

## Development dilemmas for Bolivia

### Some guidance on your reading time

- Spend around 30 minutes reading the booklet first. This leaves you an hour to answer the questions.
- Begin by reading through the materials and underlining key words and identifying links with Unit 1 and Unit 2.
- Make short notes on any resources, such as graphs and photographs, to identify any key trends and features.
- Read the summary about the problem and pick out the key words (eg. 'top-down', 'bottom-up').
- Read the views about the problem and try to identify any differences or conflicts.

### Section 1: Profile of Bolivia

- This section provides statistics about Bolivia's current level of development. It is one of the poorest countries in South America.
- Look at the various measures of development.
- Think about Rostow's model of development and what stage the evidence suggests Bolivia is at.
- How would Bolivia's profile be a hindrance to development?

### Section 2: The difficulties facing Bolivia for development

- This section looks at the possible environmental problems which could occur when Bolivia develops.
- It also considers some of the economic and social factors which might make development difficult.
- It will also give you a chance to think about what would be the best way for Bolivia to develop.

### Section 3: Development schemes for Bolivia

- This section looks at three possible schemes for Bolivian development.
- You will need to evaluate these schemes and then choose the one which you think will be best for Bolivia, environmentally, socio-economically and politically. Think about both the Bolivian environment and its people. [See prompts in the text.]
- You should also think about *why* you might not want some schemes, because to *justify*, you have to say why you say 'yes' and why you say 'no'.
- The next section will tell you about the problems and will summarise the key issues.

## Information on the problem: What is the best way for Bolivia to develop?

- Some people believe it is best for Bolivia to develop economically by exploiting her natural resources. These large-scale developments would need to be top-down.
- Other people believe that Bolivia should concentrate on small-scale, bottom-up developments to improve the health, education and quality of life of the people living below the poverty line.

## Four views on how Bolivia should develop

### View A

All development of resources such as lithium, gas and the rainforest should be controlled by the government, not the TNCs who take wealth out of the country and destroy the environment. We need the money to improve health and education.

**President Evo Morales**, a native Indian elected until 2015

Suggests might be left-wing, as against TNCs and favours state ownership of resources

Likely to support poor people

### View B

A third of our country is above 3000 metres, often with very steep slopes. The country is landlocked. Our ability to export goods is terrible. Our geography is against us as it adds huge costs to resource development.

**Ferdinand Molina**, a famous Bolivian journalist

Major problems of geography

Very difficult for export of resources

An independent viewpoint, perhaps?

### View C

With so many people living below the poverty line, mainly in rural areas, we need sustainable development of agriculture, with bottom-up development of rural tourism and craft industries, supported by renewable energy development to empower the people.

**Comibol** (a Bolivian NGO)

Favours bottom-up support for poor people

### View D

We have many concerns about Bolivia. These include:

- Chopping down the rainforest for large-scale agriculture
- Destroying fragile ecosystems in the salt flats or rainforest to extract resources.
- Loss of water supplies from glacier melt in the High Andes

**Green activist** from a large international NGO

Very focused on environmental issues. Likely to be against resource development?

This does not suggest that this person is from Bolivia

The regions of Bolivia – a divided country

Photo A: The Altiplano – the poorest part of Bolivia, where nearly 70% of Bolivians (mainly native Indians) live



What is the landscape like? What type of farming is it? Why is the Altiplano such a harsh environment to live in?

Photo B: The Amazon rainforest – a vast, mostly unexplored, area of natural rainforest



What 'condition' is the rainforest in? What could the rainforest be used for? Can you see any ways of exporting wood?



Photo C: The Salar de Uyuni – the world's largest reservoir of lithium



Is this an attractive area? What damage would 'digging' for lithium do?

Photo D: The Eastern Lowlands – the richest area of Bolivia



Compare the farming here to the farming in the Altiplano.

Resources for Section 1: Profile of Bolivia

Bolivia – one of the poorest countries in South America?

How low is this compared to very poor countries in Africa?

Table 1: Some facts about Bolivia

	Bolivia	Comparison USA
GDP per capita (\$US)	4,500	47,500
Primary = agriculture and mining % in primary employment	40%+	Less than 1%
% living below the poverty line	51% (Up to 80% in rural Andes)	4%
In the middle for ranking Human Development Index (Rank)	0.74 (113/192)	0.96 (13/192)
Life expectancy	66.9 years	78.1 years

How does this compare to the poorest countries in Africa?

- When you analyse data, try to think of ways of describing it, e.g. Americans are over 10 times wealthier than Bolivians.
- Think back to other countries you have studied. How poor is Bolivia in comparison?



Resources for Section 2: The difficulties facing Bolivia for development

Environmental problems

The major environmental problem is shortage of water in the Altiplano and Andes foothills, especially in the La Paz area and its rapidly growing suburbs of El Alto, the most densely populated area of Bolivia.

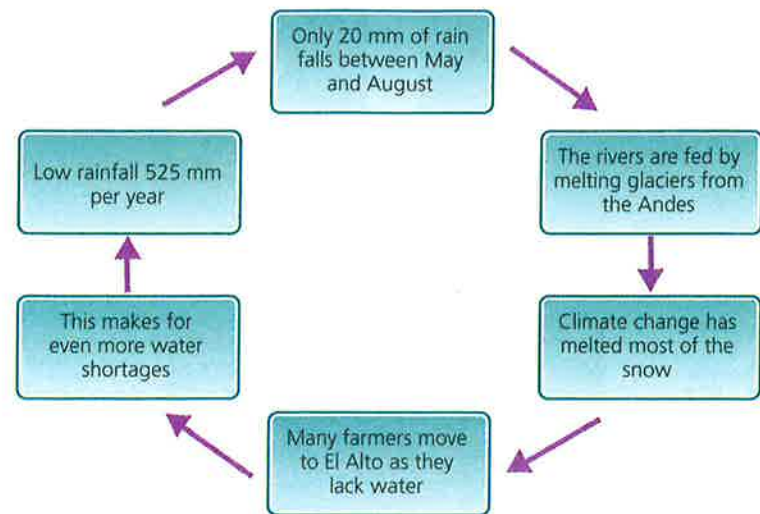


Figure 4: The water shortage problem

Economic problems

The major economic problem facing Bolivia is poverty.

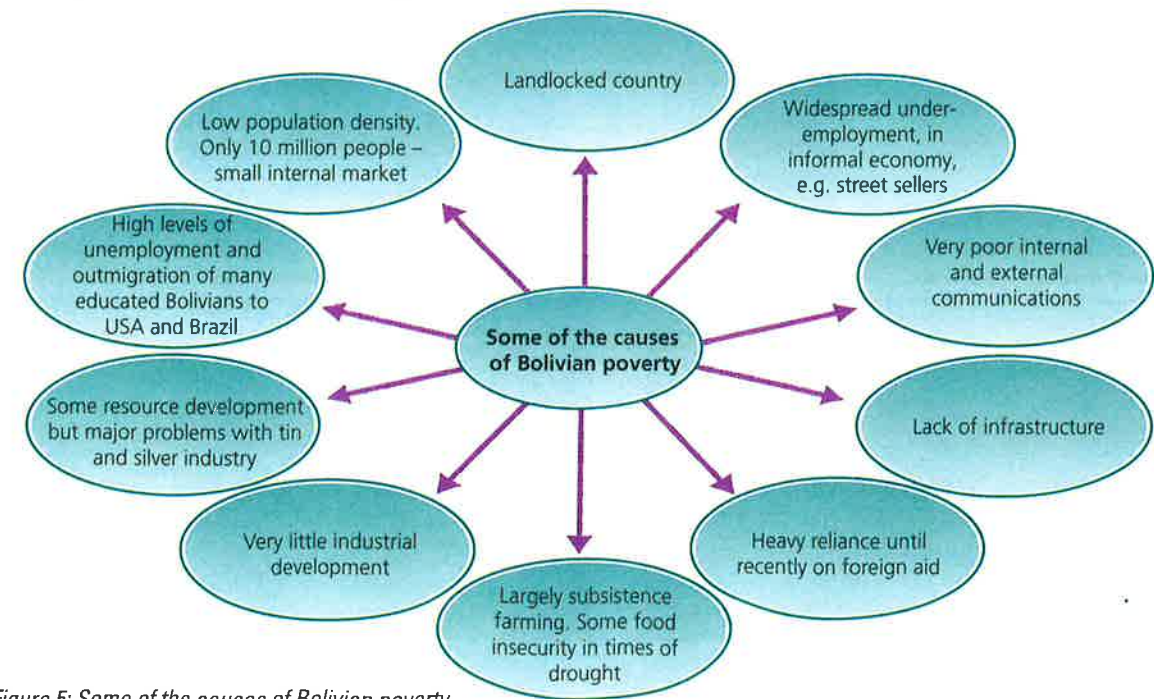


Figure 5: Some of the causes of Bolivian poverty

Social problems

The major social problems in Bolivia are related to the low standard of living.

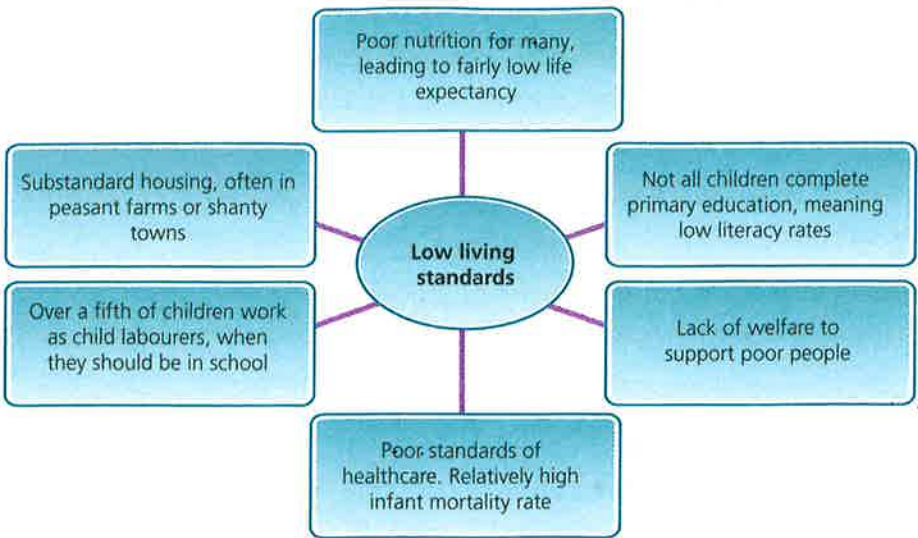


Figure 6: Low living standards in Bolivia

● Work your way round the circles and, for each, explain how it could contribute to Bolivian poverty.

## Resources for Section 3: Development schemes for Bolivia

### Option A: Developing the resource base of Bolivia

- Bolivia was recently found to contain up to 50% of the world's resources of lithium.
- Lithium is one of the most important substances for twenty-first-century living, as it is used in non-rechargeable batteries for electric vehicles and in mobile phones and laptops.
- There are very high costs in extracting lithium from the salt lakes (see Photo C, page 285).
- Financing the development is a major challenge for Bolivia, because the political situation means that the State must be in charge, not transnational corporations.
- Bolivia has already taken over control from TNCs of its natural gas production, with very mixed success.
- If the lithium resources were to be developed, Bolivia could become the Saudi Arabia of the electric car era.
- Combined with natural gas and timber, Bolivia could become a really wealthy country based on exporting resources, but it would destroy the landscape.

What are the problems caused by the political situation?

What are the advantages and disadvantages of resource development/exploitation?

### Option B: Improving the quality of life of the Bolivian people

- NGOs would work with the government, communities and agricultural cooperatives to develop policies and finance to improve access to energy and services.
- In 2010 only 68% of the Bolivian population had access to electricity – in rural areas the rate is only 30%.
- Micro hydro-power schemes and solar schemes would provide electricity for cooking, lighting and simple irrigation pumps which farmers need to overcome drought.
- This would limit the need to cut down trees for fuel wood.
- The electricity could be used by the cooperatives to carry out knitting and weaving and also to start ecotourism businesses, as well as to power basic equipment.
- The government is financing health services (such as local clinics) and primary schools for all rural areas and the urban shanty towns such as El Alto.
- The main focus of all these schemes is to help both the rural poor in the Altiplano and the urban poor out of the poverty trap.

Renewable energy

Why are these activities so important for development?

### Option C: Developing Bolivia's agriculture

- Around 40% of Bolivia's people are working in agriculture.
- In the Eastern Lowlands there are huge farms of 5000 hectares, growing soya beans, rice, maize and coffee. The rich landowners, who are often not from Bolivia, sometimes use forced labour to make money from exporting crops.
- Flooding can be a major problem in the Eastern Lowlands.
- Many people would like to develop the Amazon rainforest – as Brazil has done – for logging, cattle ranching, rice growing and sugar cane. This would mean the destruction of valuable rainforest, but many see it as the best way to increase food supplies and improve the well-being of the local population.
- The Eastern part of Bolivia is very rich, in contrast to the High Andes. It is threatening to declare independence because it does not agree with current government policies which favour the Indian people in the Altiplano.
- The Indian people who live in the Altiplano and Andean valleys farm at just above subsistence level, growing potatoes and beans and rearing sheep, llamas and alpacas. Soil erosion and drought are major problems.
- Many people argue that any farming developments should be in this poor Altiplano region, rather than in the commercial farms of the East, or by destroying the rainforest to grow crops.
- Bolivia can feed its people except when there are major disasters such as droughts, but it could also export many valuable crops too.

Why is agriculture so important?

Why does it need developing?

Why would this be good for its economy?