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# UNITE

## Panama Summit to usher in new era of inter-American relations

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The buzz surrounding the summit comes after the White House's shock decision in December 2014 to clear the way for détente with Cuba after more than 50 years of embargo. This came just days after Panama revealed that it had invited Cuba to the intercontinental conference following its exclusion from the previous six.

The extraordinary development now provides the prospect that the landmark meeting will bring together all countries from the massive region, including leaders from Cuba and the U.S., for the first time ever.

"This opens the door for everyone," said José Miguel Insulza, Secretary General of the Organization of American States (OAS), in January. "We can now deal with matters together. It releases a lot of tensions and pressures."

With many Latin American

### With the VII Summit of the Americas now upon us, the promise that it will deliver a historic opportunity to revitalize hemispheric relations heats up

countries, including close U.S. allies Mexico and Colombia, believing that Washington's policy towards Cuba had outlived its usefulness and led to increased polarization of the region, the recent thawing of U.S.-Cuba relations opens up a new panorama for inter-American collaboration. Even Venezuela's President Nicolás Maduro, a vocal critic of the U.S., has praised the move by calling it "a courageous and historically necessary step."

First brought together by the OAS in 1994, the VII Summit of the Americas aims to build on the founding idea of uniting the region's democracies under a common vision, with issues of human rights, global competitiveness, energy, and environment given high priority.

The central theme of this

year's summit however will be 'Prosperity with equity: the challenge of cooperation in the Americas.' This is expected to address the growing global concern of rising inequality, a problem that has come increasingly to the fore recently after Oxfam released a report claiming that 1% of the world's population will own more wealth than the other 99% by 2016. Such inequality is all too prevalent across Latin America, widely regarded as the world's most unequal region.

Yet while inequality has been gradually shrinking in the poorest countries over the past decade, developed nations such as the U.S. are today seeing the gap between the haves and have-nots widen.

"Inequality is no longer a Latin American issue, but rather a

hemispheric issue, because the region's most developed countries are also facing growing conditions of inequality and the accumulation of wealth in the hands of a few households, while large sectors of their society are being excluded," said Mr. Insulza at the organization's 44th General Assembly in Paraguay last year.

While OAS member states agreed in Paraguay that the region had done much to achieve development, especially in buttressing democracy and promoting human rights, they likewise concurred that much remains to be done in facing the challenges of poverty, food security, discrimination, equality, social inclusion, and access to quality education and health coverage.

Education in particular is seen as a key engine of growth

for the Americas and an essential ingredient towards achieving more inclusive societies. In a recent analysis conducted by the World Economic Forum, 'Improved Education' ranked as Latin America's top solution to solving income inequality, while it came as the second most important solution in North America, behind reforming tax policy. In the same study, improving the state of education in both North and South America ranked as the top solution to persistent jobless growth.

As Marie Levens, Director of the OAS Department of Human Development, Education and Employment, states in her essay 'Inequality and Education in the Americas' cohesion among the region in transferring skills, knowledge and innovation, as

well as attracting greater investment to the education sector, will be vital to a truly more inclusive future for the Americas.

"Our region has the brains and political will to bring about development with inclusion. The education system is a key catalyst of that change. Examples of innovation abound throughout the region, but they are scattered. We need to bring policy makers and teacher leaders together to share practices throughout the hemisphere. The OAS is the only body truly qualified and connected to bring about the change we need to connect education, equality, growth, and development," wrote Ms. Levens.

With every member state of the OAS finally set to be present at the VII Summit of the Americas, the countries of the Americas will look to seize the opportunity in Panama and work towards a more unified, more prosperous, and more equal region than ever before.



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Juan Carlos Varela, President of Panama



PHOTO by CBRE

# Harness Panama's role as a global services hub

With the landmark expansion of the iconic Panama Canal under way, leaders of the diverse and vibrant economy have their say on the country's remarkable growth story, its vast investment opportunities and how the government of President Juan Carlos Varela is setting out to polish Panama's international reputation

With a strategic location nestled between the two Americas, top-class infrastructure, and a position as a global financial center, Panama is today a bona fide hub of international commerce. Looking to position themselves in one of the world's most important logistics centers, many multinationals have established their headquarters in the country over recent years, and many more are soon expected to arrive. Panama's booming economy is set to grow around 7% annually for the next five years while the Panama Canal's massive expansion project lures further companies interested in servicing trade between Asia, the U.S. and Europe.

It was the opening of the Panama Canal in 1914 that set this diminutive country on its way to becoming the global logistics giant it is today. A century on, the 14,000 vessels that pass through the Canal each year (carrying 200 million tons of cargo) make up roughly 6% of the world's trade; an astonishing figure for a tiny isthmus in Central America. With its \$6

*"The past 10 years' growth has been caused by Panama's great economic diversity. We have around eight or nine industries and none of them represents more than 13%"*

**RAMÓN ROUX,**  
General Director of CBRE Panama

billion expansion set for completion in early 2016 – allowing the waterway connecting the Pacific and Atlantic oceans to accommodate modern super-sized ships and effectively double the amount of traffic – Panama's business standing is only about to improve.

"We are blessed to have the Canal, a major piece of infrastructure which serves our nation, and world trade," proclaimed Panamanian President Juan Carlos Varela in his inauguration speech after being elected in May last year. Indeed, the country's natural geographic advantages – and the resulting success of the Canal – have been largely defining factors in how Panama has set itself apart in the region.

"Other countries have had to work hard to carve their niche, whilst the Panamanian niche was carved by God himself,"

says Alberto Vallarino, President of Grupo Verdeazul, a leading Panamanian investment company. "We are right in the middle of the American continent, not only in regards to north and south, but also east and west. A great deal of Panama's success is due to this...no other city or country

*"We are working to raise awareness among our own population of what Panama truly is: a serious and responsible country"*

**EDUARDO MORGAN,**  
Chairman of the Board at Morgan & Morgan

in this hemisphere has this cluster of advantages."

With the Canal the bedrock of its economy, Panama has consistently been one of the fastest-growing countries in Latin America over the past decade, as well as one of the world's most stable economies at times of widespread global uncertainty. However, Panama has become much more than just a connection point. Large-scale investment in transportation facilities and infrastructure development has allowed the country to diversify, not only leading to high growth, but also becoming one of the few Central American economies that are predominantly services-based, with significant value addition locally.

"The past 10 years' growth has been caused by Panama's great economic diversity," says Ramón Roux, General Director of CBRE Panama, the local arm of the multinational, American-owned commercial real estate company. "Panama has around eight or nine industries and none of them represents more than 13%."

Such diversification has allowed investment companies like Grupo Verdeazul – whose varied portfolio covers a wide spectrum of the economy, such as real estate, hospitality, agriculture, and mining – to thrive.

**Building Panama: opportunities in real estate and infrastructure**

The real estate sector in particular has been a top driver of Panama's remarkable growth story.

"If we are going to examine Panama's economic growth and also where the country is leading to, we need to take a look at the past eight or nine years," explains President of construction specialists Co-

trans S.A, Luis Campana. "During this last period of time there has been major development in diverse sectors, especially construction and transportation. All of this occurred due to the real estate boom that has been taking place in Panama."

Increasing numbers from the U.S., Europe and Latin America are drawn to Panama City (known as the Miami of Latin America) by employment and investment opportunities provided by a country with renowned political and economic stability – including the benefits of having the U.S. dollar as its local currency. Consequently, more and more property pops up, with developments such as hotels, resorts and malls on the rise as businesses look to cash in on the country's fast-expanding tourism sector and growing middle-class population.

The country has additionally made massive strides in the housing market. "Right now Panama has the best housing rate in Latin America, which demonstrates the effectiveness of the different policies and initiatives aimed to reduce the housing deficit," says CRBE's Mr. Roux. "The country has been permanently creating incentives for the development of housing projects in the poorest sectors."

However, if Panama is to continue growing at the rapid pace that it has set and serve its population and booming industries more effectively, much greater levels of investment in infrastructure will be needed, says Mr. Campana of Cotrans S.A.

"We need infrastructure projects in order to sustain all this economic development," he explains. "More roads and specific transport solutions besides everything related to electricity and water supply; that is to say, all the basic infrastructure systems required by any developing country."

*"Other countries have had to work hard to carve their niche, whilst the Panamanian niche was carved by God himself"*

**ALBERTO VALLARINO,**  
President of Grupo Verdeazul

To this end, the new government of President Varela will pick up the reins left from Panama's previous administration, which invested nearly \$15 billion in improvements including new airports, Central America's first metro sys-

tem that opened in April 2014, and significant upgrades to water and sanitation systems. President Varela has pledged to continue aggressive investment in infrastructure, having announced a further \$30 billion worth of projects last September with the construction of two major highways and the commencement of phase two of the historic metro system, adding 16 new stations.

**A new energy plan**

Aside from improved transport networks, Panama's growing economy will also require major investment in electricity generation and transmission capacity as the country's energy demand grows annually at a rate of 5%. This means that over the next decade an estimated 500 MW of extra electricity will be required. With nearly 100 projects currently being planned in the area of energy generation, the sector is vital to the future of the country.

AES – Panama's largest electricity firm and Central Ameri-

*"Panama's energy matrix compared to other countries is still very weak... Our energy should be at least four strong fuels"*

**MIGUEL BOLINAGA,**  
General Manager of AES

ca's largest private hydroelectric generator – is a company that has notably contributed to Panama's energy development, increasing its installed capacity by 150% in order to provide the most competitive energy prices in the national market. While AES has already done much to increase Panama's reliable and sustainable power supply, General Manager Miguel Bolinaga says that Panama should do more to diversify its energy mix.

"Panama's energy matrix compared to other countries is still very weak," he explains. "It currently depends on water by 60% and fossil fuels by 38%. The rest is generated by wind."

He continues: "Our energy should be at least four strong fuels. It is essential that the government is convinced that the energy mix should change in the next five years. I believe very much in renewable energy."

Indeed one area that has been largely unexplored in Panama is the use of geothermal energy, and in terms of other sustainable sources of power, several wind plants are planned while there are also opportunities in developing solar and biomass energies.

Yet what Panama will truly need going forward to turn its tantalizing potential into tangible power resources, as well as in continuing the development of other industries across the economy, is greater foreign direct investment (FDI). To a large extent, Panama is already a leader in that regard. For the fifth year in a row in 2014, Panama received more FDI than any other country in the region. What's more, according to the forecasts of the Ministry of Economy and Finance, the inflow of FDI to Panama will be nearly \$5 billion in 2015 – no small sum.

**An international banking center works on its image**

Nevertheless, with an economy dependent on foreign investment and a government and business environment that had been hampered by corruption scandals, President Varela – whose election campaign was based on a pledge to fight corruption and ensure transparency – has set about on his promise by vigorously pursuing high profile investigations into fraud as well as recently appointing an executive of global transparency guardian, Transparency International, as head of his anti-corruption agency.

With such measures, President Varela hopes to reassure foreign business over the country's investment climate and guarantee that Panama's impressive record of FDI continues – and improves – under his watch.

"Our country offers unique features for international investors. We want the best to invest in Panama and that is why our Government has a serious commitment to generate a climate of investment based on transparency and clear rules of engagement," stated President Varela on a visit to Spain last year.

This is a sentiment echoed by leaders of one of Panama's biggest industries: the finance sector. "In addition to investing in infrastructure, it is also crucial to keep on adapting the laws and regulations with the aim of gaining transparency and attracting foreign direct investment," says Jorge Vallarino Strunz, Chief Financial Officer of Global Bank.

Today one of the country's foremost banks with assets of over \$1 billion, Global Bank is a direct product of the finance sector's success story in Panama, which has established itself as the most successful international banking center in Latin America.

Despite its success, Panama

and its finance industry has been struggling to shake off its reputation as a so-called tax haven. Last year the Organization of Economic Cooperation and Development (OECD) placed Panama back on its 'Gray List' of international tax havens, even though Panama had put significant efforts towards passing OECD recommended regulations and signed numerous double-taxation treaties.

Mr. Vallarino says that there is evidently more to be done. "It is very important that we continue to improve our regulations and to enhance our

*"It is crucial to keep on adapting the laws and regulations with the aim of gaining transparency and attracting foreign direct investment"*

**JORGE VALLARINO STRUNZ,**  
Chief Financial Officer of Global Bank

institutions so that we do not fall victim to money laundering activities. Even though we already have the legal framework to stop this kind of activity, we still need to do more in terms of enforcement."

While many in Panama find the OECD's decision unfair, considering the great progress the country has made over the past five years in improving transparency, the government has nevertheless begun making a raft of new measures to ensure the country can be taken off the Gray List when it comes to the OECD's next revision of the list. Eduardo Morgan, Chairman of the Board at Morgan & Morgan – one of the top law firms in Panama and Central America – says that for Panama to really grow to its potential, the country must now concentrate on improving its international image. "The way Panama is portrayed abroad is absolutely unfair," he remarks. "Therefore we are working to raise awareness among our own population of what Panama truly is: a serious and responsible country. We need to recover Panama's good name and communicate the country's value."

**PRODUCED BY:**  
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# Equality the key to economic dynamism in Chile

In as little as 30 years, Chile has been transformed from one of the region's poorest nations into its most stable and prosperous



Chile has been praised internationally for being a regional pioneer in macro-economic reforms for the past three decades. The country has made a great deal of progress in just the last few years. For example, in 1990 the nation's poverty rate was 39%, whereas today it has gone down to 13%. Tax reforms under President Michelle Bachelet have taken a dual approach: some have targeted those who need to contribute more to public goods and services, others have focused more on tax responsibility, so that new expenses can be covered by making resources permanently available. Furthermore, despite the worldwide economic slowdown, unemployment in Chile remains low and stable. President Bachelet has praised

**"Because we cannot conquer inequality without boosting economic growth, we have put in place a series of measures aimed at increasing productivity and enhancing human capital"**

**MICHELLE BACHELET,**  
President of the Republic of Chile

Chile's remarkable achievement saying: "We have left the inertia behind us. Chile is moving again."

Today, faced with the difficult challenge of achieving sustainable growth, Chile is determined to exceed its past performance with a second generation of reforms. Al-

though inequality in several areas remains the country's biggest domestic hurdle, Chile's political elite is eager to tackle this issue at its core. "We want our economic growth to be sustained by social cohesion, and for this to become a reality, we need to reform our educational system," says President Bachelet.

Within the same context, the country is also implementing a thorough healthcare system reform. Significant investments in its infrastructure are aimed to help Chile provide quality healthcare for all citizens, ensuring above all that those who are suffering from serious illnesses are better protected financially.

Beyond its borders, Chile faces the important challenge of improving its brand image. The Minister of Foreign Affairs, Hernando Muñoz, points

**"We face the tremendous challenge of projecting other aspects of our national identity that are less known to the world, for example, our pursuit of cooperation and progress; our willingness to build a more just and equal society; our solidarity; our culture and many other qualities"**

**MYRIAM GÓMEZ,**  
Executive Director of Fundación Imagen de Chile

to the importance of all Chileans promoting the country's image. "We need to engage all actors, i.e. the public and private sector, and civil society, to brand Chile internationally," he says.

Myriam Gómez, Executive Director of the Fundación Imagen de Chile (FICH—Chile Image Foundation), agrees. "All Chileans stand to benefit from a strong country brand, and therefore every Chilean has a responsibility to promote and strengthen it," she says. "Citizens have a unique role to play to communicate the country's benefits for both business and tourism, although this is not the only avenue for promoting Chile."

Plans are in place to promote Chile's benefits to a wider international audience. The country's participation in Expo Milano 2015 is one

such avenue. This public-private initiative will allow Chile to showcase itself through the richness and diversity of its food production to an international audience for the duration of six months. In addition, Chile will host both of this year's FIFA U-17 World Cup and Copa America tournaments, putting the country in the global televised limelight.

Through the efforts of the FICH, international audiences will learn more about Chile's attractiveness for business and foreign direct investment (FDI). "The ease of doing business is highly rated," Ms. Gómez says. "We are considered an attractive investment destination and a great port of entry to the region and other markets."

Mr. Muñoz points out that despite this good reputation, Chile must still work to distinguish itself. "The studies that we have conducted at FICH indicate that Chile's brand image does not stand out from other Latin American countries; we are perceived as part of the region," he says. "So we

need to improve our own image and the image of the entire region. We must have an approach that distinguishes us, but that at the same time remains faithful to who we are: Latin Americans."

President Bachelet sees four specific strong points for Chile. The depreciation of Chile's currency may seem like a negative, but it increases the country's competitiveness.

Low interest rates and the expected growth of public expenditure by 9.8% are other strengths, while falling oil prices have boosted the nation's economy.

These benefits – combined with financing programs available to foreign as well as local investors, and a new bill recently sent to the country's Congress to establish a new institutional framework for FDI – make exploring Chile an attractive opportunity.

"Together, we will translate these investments [private and public] into sustainable development for everybody. Investing in Chile is good and meaningful business," asserts President Bachelet.



## Beautiful harmony in diversity

A land of startling contrasts, Chile sees more and more visitors arrive each year to experience its stunning natural landscapes, from the towering volcanic peaks of the Andes to the ancient forests of the Lake District, as well as its rich cultural, artistic and gastronomic diversity

Chile welcomes over 3.5 million visitors yearly, making it the seventh most visited country in the Americas. The government is now seeking to increase the number of visitors; the goal for 2018 is to surpass 4 million – while adding to economic opportunities and protecting its biodiversity. Indeed, diversity is one of the principle reasons why people choose this long, skinny coastal nation as a tourism destination.

Chile's diversity is perhaps most evident in its geography. Its seacoast measures some 4,000 miles long, one of the longest in the world. Visitors can enjoy lakes, volcanoes, beaches, and mountains along with urban landscapes. Popular destinations include the Atacama Desert, the Torres del Paine rocky peaks in Patagonia, and Easter Island, among many others. According to Andrea Wolleter, Managing Director at Turismo Chile, the country is also keen for visitors to discover Aysén in northern Patagonia and Chiloé, "an attractive island with its particular *palafitos* (typical stilt houses built in the water) and churches that have been declared UNESCO World Heritage Sites."

Javiera Montes Cruz, Undersecretary of Tourism, points out that Chile's geographic diversity means it is a great choice for scientific tourism as well. This "very innovative" tourism offering is focused on Antarctica and Navarino Island, which is located between Isla Grande de Tierra del Fuego and Cape Horn, a unique place that offers fishing, kayaking, hiking, and horseback riding.

*Lonely Planet* selected the



Atacama Desert as one of the 10 must-see regions for 2015. *Travel+Leisure* ranked the 20 best destinations for solo travelers, and placed Chile in seventh place, behind countries like Norway, Switzerland, and Vietnam. Ms. Wolleter is particularly proud that the Torres del Paine Mountains were voted the eighth wonder of the world by visitors to VirtualTourist.com. "We are extremely proud to be chosen from among 330 other destinations in the world after four months of public voting," she says.

For more cultural diversity, visitors can learn about the Mapuche, a group of indigenous people who live in the country's south-central area, which includes parts of Patagonia. Or, if their travels

**"Internationally, Chile is known for nature, adventure and wine. Our gastronomy complements these experiences. At Turismo Chile, we give special attention to our cuisine, as we believe it is a good complement to any experience in the country"**

**ANDREA WOLLETER,**  
Managing Director of Turismo Chile

**"Public private partnerships are the base for tourism development and we are working on this together, by drafting public policies that allow us to create the right conditions for private investment. I would like to extend an invitation to international investors, as Chile's tourism sector still has high growth potential"**

**JAVIERA MONTES CRUZ,**  
Undersecretary of Tourism

take them to Chile's northern regions, travelers can learn about the Aymara, who also live in Peru and Bolivia.

The country's varied geography naturally leads to diversity in other areas, including gastronomy. Thanks to Chile's immense seacoast, the country is particularly skilled at creating fish and seafood dishes. The cuisine varies between regions, so travelers have an opportunity to taste specialties that reflect the region they are from. Eleven wine routes around the country, and vineyards that are open to the public and that feature a range of architectural styles, are sure to please visitors who seek delicious food and wine as part of their exploration.

Lodging in Chile includes accommodations for virtu-

**"Chile is a great place to live, travel through and visit. That is why I would like to invite you to come and get to know it, discover Chile, get in contact with our people, our culture and products... It is a great place for investments. To invest in Chile is good business, and a meaningful one"**

**MICHELLE BACHELET,**  
President of the Republic of Chile

ally every type of traveler and budget. Of particular note are high-end sustainable lodgings that work to respect the nation's ecological diversity while offering visitors the security and safety that they expect when they travel. In the country's urban areas, lodge and boutique-style hotels are becoming quite popular, giving travelers even more options as they explore Chile.

While 70% of Chile's tourists come between October and April, the months of June, July, and August are also a good time for skiers. Business travel is typically concentrated March through June and August through October, so Chile truly is a year-round destination.

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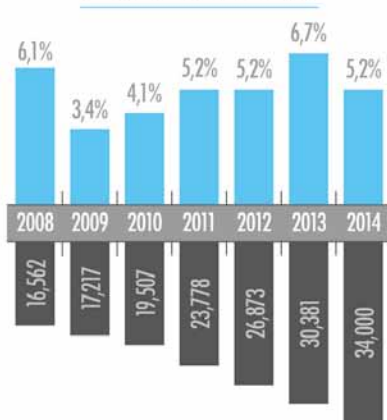
# A new top regional economy has emerged

Bolivia has made more economic progress since President Evo Morales took office in 2006 than in all the preceding 180 years, and not just thanks to the nationalization of its extensive oil and gas resources. Despite the collapse in world hydrocarbon prices, the economy grew a robust 5.2% last year, up by \$34 billion over 2014's results



Evo Morales, President of Bolivia

GDP and economic growth in Bolivia since 2005

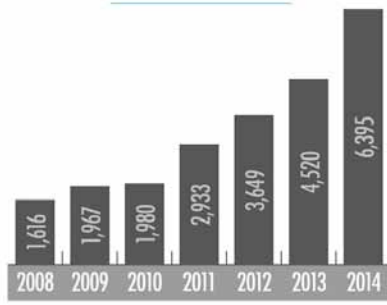


Poverty reduction



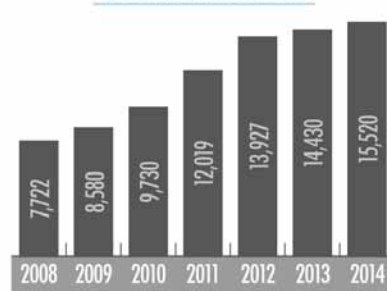
Bolivia: Levels of extreme poverty 1999-2013 (In percentages). Source: Central Bank of Bolivia

Public investment



2005 - 2014 (in millions of US\$)

International reserves



Bolivia: 2005 - 14 November, 2014 (in millions of US\$). Source: Central Bank of Bolivia

"Social change movements, especially the campaign for Indian rights, showed us that revolutions can be made with ballots instead of bullets"

EVO MORALES, President of the Plurinational State of Bolivia

It was a market nobody thought existed, but it began to emerge after Bolivians acquired the discretionary spending power to visit or be visited by expatriate family members settled abroad. Service to Madrid and Miami began last November. New routes to Havana and Caracas are in the works, though the immediate priority is Washington D.C. and enhancing cargo transport operations, as the U.S. remains Bolivia's principal trading partner (excluding hydrocarbons). But 90% of BoA's flights and 95% of its passengers originate inside the country.

As it happens, Mr. Casso was put in charge of preliminary planning for the airline in 2007, two years before its maiden flight, and so had good reason to be satisfied last year when BoA was approved for certification by IATA, the international air transport regulatory body. Like everyone else, in my university days I had great plans, dreams if you will, and it's been my privilege to have seen so many of them come true," says BoA's pioneering GM.

Will BoA planes someday be bringing people to explore the pre-Columbian remains scattered across Bolivia's Andean highlands, its UNESCO Heritage sites, or exotic nature and wildlife reserves? Marko

"We surprised even ourselves how quickly we doubled our best forecasts. We were aiming for five aircraft in service in five years' time, but we've reached that milestone with a fleet of 11 planes, double the routes and close to an 80% market share"

RONALD CASSO, General Manager of BoA

Machicao, who currently holds the Cultures and Tourism portfolio in the Morales cabinet, says the answer is yes, once the infrastructure is in place to accommodate them.

"Tourism in Bolivia is something new as a significant element of public policy," says the minister. "It took time for people to understand its multiplying effect on the economy in areas such as public transportation, handicrafts, gastronomy, etc. But in 2010 a law was passed allowing the sector access to external financing and granting the state a role in its development."

"Economic growth came from behind to finish second in Latin America in 2014, at a little over 5%. If we were not landlocked, that would likely add 2% more"

DR. HECTOR ARCE, Attorney General of Bolivia

able move, but also a just one.

"Wealth generated by our natural resources ended up with the transnational companies - mines, hydrocarbons, electricity, water - all were in foreign hands," says the minister. In May 2006, President Morales ordered the nationalization of all assets belonging to petroleum industry giants and sent in the Army to "protect" the gas fields. It was a bold move and it worked because the government proved as good as its word and channeled those revenues - around \$6 billion - into the public welfare sector. This, living standards apart, triggered increased demand for basic services such as water, electricity and communications as well as for consumer goods in search of an untapped market.

It was in that context of confidence that officials decided the time had come for a national flag-carrier to reach out to the rest of the world and since its "take off" in 2009, Boliviana de Aviación - "BoA" as the government-owned airline is known - has exceeded all expectations.

"We surprised even ourselves how quickly we doubled our best forecasts," says BoA General Manager Ronald Casso. "We were aiming for five aircraft in service in five years' time, but we've reached that milestone with a fleet of 11 planes, double the routes and close to an 80% market share."

"Tourism is something new as a significant element of public policy. It took time for people to understand its multiplying effect on the economy in areas such as public transportation, handicrafts, gastronomy, etc."

MARKO MACHICAO, Minister of Cultures and Tourism

in, and the government wants to ensure that revenues continue to revert to the citizenry. One in every three Bolivians receives some type of assistance from the state, including scholarships, pensions or prenatal care for pregnant women.

All that priority spending on social services pushes up the indicators but Economy Minister Luis Arce remains convinced that for these services to become available, nationalizing the country's oil and natural gas reserves was not just a justifi-

Inevitably, even a casual mention of Bolivia in international policy forums is enough to trigger an impassioned exchange of opinions about its president, Evo Morales. Re-elected for a third time in October 2014, the support he still commands after nearly a decade in office is ratified by favorable opinion poll results of over 60%.

The easy way for his opponents to be dismissive is for them to point out that, well, after all, he is an Indian, from one of the 32 indigenous communities mentioned by name in the 2009 constitution of what is now, officially, the Plurinational State of Bolivia.

Together, Bolivia's Indians constitute 47% of the population, the half that was systematically exploited, repressed, and denied basic human rights before and after Bolivia won its independence from Spain in 1825. They were the people who had no voice and no hope, recalls President Morales, but fortunately, "there was a participatory, peaceful, democratic way" of dealing with their grievances.

"What is it we keep hearing from some of our intellectuals? That if you want a revolution, you better stock up on bullets. But social change movements, especially the campaign for Indian rights, showed us that revolutions can be made with ballots instead of bullets, and that in voting, the important thing is to make people aware of what's at stake," says Mr. Morales.

Delivering essential social services to a country that not long

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