1 • Introduction

> Behind the abstraction known as "the market" lurks a set of institutions designed to maximize the wealth and power of the most privileged group of people in the world, the creditor-rentier class of the First World and their junior partners in the Third.
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> —Doug Henwood, *Wall Street*

> The State is . . . in every sense of the term a triumph of concealment. It conceals the real history and relations of subjection behind an a-historical mask of legitimating illusion; contrives to deny the existence of connections and conflicts which would if recognized be incompatible with the claimed autonomy and integration of the state.
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> —Philip Abrams, "Notes on the Difficulty of Studying the State," *Journal of Historical Sociology*

Poised on the rim of a steep escarpment, high above the canyon that protects the Bolivian capital, La Paz, from the cold winds that blow off the Andes, is a second city—impoverished, rapidly growing, and neglected by the state. Here, in the immigrant city of El Alto, many victims of Bolivia's ongoing experiment with free-market reform teeter on the edge of survival. Recently arrived peasants clad in tire-tread sandals look for work. Women sell fruits, vegetables, and a variety of trinkets on the streets, and they are frequently accompanied by small children. Others—domestic servants, gardeners, shoe-shine boys, and part-time handymen—travel in the early morning to jobs in the capital. Most of these people are indigenous Aymara, immigrants from the countryside.

The lure of employment opportunities generated by new forms of capital accumulation cannot explain their presence. The international investors and multinational corporations that transformed Pacific-basin nations and changed the face of neighboring Chile and Brazil are not attracted to Bolivia in large numbers. And the cocaine traffic—Bolivia's most lucrative, albeit illegal, source of foreign exchange—remains concentrated in the eastern lowlands. Nor have migrants come to El Alto because

of the devastation unleashed on a peasantry caught in the whirlwind of expanding agrarian capitalism. For decades the Aymara peasants who populate the rural hinterland have faced the steady deterioration of any possibility to create viable small-scale agricultural activities, because inheritance has fragmented their small holdings, and soil erosion, drought, and overexploitation have further diminished productivity. To make matters worse, the relative worth of agricultural commodities has declined in relation to the chemicals (e.g., fertilizers and insecticides) necessary to produce them, and the state has willfully ignored the plight of poor rural cultivators.

The influx of rural immigrants to El Alto and to its wealthier sister, La Paz, represents a desperate search for a livelihood by people with few other options. Those who have fled the effects of economic restructuring elsewhere, such as thousands of former miners, find little relief in El Alto, where stable forms of employment have been disappearing and living conditions are not always better. In addition, budget agreements between the state of Bolivia and the International Monetary Fund (IMF) preclude additional spending to improve the quality of urban life. Unemployment, nonfunctioning schools and health clinics, and the dearth of adequate infrastructure attest to the massive and deepening impoverishment. One consequence is the expansion of a vast reserve army of unemployed or marginally employed people, also conceptualized as an "informal economy," from which a few emerge as incipient entrepreneurs but in which the vast majority experience new and old forms of oppression.

Traveling down the canyon to central La Paz, one encounters smartly dressed people who are primarily "white" and who have weathered Bolivia's turn to free-market policies or benefited from them. These individuals are government technocrats—the so-called Boys—who spearheaded the free-market transformations.[1] They are also importers who profited from lower tariff barriers, and Bolivian entrepreneurs who feared the effects on their business of hyperinflation, labor militancy, and a resurgent Left more than the effects of trade liberalization. Others are professionals of various sorts who have inserted themselves into new circuits of global power via, for example, a burgeoning number of international development organizations.

Cellular telephones are a new status symbol for these individuals. The proliferation of cellular telephones dates from 1996, when the state dismantled its telecommunications company, and foreign firms moved in to compete for the spoils. The cell phones symbolize one of the divergent social and economic pathways that accompany the economic transformations reorganizing Bolivia. Depending upon their position in society, Bolivians alternately celebrate and condemn these transformations, which are widely referred to as neoliberalism.

Broadly conceived, neoliberalism, like its older nineteenth-century variant, is an economic, political, and moral doctrine that posits the individual as the fundamental basis of society. More specifically, this ideology is rhetorically antistate and places unlimited faith in the "magic of the market" to resolve all social problems. The most compelling aspect of this ideology lies in the conceptualization of the market as a neutral, even beneficent, arbiter rather than a metaphor for capitalist processes. Neoliberals see the state, in comparison to the market, as a bumbling, inefficient, and frequently corrupt actor whose presence constantly encumbers the market's unselfish actions. As E. P. Thompson has observed, "Market is indeed a superb and mystifying metaphor for the energies released and the new needs (and choices) opened up by capitalist forms of exchange, with all the conflicts and contradictions withdrawn from view. Market is . . . a mask worn by particular interests, which are not coincident with those of 'the nation' or 'the community,' but which are interested, above all, in being mistaken to be so" (1993:305).

The transhistorical notion of market as beneficent mediator is not what requires explanation. Such ideological assertions are compatible with a variety of capitalist projects that achieve dominance and then portray themselves as the necessary and foreordained outcome of history or simply declare the "end of history." Neoliberalism is one such project. What needs explaining are the rather more specific ways that contemporary capitalism is transforming particular markets for labor while depriving ordinary people of access to the means to satisfy their most basic subsistence necessities. For these people, the market is less a neutral regulator than an imperative—a demand, or requirement—to constantly reconfigure an entire array of social relationships to ensure the basis of their material existence. This imperative intensifies as heightened competition for the basics of subsistence fractures social life among the poor while broadening the huge gulf between them and more powerful groups.

Policy makers in Latin America, where diverse administrations have been implementing reforms based on right-wing and centrist economic principles, accept the market imperative. Their reforms include public spending cuts and the privatization of state enterprises, the reduction of tariff barriers to encourage foreign investment, the "freeing" of financial markets, and debilitating attacks on labor; the IMF champions these reforms and uses them to evaluate a nation's financial health and loan eligibility. The effect of these reforms on daily life is profound.

After more than a decade of neoliberal economic restructuring in Bolivia, more people have become irrelevant to global and national processes of capital accumulation, while they have been losing other means of sup-

porting themselves. At the same time, the provision of social welfare services by the state has diminished, and vulnerable low-income people are increasingly exposed to economic forces biased against them. One consequence is that social life has grown increasingly precarious for the majority of Bolivians. As June Nash (1994) has suggested, Bolivia has a subsistence crisis. Exploitation has also become more rooted in the fabric of daily life, as poor people are forced to compete with each other for the diminishing returns generated by insecure part-time jobs. Yet the general deterioration of living standards means that the space—social, political, and economic—in which impoverished people can maneuver is increasingly circumscribed. In addition, the weakening of the labor movement—symbolized by what has happened to the Central Obrera Boliviana (COB), a national umbrella organization of workers and peasants—has made the articulation of popular demands in national and international arenas more difficult.

This book offers a critique "from below" of what has been called neoliberalism, and it examines how changing forms of state rule are affecting the lives of vulnerable people in El Alto. To this end, it focuses on the ways in which neoliberal policies reorder men's and women's relations to each other and the kinds of alliances, opportunities, and collusions that become possible and impossible. How, it asks, are changing forms of domination both creating and destroying various kinds of relationships, understandings, and intimacies among ordinary men and women? How too are these changes reorganizing relationships between increasingly impoverished peoples and dominant groups? And how are these changing social relationships transforming people's sense of what they can do by themselves and with others and of what is improbable, unimaginable, or simply absurd? Addressing these questions allows us to explore the ways that diverse peoples are making claims on the present and the future in the context of painful social and economic changes.

Focusing on these issues is particularly important in cities, where the contradictory tendencies of neoliberal capitalism are most apparent. In Latin American cities, and in most large urban centers of the Americas, the concentration of wealth and the expansion of poverty take place side by side, belying any facile assumption that there is no alternative to the misery that so many people experience in their daily lives. Cities are also places where the power and reach of the state are most developed. Consequently, they offer good settings to explore how neoliberal state policies, and the reconfiguring of the state under neoliberalism, are affecting the lives of ordinary people. Finally, the enormous social and cultural diversity of major metropolitan areas—itself the result of shifting forms of class formation—

provides an opportunity to examine new and old processes of differentiation among people who are being incorporated into draconian forms of national and international regulation.

Cities and the Changing Politics of Struggle

As the pace of urbanization intensifies at the turn of the century, the future of the world's peoples increasingly appears to lie in cities. Urban peripheries not only house newly marginalized workers expelled from declining Fordist production systems but receive others—such as ruined peasants—displaced by the dramatic shifts in global capitalism. Cities in Latin America contain 80 percent of the 78 million "new poor" who emerged in the region between 1980 and 1990 (ECLAC 1992). Not surprisingly, cities are often vast regions of unemployment and oppression with weak or nonexistent class-based organizations (D. Harvey 1993; Bourgois 1995; Seabrook 1996). They contain people with different histories and often deeply disparate beliefs and cultural understandings. How, this book asks, are these people dealing with exploitation and domination?

In answering this question, the centrality of class, and particularly class struggle, are important analytic concepts. Although they have fallen out of fashion in much contemporary scholarship, these concepts have guided the work of a generation of social historians influenced by the work of the late E. P. Thompson, who insisted on the centrality of struggle to any conceptualization of class. According to Thompson, the prosaic struggles of work and daily life give rise to class and class consciousness. Classes do not exist sui generis; they are born of strife and contention. For Thompson the struggles that generate class take place primarily between groups with differential access to power and wealth, but some scholars, influenced by Thompson's work, have suggested that important struggles also take place among people who are very much alike. Although rooted in changing forms of domination, these tensions have a dynamic that is partially autonomous, and they shape to a considerable degree the ways in which subjugated people understand and fight against oppression (Sider 1993; Linebaugh 1992; Lagos 1994).

Although class is not the only reference point for understanding social processes, it is important to bear in mind that a variety of forms of identification shaped the historical emergence of class in different places.[2] Class, argues Carlos Vilas, "doesn't replace these other identities, nor does it necessarily take precedence over them. Rather, it organizes them" (1993:39).

Yet despite these caveats, some analysts often oversimplify and reduce to an undifferentiated essence a diverse tradition of Marxist scholarship.[3] Scholars who acknowledge the importance of class are often criticized for using the notion in crude economistic ways that fail to account for cultural complexity and the gender and ethnic diversity of social processes. This process of marginalization is occurring at precisely the moment that global economic reorganization is widening the divisions between the haves and the have-nots. Social life at the bottom of this deepening divide is changing in extremely problematic ways, and realistic alternatives to a triumphalist capitalism are increasingly hard to imagine.

El Alto is a good place in which to explore how ordinary men and women continue to update a long-established tradition of popular struggle that is at times a class struggle and at times a struggle that moves on the edges of other categories—some as yet unnamed. Like many Third World cities, El Alto is not a center of labor exploitation of the easily recognizable sort. Some light manufacturing industries employ a small percentage of the work force, but trade liberalization has eroded this limited industrial base. Unemployment and underemployment are the dominant features of the city; this forces many different kinds of people to contend with each other for an increasingly precarious existence. They include Aymara-speaking peasants and urban-born or urbanized mestizos—the so-called *cholos*—who speak Spanish, have some education, and have distanced themselves from rural life.[4] They also consist of thousands of Quechua-speaking former miners. Together these people shoulder the brunt of unemployment and public sector cutbacks, although they do so in different ways and to different degrees.

By attending to the fractures and disjunctures that shape, and emerge from, the struggles of poor *alteños* (residents of El Alto)—with each other, with the state, and with an array of international organizations—we can appreciate how multiple and uneven processes of differentiation simultaneously create and undermine various kinds of beliefs and social relationships.[5] Such an appreciation is important not only for understanding how particular forms of identification, such as class, gender, and ethnicity, emerge and become salient politically. It is also crucial for comprehending how these affiliations shift and how they shape political choices in different ways in particular places and at specific times.

One might reasonably ask what, if anything, is new about the concentrated poverty, unemployment, malnourishment, and chronic diseases that afflict so many Bolivians and the social discontent that arises from these conditions. Contemporary capitalist restructuring is more than a little rem-

iniscent of life in Bolivia at the turn of the century, when Liberal Party reformers "opened" the economy, privatized public resources—especially land—and subjected poor and indigenous peoples to multiple forms of state and market discipline. One has only to read Jaime Mendoza's *En las Tierras de Potosí* (1911) to appreciate that the misery, social dislocations, and health threats generated by the transformations of global capitalism are nothing new to many Bolivians.[6] Yet the condition of working people has undergone a key shift: labor redundancy, rather than labor scarcity, distinguishes contemporary Bolivia from that of the nineteenth and early twentieth centuries, and the state's approach to social and economic problems differs as well.

Nineteenth-century Liberals wanted to build a modern (i.e., Europeanized) nation-state based on capitalist relations of production. They mobilized a labor force for the tin mines and haciendas by attacking communal property, and they imposed order by implementing vagrancy laws and sanctioning various forms of unpaid labor in what was then a predominantly rural society. The Liberals also hoped to transform La Paz into a cosmopolitan urban center modeled after the great cities of Europe. To this end, they addressed urban problems that not only imperiled the poor but threatened the health, power, and aesthetic sensibilities of the wealthy. They did so by investing in extensive public works projects in La Paz, including sanitation, lighting, and infrastructure construction, such as the stately Prado boulevard (Klein 1982:169).

The nation-building project continued after the 1952 revolution. The government decreed a far-reaching agrarian reform, nationalized the major tin mines, abolished unwaged labor, instituted universal suffrage, promoted public education, and opened a series of teacher-training institutes. Leaders of the revolution and their successors wanted to dismantle the barriers that precluded the full integration of indigenous peoples, such as yeoman farmers and waged laborers, into the project of capitalist modernization. They also downplayed the invidious racial distinction that had long divided Bolivian society and promoted a nationalist discourse that exhorted all people to identify as Bolivians.

In addition to agrarian reform, public education was key to the creation of a national citizenry: students received instruction in Spanish, mastered the facts and dates of a standardized history, and learned the national anthem and the significance of national symbols. Compulsory military service was also crucial to the integrationist project. Military instructors labored to convert "Indian" conscripts into "citizens" and linked beliefs about masculinity to patriotic duty. The United States, which financed the

expansion of the post-1952 armed forces as the cold war heated up in the Americas, assisted their efforts.

Today, however, turn-of-the-century neoliberals are less concerned with nation building than with managing the country's balance of payments and maintaining the order necessary to create a favorable investment climate for foreign companies. Rather than promote broad initiatives that aim to build consensus for state rule, they either ignore social policy completely or limit it to specific schemes for containing social tensions. This approach is evident in cities, where neoliberals isolate themselves in exclusive suburban enclaves and prescribe exploitative food-for-work schemes or infusions of microcredit for the poor. Their indifference is particularly striking given the enormity of urban distress. A majority of Bolivians (60 percent) live in cities (ECLAC 1996), where the general quality of urban life is declining. Central La Paz and El Alto, for example, are clogged with traffic; pollution is becoming a problem; diseases like cholera have made brief reappearances; and the metropolitan area is increasingly balkanized between wealthy enclaves and vast areas of poverty.

The state, and the changing relationships between state institutions and ordinary people, must necessarily become a focus of analysis. Major shifts in the organization of worldwide political and economic power—for example, the ceaseless transformations of global capitalism, the Third World debt crisis, and the end of the cold war—are undermining the ability of states to maintain the political, economic, and cultural conditions that are crucial to the unity of the nation-state. In the wake of the debt crisis, multilateral financial institutions have arrogated the right to design state policies and to make crucial decisions about the living conditions of some people. States and their institutions, in turn, are increasingly less accountable to citizens than to powerful international agencies (e.g., Held 1991; Conaghan and Malloy 1994).

This matrix of political and economic power—reminiscent of earlier forms of colonial and neocolonial domination—creates complex problems for the nominally democratic Bolivian state and other Latin American states that have ostensibly made a "transition to democracy." As policies enforced by states drive more people into poverty, "governability" increasingly becomes an issue for national and international policy makers, who must devise methods to manage the tensions that erupt among the legions of unemployed and underemployed. These methods frequently rely on the use of force. Consider, for example, the Mexican government's militarization of the state of Chiapas, where peasant rebels have been demanding changes in neoliberal policies (N. Harvey 1998), or the use of the military

for police functions in El Salvador and elsewhere. Similarly, Carol Smith (1990a) demonstrates how the Guatemalan state, in the aftermath of civil war, is dealing with unresolved conflicts and declining living standards by expanding its security apparatus and encouraging military-backed "development" programs. Indeed, as Jennifer Schirmer (1998) describes in compelling detail, the Guatemalan military has incorporated counterinsurgency structures into the heart of the state. Thus, as Linda Green (1999) argues, fear pervades the daily lives of rural Guatemalans.

In Bolivia, before thousands of unemployed miners resettled in El Alto, the closure of state-operated tin mines prompted massive protests and moved the government to declare a state of siege. The government also repeatedly used force to quell the opposition to a 1994 educational reform law that threatens the livelihoods of thousands of public school teachers. And the increasing militarization of the coca-producing regions attests to the intractable dilemma posed, on the one hand, by peasant cultivators, who militantly assert their right to grow coca, and, on the other, by the United States, which advocates the eradication of this lucrative cash crop. The exercise of force, however, is problematic for nominal democracies, because military and police repression undermines the legitimacy of states and minimizes the frequently limited consensus upon which their authority rests.

States must therefore attempt to balance, or eliminate, the use of force with the deployment of political strategies and discourses about inclusiveness. In Bolivia discourses about "popular participation" and "empowerment" surround the promulgation of new laws designed to deepen the neoliberal project. The 1994 Popular Participation Law, for example, mandates the administrative decentralization of the country, devolves certain decision-making powers to local entities, and acknowledges the pluriethnic, multicultural nature of Bolivian society. The law speaks to the cultural sensibilities of many Bolivians and to their deeply felt desire to be free of oppressive state rule. But despite the discourse on multiculturalism and popular participation in local decision making, the law does not necessarily promote greater equality and autonomy among local people. It is notably silent on the deepening class divisions that characterize Bolivian society.

Critics argue that the Popular Participation Law seeks to contain protest and prevent conflict from reaching and disrupting the central state and that it effaces growing class differences by undermining broad-based alliances. Popular participation thus becomes the "niche" for politics at the local level, where elites may dominate it, while politicians at the national

level concern themselves with the demands of global financial institutions.[7] Therefore, how local people engage the meanings and organizational forms imposed on them—how they struggle within and against domination—once again becomes an important consideration.

Contradiction lies at the heart of the state's activities and reveals the conflicting pressures that shape its ability to rule. A focus on contradiction encourages us to explore the multiple measures—discourses, political practices, laws, and, of course, repression—that the state uses in attempting to resolve the tensions between its economic policies and the political necessities that arise from them. Such an approach does not presume the unity and coherence of the state but seeks to explore the conflicting criteria that define its effectiveness in the volatile political and economic context of global capitalism. It allows us to investigate how contending social groups are shaping, understanding, and legitimizing new forms of rule and how alteños are participating in this process.

Central to this endeavor is a consideration of the organizations that local people seek out, create, and work to maintain in their efforts to press popular demands in local, national, and international arenas. Prominent among these are a plethora of internationally financed nongovernmental organizations (NGOs) dedicated to a variety of development issues.[8] Although some NGOs pressure states to respect human rights or adopt environmental conservation measures (Clark 1995), in this book I consider only those institutions that are commonly referred to as "development" or "intermediary" NGOs (e.g., Bebbington and Thiele 1993; Carroll 1992), because they are the organizations that predominate in El Alto. Development NGOs are understood as nominally private, nonprofit agencies that act as intermediaries between international financial donors and local residents and whose function is to implement projects favoring the so-called popular sectors (Landim 1987) or to provide services to grassroots constituencies. They are thus not state institutions, nor are they institutions *of* the poor, because they are not based on membership. In addition, unlike the miners' union, peasant organizations, and some neighborhood associations, NGOs do not allow constituents to represent and defend their political and economic interests vis-à-vis the state, employers, and international organizations.[9] However, as we shall see in chapter 8, the distinctions are not always clear.

Development NGOs in El Alto are far from homogeneous. They emerged in different historical contexts and with distinct political agendas. Although their programs and relationships to political projects have in some cases changed over the years, certain NGOs offer some groups the opportunity to obtain resources and advance their concerns in transna-

tional arenas. They also extend the tantalizing possibility of bypassing the Bolivian state and establishing ties to international aid agencies. Other NGOs, however, are intent on deepening the neoliberal project at the local level. State administrators and other international institutions, such as the World Bank and the U.S. Agency for International Development view some of them as effective private-sector actors, capable of palliating the city's wretched poverty without state intervention, and encourage their limited growth. State officials have encouraged the partial transfer of social welfare services, formerly assigned to state agencies, to some NGOs. Establishing an NGO has also provided middle-class professionals with novel employment opportunities as the state agencies that employed them retrench. All this creates new tensions and opportunities, as a variety of people and organizations resituate themselves within a changing field of global power. Not surprisingly, considerable debate surrounds the activities of NGOs in El Alto, and scholars differ about whether the NGO phenomenon is best understood as facilitating the process of privatization (Cernea 1989), evidence of strengthened democracy within civil society (Bratton 1988; Fowler 1991), a potential resource for alternative development practices and discourses (Fisher 1997), or part of a new repertoire of changing tactics of collusion and accommodation with international domination (Arellano-López and Petras 1994; Lofredo 1991).

This book considers how NGOs are opening up arenas for struggle, as well as alternative routes to class mobility. And, more generally, it examines how the rise of NGOs is changing the relationship between poor urban constituencies, the Bolivian state, and dominant groups. How, it asks, has the proliferation of NGOs affected the dynamics of local political organizing and the kinds of alliances that people create and discard? An analysis of this sort requires a detailed consideration of the obstacles and opportunities that are shaping daily life in El Alto. It is clearly not a matter of documenting the demise of the state, the rise of the market, the spread of NGOs, and the concomitant implications for social life. The key issue is how new institutional relationships reflect changing forms of engagement, accommodation, domination, and immiseration at the local level.

The Neoliberal State and Daily Life in a Changing Global System

The neoliberal transformations that have swept Bolivia, and particularly El Alto, mirror forms of capitalist reorganization that are underway through-

out the world. The ways in which these processes unfold are not the same everywhere, and the meanings that ordinary men and women attach to the attendant changes in their lives vary as well. In the United States, for example, the reigning political and economic wisdom is called *neoconservatism,* although some people called it *Reaganomics* for most of the 1980s. Unfortunately, such labels have not always elucidated the complex processes that disrupt and reconfigure people's daily lives.

Many poor alteños have a basic understanding of the economic transformations buffeting their lives and label these processes neoliberalism. This label, of course, can obscure as much as it reveals, just like neoconservatism and Reaganomics. But neoliberalism—the concept and the slogan—has also enabled some alteños to focus debate and resistance. They understand neoliberalism to be a series of policies and practices that express contemporary forms of class and national oppression. Most people locate the ultimate source of oppression in the workings of the IMF, whose severe fiscal austerity measures and intransigence are understood well among broad sectors of the population. Disparaging references to the IMF pepper the speeches of the leaders of popular organizations, and several alteños, in response to my questions, lectured me about the IMF and U.S. imperialism, a concept that has not yet been displaced by squishier notions like "globalization."[10]

They should be excused if they sometimes overemphasize the made-in-the-U.S.A. quality of neoliberalism. Not only is the United States a major power within the IMF, which has its global headquarters in Washington, D.C., but many U.S. politicians and economists—from Ronald Reagan to Milton Friedman—have been the world-class cheerleaders of neoliberal orthodoxy. We must also keep in mind that Bolivia's mid-1980s plunge into neoliberalism was advocated locally by Harvard economist Jeffrey Sachs and designed by then–minister of planning and later president Gonzalo Sánchez de Lozada (1993–1997), whose heavy American accent, acquired from a childhood in the United States, made him the brunt of constant jokes.[11]

According to popular memory, neoliberalism arrived in Bolivia on August 29, 1985. That was the day that President Víctor Paz Estenssoro (1985–1989) launched Supreme Decree 21060, the opening salvo in an assault on the poor called the "New Economic Policy." The New Economic Policy—labeled a "structural adjustment program" in the innocuous language of the IMF—was one of the most draconian economic and social engineering initiatives launched in any Latin American country, and it represented much more than an adjustment. The policy reforms took aim at the

public sector and strove to radically reconfigure the Bolivian economy. The curtailment of state subsidies, the elimination of much public sector employment, wage freezes, and the retrenchment of state agencies dedicated to social welfare activities such as health and education, and the privatization of their services, exposed the poor and sectors of the middle class to severe hardships. Supreme Decree 21060, for example, enabled the government to close state-operated tin mines and fire about thirty thousand workers during the mid- and late 1980s. Miners lost not only their jobs but an entire way of life, because the firings forced desperate workers and their families to leave the mining centers and find work elsewhere. The government targeted the miners because they represented the most militant, well-organized opponents to IMF-backed economic reform, and for years they challenged the power of the state and mobilized popular resistance to state policies. Their defeat and debilitation as a viable political force effectively hobbled a major source of opposition to the government's ongoing program of free-market reforms.

Paradoxically, Paz—a recent convert to neoliberalism—had created a large public sector after the 1952 national revolution. But only two weeks after returning to power in 1985, he imposed Supreme Decree 21060 to cope with a mounting economic crisis. Yet despite all the antistate policies and rhetoric associated with the New Economic Policy, the reform program was less an effort to diminish the power of the state than an attempt to reorganize it and redefine the actors who would be the primary beneficiaries of state intervention (Conaghan, Malloy, and Abugatas 1990; Dunkerley 1992). Commenting in the mid-1980s on the fragility of the recently democratized Bolivian state, Minister of Planning Sánchez de Lozada—who was becoming the architect of Bolivian neoliberalism—remarked that "one comes to the conclusion that the state is practically destroyed. The fundamental institutions of the state's productive apparatus have been feudalized, corruption has been generalized . . . , and the mechanisms of control and oversight have stopped operating. . . . Therefore, the first political goal consists of reestablishing the authority of the state over society" (Conaghan, Malloy, and Abugatas 1990:18).

Indeed, in 1985 a national economic crisis was spinning out of control, and Paz's predecessor, Hernán Siles Suazo (1982–1985)—the first democratically elected president after nearly eighteen years of military rule—had been completely unable to manage it. Massive foreign debt, accumulated during years of fiscal mismanagement by military regimes, consumed declining export earnings; inflation devoured wages overnight; tin production—Bolivia's major legal source of foreign exchange—had stagnated; and

cocaine had replaced tin as the country's primary export commodity. Dominant groups, which had timidly embraced the nation's return to democracy, feared that they would lose control to a newly empowered Left. Extremely dissatisfied with the statist policies of the Siles administration and attentive to changing domestic power relationships, key business sectors argued that drastic solutions were necessary to stem what appeared to be a process of total social and economic disintegration. Neoliberalism took hold in the country because these groups saw it as a solution to some of their problems. Although differences frequently divided them and unity had to be continually manufactured (see Conaghan, Malloy, and Abugatas 1990), they managed to suppress or marginalize the protests of labor and popular organizations, and they found a powerful ally in the International Monetary Fund and its affiliated institution, the World Bank.

We would be mistaken, then, to assume that the United States and the IMF simply imposed neoliberalism on Bolivia, even though we should never underestimate their power to discipline a Third World country. Similarly, the advent of neoliberalism has not portended the disappearance or decay of the state. Marc Edelman has suggested that "to analyze neoliberalism only in terms of the market's corrosive effect on the public sector, or to talk incessantly about a generic 'neoliberalism' or 'globalization,' obscures the way that state institutions continue to figure in real political-economic processes" (1997:4). Indeed, as Edelman points out, the IMF depends on state officials to draft letters of intent, make decisions about how to reconfigure the state apparatus (e.g., whether to close hospitals, schools, or army bases), and control domestic opposition. It is important, therefore, to appreciate how neoliberalism has developed, and continues to develop, out of political struggles that take place within Bolivia.[12]

Far from shriveling away, the state apparatus is being reorganized and transformed, and state institutions are figuring in this process in different ways: the military, for example, has defended its budget more successfully than those agencies charged with social service provision (Franko 1994), and as poverty intensifies for those on the bottom, many people are asking the armed forces to attend to the needs of the poor. In this way, poverty becomes the wedge the state uses to extend its repressive control over society. And, by advocating development and civic action programs, the armed forces are attempting to use poverty to redefine themselves in the post–cold war era (see chapter 6). "Reestablishing the authority of the state over society" means other things as well. It entails curtailing corruption, reinforcing claims to private property to encourage foreign investment, and strengthening the power of the state to tax citizens. Tax reforms target con-

sumption, and they are aimed primarily at the middle class, which, in the words of Carlos Vilas, represent "the turkey at the neoliberal banquet" (1997:25). Unlike the poor, who have increasingly less to extract, and the wealthy, who resist taxes on their income and property, the middle class still has resources, which the government targets through value-added taxes and other forms of indirect taxation.

Most important, however, is that reinforcing state power meant disciplining organized labor, particularly the Central Obrera Boliviana, and the tin miners' federation (Federación Sindical de Trabajadores Mineros de Bolivia–FSTMB), the COB's most influential affiliate. No one understood the importance of controlling the tin miners better than Gonzalo Sánchez de Lozada, a wealthy mine owner who became president. By breaking up the mining communities and dealing a heavy blow to the miners' union, the government demonstrated to international financial institutions that Bolivia was prepared to pay its foreign debt and was ready to compete for investment with other states by enforcing strong labor discipline and driving wages into the ground. Although Supreme Decree 21060 and subsequent policy measures facilitated the miners' defeat, a precipitous drop in the international price of tin in 1986 provided the government with a rationale for the massive dismissals.

The decimation of the mining communities was the most sensational and contested feature of Bolivia's plunge into neoliberalism. But the neoliberal attack on the labor movement continued into the 1990s. In 1994, faced with the Education Reform Law, which critics argued mandated the de facto privatization of public schools, public school teachers took up the banner of resistance to neoliberalism. State security forces responded by repressing the teachers' demonstrations. Yet despite the continuing power of states to dramatically affect the lives of subject peoples, much recent academic research downplays the significance of states and state institutions, focusing instead on nations and nationalism. This is partly the result of the popularity of discursive approaches in the social sciences that have diverted attention from the concrete material aspects of state formation. In an instructive essay Stoler and Cooper argue that "twenty years ago, the colonial state and the imperial economy would have been the point of departure [for a study of European colonialism]. . . . Their importance has not diminished. Current academic fashions risk privileging the idea of nation over state institutions" (1997:18).

Consider, for example, recent studies of transnationalism. Much of this research assumes the existence of states and borders, and these studies often call attention to the ways that states' ability to act in domestic and inter-

national arenas is either changing or has never been effectively consolidated. Yet with the exception of Gledhill's research on Mexico (1995), transnational studies are frequently less concerned with the reorganization of political and economic relationships within and between states than with deterritorialization, identity, cultural flows and "hybridity," migration and the social "imaginaire" (Appadurai 1990; Glick-Schiller, Basch, and Blanc-Szanton 1992; Kearney 1991, 1995; Hannerz 1992). These studies are disturbing because they do not fully analyze the extent to which states are implementing and presiding over painful social dislocations and the cultural conflicts that attend them. Clearly, as Stoler and Cooper (1997) indicate, studying the state and the nation is not an either/or matter; the changing relationships of states and ordinary people in an increasingly interconnected global capitalist society merit more attention at this time.[13]

An influential essay by Corrigan and Sayer (1987) provides a useful starting point. Both Sayer and Corrigan view the state as the primary agency through which a capitalist society organizes social power and cultural forms, and they explore state formation in England as a process by which "the state lives in and through its subjects" (Sayer 1994:337). They call this process "moral regulation": a project of "normalizing, rendering natural, taken for granted, in a word 'obvious,' what are in fact ontological and epistemological premises of a particular historical form of social order" (Corrigan and Sayer 1987:4). Moral regulation takes place through state institutions that encourage certain forms of identification and behavior while marginalizing or repressing others, and it is manifested through laws, rituals, census classifications, military service, public education, and so forth. This process of regulation and social integration relies on a mixture of coercion and consent, although Corrigan and Sayer emphasize the way in which force regulates "consent."[14]

Corrigan and Sayer's study is instructive, because it attends to the multiple and complex ways in which state and society are mutually constituted. And it helps us appreciate how the domain of daily life is never completely separate from the realm of domination and exploitation. Unlike many contemporary theorists, Corrigan and Sayer avoid romanticizing the autonomy and egalitarian qualities of "civil society." In a variety of guises this concept has been much in vogue since the fall of the Berlin Wall and the collapse of communism in Eastern Europe. It has also generated enthusiasm among Latin Americanists in the years after military dictatorships gave way to civilian rule and generated so-called new social movements.[15]

Yet the process of moral regulation, or the manufacturing of consent and the legitimation of state power, becomes problematic in the neoliberal

Bolivian state. The state's ability to encompass and control the wide-ranging activities of daily life depends on the activity of numerous powerful and effective state institutions, such as those that emerged in England. The presence of such tightly organized, efficient, and interconnected state institutions is rare in Latin America (Roseberry 1994; Nugent 1997). In El Alto—as in many poor urban and rural areas of the region—the military and the police are the most visible signs of the state's presence, whereas other institutions are notable for their absence. Although the armed forces, through the practice of compulsory military service, play an important part in organizing consent, they are also actively involved in repressing the protests of subordinated people who view state policies as illegitimate (chapter 6).

More important, the notion that consent legitimates government and the state becomes questionable as soon as we consider the shifting ties between local constituencies, state policy makers, and international financial institutions. Whose consent is necessary for the implementation of unpopular IMF-backed economic reforms? Who should participate in the selection of beneficiaries for development programs sponsored by internationally financed NGOs? Who has to agree for the de facto privatization of public education to take place? Many individuals and institutions involved in these decisions are not accountable to people in El Alto; moreover, they operate beyond the boundaries and the control of the nation-state, which has, in any case, shown itself to be increasingly unwilling to regulate the private sector. The implications are far reaching, not only for conceptualizing consent and legitimacy but for the nature of political organizing and the capacity of the nation-state to control subjects and create citizens.[16]

Given these problems, it is important to keep in mind that domination in Latin America is often less a matter of consensus than coercion. Ordinary men and women often reject, sometimes violently, the relational forms, beliefs, and rules that the state and international entities impose or encourage (e.g., Gould 1990; Womack 1968; Winn 1986; Levenson-Estrada 1994). This situation forces us to consider the social and political disjunctures, where common understandings cannot be achieved, and where domination is accomplished by the overt use of force.[17] To this end, it is important to keep in mind the ways that power unleashes turmoil in peoples' lives—for example, the power to impose and enforce draconian economic reforms, the power to demand military service, and the power to suppress or forbid acts of protest. Power is, according to Sider and Smith, "as much the precondition for continued accumulation, both of goods and further power, as is any transient, apparent or even actual order that may emerge from the exercise

and 'legitimation' of power" (1997:12). It does not only define the terms on which people *have* to behave. Power can so disrupt daily life that the social relations and understandings that informed popular struggles in one historical moment may be of little use in another. Mounting any realistic challenge to power under such circumstances is also extremely difficult. It requires that oppressed peoples constantly reestablish and recreate their relationships to each other and the institutional forms that represent these ties. This is a complex process that relentlessly forces people not just to struggle to get by from one day to the next but also to reconceptualize the past and the present in order to create different kinds of futures.

Poverty and the Politics of Representation

Depicting social life in El Alto and describing the devastating poverty of the city inevitably force one to confront the contentious politics of representation. The scholarship on poverty in U.S. cities, where minorities have long been the target of state efforts to regulate them, poses the difficulties most starkly. Much of the public policy debate about urban poverty turns on racial stereotypes and beliefs about individual merit, which stigmatize the poor, blame them for their suffering, and portray them as violent deviants. Social scientists have fueled this debate with demeaning concepts and characterizations, such as Wilson's "underclass," and Oscar Lewis's "culture of poverty."[18]

Because of the highly politicized, unnuanced, and polarized context in which debates about poverty frequently take place in the United States, many North American anthropologists have, according to Philippe Bourgois, produced overly sanitized accounts of impoverished urban neighborhoods (1995:11–18). Such accounts strive to protect defenseless constituencies from victim-blaming ideologies and portray the humanity of oppressed peoples. Yet by avoiding serious discussion of the harsh conflicts that frequently shape daily life in these settings, and that are rooted in the very process of domination, these scholars eschew a deeper understanding of the dynamics of oppression. The condemnation and the praise that have greeted the publication of Bourgois's ethnography on Harlem crack dealers—*In Search of Respect*—gives some idea of the intensity that shapes the debate on urban poverty in the United States.[19]

This kind of debate has been less intense in Latin America, where the "agrarian question" has dominated scholarly and public policy debates for decades.[20] Nevertheless, a spate of urban research during the 1960s and

early 1970s found urban "marginals" in a backward, wholly autonomous "informal economy." These studies reflected a broader pattern of characterizing poor people—peasants and urban immigrants alike—as atavistic and resistant to change. As Latin America has grown increasingly urbanized since the 1980s, scholarly attention has shifted from a predominant concern with agrarian issues to include more varied and nuanced consideration of changing urban life. Several Bolivian scholars have produced some fine studies of migration, ethnic struggle, and economic survival.[21] And North American academics have written thoughtful accounts of working-class neighborhoods in Managua under the Sandinistas (Lancaster 1992), child death in urban Brazil (Scheper-Hughes 1992), trade union struggles in Guatemala City (Levenson-Estrada 1994), and changing understandings of masculinity in Mexico City (Gutmann 1996).

Despite these sensitive portrayals of urban poverty and social life, some social scientists and international development specialists nonetheless have a tendency to applaud uncritically the courage and fortitude of impoverished residents of the Third World for creating lives for themselves amid incredible adversity. Such celebratory depictions are particularly widespread among international development sycophants who ignore class oppression and champion the democratic virtues of an autonomous egalitarian "civil society." They are also evident in the enthusiasm for NGOs expressed by world bankers eager to develop the private sector.

Calling attention to a people's capacity for self-help and community organization is by no means invalid. It challenges the views of local elites, who perceive poor urban neighborhoods as eyesores and threats to social peace, and it corrects a bias in some of the social science literature, which portrays these neighborhoods as sites of hopelessness and despair. Yet too much emphasis on the positive aspects of social life in destitute communities can be extremely dangerous during a period of neoliberal restructuring, especially when the toadies of leading global financial institutions promote this viewpoint. It opens the door for the withdrawal of state support and investment from impoverished communities and, in the end, worsens the already precarious position of the poor.

The real story of El Alto is not about self-help and community empowerment. It is about the disruptions to people's lives and the new kinds of collusions and accommodations that emerge from them, as people struggle within and against the imposed disorder. It is about how people contend with the state and international organizations, as well as with each other, to simply continue their lives from one day to the next. Hope is often their greatest resource, and it is supremely exploitable.

The City in Global Perspective

To understand how neoliberalism and its associated forms of power are transforming the relationships among ordinary alteños, as well as between them and the state, I had to grapple with the difficulties of studying a city of 500,000 people. When I arrived in El Alto in 1994, I planned to embark on a much more modest research project that examined the relationships between NGOs and popular organizations in one of El Alto's many villas, or neighborhoods.

During the next several months, however, events and conversations with a variety of people nudged, encouraged, and forced my attention into different areas. A dramatic public teachers' strike sparked by the state's educational reforms disrupted the city and moved the government to declare a state of siege. The "relocation" experiences of former miners in the aftermath of Supreme Decree 21060 forced me to consider the changing forms of popular struggle in Bolivia. And the experiences of many young men with compulsory military service piqued my interest. Why, I wondered, were men so eager to serve an institution that oppressed them, and why did they consider themselves to be more complete men and "citizens" after military service? Their experiences raise issues of participation and citizenship in an ostensibly democratic society, where citizenship rights guaranteed by the state via the military are juxtaposed against deepening immiseration and cultural degradation. How are neoliberal policy reforms, which are changing geopolitics in the wake of the cold war and exacerbating poverty, reshaping the relationship between the armed forces and ordinary people? None of this fit neatly with my carefully laid research plans. What follows, then, is an account of neoliberal urban Bolivia that moves restlessly around El Alto and makes forays into the countryside and La Paz. It frequently zooms in to consider people and events in considerable detail but also periodically steps back to examine social processes more abstractly.

This book departs from the approach adopted by most urban ethnographies, which focus on a specific neighborhood or group of neighborhoods. Despite the considerable strength of traditional urban fieldwork, which relies primarily on participant observation, this approach cannot always capture the political, economic, and cultural processes that enmesh cities and the people who live in them. I pay particular attention to what Thompson (1978) describes as a "field of force" and conceptualize El Alto as the nexus of a series of contentious and wide-ranging social relationships of inequality. Unlike Thompson's metaphor, which draws on the idea of a bipolar magnetic field, the arenas of domination and forms of popular ex-

perience in El Alto are various. They are crucial to understanding neoliberal restructuring, and, unlike the field of force metaphor, they are dynamic (see Roseberry 1994).

My research therefore demanded that I include a variety of people and localities and adopt a methodology that George Marcus (1995) has called "multi-sited." The importance of multisited ethnography lies in the opportunity to follow the changing relationships of diverse people in particular times and places and not, as Marcus suggests, to analyze the circulation of culture in "diffuse time-space."[22] To this end, traditional participant observation occupied much of my fieldwork, but I also interviewed immigrants and longtime residents about their experiences of migration and dislocation. These interviews served several purposes. First, they enabled me to better appreciate the growth and development of El Alto, a city for which few archives are available. Second, the stories of societal rupture, migration, and unemployment helped me to understand the radical disjunctures that constantly undermine the relationships and cultural understandings through which working people make their history. Old strategies and forms of identification may, at times, be of only limited use to these people, as they set about the task of reconstructing a whole series of social relationships that they need to craft a minimally comfortable life in the city. Their accounts helped me to grasp how they struggle both within, as well as against, particular relationships and how these struggles shape understandings of the past, present, and future.

Finally, a concern with conflict and contradiction was also central to my field research as it evolved. How, for example, were the residents of El Alto attempting to control and participate in the NGOs that had proliferated throughout El Alto by the mid-1990s? And what kinds of relationships existed between the included and the excluded, as well as between alteños and the well-paid NGO staffs (chapters 7 and 8)? Similarly, how were people understanding new reform laws that the government was emitting in the mid-1990s? By following the conflict that emerged around the 1994 Education Reform Law and the people engaged in this controversy, I was able to partially address this question. I attended street demonstrations, clandestine union meetings, and the gatherings of parent associations during an eight-week strike in 1995. I also interviewed parents, teachers, and students in schools and homes and met with the jailed leaders of the teachers' union in La Paz (chapter 5). This fieldwork not only enabled me to see how parents and teachers were understanding and attempting to deal with the state's neoliberal reform program. It also highlighted for me the disjuncture between NGO claims to "strengthen civil society" and "empower

local people" and NGO practice when some people actually challenged the state.

In part 1 (chapters 2 to 6) I explore the new and old forms of oppression that shape the changing relationships between the state and ordinary alteños, as well as between local people. Specifically, I consider some of the different ways that the state is intervening in, and vanishing from, the lives of city residents, as the state itself is simultaneously reconfigured. Chapters 2 and 3 describe El Alto and the broad effects of neoliberal restructuring on the legions of Aymara immigrants and longtime urban residents who populate the city. Chapter 4 focuses on the particular experiences of "relocated" tin miners with neoliberalism. It examines the decimation of their communities in the wake of the structural adjustment reforms of the mid-1980s and charts their arrival in El Alto at a time when the city was ill prepared to receive them. The chapter also considers how the vastly different living and working conditions of El Alto challenged the miners' understandings and practices associated with a long tradition of class struggle. Chapter 5 takes up the topic of public education and particularly the struggles of schoolteachers, who have moved to the forefront of popular resistance to neoliberalism. The chapter explores the prolonged teachers' strike of 1995, when teachers challenged the recently enacted Education Reform Law, a central pillar of the state's neoliberal agenda. It also examines the conflicts between parents and teachers that intensified with the passage of the law. Chapter 6 targets military service. It discusses how poor urban and rural men are drawn to the army to deal with their deepening poverty, as the state withdrew from its social welfare responsibilities. It also considers how the disorder generated by state policies ensures a continued role for the armed forces in the maintenance of the status quo. The chapter lays out a complex matrix of gendered alliances, oppositions, and collusions that the practice of military service creates among ordinary people.

Finally, part 2 (chapters 7 to 9) examines how a diverse group of nongovernmental development organizations have partially filled the vacuum left by the retreat of the state in El Alto. It considers the new possibilities that the organizations offer to some people, who are able to use the NGOs to bypass the state and incorporate themselves into new global networks. It explores the frustrations of others who are left out of NGO initiatives altogether. The NGOs, I argue, are aggravating patterns of social and economic differentiation in the city, and they are providing cover for the withdrawal of state agencies by appearing to offer solutions to the worst effects of neoliberalism on the poor. The conclusion summarizes the argument and discusses the broader implications of my analysis.