



DIRECCIONES

Newsletter of the Arkansas-East Bolivia Partners of the Americas

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President's Message

First a couple of things about what's going on in our Partnership and then a short report about the International Conference in Belize.

Needless to say, we had a great State Conference here in Fayetteville--we learned a lot about Bolivian politics and baroque music. And the Banquet was a smashing success. Thanks to Margaret Clark for her work on the Banquet and our Bolivian students and other Latin American students for entertainment.

Another highlight (and one which Partner's cannot take direct credit) was the Bolivian Students Associations sponsorship of a lecture by Dr. Eduardo Gamarra on current politics in Bolivia. More than 50 people attended the lecture by the Florida International University professor. We're proud of you students!

We're still trying to arrange projects in Santa Cruz in choral music and piano tuning--nothing right now but you'll hear when it happens. We're still committed to sponsoring a Bolivian tour in May 2008 for the sixth biennial Baroque Music Festival. We've got an agency in Santa Cruz helping us to put it together. More to come.

Now on to Belize. The conference was a great success. Jeanine and I and Wayne Swegle and Sandy Hambrick represented Arkansas. Unfortunately there were no representatives from East Bolivia.

The theme was "Identity and Inclusion: Affirming our Cultural Identity, Extending our Reach." During the conference there were several panels on how to diversify our chapters and work toward inclusion--young people, people of color and different ethnic backgrounds. We had lots of exposure to Belizean music. At one outdoor dinner we listened to steel drums, East Indian and Chinese Dancers, and local indigenous dance groups. Spectacular!

We also had the chance for a couple of field trips. One afternoon we visited Altun Ha, an ancient Maya site. On Sunday morning we got up at 6am to see the



Arkansas attendees - Steven, Jeanine, Sandy and Wayne

reenactment of the landing of the Garifuna tribe after a long trip from St. Vincent where they had been exiled by the British. After the landing we followed a colorful parade to St. Martin de Porres for a rousing mass.

Some points which came out of the conference:

1. Dues will rise in 2007 to \$200 and in 2008 to \$250.
2. The rechartering process will be streamlined and simplified starting in 2007 (we're up in 2007)
3. The Farmer to Farmer program while restricted to three countries, Haiti, Jamaica, and Guyana is open to participation by all partners--that is if we have someone qualified for one of the slots, we can apply.
4. In 2007 Bolivia will send 15 teenagers to the USA for a two week stay under the Youth

Ambassador Program. We don't know much more than that, but I told the program coordinator that we need as much lead time as possible to successfully participate in the program.

5. POA is in dire financial shape. President Malcolm Butler has taken a significant pay cut but will continue to give 110%. No word yet on other staff cutbacks.

I think I've covered most of the bases here. We'll be in communication later about updates on the things I've discussed above.

Steven Neuse

Annual Meeting

At this writing, we have just completed the 2006 Annual Meeting, held in Fayetteville October 27 and 28. The proceedings started on Friday evening with a cocktail/reception held at the home of **Steven** and **Jeanine Neuse**. It was a well-attended party, with both old and new members gathering, as well as several Bolivian students from the University. It was a good time for renewal of old friendships and making new friends.

The next day attendees gathered at the beautiful, new Fayetteville public library for our meeting. After introductory remarks by President Neuse the program began with a lecture by Professor **Jeff Ryan** of the Political Science Department of the University. He spoke on the present political and economic situation in Bolivia at the present time. Many of his remarks centered on the new President of Bolivia, **Evo Morales**. A lively discussion followed his presentation. Next, Emeritus Professor **Jack Groh** talked on baroque music, particularly choral music, with emphasis on the music being developed by young people in the eastern Departamento of Santa Cruz. Professor Groh had been given a recording of their music and seemed quite impressed by their efforts. Our interest in this subject is due to the possibility of developing a tour to Bolivia in 2008, to correspond to the next music festival presented every two years in the Santa Cruz area.

Finally, Srta. **Vivian Careaga**, student at the University in her final semester, presented an illustrated talk on her experience as a student and her



Vivian

varied activities during her years here. She has had quite a successful career as a student, and with her sister **Cecilia**, also a student, was able to travel extensively during her time here. Her mother is **Patty Reznicek**, who, with her brother **Carlos**, were students here more than 30 years ago. Your Editor remembers them well! Vivian's talk was quite interesting as she recounted her years here, including a semester spent in Little Rock as an intern with a company there, and while living that semester with **Thecia Taylor**. Thecia remembers fondly the semester with Vivian, as well as with another student, **David Cabellero**, who lived with Thecia the previous semester, interning with the same company. Vivian's talk was more than a little emotional as her years as a student draw to an end. We're proud of her as well as the many other students we've seen come and go at the University over past years.

The Annual Meeting concluded with a banquet Saturday evening, orchestrated and directed by **Margaret Clark**. The food was delicious and the fellowship great. Margaret arranged entertainment for the group consisting of a dance presentation led by students **Niñon Gamarra** and **Marisol Bedrigal**. This was followed by a small musical group (violin, piano, and guitar) presenting various Latin American songs. It was a fitting end to a most interesting Annual Meeting.

Board Meeting

The Board met at 4:30 on Saturday, just ahead of the banquet. Scheduled for 10:00 am the next day, the earlier time was arranged to allow Little Rock attendees to depart for home a bit earlier.

In the absence of Secretary **Sera Vena**, notes were taken by **Leah Wilkinson**, new Board member. Although it was noted that it is time to call for 2007 dues (see below), it was noted that the effort of **George Vena** to send out a separate dues statement was quite successful. He agreed to do this once more for the 2007 dues.

Some discussion was held on difficulties in getting adequate communication with our Bolivian counterparts. Since e-mail does not always work well, it was suggested that we attempt to make some phone calls to help stir things up. Might help!

Bob Frans reported on the recent election. The results are:

Steven Neuse - President

Margaret Clark - Interim Regional Vice President for NW Arkansas

Leah Wilkinson - Director-at-Large

Elizabeth Jordan - Director-at-Large

These folks will take office in January, 2007.

Those leaving office include:

Thomas Green - Regional Vice President for NW Arkansas

Le Ann Robertson - Director-at-Large

Joe Waldrum - Director-at-Large

(Editor's note: we certainly thank these retiring members for their service to the Arkansas Partners)

The Editor/Executive director once again suggested that he be replaced. As usual, there were no takers!

Thecia Taylor announced that she would have a Christmas at her house for all Arkansas Partners - the date and time will be announced later.

It was noted that **Wayne Swegle**, **Sandy Hambrick** (new member), **Steven** and **Jeanine Neuse** would be attending the International Convention in Belize.

The idea of a fund raiser for our partnership was again discussed. Various points of view were put forward. No unanimous decision was reached - further discussions will be held.

Time being short, the meeting was adjourned to prepare for the banquet.



Dues

Yes, it's time to put forth our first call for dues for 2007.

There are no changes in the dues structure - \$30 for families, \$20 for individuals, and \$10 for students. A one-year sustaining membership is \$100 - we hope more of you will consider this membership as a tangible way to support Partners financially. With this early call for dues, we hope that many of you will respond soon. It is true that sometime during the year we will be sending a more formal dues statement, but an early response to this call for dues will save us all time, money and effort. Since it doesn't look like your Executive Director will be replaced anytime soon, you can still send your checks to him at 2517 Joyce Blvd., Fayetteville AR 72703 Let us hear from you!



Niñon and Marisol

Visiting Lecturer

Dr. **Eduardo Gamarra** visited the University of Arkansas October 30 at the invitation of the International Bolivian Organization, and presented a lecture on the present economic and political situation in Bolivia. Dr. Gamarra is a former student of the University where he received his B.S degree. He was among the first group of Bolivian students on campus over 30 years ago. (About the same time as the Reznicks) He received his Ph.D. in political science from the University of Pittsburgh in 1987 and has been affiliated with Florida International University since 1986 where he is Director of the Latin American and Caribbean Center. Dr. Gamarra spoke succinctly on the political unrest in Bolivia, particularly among the indigenous population, contrasting this unrest with the fact that Bolivia currently enjoys perhaps the best economic situation it has ever known. Obviously President **Evo Morales** has been able to capitalize on this unrest, leading to his election to the presidency last August. Gamarra indicated that Morales has proven to be an astute and shrewd negotiator, arranging for more favorable contracts for Bolivia's abundant gas supply, sold to other countries.

Dr. Gamarra's illuminating lecture, was well-received by a large group of Bolivian students as well as many faculty and others. He is the uncle of our own **Ninon Gamarra**, President of IBO and largely responsible for bringing Gamarra to the campus. The University Latin American Studies program assisted in these arrangements. IBO is to be congratulated for arranging for this event.

More on Bolivia

The following article came to the Editor from his nephew, Luis Villanueva, a former U of A student, now residing in La Paz

Evo Morales' Complete Victory Over Big Oil The Progress in Bolivia

By NEWTON GARVER, SUNY Distinguished Service Professor Emeritus at University at Buffalo

I have previously argued that Evo Morales might best be described as a genius rather than put into any of the ready-made political categories that so regularly distort both news and policy. One main reason for this is his combination of principle and pragmatism, leading him into

confrontations in which he does not attack opposing persons or institutions but instead invites them to join him in a struggle for justice. The media regularly associate Morales with Chavez, but Chavez is more bully than genius, and it is impossible to imagine Morales denouncing Bush as a devil, as Chavez did at the United Nations. The other main reason is his extraordinary ability to exploit the moment, as he did after his election with his famous striped alpaca sweater and late this past summer by waving a coca leaf during his speech at the United Nations. Another example, cited in my previous article, was his use of troops in the nationalization of oil and gas reserves on May 1, 2006, which of course garnered world-wide press attention, even though he knew full well that there was no opposing armed force and that the nationalization could as well have been accomplished by signing decrees in his office in La Paz. At the time of the nationalization there was a near-consensus among analysts that the nationalization would fail. There were two reasons for this belief. One was that the opposing parties were the Brazilian government and very powerful and well-connected international cartels, who had plenty of other assets and were powerful enough to just leave Bolivia rather than renegotiate contracts that would give the lion's share of revenues to a desperately country that had few alternatives. The other reason was that neither the Bolivian ministry of mines nor the national petroleum company, YPFB, had the expertise required to run the operation that the renegotiated contracts envisaged. Both reasons were based on solid knowledge of the details of the industry, so the skepticism was well founded.

The decree of May 1 gave the parties exploiting the hydrocarbon resources of Bolivia six months in which to renegotiate contracts with the government, after which they would have to leave and their property would be subject to confiscation. Bolivia's position in the negotiation was that a return on investment of 15% to 18% would be fair and just for the drilling and exporting companies, and that the balance of profits and revenues should revert to the Bolivian people through the Bolivian government. At the time of the decree and the announcement of this demand, the popular cry was that the looting must end, and Morales himself referred to the process by which mineral resources of Bolivia had been extracted and exported for the previous four hundred years as "looting." The slogan was very popular, especially among the indigenous people of Bolivia. Thus populism and a call for justice were added to the power play of nationalization and the threat of confiscation. The stakes were high and the outcome uncertain.

Negotiations proceed slowly over the summer, and intransigent statements from Brazil darkened the prospects for a favorable outcome. This sentiment encouraged the opposition to the government of Evo Morales, which seemed likely to suffer a setback in its most significant initiative. Other challenges faced the government toward the end of the summer. In September there was a clash at the tin mines near Oruro, leaving twenty miners dead. The clash occurred between the government employees who now operate the mines and a union of former miners who insist on being allowed access now that the price of tin has risen. The roots of the dispute go back a quarter century, when the price of tin collapsed on the world market and thousands of miners were thrown out of work. (Many of them migrated to the Chapare region to grow coca.) Now that the price of tin has risen again, many of those who lost their jobs want an opportunity to share in the good fortune, but the skeletal force kept on in the mines did not want to share the bonanza. It was a conflict easily amenable to



negotiation and compromise, since the pie that needed to be split was growing, but the ministry did nothing. After the bloodshed Morales himself intervened, dismissing both the minister and another top administrator, and more miners now have access to jobs at the tin mines. That the armed conflict led to many deaths was a black mark for the government, but the decisive steps taken to get matters back on track showed its competence.

In October the city of La Paz was shut down by the union of drivers of buses and taxis. At first they simply called a one-day strike to protest changes in some bus routes and to demand, quite unreasonably, that a pedestrian area that for a decade has been the place of business for 400 street vendors be reopened to vehicles. During the day the strike was extended to be indefinite, and drivers parked their vehicles so as to block the main streets of the capital. Although Morales has his base of support in the unions of miners and coca growers, this union supported an opposing candidate, making the dispute less amenable to mediation. But there was not popular support for the shut-down, and it and the strike were ended after the government made minor concessions.

The main challenge to the government remained the gas and oil contracts. November 1, the end of the six-month period, was a make-or-break day for the government. The first hint of a solution came early in October, when Argentina signed an agreement to buy natural gas on terms much more favorable to Bolivia, and in much greater quantity than before. But Argentina is not among the producers or explorers. The result was finally known at the very end of October, and it was a complete victory for the government. Petrobras of Brazil, the largest explorer/producer in Bolivia, broke the news, and the agreement of all the others was nearly simultaneous. The new contracts give Bolivia between 50% and 82% of the net revenues, they commit Brazil to investing \$1.5 billion in new infrastructure and exploration, and they require that a portion of the profits of the international consortiums be invested in other industries in Bolivia.

So Evo Morales achieved what most of the analysts thought would be impossible, a complete victory in his struggle against the foreign companies exploiting Bolivia's natural resources. In his remarks hailing the agreements Morales stressed that this is a favorable outcome for everyone and noted that it had been achieved without the expropriation of the property or assets of the foreign companies. He looks forward to years of continued cooperation.

Having achieved what seemed to many impossible, Evo Morales now enjoys greater political strength and credibility with which to proceed with other steps on his agenda. The three most pressing and exciting are nationalization of the mining industry on terms similar to those of the petroleum industry, an agreement with Chile, and redistribution to peasants of huge tracts of land in the Amazonian provinces of Santa Cruz and Beni. All of them involve technical and legal difficulties as well as overcoming entrenched opposition. Nationalization of mining will probably occur first, but agreement with Chile is most exciting and received most emphasis in the President's remarks following the agreements about gas. Bolivia originally had twice the area of the present state, large chunks having been taken by each of its five neighbors. The piece that Bolivia most wants to get back, and whose loss still arouses most popular resentment, is the access to the Pacific Ocean that was lost to Chile at the end of the nineteenth century. The economic asset lost at the time was the guano, which Chile has since sold as fertilizer. This area in the northern part of Chile now has little economic value, so far as its resources are concerned, but it is a source of national pride to many Chileans. On the other hand Chile has a rapidly growing economy that depends to a large and growing extent on imported fuel. Chile's plans to expand its own supply of power through hydroelectric projects in its southern mountains and valleys are controversial and would in any case be inadequate to meet currently foreseen needs. So these agreements that stabilize the production of natural gas in Bolivia suggest an answer to one of Chile's most pressing needs: import energy from Bolivia. Can it be arranged?

At the present time Chile is the only immediate neighbor of Bolivia with which Bolivia does not have good working commercial relations, the reason being resentment over the loss of access to the sea. Technically supplying gas to Chile would be easy, and the same pipeline that delivers the gas to Chile could also bring gas to a port from which it could be shipped to Mexico and California. The problem is political. The same popular movement that brought Evo Morales to the presidency has been adamant that any gas sold to Mexico or California be shipped through Peru rather than through Chile, because of Chile's continued occupation of what had been Bolivia's only coastline.

Evo Morales has set as one of his goals to arrange a politically acceptable commercial agreement to supply Chile with gas on a long-term basis in return for Chile ceding Bolivia sovereign access to the sea. Morales attended President Bachelet's inauguration, the first Bolivian President ever to attend such an event. Both Bachelet and Morales are socialists and both have risen to their high office from outside the traditional ruling class. Evo Morales is, as usual, approaching the matter with a combination of principle and pragmatism: it is only just that Chile

should return to Bolivia what was taken by force of arms, and it is only reasonable that Chile should have a material reward for doing so. Since the nationalization of hydrocarbons means that Bolivia owns and controls the gas that is extracted, it is now in a position to supply Chile with those rewards.

The new natural gas contracts are an enormous achievement for Morales, for they strengthen him both domestically and internationally. It will be interesting to see what happens next. Morales continues to impress, and to make his little nation fascinating to watch.

We offer this article both as background to where Bolivia has been, and as a look as to where it is headed in the future. The current President of Bolivia, while controversial, certainly has stirred activity towards a new future. We hope the small type in the article did not discourage you to read it - it was the only way to present the article fully in the confines of this newsletter.

Final Notes

That's it for the "fall" newsletter. The winter issue should be out sometime following the January Board meeting, which is to be held on the 13th in Russellville, starting at 10:00 am.

Please remember to pay your dues - what a great gift that would be to us to begin the new year. And while you're at it, have a most joyous holiday season!