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¶B. LA PAZ 6

¶C. LA PAZ 11

¶D. LA PAZ 62

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Classified By: A/EcoPol Chief Joe Relk for reasons 1.4 (b, d)

¶1. (C) Summary: With the January 25 constitutional referendum rapidly approaching, all signs point to victory for President Morales and his ruling Movement Toward Socialism (MAS) party. Although the opposition has made inroads into the MAS lead, most national polls point to between 54 and 60 percent support for the proposed constitution (with one government poll showing 66 percent), and the MAS appears set to leverage its considerable rural base to victory. After a series of national news articles raised questions about significant fraud in the August 2008 recall referendum, the National Electoral Court has taken pains to advertise the electoral rolls as secure. However, a recent poll shows less than half of the public shares the court's confidence, and the opposition believes significant electoral fraud is likely. While cheating seems unnecessary

to secure victory for the MAS, padding their lead would give the party leverage in congressional negotiations regarding legislation implementing hundreds of vague constitutional clauses. Opposition leaders continue to fear the MAS will use any stalemate in these negotiations to close congress and institute rule by decree. At both the national and regional levels, the margin of victory matters. A landslide for the MAS nationally, or large victories for the opposition in the eastern departments, could spark more conflict. End summary.

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MAS Victory Seems Assured
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¶2. (C) With the January 25 constitutional referendum rapidly approaching, all signs point to victory for President Morales and his ruling Movement Toward Socialism (MAS) party.

Although the opposition has made inroads into their lead, causing the MAS to tone down its rhetoric, national polls point to between 54 and 60 percent support for the proposed constitution. (One government poll shows the "yes" vote winning by 66 percent.) However, many polls downplay or ignore the MAS' rural base. Almost as importantly, the MAS seems prepared to take at least five of the nine departments, including La Paz, Potosi, Oruro, Cochabamba, and Pando, with Beni a distinct possibility. If the MAS can win at levels

similar to their August 2008 referendum victory (i.e. 67 percent or more) and can make inroads into the "Media Luna" or eastern half of the country, they will have much more leverage in upcoming congressional negotiations over implementing legislation.

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Polling Data

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¶3. (C) Polling data has varied widely over the past two weeks, due to a combination of a tightening race and polling methodologies (i.e. city vs. rural). Recent national polls by Gallup and Apoyo within the last week show approval for the constitution with a much slimmer lead than many expected, ahead only 48 to 42 percent and 49 to 43 percent, respectively. Ipsos and Mori both conducted polls of capital cities and both found the "yes" vote ahead, with Ipsos showing a 59 to 35 percent lead and Mori reporting 60 to 40 percent. However, our contacts tell us all these polls partially or totally ignored the rural vote, where the MAS has much of its base. A poll by Observatorio de Gestion Publica, publicized by government-friendly Radio Patria Nueva, marked the constitution's lead at 66 percent, versus 31 percent against. Some estimate a six percent "bump" when the rural vote is included.

¶4. (U) Polls showing a breakdown

by city or region indicate

the constitution will easily win in at least four departments: La Paz, Potosi, Oruro, and Cochabamba, likely with at least 70 percent support in each. The MAS has a distinct chance to capture both Pando and Beni as well. In Pando, the Observatorio poll shows Pando department split evenly, and the Ipsos poll shows the capital city of Cobija supporting the constitution by a ratio of 64 to 36. Polling data for Beni has been more scattershot, but although its capital city of Trinidad is firmly against the constitution, by as much as 88 percent, the larger city of Riberalta is leaning for approval of the constitution. The Observatorio poll shows Beni evenly split as a department.

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Rural and Indigenous Role

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¶5. (SBU) Although the opposition is making a mighty effort across the country to rally against the constitution, the forces of inertia seem to be conspiring against them, particularly in the form of a largely uneducated rural base in the Altiplano. Leading daily La Razon interviewed several community leaders from the Altiplano, and their supporters, and reported on January 18 that neither the leaders nor the

supporters had read the Constitution. Instead, the repeated message was that rural communities would take their marching orders from the MAS, and vote for the constitution. According to the Ipsos poll of capital cities, only four percent of respondents said they had read much or all of the constitution, 45 percent of respondents said they have read some, and 50 percent said they had read none of the draft text. In the countryside, the number of those reading the constitution is much lower. Post suspects disinterest, blind faith in Evo Morales' political project, and illiteracy, despite the Cuban literacy program, all play a role. In addition, the sheer volume of the 411-article constitution probably scares some potential readership away.

¶6. (C) However, despite the overall level of MAS dominance among campesinos and indigenous voters, some opposition does exist, albeit for a variety of reasons. The xxxxxxxxxxxx, has tried to rally support against the MAS and the proposed constitution (Reftel A). In a meeting with PolOffs, they lamented the way the MAS had "cheated" and "fooled" campesinos into believing Morales was himself truly indigenous or cared about indigenous issues. Although they held a national meeting on January 17 and tried to reach out to the press, they sounded defeated when they acknowledged that the MAS, through a combination of funding and pressure on local social and business leaders, held a "vertical control" in the countryside that would be

difficult to break. They also noted rural communities tended to vote in blocks, supporting one political party until they discarded it to vote en masse for another.

¶7. (C) Going in a completely different direction, some rural social groups and far-left leaders, such as Achacachi Mayor Eugenio Rojas and El Alto City Councilor Roberto de La Cruz also publicly recommended voting against it because it was seen as not revolutionary enough. They criticized the government for making too many concessions to the opposition during the constitutional compromise reached on October 21, including the agreement to not make land reform retroactive. However, they have a relatively small following, and some, like de La Cruz, eventually reversed course as the projected MAS margin of victory shrunk in January. Edgar Patana, leader of the regional workers union (COR), other El Alto union leaders, and the majority of social groups have recommended voting for the constitution.

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Opposition Feisty, But Realistic
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¶8. (C) The opposition has not given up, but seems to be battling more to limit the margin of defeat than to win. In

Santa Cruz,xxxxxxxxxxxx

told EmbOff that polls show an overwhelming victory for the "No" vote in Santa Cruz, but that he is worried about the opposition's goal of winning in five of Bolivia's nine departments (Reftel E). Although a current privately-commissioned opposition poll showed the constitution ahead by a margin of only five points, 39 to 34 percent (with 20 percent undecided), opposition alternate xxxxxxxxxxxx doubted the opposition would be able to win the referendum outright even under the most optimistic scenario. He predicted that Morales would succeed in personalizing the constitution as "Evo's constitution" and leverage his cult of personality. Ultimately xxxxxxxxxxxx was more concerned with the margin of the opposition's defeat and discrediting the results of "any election that uses this voter roll" (Reftel C).

¶9. (C) xxxxxxxxxxxx has been criss-crossing the country with opposition xxxxxxxxxxxx xxxxxxxxxxxx, campaigning against the proposed constitution, but also building a foundation for a likely run for the presidency. xxxxxxxxxxxx claimed opposition leaders put aside jockeying to be the 2009 opposition unity presidential candidate in the final days of the "no" campaign to "attack the government from three sides:" the prefects (governors) who been traveling around the Media Luna to show &they are

not afraid" of government threats to arrest them and galvanize support in opposition departments, a group of three presidential contenders to show opposition unity and xxxxxxxxxxxx, who is used for more cerebral attacks on the CPE and to &dismiss the governments mythology that they exclusively represent the indigenous.⁸ xxxxxxxxxxxx noted that opposition parties Podemos and MNR are playing a deliberately muted role, recognizing that their unpopular association with the &old regimes⁸ would play into MAS strategy. "Political parties are bad words in Bolivia," xxxxxxxxxxxx xxxxxxxxxxxx La Paz-based group of mostly young professionals who focus on issues and distance themselves from the party moniker. "We need parties, but we need to start from scratch, without the old leaders. This will take time."

¶10. (C) xxxxxxxxxxxx told PolOff the opposition is chipping away at the MAS referendum lead despite the government's leviathan advantage in resources by de-personalizing the constitution and "convincing people on the street that is not in their best interests." Although he conceded the "no" campaign would ultimately be a losing effort, he cited the emerging feud between Morales and Church, corruption charges against government officials, and the increasingly precarious economy as emerging factors in December and January that created an

opposition "surge" after "we were so depressed" in the fall. xxxxxxxxxxxx said that the government's newfound mobilization of congressmen and deputies to challenge the opposition view on television and radio shows is proof of government panic. "Before they just thought they could ignore us (and win)," said xxxxxxxxxxxx. "They said there was no opposition." xxxxxxxxxxxx agreed, and added that this is playing into the opposition's hands, because they "are forced to defend a constitution they often know little about." According to xxxxxxxxxxxx has been challenging MAS supporters to debate him during his speaking tours and embarrassed Vice Minister of Social Groups Sacha Llorenti in a January 20 debate when he started talking in fluent Aymara. He asked the dumbstruck Llorenti what he planned to do if the constitution passed, since all public officials will be required to speak one of Bolivia's indigenous languages. Later he challenged President Morales to debate him in Aymara, which the president allegedly speaks poorly.

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Fraud, Doubts, and Questions
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¶11. (C) The National Electoral Court (CNE), which will oversee and ratify the results of the referendum, has undertaken a public relations campaign to assure the public

of the security of the election rolls, which came under scrutiny after leading daily La Razon published a series of articles questioning the validity of the August 10, 2008 recall referendum. Several contacts, including xxxxxxxxxxxx xxxxxxxxxxxx, told us the MAS padded their August referendum victory by five to seven points through fraud at several levels (reftel C). While many international observers groups are expected to view the January 25 constitutional referendum -- including the European Union, the OAS, the Carter Center, the UN, the CAN, the South-American and Andean parliaments, and UNASUR (septel) -- the depth of the earlier fraud has muted the opposition's confidence in observers' ability to ensure the results are fair. Members of the Santa Cruz civic committee told EmbOff that they have no faith in international observers. The committee has met with the OAS team already and "told our side of the story", describing the discoveries of tens of thousands of false voter cards and the statistical signs of fraud in areas that managed to vote 100 percent for President Morales in the August 2008 referendum. However, the civic committee said that the fact that international observers blessed the August referendum means they do not expect an honest review of the constitutional referendum. Civic committee members also noted that small numbers of observers, generally based in the city, will not be able to stop widespread fraud in the countryside, which is where they

believe most of the August 10 fraud took place.

¶12. (C) In a press conference designed to bolster confidence in the security of the electoral rolls, National Electoral Court (CNE) President Jose Luis Exeni presented a PowerPoint describing the bill of clean health given by the OAS. As part of the presentation, he showed the number of voters dropped from the rolls for not participating in prior elections and the number added during this cycle. While all departments projected to vote against the constitution had a net reduction in the voter rolls, including 85,000 Crucenos and 17,000 Benianos, MAS strongholds including La Paz (38,000) and Potosi (16,000) saw substantial gains -- a curious reckoning, considering population and migration trends to the contrary.

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Pando At Center of Storm, Again
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¶13. (C) While it is possible the constitution could pass in Beni, most opposition leaders tell us the MAS has set its sights on lightly-populated Pando department as its best chance to win in five departments. By winning the popular vote and a majority of the departments, the MAS could more credibly claim to have support throughout the country. Pando

has also traditionally aligned with the opposition, so a breakthrough win there would send a strong signal that the strength of the MAS continues to rise. And with fewer than 32,000 registered voters, or less than one percent of the country's voting population, Pando is the most vulnerable department to even small amounts of fraud or voter registration changes.

¶14. (C) In a conversation with PolOff, xxxxxxxxxxxx xxxxxxxxxxxx alleged the MAS deliberately fomented unrest in Pando in September to justify a military siege, depose Prefect Leopoldo Fernandez, and arrest opposition-aligned leaders to swing the balance of power to the MAS in the Senate. Besides disabling the opposition's ability to campaign by arresting many of its leaders, xxxxxxxxxxxx alleged the government crackdown changed Pando's electoral map by causing hundreds of opposition voters to flee to Brazil while importing 2,000 new security forces, which xxxxxxxxxxxx claimed were likely MAS voters from the Altiplano (Reftel B). xxxxxxxxxxxx added that in the run-up to the August 2008 referendum, Government Minister Alfredo Rada facilitated the establishment of fake identities via the police role in issuing national identity cards (which can then be used to vote). (Reftel C).

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January 26: What Happens Next?

¶15. (C) xxxxxxxxxxxx told PolOff December 31 that a general election prompted by passage of the new constitution requires a plethora of enabling legislation that the opposition-controlled Senate will block, at least in the forms likely to be proposed by the MAS (Reftel B). xxxxxxxxxxxx

said the new draft constitution is deliberately vague, which grants MAS legislators wide discretion to "fill in the blanks" with new implementing legislation. He also said the Senate would clash with the government on assigning new borders for electoral districts, needed for the general election. xxxxxxxxxxxx added that Morales' MAS party is already injecting "ridiculous" interpretations of the constitution into a wide gamut of implementing legislation that "the Senate cannot in good conscious agree to." He said Senate rejection of MAS proposals provides a ready excuse for Morales to dismiss congress for "rejecting the will of the people" and then have President Morales rule by decree (Reftel D).

¶16. (C) Despite the official government position that President Morales will undergo treatment to correct a deviated septum immediately following the referendum, several contacts confirm that the problem is actually a tumor in the pituitary near the sella turcica and that Morales will travel

to Spain for the operation. xxxxxxxxxxxx
xxxxxxxxxxxx told us Morales' first choice, Cuba, could not perform the surgery. Article 238 is also of consequence to the post-January 25 political landscape. It would establish that all other government officials must stand down three months before general elections expected in 2009, with the notable exception of the president and vice president. Besides providing the MAS the advantage of ruling during the campaign, it also ensures leadership cannot pass to the opposition-controlled Senate. It is unclear why the opposition waited until the final week before the referendum to complain about the article or why they accepted it during marathon sessions in October to arrive at a "compromise text," which, it should be noted, the opposition agreed to under duress, with thousands of MAS-aligned protesters surrounding the congress and threatening violence.

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Comment
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¶17. (C) It is likely there will be some amount of fraud in a referendum the MAS seems likely to win legitimately anyway. While it can be difficult to separate fact from fiction, the Morales administration has a reputation of doing exactly what they announce they will do. In this case, 66 percent seems

to be the target number, and the MAS is likely to pull out all the stops to reach that level. With at least two-thirds support across the country and a minimum of five of the nine departments under his belt, President Morales would be able to claim a political mandate to implement the constitution quickly. Practically speaking, this will put great pressure on the Congress, especially the opposition-controlled Senate, to acquiesce in negotiations and accept MAS versions of implementation legislation. If they do not, Morales and others in the MAS have spoken of rule by decree. Using similar logic, Morales could call for early elections to more quickly advance the "democratic revolution" in Bolivia. Early elections would also help the MAS avoid dealing with the quickly-crumbling economy, which would likely be more of an issue in December.

¶18. (C) Both sides seem to be angling over the margin of the MAS victory, not the victory itself. While Morales continues to predict a victory of up to 80 percent, Vice President Garcia Linera tried to manage expectations with a 66 percent estimate on January 21. The margin matters. If the constitution gets less than two-thirds support, many observers feel this would represent a relative defeat, especially when Morales himself has set such high expectations. On the other hand, we are equally concerned that large-margin victories in media luna departments could

lead opposition leaders to ignore the national results and resume a course for autonomy on their own terms -- putting them on a collision course with the national government. A solid but not overwhelming MAS victory, perhaps around 56 to 60 percent, might be the best outcome to keep both sides from claiming a strong mandate for extreme measures.

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