When Evo Morales was a pre-teen, he went to a school trip to Lake Titicaca. On their return, his teacher decided to make an unexpected stop at the presidential palace in La Paz. The students were amazed to see such an opulent government building in the capital, but Mr. Morales was not impressed.

“My father didn’t have any resources,” he said later, “so I decided to make an unplanned stop at President Jimmy Carter’s official residence.” Mr. Morales, whose teacher had agreed to the visit, was impressed.

“I am now 25 and I have never been to his presidential palace in La Paz,” he added, “and I am glad I didn’t go to school on that day.”

The new Bolivia

Evo Morales, a leftist historian who is often known as the “Karl Marx of Latin America,” has faced many challenges in his presidency. He has had to deal with a deep economic crisis in Bolivia that has left the country’s poorest citizens struggling. He has also faced criticism for his policies, which many have viewed as too redistributive and too interventionist. Nevertheless, Mr. Morales has managed to maintain a high level of support among the Bolivian people, who praise him for his efforts to improve the lives of the poor and marginalized.

Evo Morales, the first indigenous president of Bolivia, took office in 2006. He is known for his strong leadership and for his commitment to social justice and economic equality. During his time in office, he has implemented policies that have helped to reduce poverty and inequality in Bolivia. He has also worked to improve the country’s infrastructure and to increase its economic growth.

Since taking office, Mr. Morales has been a vocal critic of the United States and its policies in Latin America. He has been especially critical of the U.S. military presence in the region and of its support for right-wing governments. He has also been a strong advocate for the rights of indigenous peoples and for the protection of the environment.

Mr. Morales has been re-elected to a second term as president of Bolivia, and he is expected to continue to pursue his agenda of social reform and economic development. He has been praised for his efforts to improve the lives of the poor and marginalized, and he has been criticized for his policies, which some have viewed as too redistributive and too interventionist. Nevertheless, Mr. Morales has managed to maintain a high level of support among the Bolivian people, who praise him for his efforts to improve the lives of the poor and marginalized.

Mr. Morales has been a vocal critic of the United States and its policies in Latin America. He has been especially critical of the U.S. military presence in the region and of its support for right-wing governments. He has also been a strong advocate for the rights of indigenous peoples and for the protection of the environment. He has been praised for his efforts to improve the lives of the poor and marginalized, and he has been criticized for his policies, which some have viewed as too redistributive and too interventionist. Nevertheless, Mr. Morales has managed to maintain a high level of support among the Bolivian people, who praise him for his efforts to improve the lives of the poor and marginalized.
“We are in what I call our Golden Decade”

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

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 the “Golden Decade,” a result of our good management and the implementation of policies that ensure the benefits from the development of national resources are invested with lasting social purposes. We brought into the constitutional and institutional equation the addressing of human needs, as well as the productive release of our present and future human potential. It is a long-sighted approach to far-reaching, multi-sectoral development which is very attractive to investors: the fastest economic growth over the last few years, in a period when many countries have been in crisis. It is a successful economic model, promising long-term growth. This has involved bringing all of Bolivia’s citizens into the economic and social development, creating small businesses, jobs, social mainstream through investments in social development, such as health, education and electrification. 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 widespread social representation within the government and in its decision-making, this being essential to social choice and social equity. Access to telecommunications in rural areas has released human potential, with obvious economic impact.

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.

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

A. We need to invest by adding value to Bolivia’s natural resources and to thus release within the country a greater part of their true economic value. We have also been investing in social development, such as in healthcare, education and employment. We need to continue to invest heavily in developing the potential and the knowledge- and wealth-creating assets of our human natural resources.

Q. What has Bolivia’s involvement 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 widespread social representation within the government and in its decision-making, this being essential to social choice and social equity. Access to telecommunications in rural areas has released human potential, with obvious economic impact.

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

A. By 2025 we aim to have transformed Bolivia into a developed country, fully or partially, depending on the sector (Bolivia will combine both). We will have equal opportunities for all its people and ethnicities, where social development enables people to achieve life ambitions in a country of democracy and justice.

We are proud to fly to the heart of South America and be part of a continent that goes to the top

Adventisment

Extensive telecommunications strategy furthers national goals

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

Bolivia has, over the past eight years, transformed itself economically, transforming investment and using the dividends from its progress and development to satisfy long-neglected basic needs of large swathes of the population. This 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 development, creating small businesses, jobs, social mainstream through investments in social development, such as health, education and electrification.

The launch of Bolivia’s first national satellite will dramatically widen access to telecommunications. Bolivia has the second-fastest growth in Latin America. There is the use of solar panels in remote locations lacking electricity. Mr. Coca points out, “We often get there before there’s any prospect of electricity. After that, there aren’t any more roads we get our antennas 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 of and during its continuing social contribution. As an example, Mr. Coca mentions the satellite television service and its free provision of national channels, which simultaneously offering a pay-TV package of all international and special- ized channels. He says, “With Entel is possible to jump straight into cell phone communications, in which Bolivia has the second-fastest rate of growth in Latin America. There is the use of solar panels in remote locations lacking electricity.”
Bolivia pours investment into priority areas

PUBLIC WORKS

The government is combining economic and social development with national integration and rural poverty alleviation.

Bolivia is the poorest country in South America, with a geography and topography representing unique challenges. Protracted chronic underdevelopment has handicapped the full development of the country’s rich natural resources, sources held back industrial growth based adding value to those commodities and making them 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 6.5% of GDP—the highest in South America. This was accomplished by macroeconomic stability, including moderate inflation, trade and fiscal surpluses, focused 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 realise the value within underserved resources and to invest in the nation’s people skills and knowledge assets, while simultaneously facilitating the nation’s key internal logistics, the railways.

Deficient national infrastructure has been estimated to reduce Bolivian productivity by around 36%. Electricity, transport and telecommunications 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 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 government is planning to bring economic benefits to businesses through various activities such as remote monitoring of oil and gas pipelines. A second satellite is planned specifically for natural resources prospecting.

Meanwhile, the gradual expansion of the road network is facilitating the marketing and export of agricultural products, and substantial investments are also being made in developing the previously neglected rural road network, which aims to take care off the roads and open new opportunities to extract and export natural resources. One example is the study of a new law to connect the iron ore deposits of Mólax with Puente-Bastida on the border with Brazil.

The interconnection of existing rail lines to provide a route (new Line 4) across the whole country is another ongoing study. Substantial investments have already been made to provide each of Bolivia’s provinces with better rail services, with the building and upgrading 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 invest in 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 Bolivia de Aviación, or BoA, the country’s national flag carrier, was formed in 2007, it had no airplanes and was comprised of a two-men team headed by current Managing Director Ronald Casso. They were tasked with coming up with the solution to the problem of Bolivia’s poor connectivity. This problem was compounded by the trouble-ridden Lloyd Aéreo Boliviano (LAB) airline, which, after 70 years as the national airline, had vanished 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 airplanes and a miniscule $15 million budget. By the end of 2008, the company had managed to get its first plane but has only 6.5 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’ 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, Miami, São Paulo and Washington.

By mid-year 2014, the airline had transported more than 6 million passengers, 6.6 million of whom were Bolivians, testimony to BoA’s growing presence 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 the market.

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

Today, BoA, which is not only Bolivia’s youngest state-owned enterprise, but also is the largest, flies to seven Bolivian cities, as well as various international destinations, including Madrid and Miami. Soon it is planning to add Curacaos, Havana and Lima to its routes. It boasts a fleet of 10 Boeing 737s that make 70 daily flights, 95% of which are domestic, and it is the only IASA-certified airline in the country, where its competitive pricing (some 15% 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 what Bolivians want to go. Its first international destination was China, where there is a coincidence: the largest Bolivian expat communities are in Buenos Aires, Miami, São Paulo and Washington.

Now, with the help of a Chinese loan, the airline is looking to create suitable communities at home with a regional network, using 50-seat planes that will connect Bolivian cities that, until now, have been off the air transport map. Demystifying air transport for us means that Bolivian citizens 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 bring that barrier down.

Bolivia / P3
La Paz is Bolivia’s capital and third most-populous city. Photo courtesy of the ministry of Tourism

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,
acceptable facilities, 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 taken seriously. Entrepreneurs and hoteliers of the Radisson Plaza Hotel La Paz, one of the coun-
try’s few international-standard chain hotels, em-
phasize the need to invest in attracting business and professional conventions to this city, perhaps by offering package-

5. Peru offers a large range of convention facilities. Mr. Pacchiano notes the success of the OTT - China summit meet-
ing 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 businesses of this kind will also be generated for La Paz.

Mr. Pacchiano 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 destin-
ation for international conferences and conventions. He emphasizes that there exists a real opportunity for Bolivia to develop several different aspects of its tourism and that none ought to be neglected.

It is clear that Bolivia has much to offer all po-
tential tourism markets, in many ways the country has an endless richness of resources to be de-
veloped. 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 pro-
file resulting from almost non-stop visits by cele-
brities from around the world. The potential is there, just waiting to be developed.

The difference is in the details

Tourism is the natural operating

arm of Bolivia’s heritage, of its
diversity of peoples and cultures

Bolivia’s unique cultural

diversity and heritage

Pablo Groux Canedo, Minister of Culture and Tourist, speaks about Bolivia’s powerful tourism potential

Q. You studied po-
tourism science at the

ministerial responsi-
bilities as to what

field that is that is differ-
ent. What is the link

between the two?

A. I have always been con-
cerned with the question of the Bolivi-
an identity as a country with at least three doz-
en distinct ethnicities. Political Science helps one to understand how these activities and ident-
ities are as complementary to a nation as other areas of mineral extraction. We have a rich country like Bolivia, essential for our self-discovery.

When our first interna-
tional president, Evo Morales, was elected in 2007, I was given the portfolio of development of cultures (in the plural), with this
international portfolio, 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?

A. When some of the country’s natural resources

industries were re-
nationalized, all felt that we were recovering part of our

heritage, part of our own rich-

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