CRISE:

Centre for Research on Inequality, Human Security and Ethnicity

IN BRIEF

Group inequalities and political violence: policy challenges and priorities in Bolivia, Guatemala and Peru

The principal findings and policy challenges of the three Latin American cases considered by CRISE are presented here. The underlying goal of the research was to understand the role of horizontal or group inequality in the overall acute and long-lasting inequality of the countries studied, and the relevance of group inequality to political violence. The three countries selected were the ones with the largest indigenous populations in proportionate terms: Bolivia, Guatemala and Peru.

Principal findings

On horizontal inequality:

- Significantly more indigenous than non-indigenous people live in poverty/extreme poverty, and indigenous people enjoy less access to services and are less educated than non-indigenous people. Indigenous women are the worst off. Access to education is getting better but quality is not improving as much.

- Perceptions of identity confirmed the salience of ethnicity. Respondents were asked whether ethnic or racial origins affected a person's chances of employment in the public or private sector: in Bolivia and Peru, nearly two-thirds felt that it did, while in Guatemala, one-half believed this was the case for the public sector and slightly more than one-third did so for the private sector.[1]

- With regard to political inequalities, we identified general exclusion of indigenous people from the higher echelons of state and political parties. In Guatemala and Peru, indigenous presence is still limited at the national level, although it is rising at the local level. In Bolivia, the indigenous presence in state and political institutions has increased steadily since the election of local government mayors in the early 1990s, culminating in 2005 with the election of Evo Morales, the first indigenous Latin American president.

- As for cultural inequalities, important steps have been taken towards recognising indigenous cultural rights. Official policies actively repressing indigenous dress, customs and languages are no longer the norm. However, moves towards formal recognition remain hesitant in the cases of Guatemala and Peru. In the former case, bilingual education has been permitted since the late 1980s, but Mayan languages hold an ambiguous status of 'state recognition', falling short of official status; in practice, this limits access to public services by non-Spanish speakers.

On ethnicity and the relation to political violence:

- Ethnicity in Latin America is complex and there is a surprising amount of fluidity among groups. As elsewhere in the world, the boundaries between groups tend to change across time and localities, but 'fluidity' in Latin America also includes the phenomenon of individuals moving between ethnic groups (for example economic success can whiten a person's skin).

- The suppression of awareness of a person's ethnicity and of problems of discrimination and prejudice is a serious problem in Peru, making policy on horizontal inequalities particularly problematic.

- Ethnic inequalities are both a cause and a consequence of political violence in Guatemala and Peru, although the Guatemalan guerrillas and *Sendero Luminoso* were not ethnic movements. In Bolivia, in contrast, political accommodation mechanisms have been continually reinvented in ways that have reduced the threat of mass violence.

On the persistence of inequality:

- In all three countries, horizontal inequality is deeply embedded in a long history of discrimination and prejudice, although there are significant differences.

- In Peru, the depth of this embedding needs to be understood in terms of the interplay between geography, the economic pathway and political and social structures over time. It has resulted in an internalised degree of subordination and domination. There was a causal relation between inequality and grave violence, even though *Sendero Luminoso,* which launched the violent rebellion of the 1980s and 1990s, was not an ethnic movement. Yet, the consequences of violence embedded horizontal inequalities even more.

- In Bolivia, a different history allowed a contrasting vibrancy to indigenous groups, and geography and history together led to a more accommodating politi-

cal system, producing significantly less violence but still persistent socioeconomic inequality. Today, the government of Evo Morales has a strong and vocal indigenous base, but there is no certainty of progressive outcomes.

- Guatemala is an intermediate case in one sense, and an extreme one in another, since it experienced by far the worst political violence. History shaped a degree of autonomy for indigenous groups, but they were deeply fragmented: able to contest authority but ultimately without power in a rigidly oligarchic society.

On the policy terrain:

The inherited legacy today shapes the 'policy terrain' for remedying horizontal inequalities to different degrees in our three cases. We see this heritage first as a weakness of democratic structures and practices, pre-eminent in Guatemala and Peru, with violence playing a causal role in this weakness. Second, it is the weakness of policy instruments for reshaping the economy—notable in all three cases, especially at the local level, where there is often a virtual absence of national institutional actors. Third is the legacy of discrimination and prejudice permeating institutions, affecting in particular the delivery of health and education, including intercultural education.

In inter-related ways, the inherited legacy affects:

- the current political climate;
- the political economy of dependence on primary products, particularly extractives; and
- the political economy of decentralisation.

The *current political climate* is relatively favourable in Bolivia where the socially and economically marginal have a political voice, and the informal economy has an unusual degree of vitality and creativity. It is most unfavourable in Guatemala, where traditional power structures still dominate. Meanwhile, it is quite unfavourable in Peru, where the weakness of the political system constrains opportunities for authentic political forces to emerge from below. In both Guatemala and Peru, there is a sense of disillusion on the Left regarding alternative economic

Conducting in-depth interviews in Puno, southern Peru.
Photographer: Timonthy L. Thorp

policies. In Guatemala, many feel that the Left's structural analysis of the factors responsible for the guerrilla mobilisation led nowhere and was a route to deadly conflict: some prefer to focus on cultural issues today.

With regard to the *political economy of extractives,* mining, gas and oil dominate the political economies of Bolivia and Peru. Extractives have perverse effects on incentives at the macro, meso and micro levels. The motivation of national and local elites is typically to misdirect revenues for short-term purposes—this is occurring in Bolivia and Peru (it also happens in Guatemala but with not nearly such a dramatic impact in terms of national resource allocation). Local institutions to spread the benefits of mining and to limit the damage are extremely underdeveloped, and local protest voices are marginalised. This causes problem of over-valuation at the macro level; it also causes problems at the regional and local level, when resources are 'ploughed back' too rapidly, often for political reasons, and local structures cannot deal with the bonanza. Particular problems are:

- governments according priority to the containment of social movements to facilitate direct foreign investment in extractive industries;
- the transfer of resources from a Peruvian tax on natural resource revenues to the local level appears to be *increasing* the likelihood of violence, as it raises expectations in a context where institutions cannot use the new resources well; and
- Bolivia's new natural resource motor is in a different region to previous booms. Resources are being transferred to new regional elites who do not fit with the traditional politics of accommodation. Political rivalries between these elites and the centre obstruct the establishment of nationwide coordinated programmes. Furthermore, the new natural resource, gas, is partly in the territory of new 'indigenous autonomies'—new bodies to implement decentralisation—where the mechanisms of participation and accountability are not yet developed.

The forces that account for difficulties in achieving development, at the local level, through extractives, are also those that account for weaknesses and perversities in outcome from policies of *decentralisation.* The latter is officially part of the peace accord policies of Guatemala. In Peru, it has been nominally important to each regime since 2000. In Bolivia, since 1994, the Popular Participation Law has constituted one of the most ambitious attempts to empower society at the local level, yet decentralisation has encountered all of the predictable problems just described. This affects a whole range of policies important for the modification of horizontal inequalities.

Policy challenges, priorities and possibilities

i) Policies for a diversified economy

We have shown how the embedding of horizontal inequalities over time has become rooted in cumulative processes inter-relating the economy, geography and social and political structures. Leaving growth to the market, therefore, can only reinforce such an accumulation of structures.

All our cases have economies based in natural resources, with extractives playing a major role in two of them. The binding structural constraint on improving the quality of economic growth, generating new jobs and reducing poverty is diversifying the actors and sectors in such natural-resource-based economies. The creation of urban and rural non-agricultural jobs is at the heart of efforts to modify horizontal inequalities.

In Bolivia, and to a lesser extent in Peru, there has been progress in this regard. Pockets of alternative growth have blossomed in recent years, based on new market niches linked to fair and organic food markets, but most importantly, connecting tradable and non-tradable sectors. There are problems, however:

- Pockets of successful alternative growth need to reach a 'critical mass' for the labour-intensive aspects of growth and poverty reduction to commence. This usually means finding ways of facilitating linkages between tradable and non-tradable economic actors ('completing the value chain'), encompassing thousands of self-employed, informal sector players. Even in Bolivia, such pockets of growth are still very small.

- Huge support in the provision of technical advice, marketing advice and encouragement is needed. Such support has been inadequate in Peru and notably so in Guatemala.

- Policy needs to assist small and household enterprises in managing risk—these activities are very risky.[2]

- Policy needs to support the participation of indigenous women[3], ranging from policies to empower women's fertility decisions to support for new mothers and those taking care of the elderly.

- The detailed micro policies needed to achieve these goals are undermined by the context of natural resource abundance. This is observable in Bolivia and Peru.

ii) Political institutions

The three countries are at different stages in terms of the development of political institutions focused on human rights and conflict mediation and promoting indigenous political participation.

Human rights and conflict mediation

In Guatemala and Peru, specific institutions mandated to advance and protect human rights as well as conflict mediation have been set up, most prominently human rights ombudsman offices. These important institutions need to be strengthened and challenged in order to develop their roles. In Peru, the institution needs to concentrate more specifically on the rights of the indigenous, and to extend its work more effectively to rural areas. There is a need for more resources in provincial areas and more knowledge of and skills in relating to indigenous rural communities. In Guatemala, the indigenous rights ombudsman office needs a broader mandate, more funding and more autonomy vis-à-vis the ombudsman office.

In Bolivia, there are few initiatives dealing specifically with issues of conflict resolution. However, the new Constitution gives unprecedented prominence to indigenous

rights and customary law: the new provisions will require careful implementation.

Other political institutions

In Bolivia, the next decade will be marked by extensive institutional design and change driven by the new Constitution. It is necessary to prioritise certain areas based on their intrinsic importance as well as their potential as a source of ethnic conflict. The Electoral Court and the 'indigenous autonomies' are central to this process. The intended reforms of the Court include quota systems for indigenous participation and public competition for all appointments. Transparent mechanisms must be designed and must be agreed with indigenous groups to prevent common problems associated with affirmative action programmes. The new autonomies also need institutions to implement elections. In addition, in relation to horizontal inequalities, two aspects will require careful attention:

- the functions, responsibilities and rights of these autonomies with respect to regional and municipal autonomies; and

- the ownership of natural resources, since some gas fields lie in the middle of the proposed indigenous autonomies.

In Guatemala, more modest reforms are in place, but they need reinforcing. For example, the reform of municipal codes has enhanced and made official the role of some indigenous leaders. When combined with improved indigenous representation, this could increase indigenous power at the local level. Such policies should be extended.

In Peru, indigenous participation in national and local politics needs to be stimulated and protected, perhaps by quotas, and by more serious monitoring and education to prevent abuse and fraud. Indirect but important measures might include strengthening the enforcement of democratic practices in political parties, during and after elections. The electoral weight of Lima is an issue that needs to be addressed. In addition, how to achieve a plurality of voices on local and regional councils (perhaps through proportional representation) is something that needs to be explored.

In all areas of political reform, the key to sustaining such change is enabling those on the margins to increase their capacity to participate and articulate their agendas. This requires a broad range of (mostly informal) education initiatives and is an arena where non-governmental bodies are particularly effective.

iii) Social policies

The policy change limitations discussed above with respect to economic policy also apply to the formulation and implementation of social policy. Moreover, expansion of economic opportunities is also central to the success of conventional social policy. In the first place, economic opportunities, social relations and the exercise of voice are all part of well-being. Second, educating people alone, without facilitating economic and social opportunities, limits returns to education and its potential to offer an escape from poverty and inequality, and leads to out-migration. Thus, even with increased provision of educa-

tion, a deprived region will never start to provide its own teachers and viable civil service personnel to staff local government, since a significant percentage of the more educated migrate—hence, the process does not become self-sustaining. Similar circumstances exist in the sphere of health policy.

In all of our cases, especially in Guatemala and Peru, the key agenda item is to confront the discrimination and prejudice that result in dysfunctional and unequal attitudes and practices. Such action requires leadership at all levels and publicising instances of success and failure. Serious attention needs to be given to training staff in increasing awareness of the relevance and dangers of discriminatory practice. Discriminatory behaviour also necessitates monitoring, since special interests and prejudice can manipulate the political system. Such monitoring could occur by strengthening existing institutions, such as the Ombudsman in Guatemala and Peru, which could be given explicit and strong responsibilities in the social area, backed by resources and staff, especially in remote areas. In Peru, the *mesas de lucha contra la pobreza* (roundtables to combat poverty) have achieved a degree of legitimacy that could be reinforced as a means of monitoring practice and celebrating successes.

Of prime importance in relation to educational reform is inter-cultural education. Bolivia has made most progress in the area of multicultural education. However, the real challenges facing *inter*-cultural education[4] are not yet being addressed. According to our research, while bilingual education has made progress, the changes in attitudes among teachers needed to implement true inter-cultural education have not yet occurred.

iv) Information: ethnic composition of the population

A theme in our findings is the fluidity and ambiguity pertaining to the definition of ethnicity. This issue needs to be taken into account in census questions and data. The questions on ethnic identities used in future censuses must undergo a full public discussion in order that a consensus may be reached on the meaning of such identities. Next, the questions need to be reformulated according to the criteria that emerge through public consultation so that more accurate figures can be provided on a country's ethnic composition. To inform policy, it is also important that socioeconomic and political data are systematically collected according to group.

Conclusion

Horizontal inequalities—political, social, economic and cultural—are deeply embedded in Guatemala and Peru,

and have been significant elements of extreme political violence. They remain severe; indeed, political horizontal inequalities have worsened in some respects with the legacy of violence and repression. In Bolivia, meanwhile, an exceptional set of political and geographical circumstances led to a political accommodation that has so far avoided widespread violence and yielded a genuine improvement in political horizontal inequalities. However, the mechanisms that have prevented major violence to date may no longer work in the country's new political environment and may have to be reinvented.

Policies could significantly change the situation of excluded groups, assuming a degree of political commitment. There is a need to link social and economic policies and institutional change, given the depth of embedding of inequality. The legacy of the divergent pathways of economic and social progress means that today, strong policies are required to influence or counteract the working of the market. In particular, the regional dimension of this complementarity needs to be noted.

Informal institutions are crucial in shaping outcomes—above all, the reality of discrimination and prejudice, conditioning social policy and institutional functioning at every level. To alter this is the most difficult aspect of progressive change, requiring forceful leadership and commitment.

Institutional change has begun in all three countries, and could be built upon. There are even some signs of advancement in changing attitudes. If success stories can be communicated, cumulative progress can be fostered.

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Endnotes

1   The survey was not intended to be nationally representative, but other studies confirm the strong results.

2   Our research on Bolivia shows that the outcome of small enterprises and households needing to manage risk in isolation is the creation of ghettos. Such ghettos permit the accumulation of assets and markets for impoverished and excluded groups, but product and labour markets are segmented in ways that usually do not favour ethnic minorities in the long run.

3   Currently, indigenous women of working age are caught between the demand for more qualified and skilled labour in dynamic labour and product markets and the need to diversify risk at the household level. Most women, therefore, enter into part-time labour commitments that constrain their skills, earning power and potential for specialisation.

4   Inter-cultural education refers to the building of respect for other cultures.

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