DEMOCRACY AND SOCIETY 22.10.2025 | Christine-Felice Röhrs

Capitalism for all

After 20 years of socialist rule, an outsider wins the election in Bolivia. Centrist politician Rodrigo Paz takes over a country in crisis

The man who became president of Bolivia on Sunday emerged as a surprise winner. Three months ago, Rodrigo Paz, a 58-year-old centrist politician, had less than five per cent support. It was only in the final days before the first round of elections on 17 August that he shot to the top out of nowhere. However, he did not win the necessary majority at that time and therefore had to compete in a historic runoff election on Sunday against the runner-up, the right-wing conservative Jorge 'Tuto' Quiroga. Paz has now won this runoff election with around 54 per cent of the vote. It is a narrow majority given the challenges he faces: the quasi-bankruptcy of the state plus a political-institutional, social and environmental crisis. And all this with a minority government.

Paz was most recently a senator for a coalition of centrist parties. He is the son of a former president with social democratic traditions, who remains a key advisor to this day. Ideologically, however, Paz's programme is difficult to define and can best be described as centrist.

On the one hand, his tone occasionally veers towards religious nationalism, but on the other hand, he is conciliatory, with a message of unity and renewal – rhetoric that is particularly well received after years of toxic polarisation and political paralysis. With his plan to make the 'blocked state' functional again and eradicate corruption, Paz touches on sensitive issues. He wants to have less state and more market. At the same time, he is directing a good portion of his election promises to the poorest: the core of his programme is the slogan 'capitalism for all,' which has particularly appealed to many former MAS voters from rural and indigenous communities. Many of them also viewed with concern the election campaign of Tuto Quiroga, who was primarily the candidate of the young middle class and the white business elite and had threatened to 'change everything' after 20 years of socialist MAS government.

The renewal of the

Paz's deputy, the young ex-policeman Edman Lara, has no political experience, but is very

political landscape brings hope for long-overdue reforms.

active on TikTok. He was instrumental in bringing Paz the previously left-wing votes from the rural farming and indigenous population. Passionate anti-corruption rhetoric had made him a 'hero of the little man'. But he is also perceived as a loose cannon, with self-glorifying comments and grandiose, unworkable promises. It is uncertain whether the contrasting pair, who for a long time did not believe they would get this far, will be able to work together for effective governance.

The results of the two rounds of voting on 17 August and 19 October represent a radical paradigm shift for Bolivia. The first round had already brought a historic defeat for the left, with the resounding defeat of the long-ruling socialist MAS movement. The renewal of the political landscape brings hope for long-overdue reforms. But there is also the risk that this will be a short-lived government. The threads of patience are thin. Many people expect that the decisively voted-in change will now bring rapid improvements. However, the problems are structural; it will take years to overcome them.

The problems are lining up

The Movement Towards Socialism (Movimiento al Socialismo, MAS) has ruled Bolivia for almost 20 years. Under the first indigenous president, Evo Morales, it was able to significantly reduce poverty and inequality among the country's indigenous majority from 2005 onwards. In recent years, however, the MAS has led the country into a severe multi-crisis. In the last election in 2020, Luis Arce was elected as Evo Morales' successor with his support. After the election, however, internal conflicts over power began, leading to a split in the left-wing camp. The result was paralysis in the government's work, the erosion of the separation of powers and the politicisation of the already largely corrupt judiciary. At the same time, the country slid into a massive economic crisis due to the depletion of gas reserves and the decline in exports, its largest source of income, causing many people to fall back into poverty.

During its boom years, Bolivia failed to diversify production and establish value chains within the country. With natural gas sources drying up, fewer and fewer dollars are coming into the country – yet these are needed to import everyday goods as well as petrol and diesel. The latter are sold at greatly reduced prices domestically. The subsidies are the heaviest burden on the budget, while the queues at petrol stations are growing. The previous government had to sell its gold reserves below the

prescribed limit in order to be able to provide fuel, at least temporarily. It is unclear how Paz intends to raise the billions needed to pay for imports after taking office on 8 November, given the empty state coffers.

Bolivia is the fourth largest Amazonian state with one of the greatest biodiversities in the world.

Full tanks or a standstill in trade and transport? This question could become an early stumbling block for the new government. At the same time, the economy is already in recession and inflation stood at around 23 per cent in September 2025. Paz will not have an easy time of it. Although he has the largest parliamentary group, he does not have a majority of his own.

He will therefore have to make deals in order to tackle tough structural reforms from day one of the new government. These include cutting fuel subsidies and reducing government spending. However, he remained vague during the election campaign about the central challenge, namely cushioning the worst of the hardship for the poorest.

Progressive ideas are also lacking with regard to the ecologically compatible restructuring of the economy. Bolivia is the fourth largest Amazonian state with one of the greatest biodiversities in the world. The crisis has already promoted environmental abuses such as illegal gold mining using enormous quantities of mercury, which leaves behind poisoned waters. Another problem with regional and global implications is the often deliberate setting of forest fires, which in 2024, for example, destroyed millions of hectares of natural land and forest on an almost record-breaking scale in order to expand agricultural land. During the election campaign, both Paz and Quiroga spoke of more exploitation of raw materials to save the economy – not less.

The only remaining powerful representative of the left is currently former President Evo Morales.

A reformed left wing would have an important role to play in the new, pluralistic political landscape as a guarantor of rights, a source of progressive political ideas and a representative of groups that feel represented neither by the right-wing candidate Quiroga nor by the centrist candidate Paz. However, following the self-destruction of the MAS and the disillusionment of its supporters, this is now a lengthy project of rising from the ashes. The only remaining powerful representative of the left is currently former President Evo Morales. Morales was not allowed to stand in the election for constitutional reasons. In his anger, he had

called on his supporters to abstain before the first round of voting and sabotaged new candidates such as the young Senate President Andrónico Rodríguez. The so-called *voto nulo* achieved almost 20 per cent, making it informally the third strongest force. Morales is expected to trigger protests against the government as soon as he deems it opportune.

For Germany and the EU, the paradigm shift opens up the possibility of redefining relations with Bolivia and supporting the new democratic government in its reform efforts. The new government is much more open in its foreign policy than the old one, which for ideological reasons had focused its sympathies more on countries such as Russia, Venezuela, Cuba and China. Due to the crisis, the new president is naturally interested in foreign investment and loans and wants to quickly tackle problems such as the lack of legal certainty with his promising economic team.

The German government and German companies can act as partners in stabilising public finances and diversifying the economy. Of common interest are Bolivia's rich natural resources, including rare earths and lithium, the potential for renewable energies and a more sustainable use of the Amazon to protect the environment and climate, not only in Bolivia. The task now is to build these new relationships and fill them with life.



Christine-Felice Röhrs

Christine-Felice Röhrs heads the Friedrich Ebert Foundation office in Bolivia. Previously, she was head of the FES office in Sudan.