregory Minnick's rationale of the UNDCP and USAID laying the ground work for private investment to eventually take over is reasonable, this time has yet to come. Private investment in the Chapare has not yet reached sufficient levels to support the types of alternative development projects currently needed in the Chapare. All thoughts of an "exit strategy" must be postponed. USAID and UNDCP projects are the only hope that coca farmers in the Chapare have for making any progress, even though this progress may seem limited. With the proposed cut in funding for such projects and increased pressure to forcefully eradicate coca, coca farmers and development workers alike are facing tough times ahead.

This is one drawback of rural development strategies implemented by large multilateral and bilateral lenders. The projects that they fund are completely dependent upon the continued financial support of the organizations. Once the flow of funds halts, the projects are unable to
survive. As a result, the community must be actively engaged in every process of the project, so that eventually they are no longer dependent upon these organizations for their survival. As long as the community remains dependent upon external sources of funds, the projects cannot be sustainable, as they are subject to the whims of the donor organization.

However, in this case one must question the rationale of these organizations in fostering this dependent relationship. If the coca farmers were not so very dependent upon USAID funds, then USAID would not have the ability to coerce the farmers into eradicating their crops. Once the coca farmers attain a sustainable means of production, USAID loses its ability to condition the flow of funds upon communities' adherence to their demands.
Chapter VI
Anticipated Effects of the New Strategy

The real question is not why funding is being cut, but rather what effects this reduction, coupled with the new Strategy, will have on coca farmers in the Chapare region. Given the evidence from interviews conducted in Bolivia, it is quite clear that the possibility of violent social and political repercussions is quickly becoming a probability.

Given the current structure of United States counternarcotics policies in Bolivia, alternative development projects are absolutely essential. They are vital because they provide an alternative means of income for cocaleros (coca producers) forced to eradicate their coca crops. In the past, alternative development projects, mainly crop substitution programs, have been implemented independent of crop eradication efforts. This has now changed.

The decrease in funding for alternative development projects by both the United States and Bolivia, coupled with the combination of eradication and crop substitution efforts aimed to foster community-based development will drive poor campesinos to desperation, destroying their livelihood without offering any replacement. To date, there is no agricultural crop that yields higher returns than coca. Consequently, the poor coca farmer is faced with a no-win situation; if he refuses to eradicate all of his coca within the
next two years, he risks losing his ability to maintain even a subsistence lifestyle. If the coca farmer refuses to eradicate his coca, he loses access to all alternative development assistance, including funds set aside for infrastructure and basic sanitation programs for the community.

If the United States cuts drug aid to Bolivia, there will be less funding for alternative development projects, particularly in light of the private investment gap. This factor, in conjunction with the requirement to eradicate all coca within two years, is tantamount to a declaration of war on coca farmers. The inevitable consequence will be forced eradication, which coca growers will resist to the death, as they will have no alternative.

Claudia Vargas at the PDAR discussed her views on the subject. Claudia outlined the program in detail. According to her, USAID has been working under the guidelines of mandatory convenio-signing for the past year, since February of 1997. Table #11 outlines the convenios signed as of January 1998. In 1997, seventeen convenios were signed with coca producing communities.

In looking at Table #11, we see that some 2,267 families agreed to completely eradicate all of their coca by 1999. This means that 2,267 families will be completely dependent upon the cultivation of alternative crops for their survival within a two year period. When one considers that this is the case, it becomes very clear why there has been such violent opposition to the first stages of eradication procedures. It is one thing to make yet another agreement with the GOB and USAID, it is another thing to stand by and watch the police tear up your lone means of survival. Confrontation is unavoidable.
### Table #11

**Profile of the Areas Consolidated as "Coca-Free" Zones**

<table>
<thead>
<tr>
<th># of Convenio</th>
<th>Name of Organization</th>
<th>Location</th>
<th># of Families</th>
<th>Total Area (hectares)</th>
<th>Area of Coca Declared</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>UAPAC</td>
<td>1ro de Mayo</td>
<td>558</td>
<td>11,160</td>
<td>350</td>
</tr>
<tr>
<td>2</td>
<td>COOP</td>
<td>Bulo Bulo</td>
<td>84</td>
<td>2,520</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>SAN JUAN COOP</td>
<td>Villa Andrade Ichoa 22 de Mayo Izarzama</td>
<td>66</td>
<td>3,300</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>ASPALMMI COOP</td>
<td>Chipiri 14 de Septiembre Paraíso Todos Santos San Miguel 22 de Mayo</td>
<td>256</td>
<td>5,120</td>
<td>20</td>
</tr>
<tr>
<td>5</td>
<td>Agropecuaria Litoral</td>
<td>Mariposas</td>
<td>51</td>
<td>1,275</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Buena Vista Sindicato 25 de Abril</td>
<td>Bulo Bulo</td>
<td>21</td>
<td>315</td>
<td>8</td>
</tr>
<tr>
<td>7</td>
<td>Sindicato ASIPA</td>
<td>Valle Ivirza</td>
<td>81</td>
<td>2,430</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>Sindicato Gualberto Villaroel</td>
<td>San Miguel</td>
<td>26</td>
<td>260</td>
<td>10</td>
</tr>
<tr>
<td>9</td>
<td>Sindicato San Luis 6 de Agosto</td>
<td>Ibuelo</td>
<td>52</td>
<td>780</td>
<td>6</td>
</tr>
<tr>
<td>10</td>
<td>Sindicato Señor de Santiago</td>
<td>Villa 6 de Agosto</td>
<td>52</td>
<td>780</td>
<td>6</td>
</tr>
<tr>
<td>11</td>
<td>Sindicato Señor de Santiago</td>
<td>Villa 6 de Agosto</td>
<td>120</td>
<td>1,200</td>
<td>12</td>
</tr>
<tr>
<td>12</td>
<td>Sindicato Señor de Santiago</td>
<td>Villa 6 de Agosto</td>
<td>103</td>
<td>2,060</td>
<td>8</td>
</tr>
<tr>
<td>13</td>
<td>Sindicato Santa Fe de Agosto</td>
<td>Ibuelo</td>
<td>32</td>
<td>640</td>
<td>10</td>
</tr>
<tr>
<td>14</td>
<td>Sindicato Sante Fe de Agosto</td>
<td>Villa 14 de Septiembre Puerto Aurora</td>
<td>104</td>
<td>1,040</td>
<td>15</td>
</tr>
<tr>
<td>15</td>
<td>Sindicato Central Ayopaya</td>
<td>57</td>
<td>570</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>50</td>
<td>500</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>519</td>
<td>10,380</td>
<td>120</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>2,267</td>
<td>45,290</td>
<td>600</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Unidad de Comunicación PDAR, Unidad de Información CORDEP/DAI.
Fuente: DIRECO, Base de Datos CORDEP.*
Vargas stressed that the program involves the distribution of seeds and plants to substitute for the farmers' coca during the two years during which he is continuously eradicating his coca crops. According to Claudia, the main reason for the change in strategy is that alternative development programs have been successful, and farmers are indeed prospering with certain alternative crops.

However, the fact remains that while the cultivation of alternative crops has increased, the amount of coca being grown in the region has failed to decrease. Not only has it failed to decrease, but it has actually increased. (See Table #3) The coca farmers have taken advantage of new economic opportunities without forsaking the old. In response to these factors, the Bolivian and US governments explicitly tied alternative development to eradication in order to achieve both objectives. Furthermore, introducing the community-based compensation challenged the independent peasant's economic rationale.

They are essentially using the successes of alternative development to promote incentives for eradication. This shift in policy, in conjunction with the change from individual to community-based compensation programs, has produced a whole new set of rules by which the cocaleros are forced to play.
Effects of the New Strategy on Development Actors

Jack Roscholt, Director of Development Alternatives Inc., has particularly interesting insight on the subject. Mr. Roscholt’s role is to implement, oversee, and monitor the success of USAID’s alternative development projects in the Chapare. As such, he is dedicated to the promotion of alternative crops in the Chapare region, not to decreasing coca crops. The new program is very frustrating for him because it limits the communities with which he can work, and also limits the funds to which he has access for the completion of previously negotiated contracts and current alternative development efforts.

Previously, agencies such as DAI could enter a community, market the alternative crops, and then agree to help communities begin to cultivate the licit agricultural products. Now the agencies are only allowed to work in “no-coca” areas where the producer association has signed a convenio agreeing to eradicate all coca within two years. This is creating problems because as the program is only in its first stages, there have yet to be a substantial amount of convenios signed. (See Table #11) As a result, DAI’s hands are tied. Furthermore, while USAID and the GOB decided to allow USAID to continue to work on all current projects with coca farmers, a majority of these projects were pilot programs, dependent upon the timely flow of fresh funds. These farmers will now never see a penny of the new funds unless they agree to
destroy all coca within two years, a commitment that many are finding
themselves unable and unwilling to make.\textsuperscript{80}

Jack Roscholt also stressed that the reason for the GOB's decision to
link alternative development efforts with eradication is because of the success
that alternative development is having in the region. Roscholt adamantly
claims that coca farmers are truly beginning to realize that there are other
crops that can be grown and marketed in the Chapare. He stated that the
farmers realize that "while the other crops may not be as good as coca, if they
put in a little hard work, they can make a living with them."\textsuperscript{81}

Roscholt also suggests that the cocaleros are a little more willing to sign
on to the plan because it is structured over a two year time period, which they
hope will provide adequate time to make the transition to licit crop
production.\textsuperscript{82} However, unless there is a large increase in funding for
alternative development projects, or a drastic change in the development and
implementation of the projects, then the time frame will not be an issue. It
appears that the time frame is not what scares the coca farmers, but rather the
complete failure of the alternative crops to provide a means of survival.
Demand-driven, community-devised and implemented strategies are the
only hopes for engaging peasants in a sustainable development model.

\textsuperscript{80} Roscholt Interview. January 6, 1996.
\textsuperscript{81} Ibid.
\textsuperscript{82} Ibid.
Perceived Downfalls of the Strategy

A. The Plan Discriminates Against Non-Coca Farmers

Roscholt highlighted two big downfalls of the new Strategy. First, the new Strategy ignores the farmers who have already eradicated their coca crops, along with other farmers who simply do not grow coca. Farmers who previously agreed to eradicate their coca crops now have no access to alternative development aid because they no longer have coca as a bargaining tool. Ironically, the plan is actually rewarding those who have chosen not to obey the law. If the Bolivian government’s aim is to register net reductions in coca crops, then the Strategy seems to be inherently flawed. If there is an economic reward for being a coca producer, why not plant some coca and present yourself as such. This completely contradicts the GOB’s objective.

Fernando Garcia, a well-respected academic and currently the Director of the Political Studies Department at the Universidad Mayor San Simon in Cochabamba, also pointed to this issue. He explained that the program is based upon presenting farmers with a real incentive to eradicate their coca crops. However, if you do not have coca crops, you are not a candidate for the alternative development funds. As a result, farmers who previously did not have coca, realize that they can get money from the Bolivian Government if they do, in fact, have coca crops. Garcia claims that this type of program would in fact encourage those with coca to eradicate their crops, while simultaneously encourage non-coca farmers to plant new bushes. This could potentially lead to an increase in coca crops, defeating the purpose of the
entire strategy. This would certainly be consistent with the economic rationality of the peasant.

**B. The Plan Affects Community Organization Processes**

A second effect of the Program that Jack Roscholt pointed out is how the plan changes the central theme around which cocaleros will now organize. Previously cocaleros have formed into "sindicatos," or unions. These groups are made up of groups of farmers, usually from a few close communities, who produce a common product, such as pineapples. The farmers join together in order to maintain more power in both economic and political matters. However, the new Strategy clearly wants to avoid being associated with political groups, and works instead with producer associations. The producer associations are groups of community members who join together in supporting each other in agricultural and community-based issues.

These two groups are hardly exclusive. Many farmers in the same sindicato will find themselves in the same producers association as their neighbor. However, the purposes of the two groups are different. The new Strategy deals exclusively with producer associations. The issue here is that the groups are now being formed around their commitment to eradicate coca, along with the organization of alternative development funds.

---

The problem is that this strategy could potentially pin community members against each other if one farmer simply can’t go along with the eradication because he has been unsuccessful with the alternative crops. Theoretically this type of community-based program is intended to prevent farmers from “falling though the cracks,” assuming that the farmers will assist each other. However, the fact that the farmers are now organized around the central theme of eradication is cause for concern because community-based support is all that they have right now, and if they lose that, all political and economic leverage will be gone.

The Bolivian government is fully aware of this. Promoting positive working relationships at the grassroots level is the way to address the local needs of a community. In contrast, the new Strategy forces community members to take the responsibility of ensuring accountability of each other. While this strategy is probably better than further militarizing the drug war, there is a real question about the long run integrity of such a program. An external threat, such as the withdrawal of funding, is not the way to promote confidence in community processes. Rather than a source of support, the group becomes a vehicle for punishment and promoting suspicion. The Strategy could promote conflict within the community itself, making it virtually impossible to achieve a successful development strategy.
To Sign or Not to Sign: The Cocaleros Dilemma

Now, let us turn to the way the plan is being interpreted at the local level in the Chapare. By the manner in which events have played out in the Chapare, to date, the program is not being well received. On January 23, 1998 an important meeting was held between USAID officials and the representatives of producer associations in Villa 14 de Septiembre, a town in the Chapare. A majority of the representatives whom attended belonged to associations that had yet to sign the new agreements. The meeting was a marketing tool on the part of the GOB.

The comments of one cocalera woman and her husband, who attended the meeting help to illustrate the complexities involved in determining whether or not to sign on with USAID and the GOB. The husband happened to be the leader of their producer association, and the woman was the head of the "women’s group" in their small community. Interestingly, the husband and the wife shared very opposing views of how the matter should be handled.

The wife argued that signing a contract to get rid of all coca in the next two years is simply not feasible. She explained that while they do not rely upon any one crop to sustain them, coca is by far their most reliable and
marketable crop, and that in a way it is their "safety net." However, she expressed her concerns about not signing the agreements, because it will be very hard to survive without the alternative development aid. She said that it is a very frustrating situation, and many families in the Chapare are very distressed about the new program.

The woman also suggested that a majority of the people in her producer association were currently opposed to signing such an agreement, although they were not sure what steps to take instead. This was the precise reason why her husband had come to the meeting; he needed advice on how to convince the members that this was the right thing to do. His attitude was essentially one of resignation. He too was afraid to commit to the complete eradication of coca, but didn’t see any other option. In the face of losing all alternative development aid, he decided that signing the agreement was the lesser of two evils.

Claudia Vargas of PDAR was present during this conversation. She sadly explained to me the reason why it was imperative that these associations sign on soon: funds were quickly running out. This is the reason that USAID and the PDAR gave to the representatives as to why they must encourage their fellow producers to commit now, and not wait. There is a fixed budget for alternative development projects, and when the funds are gone they will not be replaced any time soon. The USAID officials strongly

---


85 Unfortunately, because of the very limited amount of research time in the Chapare, it was impossible to speak with other coca producers about their attitude towards the convenios.
urged the communities to move forward immediately, or run the very real risk of being left out in the cold. In recalling our discussion about the bargaining power that USAID wields as a direct result of its funding of vital projects, we must wonder whether or not this threatened cut in funding is being used to force cocaleros to immediately agree to the conditions of the agreement.

As of January 1, 1998, seventeen convenios had been signed. Each of these convenios was signed by the "dirigentes" (representatives) of each producer association, also known as "federations." The number of families involved in each of the federations ranges from 558 to 21, depending upon the size of the community, and the demand for such services. It is also important to remember that not all communities in the Chapare are eligible to receive USAID alternative development funds. Only those communities that USAID has chosen, and are easily accessible by previously constructed roads, are candidates for the program.

Now that we have explored the reasoning behind the development of the new strategy, and the probable effects that it will have in the Chapare, let us now examine the effects that the Strategy has had over the four months since its creation. While these are clearly short-term responses to the program, they are indicators of the events and conflicts to come.

Chapter VII
The Current Situation: Crisis in the Chapare

The Crisis

Coca farmers are not taking kindly to the GOB’s new Strategy. Frustrated by the forced eradication efforts that are taking place in the face of inadequate alternative development assistance, coca farmers have been forcefully opposing the GOB’s eradication measures, claiming that the government has not held up its end of the agreements signed. The clashes between the two sides had reportedly left 10 people dead and 38 injured as of April 27, 1998.87

Until March 31, 1998 coca farmers in the Chapare received $2,500 in US cash for every hectare (2.47 acres) of their crop that they eradicated. For reasons stated in Chapter 4, the program has been deemed largely unsuccessful in that coca cultivation has not fallen. Consequently, the GOB has decided to turn towards a more community-based approach in their efforts to eradicate all illegal coca from the region by 2002. As a result, the amount of compensation was lowered to US$1,650 per hectare eradicated,

87 “Una contradicció n que ensombrece el diálogo sobre el Chapare; Banzer propone la pacificación manteniendo la militarización.” Los Tiempos. Cochabamba, Bolivia. April 27, 1998. Translations are mine.
beginning April 1, 1998. The rationale is that the resulting US$850 per eradicated hectare is to be put towards the development of community projects and works.

This strategy is in line with the Bolivian government's desire to promote community-based development, as opposed to individual compensation programs. After October 1998, the entire US$2,500 per hectare eradicated will be devoted to community projects. The compensation payments will be further decreased starting in 1999, and will be cut altogether in 2002. This Strategy is a direct result of the GOB's "Estrategia Boliviana de la Lucha Contra el Narcotráfico 1998-2002," that strives to produce a coca-free Chapare by this time.

The Bolivian government estimates that there are less than 30,000 hectares (74,100 acres) of coca in the Chapare that must be destroyed by 2002. The set goal for 1998 is the eradication of 7,000 hectares (17,290 acres) according to official figures. As discussed in Chapter 4, the United States bankrolled US$47 million of Bolivia's anti-drug fight in 1997. A proposal to lower the amount to US$12 million was rejected by the Bolivian government which sent Vice President Jorge Quiroga to Washington DC in March 1998 to renegotiate the amount of assistance.

On April 1st, 1998, the day that the first cuts in compensation took place, the coca farmers took to the streets in protest. The cocaleros blocked the

---

89 Ibid.
90 Ibid.
only road that connects the Chapare with the two largest domestic markets of Cochabamba and Santa Cruz, with stones and tree trunks. As of April 2, 1998 three coca farmers had been killed in clashes with Bolivian police forces attempting to clear the roads.91 The violence and protests continued for one week straight until finally a temporary peace agreement was made, with the GOB agreeing to temporarily cease eradication efforts.

However, talks to end the week-long strike were quickly halted when government negotiators refused to accept the presence of Evo Morales, leader of the Bolivian coca growers, at the negotiating table.92 It has long been speculated that Morales is in cahoots with leaders of the Chaparean cocaine circuit.93 Consequently many government officials refuse to negotiate with him on such matters. However, he remains the lead activist for coca farmer’s rights, and as a result receives much support from the cocaleros. Milton Gomez, a cocalero leader claims that contrary to government claims that the coca farmers are confusing the negotiations, “in reality it is the government that is breaking off the dialogue.”94

On Wednesday April 8, 1998 hundreds of police and army troops took over Bolivia’s coca producing region and cleared away roadblocks after a week of violence that left at least four people dead.95 Soldiers encountered some

---

91 Ibid.
93 Morales, in contrast, claims that President Banzer is linked with drug traffickers. He has committed to proving the validity of his accusations. Ibid.
94 Ibid.
resistance, but were able to clear the road for the hundreds of buses and trucks that had been stranded for nearly a week in the Chapare since the initial roadblocks were constructed. Coca farmers had used rocks and fallen trees to block traffic on the main road linking the eastern and western regions of Bolivia. As one journalist stated, "they were demanding an end to coca leaf eradication and government plans to eradicate coca. They want more alternative development in the region." Security forces were once again called in to remove debris from the main road, and this time seven people, including a baby suffocated by tear gas, were killed in the clashes between protesters and security forces.

On April 15, 1998 many cocalero leaders fled to the mountains in order to devise a strategy to deal with the current situation. They were forced to do so after police forces restricted the citizens of the Chapare to circulate or assemble between the hours of 8pm and 6am. The police were attempting to prevent the farmers from organizing a formal protest to eradication efforts. In addition, military bases were installed in all schools located near coca fields. Under these repressive conditions, the UMOPAR was able to forcefully eradicate close to 20 hectares of excedentary coca.

As a result of such impassioned clashes between civilian and police forces, on April 20, 1998 the Bolivian military constructed a "general headquarters," approximately three kilometers outside of Villa 14 de
Septiembre. In compliance with “superior orders,” they are adamantly restricting the entrance of all government officials, diputados (congressional representatives), union leaders, journalists, and regular citizens into the region. Human rights groups seeking to put an end to the conflict have also been denied access to the Chapare. The Bolivian government justified the military’s actions by stating that the cocaleros are to blame for the climate of violence in the Chapare, and are trying to “sabotage” the new Anti-drug Strategy.

Causes of the Outrage

Why are Bolivian coca farmers adamantly opposing the forced eradication efforts of the GOB? Is it solely a result of the complete failure of alternative development strategies to provide these people with the ability to survive by cultivating licit crops? Or, is there another factor to the story?

While alternative development efforts in the Chapare have failed to provide coca farmers with the ability to survive solely through the cultivation of such crops, there is another factor at play in this case. The Bolivian government has lied to the farmers. Coca growers claim that the GOB has failed to hold up its end of the bargain by providing adequate alternative development assistance to the farmers who have agreed to

101 Ibid.
eradicate their coca fields. The farmers are not concerned with the reason why the aid has been cut, and it is very hard to be sympathetic to the plight of the Bolivian government’s struggle to appease US demands, when one cannot feed his family.

In many developing nations in Latin America, the degree of trust between government officials and the poorest of its poor citizens, is very low. Oftentimes the poor peasants are the victims of a relatively ineffective and bureaucratic governing body. When the rural poor are upset about an issue, they will many times march, strike, or devise another strategy in order to get the attention of government officials who are more concerned with issues such as trying to engender the financial support of more powerful nations.

Many times, as a consequence of these demonstrations, concessions are made to the protesters in the form of a written agreement. Peasant leaders negotiate the terms of the contract with government officials, and the leaders return home in hopes that the agreement will be upheld. Most of the time the agreement is simply tossed aside by the government more concerned with other issues. This is precisely what has taken place in Bolivia throughout the years between disgruntled coca farmers and the Bolivian government.

However, this time the coca farmers are not willing to let the government ignore their cries for help. They have been pushed too far. As Evo Morales, leader of the cocaleros stated,

compliance with agreements and the well being of coca producers are subjects which the authorities don’t care about. Government officials don’t care about the well being of cocaleros or other poor sectors. All hopes for finding a peaceful solution
to the problem are in the hands of the Bolivian government, as the coca farmers have done all that they can do.\textsuperscript{102}

This time the alternative to not receiving adequate development funds is the inability to maintain a subsistence living, as coca crops, the "safety net," are being taken away. The combination of insufficient alternative development funds and forced eradication is driving growers to resist the forced eradication to their death, \textbf{as they have no alternative.}

\textbf{Final Conclusions}

While tying eradication to alternative development will serve the intended purpose of decreasing the cocaleros options in regards to coca production, it will have the unintended effect of increasing violence. The adoption of a strategy that forces coca farmers to become completely dependent upon alternative crops for their basic survival, would require that the alternative crops be legitimate substitutes for coca. As we have seen, this is not the case.

Alternative development has been successful in increasing the alternatives to coca. However, the alternative products are cultivated as \textit{complements} to, not \textit{substitutes} for coca production. A more diverse range of goods are now successfully produced in the Chapare. The rational farmer has indeed responded to the economic incentives to produce more, taking good

\textsuperscript{102} Lemuz, Adalid Cabrera. "Cocaleros no están en contra de la erradicación, pero con desarrollo
advantage of additional inputs, such as seeds, fertilizer, and infrastructure. However, it is imperative to understand that the farmers, by and large, produce the new products as a complement to illicit production, rather than a substitute for it.

If the goal is not to increase pineapple and banana production, but to decrease coca production, and substitution efforts have failed, eradication appears to be the next rational supply side step. Straight out military action would cause an uproar domestically and internationally. Consequently, it appears as though USAID and the GOB have used the convenios to make community groups the non-militarized guarantors of eradication. While individual farmers may be able to quietly produce both licit and illicit goods, as a community this is harder to conceal.

While signing these convenios may indeed reduce the hectares of coca produced in the Chapare, the seeds of conflict will be planted in place of collaborative community building. Without a cohesive demand-driven community based strategy, that employs an effective means of alternative production, there can be no hope of a sustainable shift towards licit crop production. USAID and the GOB will most likely see a decrease in hectares of coca produced, and maybe one day they will actually reach their goal of a coca-free Chapare. However, one must ask himself what Bolivia will then do with this large sector of people with no means of survival. Will USAID leave

Bolivia when the coca leaves Bolivia? If so, what will be the GOB’s next Strategy?
BIBLIOGRAPHY


US Embassy, La Paz, Bolivia. Sheet which shows the eradication of coca in Bolivia, given to me by Steve Olson during our conversation on December 3, 1996. November 11, 1996.

