

BOLIVIA - A Treasure



Bolivia and the World

The origins of the indigenous civilization of the Andean Region are attributed to Tiwanaku, that was the most highly developed but it was not the only one, although, the Bolivian History begins with Tiwanaku.

Before the Spaniards arrived to the Continent, the Inka Empire was prosperous; sadly the Inka Civilization disappeared after three centuries of slavery. There are vestiges of this civilization as archaeological relics and laws which would be a model form for the current world. In the Quechua Language the basis of the Law was: Ama Sua, Ama Lulla, Ama Q'ella: it means don't be a Thief, don't be Liar, don't be Lazy.

The Spanish conquest began in 1524 and was mostly completed by 1533. The territory was then known as "Upper Peru" and was under the authority of the Viceroy of Lima. The local government was placed in the Audiencia de Charcas located in Chuquisaca (La Plata). Founded in 1545 as a mining town, Potosí soon produced fabulous wealth, becoming an important source of revenue for the Spanish Empire. A steady stream of natives served as labor force (the Spanish employed the pre-Columbian draft system called the mita). Upper Peru was bounded to Viceroyalty of the Río de la Plata in 1776. Túpak Katari led the indigenous rebellion that laid siege to La Paz in March of 1781, during which 20,000 people died. As Spanish royal authority weakened during the Napoleonic wars, sentiment against colonial rule grew.

Bolivia was the intellectual leader and the first one to take up arms against the Spanish Domination in 1809, but was the last one to proclaim its independence as a Republic the 6th of August 1825.

Bolivia, named in honour of Simón Bolívar, is a landlocked sovereign country located in central South America. Since the approval of the New Constitution (February 2009) is the Plurinational State of Bolivia, recognising in this way all the ethnic groups.

The country has one of the highest-altitude cities (La Paz: 3,600 mts over sea level) seats of Government. The highland population has adapted physiologically over the centuries to the extreme conditions prevailing in these regions. Highland animals such as llamas provide food, clothing and transport in the highlands. Traditional dress in each region is highly distinctive, with colourful woven shawls often linking the wearer to a particular community or village.

Today natural gas and soya are Bolivia's major export products. Bolivia is also the world's third largest producers of coca, our sacred leaf, used to adapt well to the altitud, avoiding highsickness. It is used as well to afford the mining, peasant and agricultural work in adverse environments. In recent times, and particularly from the 1990s, Bolivia has experienced major waves of grassroots mobilisation and political organising from previously marginalised groups, the indigenous peoples and marginal urban communities. These

BASIC FACTS ABOUT THE PLURINACIONAL STATE OF BOLIVIA

Area: 1,098,581 km² 424,163 sq miles

Growth in GDP: 4.6% (2006)

Borders: Brazil to the north and east, Paraguay to the southeast, Argentina to the south, Chile to the southwest, and Peru to the northwest.

Form of Government: Republic, descetralized with autonomies.

Population: 9.7 million (UN, 2008)

Unemployment: 7.18% (Source: UDAPE)

Ethnic Groups Quechua 30%, mestizo (mixed white European and Amerindian ancestry) 25%, Aymara 25%, white European descent 15%, other indigenous groups approx 5%.

Independance: 6th of August 1825

Geographical Division: Bolivia is divided into nine departments (*Capitals in parenthesis*)

* Beni (Trinidad)

* Chuquisaca (Sucre)

* Cochabamba (Cochabamba)

* La Paz (La Paz)

* Oruro (Oruro)

* Pando (Cobija)

* Potosí (Potosí)

* Santa Cruz (Santa Cruz de la Sierra)

* Tarija (Tarija)

Languages Aymara, Araona, Baure,

Bésiro, Canichana, Cavineño, Cayubaba,

Chácobo, Chimán, Ese Eja, Guaraní,

Guarasuawe, Guarayu, Itonama, Leco,

Machajuyai-Kallawaya, Machineri, Maropa,

Mojeño-trinitario, Mojeño-Ignaciano, Moré,

Mosetén, Movima, Pacawara, Puquina,

Quechua, Sirionó, Tacana, Tapiete,

Toromona, Uruchipaya, Weenhayek,

Yaminawa, Yuki, Yuracaré and Zamuco.

Currency: Boliviano 1 € = 9.98779 Bs.

GDP p/c: 1,783.27(in US\$ @ current prices)

Source IMF – April 2009

mobilisations led the election of the Republic's first indigenous president, Evo Morales, in 2005 at the head of a coalition made up of social movements and trade union's.

Economy

The country is very rich in natural resources. The average economic growth between 1985 and 2005 has been around 3%. The GDP growth in 2006 was 4.8%, in 2007 reached 4.56%, and in 2008 the highest point with 6.15%.

Since 1985, Bolivia implemented a program of macroeconomic stabilization and structural reform looking to maintain price stability, create conditions for sustained growth, and alleviate scarcity. All these measures were led by the IMF and the World Bank. Parallel legislative reforms have locked into place market-liberal policies, especially in the hydrocarbon and telecommunication sectors, that have encouraged private investment. Foreign investors received better treatment than the national ones and foreign ownership of companies enjoyed virtually no restrictions in Bolivia.

In April 2000, Bechtel signed a contract with Hugo Banzer, the former President of Bolivia, to privatize the water supply in Bolivia's third-largest city, Cochabamba. Shortly thereafter, the company tripled the water rates in that city, an action which resulted in protests and rioting among those who could no longer afford clean water. Drawing water from community wells or gathering rainwater was made illegal. Amidst Bolivia's nationwide economic collapse and growing national unrest over the state of the economy, the Bolivian government was forced to withdraw the water contract.

After a large social and political instability (four presidents in the period 2000 – 2005) based in the dramatic polarization of the economies, where only few retained the revenues of the economic growth and too many had to pay the cost of the stability, the traditional political system collapsed because of the lack of transparency and the incapability to renew itself to answer to the needed of integration of the Country.

Exports

Like other Latin American commodity producing countries Bolivia has benefited from high world prices, particularly for gas and minerals. The average exports for the period 1985 – 2005

rounded 1,138 million US\$. In 2006 reached 4,080 million US\$, more than double of the entire period, in 2007 4,822million, and in 2008 topped 6899 million dollars.

Imports

Imports have increased with the rise in exports, but at a slower rate. Total imports in the period 1985 - 2005 were US\$ 1.415 million, in 2006 were US\$ 2,925 million, in 2007 were 3,588 million dollars and in 2008 were 5,009 million dollars. It helped to produce a trade surplus of over US\$ 2,000 million.

Current account

Bolivia enjoyed a small current account surplus of 3.2% of GDP in 2008. This compares with a deficit of 5.3% of GDP in 2000. The improvement in the current account - a good proxy for the country's international solvency - reflects its better trade position as well as lower interest payments on the foreign debt.

Reserves

The improvement in Bolivia's external accounts has led to a rapid increase in the level of net international reserves in the banking system. At the first semester of 2009, these stood at over US\$ 8,000 million.

Foreign debt

In spite Bolivia remains with debt obligations, the debt relief have improved so much. At the end of 2008, the total foreign debt stood at US\$ 2,444 million dollars, its lowest point since the 80's.

GEOGRAPHICAL CHARACTERISTICS

Climate

Although Bolivia lies entirely within tropical latitudes, climatic conditions vary widely from tropical in the lowlands to polar in the highest parts of the Andes. Temperatures depend primarily on elevation and show little seasonal variation. In most locations, rainfall is heaviest during the Southern Hemisphere summer, and yearly amounts tend to decrease from north to south. This means that summers are hot and wet and winters cold and dry.