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# Bolivia



## The country of Evo Morales surprises the world

Tuesday, October 28, 2014

When Evo Morales was a pre-teen, he went on a school trip to Lake Titicaca. On their return, his teacher decided to make an unplanned stop at the presidential palace in La Paz. The students were made to wait days in the capital's Murillo Square until then president and military dictator Hugo Banzer agreed to see them. The young Morales was not impressed.

"When I am president," he declared to all of his classmates within earshot, "I will be much more accessible."

Widely regarded as "the people's president" in Bolivia, Evo Morales has been true to his word. The first indigenous president in the country, he has championed the cause of the poor and marginalized, though his supporters today include Bolivians from across the social strata. Indeed, his popularity after nine years of presidency continues to rise.

Mr. Morales was first elected with 53.7% of the vote in 2005, the widest election margin since democracy was restored in 1982. In 2009, he won again in a landslide victory, landing 64.2% of the vote (he also managed to get a new constitution passed in a referendum vote that year). In October 2014, thanks to a recent ruling by the Constitutional Court, he ran again and won with over 60% of Bolivians voting him in for a third term.

A lifelong activist and union leader, Mr. Morales has been jailed, beaten and been the victim of numerous instances of political violence and racial discrimination. The future leader was particularly marked by an event in 1981 in which a Bolivian farmer and coca grower was accused of cocaine trafficking by soldiers, then subsequently beaten and burned alive.

"It was at the time of García Meza's dictatorship. I could not understand it because I thought that the president was the father of all Bolivians. How could a father throw fuel on a son and burn him? From then on, I started to participate in the union and protest movements," he says. "And little by little we progressed. We consolidated our position as a union leader, and we gained a lot of credibility from the national growth of our social movements. We reached congress, and from there it was a natural progression to the presidency."

### Policy of inclusion

Not surprisingly, the fight against both poverty and racism were central themes of President Morales' first term. He passed a law against racism and discrimination. He required all civil servants to learn one of Bolivia's three indigenous languages – Quechua, Aymara, or Guarani – within two years (over 60% of Bolivians are of indigenous descent).



**THE NEW SYSTEM** of governance and resource management that Evo Morales has introduced to Bolivia has won him growing support among voters and international observers alike

ians are of indigenous descent).

The new president introduced referendums and citizen-led legislative initiatives in an effort to make Bolivia's representative democracy more direct. Over half of his deputies were comprised of representatives from social organizations, indigenous communities, blue-collar workers, farmers, neighborhood groups and labor. By 2010, Bolivians had the right to choose their Supreme Court judges.

Mr. Morales expanded social welfare, introducing the 2006 Bono Juancito Pinto program, which provided a monthly stipend for each child in poorer families who attended school (since then, school attendance has increased fivefold). In addition, he launched the 2008 Renta Dignidad initiative that gave \$344 per month to low-income citizens over 60 years old, as well as the 2009 Bono Juana Azurduy program to provide health care for uninsured mothers of children under age one. He also doubled the minimum wage.

The president launched a campaign that had eradicated illiteracy in the country by 2009. He carried out agrarian reform, distributing land to communities rather than individuals. And then he gave them free tractors.

As a result, since 2006, more than 2.5 million Bolivians have escaped from extreme and moderate poverty. By 2009, heading into his second term, the gap between Bolivia's top 10% richest and 10% poorest citizens had been reduced by 60 times. His second cabinet was 50% female.

"When I became president, I thought first of the fact that I was the first union leader to be elected. Then I thought that I had to run the country well. If I did badly as a leader, Bolivians would never elect another union leader again.

Supreme Decree 2870

Much of President Morales' social achievements were possible as a result of one of his first acts as president, the nationalization of Bolivia's hydrocarbon sector. Passed on May 1, 2006, Decree 2870

was a radical move that thrilled Bolivians and horrified international investors.

In a complete reversal of their former agreements, foreign companies in the hydrocarbon sector were ordered to pay 82% of their profits to the Bolivian government, retaining 18% for themselves. Bolivia has South America's second largest gas reserves; nationalization meant that government revenues topped \$1.3 billion that same year (in 2002, Bolivia had received just \$173 million). That year was the first in time in 30 years that the Bolivian government had a fiscal surplus, which it has since maintained.

"I was very radical at first. I used to say that all the foreign companies had to go. But I was told that this was not going to happen, and that even in Cuba, there were investors. So we had to decide what percentage the companies should have. I commissioned a study to see if the companies would be profitable with just 18%. It concluded that yes, the companies would still be profitable with 18%, so that was what we decided," says the president. "We didn't initially expect nationalization to free us economically so quickly. Nobody foresaw that."

### The new Bolivia

Evo Morales' leftist rhetoric abroad has often bordered on the radical, an impression that his nationalization policies and state-centered economic approach at home have deepened. Yet in economic affairs, Mr. Morales has proven himself to be very fiscally conservative, baffling international analysts struggling to label his model.

Bolivia under the Morales administration has experienced a period of prosperity and calm. The nation's GDP has doubled, public debt is well below regional averages and Bolivia's international reserves have grown sevenfold to more than \$15 billion, or 50% of GDP. The economy grew by 6.8% in 2013, and growth of 6% is expected this year.

Mr. Morales' economic policies, sometimes referred to as Economics, have focused on creating a mixed economy, one in which foreign companies and foreign investment are welcome. Heavy public investment in transport and telecommunications is expected to bring new economic rewards in the near future as the country pushes forward with its industrialization program. Most importantly, Bolivia, which was the second-poorest nation in Latin America after Haiti before 2006, is now one of the region's fastest-growing.

"What have we done? It's simple," concludes the president. "Politically, the re-founding of Bolivia; economically, nationalization; and socially, the redistribution of wealth. That is the summary of our country's model."

## Cultural uniqueness used constructively to regenerate Bolivian-U.S. ties

Bolivia reaches back into its rich indigenous culture in formulating and applying concepts of harmony to its international relationships

THE DRIVING philosophy behind the external relations policy of Bolivia is deeply rooted within the country's internal history, particularly in the experience of its indigenous peoples over the last five centuries.

This is not the paradox that it might at first appear to be. After being colonized by Spain for three centuries, the country's Aymara people then remained politically, institutionally and economically disadvantaged for two centuries more until Evo Morales was elected as the nation's first indigenous president in 2006. During all that time, as Bolivia's foreign minister, David Choquehuanca Céspedes, points out, "Our way of life had been interrupted; we were losing the sense of what it meant to be ourselves, prohibited from speaking our language and from organizing our lives and our society in the way we always had; we were losing our culture."

Recovering this indigenous identity was one of the principal objectives of the growing Aymara political consciousness from the 1980s onward, and

it remains a major aim of the government today. Within the Andean indigenous philosophy there are no words for "rich" and "poor", and instead there is the concept of *qamiri*, a person who lives well, a full life, a person who is independent and who is free to live the life he or she chooses.

Mr. Choquehuanca points out that this concept does not oppose material development or democratic government, but instead expresses a complementary, different way of looking at the world. He stresses that for the Aymara people, their relationship with *Pachamama*, or Mother Earth, means that all people and peoples are brothers and sisters, meant to live together in harmony.

This concept of a natural spirituality harmonious with our world and its inhabitants does, of course, assume mutuality and reciprocity, as would be so among people of similar cultures. The road linking together the Andean countries, the Qhapaq Ñam, which UNESCO granted World Heritage status in 2014, is the ancient expression of the communi-



**"The United Nations, thanks to a Bolivian initiative, has held its first World Conference on Indigenous Peoples in September"**

David Choquehuanca Céspedes, Minister of Foreign Affairs

cation and exchanges between different groups of people sharing this common philosophy.

Bolivia is therefore returning to its ancient indigenous roots in seeking now to replace the disharmony of five centuries by a different way of relating to others, both among Bolivians and in its external relations. An essential element in the country's international relations is the expectation of mutual respect for, and non-interference in, each country's people, political and economic systems and physical integrity.

Mr. Choquehuanca feels that it's with the United States that Bolivia has found most difficulty in establishing a new relationship of mutual respect. He mentions that the U.S. had in the past interfered in Bolivia's internal affairs. From the beginning, the U.S. had been opposed to the candidacy of Mr. Morales for the presidency and, in 2008, it became necessary to expel the U.S. ambassador, Philip S. Goldberg, who was consequently declared persona non grata.

Since then, the U.S. had been represented in La Paz by a chargé d'affaires. Bolivia has always wished to rebuild relations with the U.S. but on a different and balanced basis, one of mutual respect. An agreement was reached in 2011 to re-open full diplomatic relations, which was followed by a specific mutual respect agreement, the only one Bolivia has felt the need to sign with any country.

So far, ambassadors have not been exchanged, although President Morales has emphasized that Bolivia continues to seek cooperation in many areas with the U.S., including opportunities for investment in Bolivia, a traditional market for American companies but where Chinese businesses have recently been making inroads.

The president adds that he "senses there is the goodwill in both governments to improve relations between the two countries" on the basis of the mutual self-respect inherent in the Aymara concepts of society and culture, and with full regard for the Bolivian identity.

# “We are in what I call our Golden Decade”

**INTERVIEW** with the Vice President of Bolivia, Álvaro Marcelo García Linera

**A** long-sighted approach to far-reaching, inclusive socioeconomic development is producing great returns for Bolivia. Vice President of Bolivia Álvaro Marcelo García Linera discusses his nation's recent achievements and future aims.

**Q. Bolivia has achieved rapid and consistent economic growth over the last few years, in a period when many countries have been in crisis. Why is that?**

**A.** We are in what I call our “Golden Decade,” a result of our comprehensive and holistic plan to ensure that the benefits from the development of national resources are invested with lasting social purposes.

We brought into the conventional economic equation the addressing of human needs, as well as the productive release of our present and future human potential.

**Q. What role has the state played in this process?**

**A.** Our initial economic analysis showed that there was insufficient investment in key industries that had previously been state-owned but had then been privatized, this underinvestment representing a severe risk for our national development. We therefore renationalized the oil and gas, electrical energy and telecommunications sectors.

Important internal areas of the economy were also dynamized, in sectors such as construction, agriculture and irrigation, generating important sources of internally financed growth, creating jobs and developing infrastructure. The exchange rate was also stabilized with the introduction of a long-term variation mechanism.

All this removed instability factors that had held back the economy, therefore encouraging private-sector growth.

**Q. How do you now see the role of the private sector in Bolivia's future growth?**

**A.** We have generated political and social stability together with a climate for growth, something that is very attractive to investors: the fastest economic growth on the continent, almost 2 million new middle-class consumers, political stability, a successful economic model, promising long-term perspectives. Everything is there for the private sector to invest successfully in Bolivia.

**Q. What are some of the key elements in Bolivia's future growth perspectives?**

**A.** We aim to invest by adding value to Bolivia's natural resources and to thus retain within the country a greater part of their true economic value.

We have also been investing in social development, such as in healthcare provision and education. We need to continue to invest heavily in developing the potential and the knowledge assets of our human natural resources.

**Q. How has Bolivia's investment in social development contributed to economic growth?**

**A.** We want to give all our people the opportunity to make the best they can of their lives and to contribute productively to society.

There is wide social representation within the government and in its decision-making, this being essential to societal choices and to economic stability.

Access to telecommunications in rural areas has released dormant human potential, with obvious economic impact.

**Q. How do you see Bolivia a decade from now?**

**A.** By 2025 we aim to be an industrialized country, fully or partially, depending on the sector. Bolivia will combine fast growth with equal opportunity for all its people and ethnicities, where social development allows people to achieve life ambitions in a country of democracy and justice.



# Extensive telecoms strategy furthers national goals

**TELECOMMUNICATIONS** Ongoing investment in services and infrastructure are key to continued socioeconomic development

**B**olivia has, over the past eight years, transformed itself economically, emphasizing investment and using the dividends from its progress and its development to satisfy long-neglected basic needs of large swathes of the population. The country's multi-faceted development program aims to use the benefits from the extraction of its natural resources to lay a solid base for long-term growth. This has involved bringing all of Bolivia's citizens into the economic and social mainstream through investments in social betterment programs, in areas such as education and literacy development. The program also widens their life horizons and interests – a process in which telecommunications is a major contributor.

The general manager of Entel S.A., Oscar Coca Antezana, highlights that the extensive investments made in the country's road network mean that products can now be more easily brought to market, but adds that “integration

through communication goes beyond roads.” He sees clear economic benefits from the availability of better communications, mentioning in particular enhanced product knowledge and information on product pricing, as well as greater social interaction. For the nation, therefore, the telecom sector fulfills a wide role, one embracing economic development, the growth of knowledge, and the release of human potential, along with social development and national integration.

In Bolivia, the telecommunications sector is a competitive market with several operators present in the country. Substantial investments in 3G and 4G services have overcome topographical barriers and helped Bolivia leapfrog straight into 21<sup>st</sup> century technology. The recent launch of the first national satellite is transforming the scope of services available, besides bringing television to the whole country, therefore playing a key role in the continuing transformation of Bolivia and its society.

## Telecom technology drive aims to transform lives and expand prospects

Entel combines commercial dynamism with social responsibility



The launch of Bolivia's first national satellite will dramatically widen access to telecoms

ENTEL S.A. is Bolivia's legacy telecommunications operator, offering conventional phone services, ADSL broadband access, 3G and 4G technologies, and satellite television. Its subsidiary, Entel Movil, is Bolivia's largest cell phone operator. While being state-owned, Entel competes with several other operators, particularly in mobile telephony, the area with by far the greatest national penetration: Entel has a 44% market share. The company's general manager, Oscar Coca Antezana, is proud of his company's Moody's AAA credit rating and of having doubled its rate of return on investment in the last six years. He highlights that although state-owned, “Entel has no special status or treatment and must compete like any other company, earning profits and remunerating its owners.”

Mr. Coca is nonetheless very conscious of the key role Entel has to play in fostering national economic and social development, emphasizing how investment in network expansion and in new technologies has experienced a sea change since the company was renationalized in 2008. He further mentions that all investments are made from the company's own resources, rather than through credit financing. Entel's efforts have resulted in a transformational extension of the national optic-fiber network and a sextupling of the number of base stations, as well as substantial investments in 3G and 4G technolo-

gies and the launch of a national satellite TV service.

The national operator is now providing a service that is better, faster and cheaper, while simultaneously building up local technology knowledge and capability. “Today, Entel is providing telephone, Internet and television to even the most remote parts of the country; the benefit of our approach is palpable, it is seen in people's everyday lives,” says Mr. Coca.

**Entel is providing a better, faster and cheaper service, while simultaneously building up local technology knowledge and capability**

An emphasis on in-house research and development means the major part of the company's software is now created locally, while skills learned and technologies transferred during the first satellite program are now allowing Bolivians full operational control. The growth of knowledge assets within the country and the development of basic research capabilities are seen by Entel as key spin-offs from its investments.

An innovative and pragmatic approach to finding operational solutions, in a relatively poorly

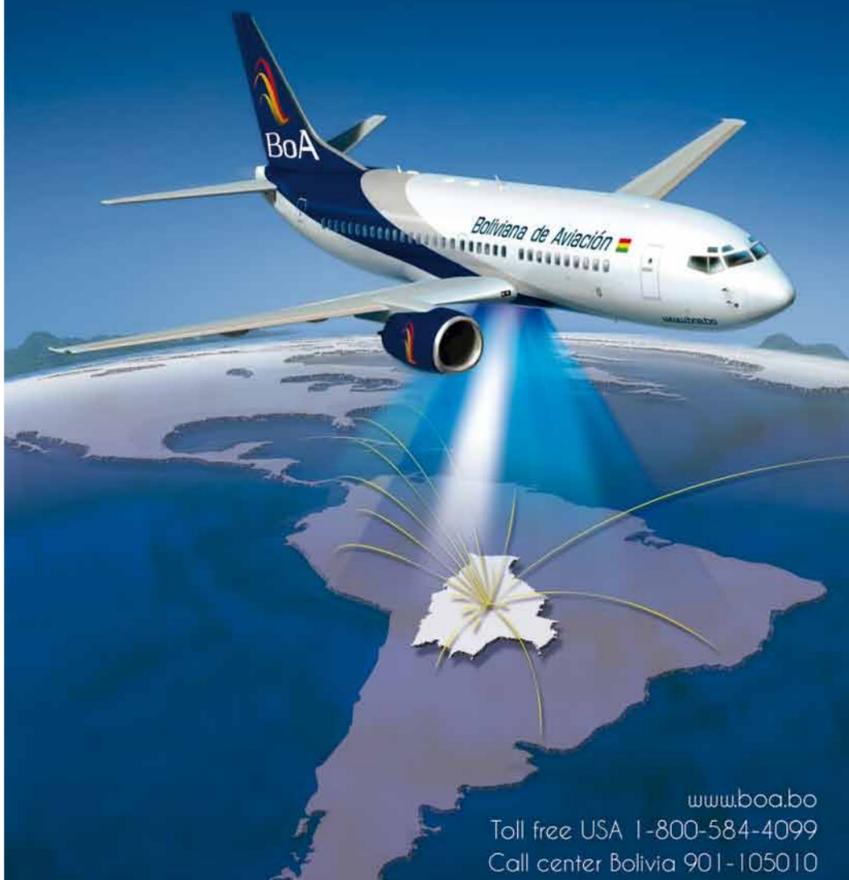
developed country not blessed with one of world's easiest topographies, has enabled Entel to turn disadvantages into opportunities. One example is the jump straight into cell phone communications, in which Bolivia has the second-fastest rate of growth in Latin America. Another is the use of solar panels in remote locations lacking electricity. As Mr. Coca points out, “We often get there before there's any prospect of electricity; often before there are any roads we get our antennae up.”

The company is very proud of its achievements over the past six years and is pushing ahead to ensure that by 2025 all of Bolivia's citizens will be connected. However, it is also highly conscious of the challenges ahead and of its continuing social contribution. As an example, Mr. Coca mentions the satellite television service and its free provision of national channels, while simultaneously offering a pay-TV package of 60 international and specialized channels. He says, “With the satellite, we will reach every last square meter of the country with telephone, TV and Internet.” He relishes the challenge of expanding coverage, saying, “We need to innovate permanently, every year.”

Entel is clearly an important engine of change for Bolivia and for its people, a company perceptive to its wider social obligations, while still competing and acting agilely in a dynamic market environment.

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# Bolivia pours investment into priority areas

**PUBLIC WORKS** The government is combining economic and social development with national integration and rural poverty alleviation

**B**olivia is the poorest country in South America, with its geography and topography representing unique challenges. Prolonged chronic underinvestment has handicapped the full development of the country's rich natural resources, held back industrial growth based on adding value to those commodities and made it more difficult to export. This situation is now being challenged vigorously through much higher investment in public works and infrastructure in order to lay the foundation for sustained and balanced long-term economic and social development.

Over the last few years, Bolivia has been increasing its investment in infrastructure, which last year reached 4.5% of GDP – the highest in South America. This was accompanied by macroeconomic stability, including moderate inflation, trade and fiscal surpluses, controlled public debt, a solvent financial system and high levels of reserves. Bolivia is now investing prudently to accelerate investment in infrastructure in order to achieve objectives that are concurrently economic, social and political – all in a plan to release the value within untapped resources and to grow the nation's people skills and knowledge assets, while simultaneously facilitating true national integration.

Deficient national infrastructure has been estimated to reduce Bolivian productivity by around 35%. Electricity, transport and telecoms are the key areas for investment and in each one Bolivia is advancing. Rural areas are being transformed through the growing use of solar power for electricity production and ICT technology.

Vladimir Sánchez Escobar, the minister of public works, services and housing, emphasizes that the investment in the first Bolivian satellite, Túpac Katari, has already brought Internet, telephone



**Vladimir Sánchez Escobar, Minister of Public Works, Services and Housing**

and television to 1,000 communities. He adds that "this is in line with the government's aim of bridging the technology divide between the rural areas and the cities" and will open greater opportunities for people living in remote areas. The satellite will also bring economic benefits to businesses, in activities such as remote monitoring of oil and gas pipelines. A second satellite is planned specifically for natural resources prospecting.

Meanwhile, the gradual extension of the road network is facilitating the marketing and export of agricultural produce, and substantial investments are also being made in developing the previously neglected rail network, which aims to take cargo off the roads and open up new opportunities to extract and export natural resources. One example is the study of a new line to connect the iron ore deposits of Mutún with Puerto Busch on the border with Brazil.

The interconnection of existing rail lines to provide an east-west link across the whole country is another ongoing study. Substantial investments have already been made to provide each of Bolivia's provinces with better air links, with the building and improving of regional airports, the extension of route networks and investment in new planes for both short and long-haul routes.

Housing is another priority area. Mr. Sánchez recognizes that until recently this had been neglected and that massive investments need to be made to regenerate Bolivia's housing stock. He emphasizes that the government prefers to create integrated communities with facilities and services, thereby bringing to urban areas a sense of social community that still exists in rural areas. There is substantial ongoing investment in bringing electricity, water and sewerage connections to existing dwellings.

## Positive and profitable

Just seven years after its creation, BoA has achieved a good level of "democratization" of Bolivia's air industry

WHEN Boliviana de Aviación, or BoA, the country's national flag carrier was formed in 2007, it had no airplanes and was comprised of a two-man team headed by current Managing Director Ronald Casso. They were tasked with coming up with the final design for a company that would replace the troubled Lloyd Aéreo Boliviano (LAB) airline, which, after 75 years as the national airline, had nosedived into bankruptcy, leaving hundreds unemployed.

President Evo Morales had promised to "democratize" the country's air industry. He was betting on BoA to do that, and to do so without subsidies and within normal commercial conditions. The airline was formed by decree on October 24, 2007, despite its lack of airliners and a miniscule \$15 million budget. By the end of 2008, the company had managed to get its first plane but had \$4 million in losses. A second plane arrived in early 2009, and by March, the airline was up and running, flying domestic routes to La Paz, Cochabamba and Santa Cruz de la Sierra. President Morales himself flew on BoA's inaugural flight.

"BoA's creation, as quite often occurs in projects, stemmed from a crisis, from a need," says Mr. Casso. "The main problem facing President Morales's government was the insolvency of the national airline, LAB, which had been a symbol of Bolivia for a very long time."

BoA managed to get a third plane later in 2009, and another in 2010, when it added international flights to Buenos Aires and São Paulo. By that year, it was making a profit, and since then, it has never looked back. "All the years since have been positive," adds the airline chief. "In 2012, revenues reached \$12 million. By 2013, we had assets valued at \$55 million, so we had tripled our capital in five years of operation."

By mid-year 2014, the airline had transported more than 6 million passengers, 4.6 million of which were Bolivians, testimony to BoA's grow-

ing dominance in the domestic market. It had also transported more than 18,000 tons of cargo without having any cargo planes, a sign of its growing presence in that market as well.

Mr. Casso credits BoA's surprising success to its team. "The best asset this company has is a team of very committed people, whom I have the privilege of leading. We had a dream that we have managed to share with what is now just over 1,000 employees, and they meet that challenge day after day," he says.

Today, BoA, which is not only Bolivia's youngest state-owned enterprise, but now also its largest, flies to seven Bolivian cities, as well as various international destinations, including Madrid and Miami. Soon it is planning to add Caracas, Havana and Lima to its routes. It boasts a fleet of 10 Boeing 737s that make 70 daily flights, 90% of which are domestic, and it is the only IOSA-certified airline in the country, where its competitive pricing (some 10% lower than its main competitor, AeroSur) has earned it a 50% share of the market.

Moving forward, BoA will continue to base its strategy around what Bolivians need, says Mr. Casso. The airline received a very clear mandate from President Morales: it must be profitable and it must be sustainable, but it must also base its expansion on where Bolivians want to go. Its first international destinations were not a coincidence: the largest Bolivian expat communities are in Buenos Aires, Madrid, São Paulo and Washington D.C.

Now, with the help of a Chinese loan, the airline is looking to connect isolated communities at home with a regional network, using 50-seater planes that will connect nine Bolivian cities that, until now, have gone without air transport.

"Democratizing air transport for us means that Bolivians do not feel restricted by or left out from air transport," concludes BoA's director. "There was a social barrier with air transport in Bolivia, and our goal is to break that barrier down."



**"BoA's creation, as quite often occurs in projects, stemmed from a crisis, from a need"**

**RONALD CASSO, Managing Director of BoA**

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# Bolivia is investing to develop rich potential for visitors

**TOURISM** The Andean nation's attractive cultural heritage becomes accessible to tourists as infrastructure improves



There are 36 recognized ethnic groups in Bolivia today



La Paz is Bolivia's capital and third most-populous city



Monolito del Fraile. Photo courtesy of the Ministry of Tourism



Arbol de Piedra in the Eduardo Avaroa Andean Fauna National Reserve



One of the Radisson Plaza Hotel La Paz's 153 rooms and suites



The Radisson offers versatile meeting and banquet facilities

Bolivia is not a conventional tourist destination. The country is relatively little-known and quite different from all its South American neighbors, not only in geography and cultures, but also in its range of ethnic identities. The country's cultural diversity is perhaps partly a product of its diverse geography, which ranges from the mountains of the Andes and the high plateau of the capital, La Paz, to the tropical lowlands of Santa Cruz. It embraces both South America's largest lake and the upper basin of the Amazon. Yet the country received only 1.2 million tourists last year, the overwhelming majority of whom were from other South American countries. However, that figure shows a 17% increase over the previous year and is already four times the volume of tourists at the turn of the century. So the great secret is at last being discovered, surely and steadily.

Much of the country is well off the beaten track and it is perhaps not surprising that the Dakar Rally 2014 was held in Bolivia, a professional and breakneck version of the kind of adventure tourism that the country is increasingly attracting. People who are looking for something very different would almost certainly not be disappointed with hiking in the Cordillera Real, with its several peaks of over 20,000 feet (6,100 meters). A real adventure holiday would then combine that with mountain-biking on the world's most dangerous road, the Yungas road from La Paz, almost 12,000 feet up, right down to the Amazonian rainforest.

Very different but equally spectacular are Lake Titicaca, also the area from which the ancestors of the Inca people originated and the site of impressive pre-Inca ruins, and the almost surreal celestial blue of the 4,000 square mile (10,360 square meter) salt flats of the Salar de Uyuni. Few countries would possess even one natural wonder to rival these, but Bolivia has tourist marvels in abundance.

It is only in the last few years that Bolivia has started to invest the proceeds from the development of its natural resources wealth into development across the whole of the country, with particular emphasis on building a modern road network and on bringing telecommunications connections to more remote areas. It is therefore not surpris-

ing that much more needs to be done to open up the whole country for tourism – even though, despite its difficulties, tourism is already the country's fourth-biggest revenue source.

The government has set up the Bolivian National Tourism Agency to channel development to areas that do not have adequate infrastructure, so as to complement the work of private operators that are currently creating jobs in areas already popular with tourists.

The potential for business and conference tourism and for regional and international conventions is also now being tackled. Enrique Pacheco, owner of the Radisson Plaza Hotel La Paz, one of the country's few international-standard chain hotels, emphasizes the need to invest in attracting business and professional conventions to the capital, perhaps by offering packages combining a convention stay with a tourism element.

Mr. Pacheco notes the success of the G77 + China summit meeting held in June in Santa Cruz as well as the recent opening of the Convention Center at El Alto in the suburbs of La Paz, and hopes that business of this kind will also be generated for La Paz.

Mr. Pacheco says that there has been strong growth in conventional tourism, mostly from neighboring countries but also from Europe and Asia, although not, however, tourism which is more upmarket and able to support the operation of international-class hotels. He adds that he is actively promoting, through the Radisson hotel group, the attraction of Bolivia as a destination for international conferences and conventions. He emphasizes that there exists a real opportunity for Bolivia to develop several different kinds of tourism and that none ought to be neglected.

It is clear that Bolivia has much to offer all potential tourism markets, in many ways the country has an abundance of riches waiting to be developed. Investments in infrastructure for all kinds of tourism are now being made and the rewards are being seen in the higher number of tourists now discovering the country, besides in the higher profile resulting from staging prestigious international events and gatherings. The potential is there, just waiting to be developed.



## Bolivia's unique cultural identity and heritage

Pablo Groux Canedo, Minister of Culture and Tourism, speaks candidly about Bolivia's powerful tourism potential

**Q. You studied political science but your ministerial responsibilities seem to be in a field that is quite different. What is the link between the two?**

**A.** I have always been concerned with the question of the Bolivian identity in a country with at least three dozen distinct ethnicities. Political Science helps one to understand how, but also why a state functions as it does. I have always felt that understanding cultural identity is as important to a nation as other areas of ministerial responsibilities and, in a diverse country like Bolivia, essential for our self-discovery.

When our first indigenous-race president, Evo Morales, was elected in 2007, I was given the portfolio of development of cultures (in the plural), with this inter-cultural concept, within our national identity as Bolivians, being recognized as part of the essence of the state.

**Q. What was the reason for bringing together culture with tourism in one ministry?**

**A.** When some of the country's natural resources industries were re-nationalized, we all felt that we were recovering part of ourselves, part of our own richness as a people. The benefits were plain for everyone to see, in economic terms. With tourism, yes, we saw the economic benefits but there was a kind of void, something was missing in the essence, the raw material of this economic activity. We felt that tourism was the natural operating arm of Bolivia's heritage, of its rich diversity of peoples and cultures.

We identified heritage, nature and identity as being where Bolivia would be able to provide a distinct experience for tourists and our national tourism slogan, "Bolivia te espera" or "Bolivia awaits you," reflects this confidence that our country is truly different from others.



**"Tourism is the natural operating arm of Bolivia's heritage, of its rich diversity of peoples and cultures"**

**Pablo Groux Canedo, Minister of Culture and Tourism**

**Q. Was the creation of the Bolivian National Tourism Agency part of the same plan?**

**A.** In a sense, certainly. Bolivia has a number of tourist destinations that are fairly well known, such as Lake Titicaca, the upper Amazon basin, ruins from the Inca era and so on, and these destinations are fairly well covered by private operators who are successfully generating business and jobs, and the agency will take nothing away from them.

However, there are many destinations where private operators are not present but which also have great potential and the agency will be thus aiming to widen the range of options for tourism in the country. While we are concentrating on heritage, nature and identity to attract tourists from other countries, we are also very open to new opportunities and the agency is part of this approach. An exam-

ple is the Dakar Rally which was, for the first time, held in Bolivia in January 2014. We see events such as this one as complementary to our mission of helping people to discover the diverse wealth of this country.

**Q. What has been the result of your plan in terms of tourist numbers?**

**A.** In 2013, we had 1.2 million foreign tourists, an increase of 17% over the previous year and approximately four times as many as at the turn of the

century. We expect to do even better this year with events such as the Dakar Rally 2014 and the G77 meeting.

Many of our tourists come from Europe, particularly from France and Germany, and from Asia, especially from Japan. Many people also come from Israel. Tourism from the U.S. is starting up again, after the political differences our countries have experienced, with many Americans coming to see a country that perhaps intrigues them politically, often just to see for themselves how things really are in this small country.

**Q. Minister, please tell us what are your hopes and ambitions for the future of culture in Bolivia.**

**A.** There are many, many things still to do. I would love to see everywhere in the country a greater awareness of the value of the richness of our culture and diversity in a world ever more homogeneous. I would love the media everywhere to do more to help preserve and value different cultures and identities rather than telling us every last detail of the latest scandal or crime.

One thing I do know is that people coming to visit Bolivia will discover and enjoy an experience which is still unknown by many, in a country different from others where culture and tourism mingle uniquely.

## The difference is in the details



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