

The emergence of indigenous middle classes in highly stratified societies: the case of Bolivia



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by

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Abstract

This thesis investigates the emergence of an indigenous middle class between 1975 and 2010 in Bolivia – a country characterized by poor and unstable long-term economic growth, high inequality, and enduring ethnic and class cleavages. The study takes a two-tiered approach. It focuses first on tracing the emergence of the middle class by highlighting the main drivers of socio-economic improvement for individuals. Based on a longitudinal examination of a Socio-Economic Index (SEI) – upon which the middle class is operationally defined in this thesis – I explain the emergence of the middle class as the result of two distinct but interconnected processes: (i) a massive urbanization process that reached a peak in the mid-1980s, which brought individuals closer to areas favoured by state policies; and (ii) an institutional change in the mid-1990s, consisting of a new national framework that allocated resources more efficiently throughout the country. In addition, my analysis uncovers the different occupational trajectories that middle-class individuals followed to gain access to the new structure of opportunities and to prosper and become part of the middle class. Based on inter- and intra-generational analyses of occupational mobility, I find that in a context of an over supply of labour and with limited skills and economic capital, migrants found the means to thrive socially and economically in commerce, transport, and construction activities.

Secondly, I explore the extent to which the emergence of the new middle class has opened-up opportunities for indigenous peoples. I conduct a periodic headcount of indigeneity based on spoken languages (indigenous and/or Spanish) and self-ascription to indigenous groups. Two messages emerge from this exercise. First, the new middle class has provided opportunities for individuals who are monolingual in indigenous languages, whether they ascribe themselves or not to an indigenous group. Second, individuals' ethnic identities become fuzzier as they move into the middle class. This is revealed by indigenous language loss and a significant decrease in self-ascription that happened in a markedly stratified manner over just ten years. I tackle the intricacies of middle-class ethnic identity by drawing on a social identity conceptual framework that allows me to integrate synergistically the discussions on class, ethnicity, and modernization. By approaching social identities through the analysis of differentiated lifestyles, I find that new middle-class individuals have hybrid and segmented identities. That is, individuals combine indigenous/traditional and modern forms of living that vary according to their socio-economic level, but do not necessarily move towards cultural assimilation. I contend that the creation of new status symbols and forms of recognition based on indigenous idiosyncrasies in the new middle class constitutes a categorical break with historical, ethnic-based forms of social, economic, and cultural exclusion and discrimination.

In summary, this thesis advances the conceptualization and understanding of the middle class, contributing to the burgeoning literature on emerging middle classes in developing countries by offering a more complex picture of its expansion and identity construction.

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Acronyms and abbreviations

FSE	Fondo Social de Emergencia (Emergency Social Fund)
EH	Encuesta de Hogares (Household Survey)
UCB	Universidad Católica Boliviana (Bolivian Catholic University)
COMIBOL	Cooperación Minera de Bolivia (Mining Corporation of Bolivia)
ISCO	International Standard Classification of Occupations
FEJUVE	Federación de Juntas Vecinales (Federation of Neighbourhood Committees)
FURIA	Frente de Unidad y Renovación Independiente de El Alto (Front of Unity and Independent Renovation of El Alto)
COB	Central Obrera Boliviana (Bolivian Workers' Central)
CONDEPA	Conciencia de Patria (Conscience of the Fatherland)
CSUTCB	Confederación Sindical Única de Trabajadores Campesinos de Bolivia (Trade Union Confederation of Bolivian Peasant Workers)
EMES	Encuesta Nacional sobre Movilidad y Estratificación Social (National Survey on Social Mobility and Stratification)
INE	Instituto Nacional de Estadística (National Institute of Statistics)
ISI	Import Substitution Industrialization
LSMS	Living Standards Measurement Survey

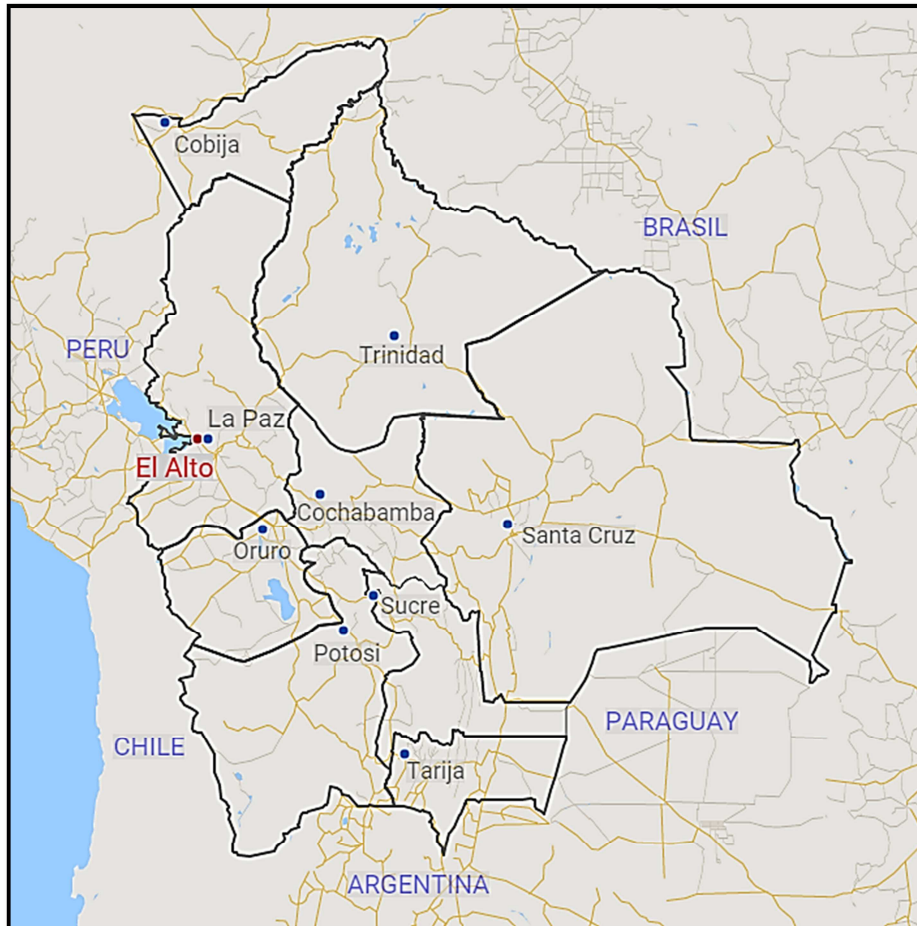
MIP	Movimiento Indígena Pachacutti (Pachacutti Indigenous Movement)
MITKA	Movimiento Indio Tupac Katari (Indian Tupac Katari Movement)
MNR	Movimiento Nacionalista Revolucionario (Nationalist Revolutionary Movement)
MRTK	Movimiento Revolucionario Tupac Katari (Revolutionary Tupac Katari Movement)
NPE	Nueva Política Económica (New Economic Policy)
SEI	Socio-Economic Index
UCS	Unidad Cívica Solidaridad (Civic Solidarity Unit)

List of terms in Spanish and Aymara

Aguayo	<i>Aymara/Spanish</i> – Multi-coloured woollen cloth that is part of the traditional dressing in the Andean Region
Apthapi	<i>Aymara</i> – Communal meals
Ayllu	<i>Aymara/Spanish</i> – Basic Incan political units/traditional form of community in the Andes; territorial groups organized in a segmentary system and a rule of endogamy
Cacique	<i>Spanish</i> – Indian chiefs or lords
Ch'alla	<i>Aymara</i> – Andean ritual carried out in gratitude to Mother Earth (<i>Pachamama</i>)
Chola	<i>Spanish</i> – Women of indigenous origin who wear traditional garbs
Cholo	<i>Spanish</i> – Label used to designate <i>mestizos</i> who were close to the indigenous society, or in other words, people who were biologically indigenous but had lost contact with their rural origins
Don/ Doña	<i>Spanish</i> – Courtesy titles commonly used in Spanish-speaking countries to indicate respect. Equivalent to Mr and Mrs, respectively
Encomienda	<i>Spanish</i> – Concessions or grants made by the Spanish Crown to Spaniards to benefit from free labour in exchange of indoctrinating the Indian population into the Spanish norms
Forasteros	<i>Spanish</i> – Literal translation is foreigners. The term was used in colonial times to denote a floating Indian peasant population that took up residence as landless labourers on the plots of the originarios. Forasteros did not have to pay the tribute tax and were exempted from forced labour in the mines (<i>mita</i>)
Jailones	<i>Spanish</i> – Colloquial term to denote people from the upper classes. It derives from the work 'high' and it bears a pejorative connotation

Mañaneras	<i>Spanish</i> – Term used to designate street vendors, usually women, who sell reduced-price products from 6 to 7 in the morning
Mestizo	<i>Spanish</i> – Person of mixed race
Mita	<i>Spanish</i> – Form of forced recruitment in colonial times in which male adults worked in the mines in exchange for minimal or no pay
Ojotas	<i>Spanish</i> – Rough sandals made of rubber commonly wore by peasants.
Pachamama	<i>Aymara</i> – Mother Earth
Pasante	<i>Spanish</i> – Organizer of an Andean party (<i>preste</i>)
Pijcheo	<i>Aymara</i> – Coca leaf chewing
Pollera	<i>Spanish</i> – Layered-cake skirt used by cholas
Preste	<i>Spanish</i> – Andean parties
Pusi chakani	<i>Aymara</i> – Andean cross/ squared cross
Q'ara	<i>Aymara</i> – Used colloquially to designate a white/ rich person, usually with a pejorative connotation. Literally, it means naked; someone who lacks something fundamental
Yanaconas	<i>Spanish</i> – Term used in colonial times to denote landless workers working in Spaniard lands. Indian dependants no longer attached to an <i>Ayllu</i> but often bound to a Spanish master
Zona Sur	<i>Spanish</i> – Literal translation is Sourthern Discript. It is a neighbourhood in La Paz characterized for being upper and upper middle class households

Map of Bolivia



Source: Own elaboration

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Chapter 1

Introduction

It is Sunday afternoon and in the Megacenter, La Paz's biggest and most exclusive shopping mall, two boys who arrived from the Aymara city of El Alto come out of the Nike Shop with brand new trainers while a woman of indigenous origin, advised by her daughter, checks in detail the new Toyota Rav4 in the official store of the Japanese brand. At the same time, a column of merchants, dressed in elegant traditional clothes and accompanied by allegorically decorated cars, bursts onto the road that for decades was a symbol of consumption and entertainment for La Paz's rich. Behind them, a band marks the rhythm of a Morenada, one of Bolivia's most popular folkloric dances.¹

1.1 Research rationale: on the rise of the middle class and the opening of new opportunities for indigenous peoples

Bolivian society is not quiescent, was the opening line from which the Human Development Report 2010 in Bolivia proceeded to reveal a profound change taking place in the country. Between 1975 and 2005, the population's level of human development underwent an outstanding improvement, moving from medium-low (0.512) to medium-high (0.729) (PNUD, 2010, p. 44). This progress, in turn, signalled a related transformation; individuals had managed to advance in their

¹ Boris Miranda for BBC World, 22 February 2015, own translation.

socio-economic standing to the extent that they were increasingly joining the middle class (P. Espinoza, 2008; PNUD, 2010).

This transformation is part of a global trend that has received increasing attention in the academic and policy literature over the last few years. The Human Development Report 2013, *The Rise of the South*, provides useful figures to illustrate the magnitude of the expansion. According to the report, the South's share of the world's middle class expanded from 26 per cent to 58 per cent between 1990 and 2010. At this pace, by the year 2030 the proportion of the global middle class living in the South will be over 80 per cent (UNDP, 2013, p. 14). While much of this expansion is occurring in the Asia-Pacific region, Latin America is also an important player. A regional World Bank Report shows that, in the last decade, Latin America's middle class has expanded by 50 per cent (Ferreira et al, 2013). In this way, the report contends, Latin America is on the way to becoming a middle-class region.

This transformation has not only prompted the resurgence of class and mobility scholarship in the region, but has placed the middle classes in the spotlight of development studies literature in general (Banerjee & Duflo, 2008; Biekart, 2015; Birdsall, 2010, 2015; Wiemann, 2015). Scholars have revisited the classical notion that middle classes constitute a crucial element for development, particularly in terms of promoting economic growth, reducing poverty and inequality, and bringing about political stability. Almost with no exceptions they have concluded that the rise of the middle classes in the developing world is a cause for optimism (Birdsall, 2015; Wiemann, 2015). Three close and defining links between middle classes and socio-economic and political development have been recurrently distinguished. First, large (and stable) middle classes involve lower levels of inequality and, thus, provide more stable environments in which economic investment and good governance can be promoted (Birdsall, Graham, & Pettinato, 2000; Easterly, 2001; Loayza, Rigolini, & Llorente, 2012). Second, the middle

classes nurture specialized skills and values that prioritize the accumulation of human capital and savings. Middle classes also foster the formation of dynamic and productive entrepreneurs able to create jobs for the rest of society (Acemoglu & Zilibotti, 1997; Doepke & Zilibotti, 2005, 2007). Third, in their capacity to consume quality goods, the middle classes play a key role in stimulating internal markets, feeding investment and thus contributing to expand income levels for the population as a whole (Banerjee & Duflo, 2008; Murphy, Shleifer, & Vishny, 1989). All of the above generate a virtuous circle that promotes middle-class self-expansion (Easterly, 2001).

While there seems to be a reasonable level of agreement on how and in what ways the middle class brings about development, other more elemental aspects, such as how to best define the middle class, remains less clear. Reflecting on the 14th General Conference of EADI on *Responsible Development in a Polycentric World: Inequality, Citizenship and the Middle Classes*, Knorringa (2015) claims: ‘At the General Conference, inevitably, a lot of time was spent on trying to explain to each other how we define the middle classes. Do we use a more down to earth indicator like income: everybody who is not very poor or really rich? Or do we prefer a more nuanced approach that looks at strata? Another approach is to define the middle class as a mindset: those who have something to lose from change, or those who can afford to push for change?’ (p. 255).

Largely influenced by development economists, contemporary scholarship on rising middle classes has widely adopted a cross-country income-based approach. Naturally, this has meant that other important dimensions get overlooked. Moreover, as Knorringa and Guarin (2015) argue, ‘income-based definitions – mostly implicitly – simply superimpose economic and cultural characteristics of the Western middle classes onto other countries’ (p. 202). In recognition of the heterogeneous social, economic, cultural, and political behaviours of middle classes across the world, scholarship should turn to more in-depth, country-specific

studies. Understanding complex behavioural patterns will help to devise more tailor-made policies to address inequality and assure middle class sustainability and growth.

Income-based cross-country approaches generate two further related problems. First, the *origin* and, more specifically, the long-term mechanisms that triggered the emergence of new middle classes have received very little attention. Second, the social processes that accompany (and are part of) the emerging middle class have been largely ignored. The dearth of attention to these topics has thus resulted in an insufficient understanding of not only the particular idiosyncrasies that shape social and economic structures in developing countries, but also the dynamics and complexities of social change. These are key points on which this thesis aims to shed light and make a relevant contribution.

Closely related to the previous discussion, is the insufficient engagement of the literature with the ethnic factor; an aspect that gains special relevance in Latin America where structural conditions have disadvantaged ethnic minorities and indigenous communities for centuries (De Ferranti, Perry, Ferrerira, & Walton, 2004; Yashar, 2005). Indeed, as contended by Gurr (2000), ‘indigenous peoples in Latin America have experienced among the highest discriminatory barriers (along economic, political, and cultural lines) in the world’ (cited in Yashar, 2005, p. 14). The emergence of the middle class in the region then poses the following questions: Who has benefited from this process? Have new opportunities offered by the emerging middle class been opened up to all individuals, irrespective of their origins? And, has the process of the emergence of the middle class converged with a process of increased opportunities for indigenous peoples?

This study aims to tackle all the previous questions by focusing on the Bolivian case – a powerful example of feeble economic performance,² high inequality, and

² In the past fifty years, Bolivia has remained a zero-growth economy (Gray-Molina & Yañez, 2009; PNUD, 2005)

enduring ethnic and class cleavages, as well as of recent increase in the economic and political visibility of indigenous peoples. The quote that opened this chapter vividly illustrates this remarkable process of change in the country, where historical, problematic ethnic relations, discrimination, exclusion, and strong horizontal inequalities are openly being challenged at the cultural, social, economic, and political level (P. Espinoza, 2008; Zavaleta, 2011). Specifically, the questions that this thesis addresses are:

- What have been the main drivers behind the emergence of the new middle class in Bolivia?
- What are the characteristics of this new middle class?
- Has the middle class created new opportunities for indigenous people? Can we say that the middle class is indigenous? In what ways?

I answer these questions by tracing the emergence of the middle class and by focusing on the interplay between class and ethnic identity. In this way, I am able to: (i) identify the factors that supported the development of the middle class by overcoming structural obstacles such as erratic and low economic growth, rampant inequity, and cultural discriminatory legacies, and (ii) explain the process that gives way to the construction of social identities in the new middle class.

The rest of this chapter is structured as follows. The next section presents the scope of the research by outlining the approach adopted in the thesis and by introducing the main arguments. The subsequent section sets out the thesis' contributions to contemporary scholarship. A methodological note then gives an abridged overview of the research method and its implications for the terminology around middle class adopted in the thesis. Lastly, the final section outlines the structure of the remaining chapters.

Photograph 1.1. Aymara women show off their wealth and flaunt their ethnic pride



Source: Shahrani (2015) for *The Guardian*.

Left photograph: Robert Harding/ Rex Shutterstock.

Right photograph: David Mercado/Reuters/Corbis

1.2 Scope of work: the drivers, the character, and the ethnic identity of the new middle class

As mentioned earlier, the improvement in Latin Americans' living conditions and their gradual inclusion in the middle class have reanimated academic and policy engagement with topics related to stratification, class, and mobility. The shortcomings associated with a predominantly economic approach and the insufficient engagement with the ethnic factor as determinant for accessing opportunities, however, have left the field with important knowledge gaps that hinder our understanding of how indigenous middle classes might emerge in countries like Bolivia. With the objective of transcending surface manifestations of economic power and reaching a deeper structure characterized by durable social divisions, I put forward a multidimensional notion of socio-economic standing that combines satisfaction of needs with material opportunities. I operationalize this notion through the construction of a Socio-Economic Index (SEI) and define the middle class accordingly. This measure constitutes the basis upon which this thesis examines the emergence and nature of the middle class in Bolivia.

1.2.1 Uncovering the long-term drivers of the new middle class

How to explain the rise of the middle class in a context of unstable and low growth and high inequality? The first part of my thesis zooms in on this question in order to uncover the long-term drivers of the emergence of the middle class. I focus on the SEI which, in addition to allowing a long-term and periodic stratification of the population, allows distinguishing individual from structural trajectories of well-being improvement. That is, it allows differentiating improvements that happen as a result of individuals' strategies from those that occur as part of broader, national or structural processes of change. Furthermore, employing a long-term multidimensional socio-economic approach makes it possible to pinpoint the moments when these trajectories gain impetus.

Based on the analysis of the evolution of the SEI from the last quarter of the twentieth century – before Bolivia implemented a neoliberal model – I explain the emergence of the middle class as a result of two distinct but interconnected processes. The first is related to an *urbanization* process sustained by large-scale rural-to-urban migration that reached a peak in the mid-1980s. Abysmal differences in social indicators between rural and urban areas – resulting from a strong urban bias of public policies – together with the debt crisis and the resulting change in development model, explain the large number of people who moved to urban sites hoping to improve their living conditions. The second process is related to *policy changes* in the 1990s, which created a more effective national framework for allocating resources more equally throughout the country. Driven mainly by the enactment of two laws passed in 1994 – the Law of Popular Participation and the Law of Education Reform – these policy changes resulted in important improvements in the provision of basic services and in the expansion of education coverage.

In order to understand the evolution and characteristics of the middle class over time, we also need to study the labour market. The pervasive effects that the debt crisis and the consequent structural reforms of 1985 had on employment, coupled with the inadequate skills and limited economic capital that migrants often had on their arrival in the cities, meant that they turned to alternative activities in order to survive. Based on an inter- and intra-generational occupational mobility analysis, I contend that informal activities, especially those related to commerce, transport, and construction, quickly became buffer zones in which migrants found survival livelihoods. I also show that these activities later became hubs for progress in which individuals found opportunities to thrive socially and economically.

1.2.2 Characterizing the ethnic identity of the new middle class

Departing from the empirical depiction of the emergence of the middle class, I trace the evolution of ethnic categories, test the increased visibility of indigenous peoples, and examine the reconstruction and negotiation of ethnic identities. My ultimate aim is to test the extent to which indigenous people have had opportunities to become middle class. In doing so, I draw on a *social identity* conceptual framework (developed in Chapter 2) that allows me to combine the discussions of class, ethnicity, and modernization effectively. This choice of conceptual framework was further motivated by one particular unanticipated event – the dramatic decrease, from 62 to 42 per cent, in the share of population who self-defined as indigenous between 2001 and 2012 (the years of the two last national censuses). In an effort to explain this situation, analysts have followed two main lines of argument. The first highlights the technical inadequacy of comparing two questions that were worded differently in 2001 and 2012. The second maintains that the question in 2012 ignored the *mestizo* population, who did not find a suitable category with which to identify.

In order to test both arguments, I conducted a periodic ‘estimation of indigeneity’ in the country from 2001 to 2011 using alternative nationally representative instruments that held the wording of the question of self-identification unchanged (as in the National Census 2001). In addition, I mapped self-identification and language variables onto the socio-economic structure. Both these exercises showed that the reduction in self-identification was an ongoing process with a particular steep drop between 2009 and 2011. More importantly, the exercise revealed that the greatest shift in ethnic identity occurred in the middle class. That is, both indigenous language loss and a decrease in self-ascription to indigenous groups happened in a markedly stratified manner, clearly visible for the middle class. Interestingly, the exercise also revealed that the proportion of individuals monolingual in indigenous languages – a group comprising both those who self-ascribe to indigenous groups and those who do not – though still very small in 2011, had increased in size within the middle class in relation to 2001. This finding suggests that the emergence of a new middle class has opened up opportunities for indigenous peoples.

The social identity framework, which emphasizes the constant dialectic relationship between objective life trajectories and subjective interpretations of social environments, helps to clarify the ways in which social identities get reconstructed in instances of social and economic change. More importantly, the framework facilitates our understanding of the ways in which ethnic identities are permeated by modernity, thus allowing us to transcend the prevailing indigenous/non-indigenous dichotomy. By examining the consumption practices, lifestyles, and aspirations of middle-class individuals – aspects through which individuals cultivate their sense of belonging and, hence, their social identities – I show that middle-class individuals have *hybrid* and *segmented* identities. This means that individuals combine indigenous/traditional and modern forms of living that vary (i.e. are segmented) according to their socio-economic position. This segmentation, I contend, does not move towards cultural assimilation. Instead, it moves towards a

new horizon in which indigenous practices and idiosyncrasies have become new status symbols and forms of recognition. Without a doubt, this situation signals a categorical break with historical ethnic-based forms of social, economic, and cultural exclusion.

1.3 Research contributions

By developing the arguments discussed in the previous section, I aim to contribute to existing scholarship on the middle class on at least three fronts. First, I seek to add to the current literature on emerging middle classes in developing countries by proposing an alternative multi-dimensional measure (i.e. other than income) against which the middle classes can be operationally defined. The adoption of this measure, I argue, allows exploring the emergence of the middle class as part of long-term processes that involve the formation and accumulation of material conditions and secure individuals' social and economic standing. Furthermore, the ability of this measure to disentangle structural from individual trajectories of socio-economic improvement, brings to light underlying long-term drivers of middle class expansion. This way, we can overcome the excessive focus on GDP growth and reductions in inequality as the only mechanisms explaining the emergence of the middle classes in emerging economies in general and Latin America in particular (Ferreira et al., 2013; UNDP, 2013).

Second, I contribute to the Latin American scholarship on class and mobility by interconnecting the study of the middle class with ethnicity. As mentioned previously, ethnicity has been the forgotten companion of stratification studies in the region. This has translated into the omission of one of the factors that has historically determined individuals' access to the structure of opportunities and possibilities for improvement. Recent literature has acknowledged the need to fill this gap by incorporating ethnicity at the locus of the class and mobility research agenda; a task that acquires an urgent tone in highly heterogeneous countries like

Bolivia, Peru, and Ecuador (Atria, 2004; Filgueira, 2001; Franco, León, & Atria, 2007).

Finally, I aim to add to the Bolivian literature by critically re-thinking notions of indigeneity and modernity. As I show in Chapter 2, the stock of studies on middle classes and ethnicity is rather low in the country. Moreover, whenever ethnicity and class have been approached together, they have been simplified to static monolithic notions. Thus, by conceptualizing the coexistence of modern and traditional dynamics that precede and delineate the construction of social identities in the middle class, I seek to add empirical depth to a conspicuous process of change in the country and enrich the academic discussion around these topics.

1.4 A note on methodology and terminology

Studying the emergence of the middle class and its various dimensions requires a complex and creative combination of methodological approaches; one that can provide sufficient breadth to cover time and space, and sufficient depth to unpick individuals' behaviours. As explained in Chapter 3, this thesis adopts an *iterative mixed-method design*, which relies on the repeated interaction of quantitative and qualitative methods at all stages of the study (Teddlie & Tashakkori, 2009, 2011). The quantitative component relies entirely on secondary data analysis of instruments that have national and urban/rural representativeness (i.e. National Censuses of 1976, 1992, 2001, Household Survey 2011 and Social Stratification and Mobility Survey 2009). In this way, quantitative analyses and findings are depictive of both the whole country and urban areas.

The qualitative component, in turn, relies on two periods of fieldwork – the first between February and May 2012, and the second between December 2013 and February 2014 – carried out in the city of El Alto.³ The sampling draws on a

³ Chapter 3 provides a detailed justification for choosing El Alto as a fieldwork site.

statistical profiling – selected on the basis of empirical research – that followed pre-determined criteria related to socio-economic level, migratory status, and occupation. Having been introduced to my first respondents by common acquaintances before following a snowball method (while sticking to my sample profiling) until *saturation* was reached,⁴ I was able to collect fifty-two semi-structured in-depth interviews on topics related to consumption practices and lifestyles, occupational histories, perceptions of prestige and status. The qualitative component does not aim to provide generalizable information about the middle class in Bolivia. Instead, it aims to (i) elucidate the implications of a rapidly modernizing context for the lifestyles, and thus social identities, of Andean migrants who managed to break into the middle class; (ii) illustrate the life-journeys of these individuals; (iii) make sense of the ways in which they construct their perceptions and imaginaries of status and prestige.

After having operationalized the middle class based on the SEI, a long-term examination of the evolution of this segment shows that it expands from being very small in 1976 to being a large prominent group in 2011. This trend suggests that the middle class is composed of two groups: one small, long-established, and composed mainly of *criollo/mestizo* and *white* individuals (denominated the *traditional* middle class); and another made of individuals who have moved up into the middle class through alternative mobility mechanisms (denominated the *new* middle class). The nature of the quantitative data, however, makes it impossible to distinguish between the groups. That is, because the quantitative instruments used in this thesis are applied repeatedly to different samples, it is not possible to identify and isolate those individuals who were part of the middle class in 1976. The qualitative component, in turn, was specifically designed to focus on the new middle class group only (i.e. migrants in specific occupational groups who have

⁴ In qualitative (non-probabilistic) sampling, the saturation concept refers to the point at which new cases do not add any new information or themes, for this reason it is also called informational redundancy point (see Guest, Bunce, & Johnson, 2006 and sources cited therein)

moved upwards). Inevitably, this has resulted in the use of different terminology to refer to the middle class in this thesis. Specifically, while the term middle class is used widely, in many instances, when examining qualitative data, I employ the term *new* middle class.

1.5 Dissertation outline

The rest of thesis is divided into three parts. The first part, which comprises this introduction and Chapters 2 and 3, contextualizes the research within the broader literature, develops the conceptual framework, and presents the methodological approach. **Chapter 2** offers a chronological review of the scholarship on the conceptualization and measurement of middle classes, social mobility, and ethnicity in Latin America. It introduces the debate on modernization and its expected outcomes in terms of social change and points to the different gaps in the literature that the thesis aims to tackle. Additionally, the chapter situates the Bolivian literature within the wider regional background to highlight parallels and dissimilarities with the regional literature. I conclude the literature review by arguing that in order to advance in our understanding of middle classes and ethnic identities we need conceptual and methodological innovations. Next, I develop a proposal to investigate the topic of ethnicity through a social identity conceptual framework. For this purpose, I first focus on the links between social identities and class, then on social identities and ethnicity, and finally I link the two by focusing on the role of modernity in changing and reconstructing social identities.

Chapter 3 engages with the methodological approach employed in the thesis. The chapter discusses the rationale for, and importance of, combining quantitative and qualitative methods in order to answer the thesis' research questions. Consecutively, the chapter explains in detail both the quantitative and qualitative components. For the quantitative component, based purely on secondary data analysis, the chapter describes the different instruments used in the thesis and

explains their operationalization throughout the different chapters. More importantly, in response to the need for a methodological turn stressed in Chapter 2, this section explains how the SEI is estimated and how the middle class is defined accordingly. In the section related to the qualitative component, the chapter discusses the selection of the fieldwork site and the sampling design, describes the data collection process, and introduces a thematic analysis approach as the framework for the interpretation of the qualitative data. The chapter concludes with a reflection on the challenges and lessons learned.

The second part of the thesis – covered in the following four chapters – presents the empirical findings of the research. **Chapter 4** conducts a long-term exploration of demographic and institutional changes in the country and identifies underlying individual and structural trajectories that explain socio-economic improvement. Specifically, the chapter reviews the socio-economic situation in Bolivia, making use of the SEI at four different points in time (1976, 1992, 2001, and 2011) from a geographical angle. The analysis reveals the distinct impetuses given by both urbanization and policy change to the creation of the middle class. Thus, following the debt crisis and the adoption of the neoliberal reforms in Bolivia, I argue that urbanization alone explains a well-being boost from the mid-1980s onward. During the second phase of the structural reforms that took place in the mid-1990s, a change in the national framework to allocate social resources more efficiently and equally, seems to have provided – together with a much weaker process of rural-to-urban migration – the necessary platform to sustain the emergence of the middle class.

Chapter 5 explores the major changes that occurred in the Bolivian labour market following the rapid urbanization process, and uncovers their connections to, and consequences for, the middle class. The analysis is divided into three sections. The first part of the chapter examines the changes in the Bolivian labour structure following the implementation of the neoliberal model and looks at the ways in

which middle-class individuals have adapted to these changes. The second part complements the first by focusing on the inter- and intra-generational occupational mobility trajectories of middle-class individuals and, thus, sheds light on the specific occupational paths that shaped the occupational profile of the middle class. The third part uses life stories to illustrate some of these occupational paths and to examine the construction of labour market relations accordingly.

Chapter 6 investigates the extent to which the new middle class can be called a new *indigenous* middle class. The migratory status, whether of first or second generation, that characterizes this segment, poses fundamental questions about the ethnic identity of middle-class individuals. Against this background, the chapter investigates the absolute and relative importance of indigenous peoples in the middle segments of the socio-economic structure. In order to understand what indigeneity is all about, the chapter begins with a historical account of the evolution of ethnic categories. Then the chapter briefly surveys the ways in which ethnicity has been commonly measured in the country. This section reveals a dramatic decrease in the amount of people self-defining as indigenous between 2001 and 2012 and tests different arguments posed to explain this drop. The chapter concludes by arguing that individuals' ethnic identities become complex as they move into the middle class. This is then illustrated by qualitative evidence of individuals defining themselves as part of a *clase media popular* – a term used to denote both similarities (in socio-economic terms) and differences (in terms of cultural practices) in relation to a traditional *criollo/mestizo* middle class.

Chapter 7 builds on the previous chapter to investigate the existence of 'alternative' lifestyles and, thus, the (re)construction of social identities of new urban middle class individuals. More specifically, the chapter explores how new status codes and hierarchies are constructed within the new middle class through the examination of the consumption practices and lifestyles of fifty-two first and second generation migrants in El Alto. Following this analysis, the chapter argues

that (i) the new urban middle class is highly heterogeneous and lacks a unique identity; (ii) the new middle class is segmented in that individuals create differentiation through their consumption practices and lifestyles, and in how they establish their social boundaries; and (iii) modernity has not eliminated migrants' traditions but has, instead, given the migrant identity complex subjectivities. In this way, new middle class individuals have developed *hybrid* and *segmented* identities that do not have a clear relationship with their socio-economic status and that create a whole new space of social distinction.

Finally, the third and final part of this thesis is composed of the concluding remarks offered in **Chapter 8** where I summarize the research findings and connect the implications of the research with the questions presented in this introductory chapter. Lastly, I conclude the chapter by outlining possible avenues for further research.

Chapter 2

Middle classes, modernization, and inequality: A literature review and a framework for analysis

2.1 Introduction

Over the past few decades Latin America has made significant progress in economic and social development as seen in sustained economic growth, poverty reduction, and substantial improvement in social indicators (ECLAC, 2014; World Bank, 2013). Even inequality levels, which have been notoriously high in the region, have undergone a historic decline (Tsounta & Osueke, 2014). These changes have resulted in tens of millions of people escaping poverty and many of them joining the middle class (Ferreira et al., 2013). Amidst this process of social and economic change, indigenous peoples in Latin America have not only gained recognition of their rights and improved living conditions, but have also begun to play a noticeable role in national politics (ECLAC, 2014; G. Hall, Layton, & Shapiro, 2006). The extent to which these processes relate to each other (i.e. how and in what ways indigenous peoples make their way into the middle class) is not yet clear as it has been largely overlooked in scholarly research.

This chapter focuses on this gap and proposes an analytical framework under which the emergence of indigenous middle classes in highly stratified societies – such as that in Bolivia – can be investigated. I begin by surveying theoretical and empirical approaches to the study of social stratification, social mobility, and middle classes in Latin America. The purpose of this section is not only to shed light on the ‘reality’ that pioneering social stratification scholars studied in the 1950s to 1970s, but also to uncover the main contributions and limitations of these studies. I then highlight the temporary abandonment of social stratification and social mobility studies in the 1980s and its resurgence in the last decade, spurred by the emergence of a middle class in the region. Accordingly, I review the ways in which contemporary studies have conceptualized and operationalized middle classes and argue that such studies overlook the internal composition, social mobility mechanisms, and values of individuals belonging to the rising middle classes. I also draw special attention to the outright neglect of the topic of *ethnicity* as an important determinant of class position and social mobility in both previous and current analyses.

While uncovering important gaps, much of the literature reviewed did not include Bolivia as part of the analysis. Therefore, in order to understand how the implications raised by the Latin American literature reflect on the Bolivian scholarship, I survey what was written in the country in terms of social stratification and middle classes. Contrary to the omission of the topic of ethnicity in the regional literature, Bolivian studies included the ethnic factor as a social division element that not only hindered mobility but created glass ceilings. However, both bodies of literature, the national and regional, treat class and ethnicity in a rather reductionist and simplified manner. I argue that the discontinuous and limited academic reach of these studies provide a space for more scholarship and propose a conceptual framework that zooms in the construction of social identities. Such framework, I contend, allows integrating harmoniously the discussions on class, modernity, and ethnicity.

2.2 Theoretical and empirical approaches to social stratification, social mobility, and middle classes in Latin America

The development of the scholarship on social stratification, class, and mobility in the last half of the twentieth century in Latin America has been marked by three distinct phases: (i) from the beginning of the 1950s to the end of 1970s, when studies on these issues boomed; (ii) the 1980s and 1990s, when the research was abandoned following a change in the region's development paradigm; and (iii) from the 2000s onwards, when the scholarship revived due to a restored interest in the study of inequalities and, especially, of the emergence of middle classes in developing countries. In what follows I explore each of these periods in detail focusing on both the theoretical and empirical approaches employed and thus uncovering some significant gaps in the literature.

2.2.1 1950s–1970s: the booming of stratification studies

The third quarter of the twentieth century was arguably the time of greatest production of social stratification and social mobility studies in Latin America. Motivated by a revival of the scholarship in Europe and North America, these studies focused on analysing the effects that the dominant development model – Import Substitution Industrialization (ISI hereafter) – had on society (Filgueira, 2001; Sémbler, 2006). Overall, these studies tested the capacity of Latin American societies to adapt to an early modernization process and looked into changes in social behaviours in relation to the process of economic development (Sémbler, 2006).

Social mobility constituted the common approach to studying societal transformations in this period (Filgueira, 2001). Between 1950 and the 1970s, two

strands of literature guided the social mobility scholarship. The first, called *structural* mobility, concentrated specifically on the effects of economic, productive, and demographic transformations on mobility. In this respect, one of the most salient findings was the formation of protected but dynamic industries that spurred the emergence of an industrial proletariat and a salaried middle class (Germani, 1963, 1968; Kahl, 1965). In addition, the ‘reproductive vacuum’ created by a decrease in the fecundity rates of upper and middle classes vis-à-vis lower groups turned out to be an engine for upward mobility for offspring of lower class households who were charged with ‘filling up’ higher position holes (Filgueira & Geneletti, 1981).

The second line of research, called *individual* mobility, emerged as a critique of the previous one. Proponents of this trend emphasized the role of agency and meritocracy, arguing that it was the capacity of individuals to move across classes, independently of family origin or ascribed traits, which determined the degree of *permeability* of any social structure.¹ Thus, individual mobility was positioned as the basis for analyses of social and economic inequalities. Empirical studies that pursued this line uncovered the rigidities that studies of structural mobility had hidden, in the sense that much of the observed mobility was driven by structural mechanisms rather than individual capacity. Accordingly, they warned that low degrees of permeability could become critical when processes of structural mobility exhausted their impact (Cardoso, 1969; Filgueira & Geneletti, 1981; Pastore, 1979).

Although seemingly antagonistic, the two strands of literature together provided a sound platform for a thorough understanding of social change. While structural

¹ The term permeability refers to the degree to which it is viable for people to become part of different classes, especially upper classes. Wright (1997) proposes three forms of permeability: (i) the formation of friendship ties across class locations, (ii) the class composition of families, and (iii) inter-generational class mobility. Social closure is the antithesis of permeability in that it denotes the impossibility of individuals jumping between classes. Therefore, whilst, the degree of social closure will depend in a great part on society’s configuration in terms of exclusionary logics and practices, permeability refers to the individual’s strategies to break this social barrier.

mobility-inspired research explained the processes that transformed the structure of opportunities as a whole, individual mobility models shed light on the ways in which individuals could (or could not) take advantage of the new structure. However, despite their explicative power, studies that combine both strands have remained scarce in the Latin American scholarship (Atria, 2004; Filgueira, 2001; Sémbler, 2006) .

The study of middle classes was an immediate by-product of the aforementioned academic trend. The strong focus on the different dimensions associated with ISI uncovered the emergence of a prominent group with the socio-occupational characteristics of a middle class that was not only highly affected by the model, but that would also affect the rest of society by promoting the model's interests (Filgueira & Geneletti, 1981; Germani, 1968). Indeed, the articulation of *nacional-popular* alliances that this group enforced made it a crucial element for the understanding of both the tensions and the dynamics that the development model triggered.

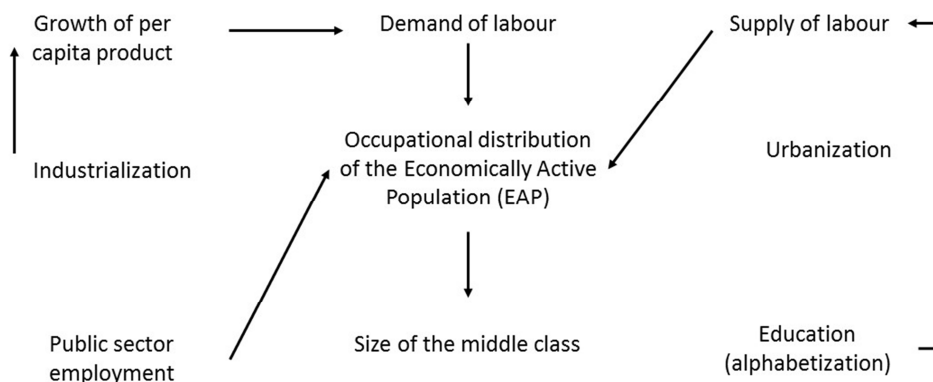
How did middle classes emerge and develop under the sway of modernization and industrialization that the ISI model promoted? The work of Gino Germani (1968), *Política y sociedad en una época de transición*, provided the basis upon which most studies on Latin America's social change in general, and middle classes in particular, were studied in the 1960s and 1970s. By focusing on a socio-occupational classification, Germani sketched out the transition, driven by *modernization*, from a typically traditional society to a properly modern one. He argued that modernization driven by the ISI model provoked an increase in the number of occupations in the secondary and tertiary sectors, which translated into a significant growth of managerial and bureaucratic groups, traditionally identified as middle-class occupational categories. In this way, Germani's work not only established the existence of an organic link between the modernization of socio-economic structures in Latin America and a growing weight of middle classes, but

also made evident the socio-political importance of these groups, which, in view of the weakly organized proletariat, would lead a modernizing multi-class alliance process.

Much of the work published in the 1960s and 1970s conformed to an empirical refinement of the role of the middle classes spearheading a process of change and development in the region (Fernández, 1968, 1973; Graciarena, 1967; Medina Echavarría, 1965, 1973). While arriving at different, and sometimes contradictory, claims on the matter, they all agreed that modernization not only had impacted the middle class much more than any other group in society but that it had made it rather heterogeneous, especially in terms of its political and economic interests.

In 1981, Carlos Filgueira and Carlo Geneletti, documented and summarized the changes in mobility patterns throughout the region in their work, *Estratificación y movilidad ocupacional en América Latina*. Zeroing in on the middle class – defined broadly as non-manual occupations – the study stressed the shortcomings of focusing exclusively on structural mobility processes to understand and explain the expansion/growth of this group. While socio-economic development clearly affected the size of the middle class, the processes through which this growth was possible were still unknown. In light of this gap, the authors appealed to a labour-market model to analyse the relationship between changes in the production structure and the structure of stratification. Matching the demand and the supply of labour, as shown in Figure 2.1, would therefore help to characterize the middle class by explaining the structural and individual channels that shape it.

Figure 2.1. Individual and structural mobility



Source: Taken from Filgueira and Geneletti (1981, p. 67)

2.2.2 From 1980 onwards: the demise and revival of inequalities and class-based analyses

Filgueira and Geneletti's study also marked the end of stratification-focused research in the region (Franco et al., 2007). The debt crisis of the 1980s, which resulted in an increase in interest rates, inflation and unemployment, imbalances in public accounts, and a plummeting of growth rates, brought the production of knowledge in the social sciences to a halt. National priorities were adjusted around the main objective of recovering macroeconomic stability, which was accomplished through the introduction of structural reforms.² While attaining the desired macroeconomic results, at least temporarily, the reforms had pervasive social impacts, especially on employment and income distribution (Lora & Panizza, 2002; Stallings & Peres, 2000). As a consequence, inequality and stratification studies were overshadowed by studies on poverty and social exclusion designed to inform social

² The structural reforms, implemented with different intensity across sectors and countries, aimed mainly to reduce state intervention and exploit the opportunities provided by international markets (Ocampo, 2004)

policies aimed at ameliorating the hardships that the reforms had caused (Filgueira, 2001).

Since the turn of the twenty-first century there has been a revival of studies that focus on inequalities and social stratification. New economic and social circumstances in the form of new labour market conditions, demographic changes, and greater international integration, together with limited results in poverty reduction and economic growth projects, have highlighted the need to redirect attention to the socio-economic and cultural mechanisms that explain both the causes and consequences of inequality in the development of the region (Birdsall & Londoño, 1997; Bourguignon, 2004). In addition, the apparent emergence of middle classes in developing countries in general, and in the region in particular, has reintroduced notions of social class and social mobility to the academic discourse.

The revival of social stratification and mobility scholarship in Latin America looked again at classical theoretical approaches, especially those founded on Marxist and Weberian postulates (Filgueira, 2001; Franco et al., 2007). Most notably, the works of Erik Olin Wright and John Goldthorpe inspired much of the research carried out in the region. Accordingly, social stratification scholarship in Latin America followed socio-occupational classificatory schemes; some that were the result of market relations (in the Weberian view) and others that were the result of social relations of production (in the Marxist view) (Atria, 2004; Franco et al., 2007). Socio-occupational stratification, thus, worked under the assumption that class-defining resources were explicitly tied to the labour market and the ability of individuals to compete effectively in it. Setting the analytical axis on the *labour market* meant that the distribution and structuring of inequalities were solely determined by the interactions and relations that happened within it (Jelin, 2014).

Portes and Hoffman (2003) tested this assumption in the Latin American context. They argued that Latin America was different from more advanced societies in

that ‘a significant proportion of the population is not incorporated in fully commodified, legally regulated working relations, but survives at their margin in a wide variety of subsistence and semi-clandestine economic activities’ (p. 43). In line with this logic, the authors developed and proposed an alternative classificatory scheme to study the rearrangement of class structures in the face of a changing economic model in the region. Starting from a notion of class founded on differential access to social resources that yield power and determine life conditions, Portes and Hoffman arrived at a seven-tier structure that included occupational groups operating at the margins of a formal labour market. Table 2.1 provides a summary of this proposed structure.

Table 2.1. The Latin American class structure

Class	Sub-types	% labour force
I. Capitalists	Proprietors and managing partners of large/medium firms	1.8
II. Executives	Managers and administrators of large/ medium firms and public institutions	1.6
III. Elite workers	University-trained salaried professionals in public service and large/ medium institutions	2.8
IV. Petty bourgeoisie	Own-account professionals and technicians, and micro-entrepreneurs with personally supervised staff	8.5
Va. Non- manual formal proletariat	Vocationally-trained salaried technicians and white-collar employees	12.4
Vb. Manual formal proletariat	Skilled and unskilled waged workers with labour contracts	23.4
VI. Informal proletariat	Non-contractual waged workers, casual vendors, and unpaid family workers	45.9

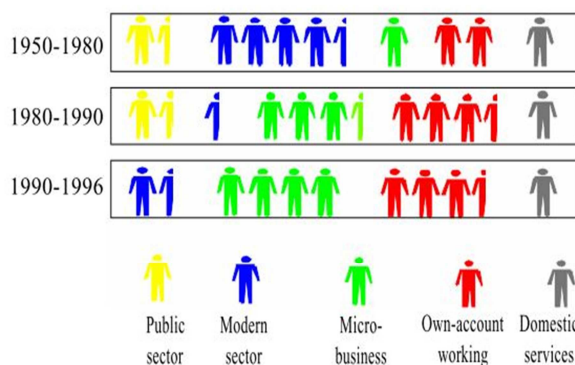
Source: Re-constructed based on Portes and Hoffman (2003)

In line with other socio-occupational studies, where *non-manual occupations* act as proxies for the middle class, the middle class in Portes and Hoffman’s scheme is represented by the *petty bourgeoisie* and the *non-manual formal proletariat* (Franco et al., 2007). The authors observed that since the implementation of the

neoliberal reforms, the categories that had grown the most were the petty bourgeoisie and the informal proletariat. The petty bourgeoisie, in particular, assumed a novel role in Latin America as a refuge for public servants, salaried professionals, and other skilled workers displaced by the adjustment policies of the structural reforms. Public sector employment, the backbone of the urban middle class during the ISI model period, was significantly reduced and there was no concomitant increase in private sector employment. Those displaced from the state bureaucracy saw their condition deteriorate and their privileges removed (Hopenhayn, 2010). This situation forced former employees to create alternative livelihood strategies through the establishment of micro-enterprises or through self-employment – both commonly regarded informal activities (ILO, 2013). Klein and Tokman (2000) portray this change (Figure 2.2) in their analysis of job creation in Latin America following the implementation of the neoliberal model and the trend towards globalization in the economies in the region.

Figure 2.2. Sectoral job creation in selected Latin American countries, 1950–1996.

(Number of jobs contributed out of every 10 new jobs)



Source: Taken from Klein and Tokman (2000, p. 17)

By stressing the decrease that bureaucratic and managerial groups suffered and the increment of informality, socio-occupational studies suggest an overall process

of downward mobility for the ISI-driven middle class.³ In the words of Hopenhayn (2010), ‘[...] what was left of the middle class was subject to a “falling-effect” more than resting in stability. Far from the autonomous subject, owner of its own destiny, and lead actor in political alliances and state relations, social policies of the eighties and nineties just saw pieces of a dismembered middle class which needed assistance in time of disaster’ (p.15, own translation).

Despite important developments and efforts to adapt socio-occupational classifications to the Latin American context, adopting such schemes poses important challenges. To begin with, the characterization of the middle class as composed of non-manual/ white-collar workers is too broad and porous, making the development of the middle class virtually untraceable in the long term. High heterogeneity in the labour market, moreover, implies that some non-manual occupations conceal labour conditions that are not consistent with a white-collar status (Hopenhayn, 2010). Even more so considering the growing expansion of the service sector in the economies of the region, which has tended to diversify the middle-class profile making its contours even hazier (Franco et al., 2007). In light of these difficulties, cross-country comparisons are rendered spurious. The undefined and unsettled socio-occupational identity of the middle class, especially in developing countries, led Martín Hopenhayn (2010) to refer to it as a ‘blurry subject in need of a characterization’ (p. 11, own translation).

2.2.3 Contemporary empirical approaches to the study of middle classes

The challenges posed by socio-occupational approaches were partly solved by a new stream of research that addressed the topic of middle classes in developing countries from an entirely economic standpoint. In this line of research, differential

³ See Torche and Wormald (2004) and León and Martínez (2001) in addition to the abovementioned authors.

purchasing power or income levels dictate who belongs to the middle class and who is above or below it. Researchers using this definition establish either *absolute* or *relative* thresholds upon which they categorize the socio-economic structure. Criteria for setting the boundaries depend mainly on the issue being researched. Easterly (2001), for instance, in a pioneering study in this field, adopts a relative measure. He defines the middle class as being composed of those individuals in the second, third, and fourth quintile of the per capita expenditure distribution. Similarly, Birdsall, Graham, and Pettinato (2000) characterize the middle class as a group comprising those households with per capita income in the range of between 75 and 125 per cent of the median household per capita income. This means that the authors liken the middle class to the middle income strata for every country in their sample. As these examples make evident, relative approaches are insensitive to changes in absolute levels of income over time and across societies.

Absolute thresholds set consumption or income values above which a household is considered middle class. Birdsall (2007) and Banerjee and Duflo (2008), for instance, have used a common US\$10 PPP per day as a threshold.⁴ Ravallion (2009) goes further by distinguishing between middle classes from the developing world and those from the Western world. For this purpose, the lower limit of the developing world middle class is set at US\$2 per person per day in PPP, which corresponds to the median value of 70 countries' poverty lines, and the upper limit at US\$13 PPP, which is consistent with the US poverty line. Similarly, studies by Kharas (2010), Milanovic and Yitzhaki (2002), and Bussolo et al. (2008) use absolute definitions of middle classes under the premise that there is a *global middle class* to which all countries belong to a greater or lesser extent. Kharas (2010) comes up with a measure of daily expenditure of between US\$10 and

⁴ Purchasing Power Parity, or PPP, is an exchange rate adjusted to be equivalent to each country's currency purchasing power. Therefore, any given amount in PPP has the same purchasing power in different countries.

US\$100 per person in PPP. This rationale, the author argues, would exclude individuals who are considered rich in the poorest of advanced countries (i.e. Portugal) and poor in the richest of advanced societies (i.e. Luxemburg). Likewise, Milanovic and Yitzhaki (2002) and Bussolo et al. (2009) adopt a definition in which the middle class is made up of individuals whose average daily incomes are between the poverty lines of Brazil (US\$10 PPP) and Italy (US\$20 PPP).

In addition to the above, there are studies that use hybrid definitions. Birdsall (2010), for example, defines the middle class in the developing world as including those people living with at least US\$10 PPP a day (i.e. absolute lower limit) and who are below the 95th percentile of the income distribution in their own country (i.e. relative upper limit). The reasoning behind this definition lies in the assumption that people with levels of consumption lower than the lower limit are just too poor to be middle class in any society; while the relative upper limit would exclude people who are deemed rich in their own countries. Table 2.2 summarizes definitions of middle class based on economic measures.

Table 2.2. Contemporary economic definitions of middle class

Relative measures (percentiles of income/ consumption distribution)		
Birdsall, Graham & Pettinato (2000)	$i \in \text{middle class}$	$0.75 y (p_{50}) \leq y_i \leq 1.25 y (p_{50})$
Blackburn & Bloom (1985)		$0.60 y (p_{50}) \leq y_i \leq 2.25 y (p_{50})$
Davis & Huston (1992)		$0.50 y (p_{50}) \leq y_i \leq 1.50 y (p_{50})$
Alesina & Perotti (1996)		$p_{40} \leq p(y_i) \leq p_{80}$
Barro (1999) & Easterly (2001)		$p_{20} \leq p(y_i) \leq p_{80}$
Partridge (1997)		$p_{40} \leq p(y_i) \leq p_{60}$
Solimano (2008)		$p_{20} \leq p(y_i) \leq p_{90}$
Absolute measures		
Banerjee & Duflo (2008)		$\$2 \leq y_i \leq \10 a day
Kharas (2010)		$\$10 \leq y_i \leq \100 a day
López-Calva & Ortíz-Juárez (2011)		$\$10 \leq y_i \leq \50 a day
Milanovic & Yitzhaki (2002)	$i \in \text{middle class}$	$\$12 \leq y_i \leq \50 a day
Ravallion (2010)		$\$2 \leq y_i \leq \13 a day
Hybrid measures		
Birdsall (2010)		$\$2 \leq y_i \leq p_{95}$
Neri (2008)		$\text{Median} \leq y_i \leq p_{95}$

Source: Taken from Ferrerira et al. (2013, p.32) and complemented with other publications.

In a more recent study, López-Calva and Juárez-Ortíz (2011) took a step forward in developing economic definitions by complementing them with notions from the Capabilities Approach.⁵ The authors propose a ‘framework in which middle class is absolute in terms of the *functionings* that define it but relative in terms of the means through which those *functionings* can be achieved’ (2011, p. 24). Following this reasoning, *economic security* – defined as the opposite of *vulnerability to falling into poverty* – is chosen as the functioning that defines the middle class and, therefore, sets the lower threshold. The introduction of economic security not only challenges the arbitrariness of selecting lower and upper thresholds, but also introduces an important parameter that differentiates those who are near-poor or just above the poverty line from those who are middle class. Based on a ten per cent probability of falling back into poverty, López-Calva and Juárez-Ortíz set the lower income threshold at US\$10 PPP per capita per day and the upper threshold at US\$50 PPP. The validity of these income limits – especially the lowest – is confirmed by further robustness checks that combine income levels with subjective self-inclusion in middle-class categories. This exercise resulted in having the ‘lowest income at which people see themselves more as middle class than otherwise’ (Ferreira et al., 2013, p. 34). López-Calva and Juárez-Ortíz’s measure was widely adopted for a cross-country comparison of Latin American middle classes in the World Bank report *Economic Mobility and the Rise of the Latin American Middle Class* (Ferreira et al., 2013).

Even though these studies have proved to be highly relevant for preliminary depictions of middle classes around the world and for large-scale cross-country comparisons, their unidimensional approach makes them short-sighted to the

⁵ The Capability Approach (CA) is a theoretical framework developed by Amartya Sen. CA is based on two axioms: first, freedom to achieve well-being is of primary moral importance, and second, freedom to achieve well-being is to be understood in terms of people’s capabilities, or their real opportunities to do and be what they have reason to value (Stanford Encyclopedia of Philosophy, 2011). The CA thus proposes that social arrangements should be primarily evaluated according to the extent to which people have freedom to promote or achieve *functionings*. Functionings, therefore, should be understood as the various things a person may value and have reason to value doing or being (Alkire, 2011).

dynamics and complexities of social change. Accounting only for income capacity of the individuals does not provide a complete picture of the relevant cultural and idiosyncratic practices that shape and determine socio-economic structures in developing countries. As a result, it hinders the understanding of the real ‘moving forces’ that allow individuals to move about faster or slower, upwardly, downwardly or side-ways, throughout the socio-economic pyramid. Furthermore, a purely economic view overlooks the social and cultural embedding of consumption patterns and the values, attitudes and habits connected to it.

The limitations posed by the classical socio-occupational approach and the purely economic are central to both the definition of middle class and the conceptual framework proposed in this dissertation. In relation to the former, I put forward a notion of social position based on a multidimensional Socio-Economic Index (SEI hereafter) that combines household satisfaction of needs and material opportunities (see Chapter 3 for a detailed explanation of the methodology behind the construction of the SEI). The advantages of using the SEI are threefold. First, it provides a long-term view of household economic and social situations. Second, it includes access to valued assets and public services, as well as household economic capacity, which accounts for the education and occupational status of each household member. Third, it overcomes the lack of income and consumption data in census surveys and opens up the possibility to conduct long-term examinations. The SEI, therefore, makes it possible to scrutinize the long-term individual and structural forms of mobility that explain the emergence of the middle class as well as the new structure of opportunities that shape it.

In relation to the conceptual framework, I stress the need to focus on the effects of labour heterogeneity and tertiarization of the economy, both of which were a result of neoliberal policies. This is tackled by situating the analysis of structural mobility within the context of socio-economic wellbeing and socio-occupational status. Finally, I argue for the need to recognize the role of ethnicity as a crucial

stratifying element, particularly important in countries where class and ethnic cleavages have been historically intertwined.⁶

2.3 Ethnicity, stratification, and inequality

The issue of *ethnicity* has been largely absent from stratification and mobility studies despite being a core element in determining unequal access to the structure of opportunities (Cunningham & Jacobsen, 2003). Graham et al. (1990) explain this absence by the turbulent evolution of the notion of ethnicity in development. The instrumental use of ethnicity in Latin America to serve the colonial power, legitimate rule, and keep indigenous people under control, translated into a virtual repudiation of ethnicity and ethnic differences in the post-independence period in favour of an elite-generated ‘post racial’ ideology (Graham et al., 1990; Graham, 1990).⁷ In this context, ‘differences between racial or ethnic groups were attributed to socio-economic influences that happened to be correlated with, but were not caused by, power structures’ (Cunningham & Jacobsen, 2003, p. 85).

This trend started changing in the 1970s when academics and policy makers began to acknowledge that deeply rooted ethnic discrimination and the complex interrelation of power structures determined differences in well-being (Cunningham & Jacobsen, 2003). The same ideological basis that sustained the Dependency theory, which stressed the disadvantaged position of Latin America vis-à-vis Europe and the US due to unfavourable terms of trade, indirectly promoted an increased focus on inequality and mechanisms of exploitation in inter-ethnic relations (Wade, 2010). Sociologists, in particular, began theorizing that ethnic inequalities were a result of a history of power relations that created an uneven playing field in terms of endowments, opportunities, and expectations for different

⁶ For arguments in favour of integral frameworks for the study of middle classes see Atria (2004), Filgueira (2001), and Franco et al. (2007).

⁷ These results were re-enforced by the lack of national data on language, which was not collected because of the prevailing national integration ideology.

ethnic groups. The product of this work was the development of *internal colonialism* theories, which emphasize the social relations of exploitation and domination among culturally heterogeneous groups. These theories became salient as different ethnic groups throughout the region started raising their voices to demand equal rights and equal life opportunities (Arocha, 1998; G. Hall et al., 2006).

The seminal works of Psacharopoulos (1993) and Psacharopoulos and Patrinos (1994) contributed the first comparative empirical assessments of Latin American indigenous peoples' living standards (G. Hall et al., 2006). Beyond exposing that indigenous peoples' socio-economic conditions were far worse than those of the population as a whole, these studies uncovered a myriad of social exclusion mechanisms that constrained indigenous peoples' entrance to the labour market and access to education and health care. Fewer endowments, less education, poor job experience, together with differential preferences, cultural norms, and widespread discrimination explained the disadvantaged situation that characterized the indigenous population. Much of the work published thereafter conformed to an empirical and theoretical refinement of this literature; most notably, the work, edited by Hall and Patrinos (2006), focusing on the five Latin American countries with the largest indigenous populations – Bolivia, Ecuador, Guatemala, Mexico, and Peru. In summary, the research argued that little progress had been made in reducing poverty and improving life conditions among indigenous peoples in the decade from 1994 to 2004. Table 2.3 recollects some of the indicators that most clearly exposed the disadvantaged situation of indigenous peoples vis-à-vis the non-indigenous population.

Table 2.3. Selected socio-economic variables for indigenous and non-indigenous peoples in Bolivia, Ecuador, Guatemala, Mexico, and Peru

Country	Indigenous pop. (%)	Year	Criterion	Poverty rate changes (1)		Average years of schooling (2)		Average increase in earnings / additional year of schooling (2)		Population with health care insurance (%) (2)	
				Indig	Non-Indig.	Indig	Non-Indig.	Indig	Non-Indig.	Indig	Non-Indig.
Bolivia	62	'01	Self-id	<0.1	-8	5.9	9.6	6	9	12	19
Ecuador	6	'01	Self-id	<0.1	+14	4.3	6.9	7	8	12	12
Guatemala	42	'94	Self-id	-15	-25	2.5	5.7	12	13	5	18
Mexico	7	'00	Speak indig. lang	<0.1	-5	4.6	7.9	8	10	17	43
Peru	17	'93	Indig mother ton.	<0.1	3	6.4	8.7	13	12	41	47

Note. (1) Changes between earliest and latest survey years: Bolivia (1997–2002), Ecuador (1994–2003), Guatemala (1989–2000), Mexico (1992–2002), Peru (1994–2000). (2) Data years: Bolivia (2002), Ecuador (1998), Guatemala (2000), Mexico (2002), Peru (2001)

Source: Compiled with information presented in Hall and Patrinos (2006)

Simultaneously, research focusing on disparities *between* culturally-formed groups (i.e. horizontal inequalities) highlighted the importance of ethnic-based inequalities in explaining low development and episodes of violent conflict (Stewart, Brown, & Mancini, 2005; Stewart, 2001, 2008). The strand stressed the importance of conceiving identities as multidimensional matters. Following this framework, Thorp and Paredes (2010) explain enduring ethnic-based inequalities in Peru by adopting an interdisciplinary perspective. They propose an alternative reading by focusing on the deep embeddedness of ethnic inequalities through the creation and reproduction of institutions (Thorp & Paredes, 2010). More than any other empirical study of the sort, *Ethnicity and the Persistence of Inequality* brought the question of why ethnic-based inequalities are so resilient back to the academic fore.

In sum, at the core of these studies lies a notion of long-lasting and unequal access to a structure of opportunities that hinders indigenous peoples' capabilities. Extrapolating these results onto stratification pyramids makes it possible to envisage many Latin American societies as predominantly non-indigenous at the

top and predominantly indigenous at the bottom. The latter, moreover, appear confined to a poverty trap with no prospect of improving their life conditions and becoming upwardly mobile. A new academic emphasis on emerging middle classes, however, poses some fundamental questions arising from this picture: Has the structure of opportunities changed in such a fashion that it allows the entrance of indigenous peoples' into the middle class? What does it represent in terms of the usual channels of exclusion and discrimination? In order to tackle these questions within the research context, it is necessary to situate the discussion within the Bolivian literature. For this purpose, the next section reviews the existing work on social stratification and ethnicity in the country and draws parallels with the main body of Latin American literature already reviewed.

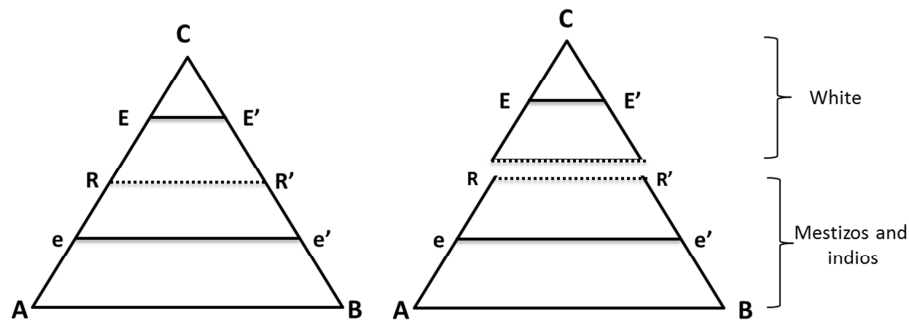
2.4 Writings on the middle classes and ethnicity in the Bolivian context

'From this total, neither the mestizo, nor any of the other races [but the white] should be considered as constituent of the middle class'

(Palza, 1950, p. 3 own translation, own clarification of text in brackets)

In 1950, as part of a compilation of literature on the character of the middle classes in Latin America, Palza described the Bolivian middle class as exclusively 'white'. According to Flores (2002), the situation in the country fifty years later was not very different. In Flores' view, Bolivian society is stratified perfectly along the lines of ethnicity, with an upper class dominated by the white population, a middle class composed of white and mestizo, and a lower class made of *indios*. More specifically, the author argues that there is a line of discrimination that cuts through the social pyramid and coincides perfectly with social division. Figure 2.3 illustrates this argument.

Figure 2.3. Bolivia's fractured society



Source: Taken from Flores (2002, p. 22–23)

In this scheme, Bolivian society (triangle ABC) is divided based on economic criteria ($\overline{EE'}$ and $\overline{ee'}$) and on racial characteristics ($\overline{RR'}$). The ‘discrimination line’ marks a rupture in the society between ‘superior’ and ‘inferior’ classes that are circumscribed only by ethnicity. In this sense, Bolivian society is described as a ‘pigmentocracy’ – a society in which power is based on skin colour (Flores, 2002, p. 18 own translation).

More recently, Gray-Molina et al. (2007) have examined how different forms of social stratification based on class coexist with others based on ethno-linguistic characteristics with little or no mobility. Borrowing from different branches of literature, such as that of Portes and Hoffman (2003) for the delineation of socio-occupational categories, Filgueira (2001) for the determinants of mobility, and Albó and Molina (2006) for the ethno-linguistic categorization of the population, the study’s most salient finding is a pattern of *segmented mobility*. On the one hand, this means high social mobility *within* ethnic groups as migrant indigenous peoples have a greater human capital endowment and better chances of labour market participation than the non-migrant, rural indigenous population; on the other hand, it means low social mobility *between* indigenous and non-indigenous groups. For the Aymara population, for instance, the study found high intergenerational mobility until the two top income deciles where they faced a glass

ceiling that hindered their further advancement. This barrier might be explained by two things: (1) from an exclusionary perspective, a lack of opportunities for individuals of indigenous origin on the highest steps of the income ladder; (2) from an internal colonialism point of view, the loss of indigenous identity, indicated by less self-identification with indigenous groups or less use of indigenous language in the highest points of the income scale.

Segmented social mobility patterns and the existence of a glass ceiling were further investigated by Espinoza (2008). Making use of national census data, the research provided a longitudinal view of socio-economic stratification from 1976 to 2001. Drastic rural-urban shifts and the tertiarization of the economy were the basis for the construction of a new class (i.e. the middle), which suggested a historical change in the nature of social cleavages in Bolivia. The overwhelmingly non-indigenous identity of individuals in the top socio-economic groups provided further evidence that the middle strata faced a glass ceiling, enforcing the idea of enduring ethnic-based inequalities at the extremes of the socio-economic distribution. Ultimately, this study suggested a complex picture of how ethnic cleavages become class cleavages in a society defined by social mobility segmented by ethnicity.

In 2010 the Human Development Report office published the report *Los cambios detrás del cambio: desigualdades y movilidad social en Bolivia*, which focussed attention on the growing opportunities, especially in terms of health, education, and participation in politics, that traditionally excluded segments of the population are currently able to access. Even though the report did not just focus on the middle class but on society as a whole, it briefly sketched the contours of a new middle class (measured in terms of per capita income) divided into two groups, one vulnerable and one non-vulnerable (PNUD, 2010). Interesting trends emerged when coupling the notion of vulnerability with ethnic background (measured by self-ascription). From 1997 to 2007, the indigenous population

increased its participation in the non-vulnerable middle class and decreased its share in the vulnerable group. In this way, the report sustained the idea that indigenous groups had improved their economic standing to a greater extent than the non-indigenous population within the new middle class. While pointing to a novel trend within the economic middle class, the report coincides with previous studies in that the pattern of transformation of Bolivian society is characterized by the endurance of historical sources of inequalities (i.e. indigenous origin, gender, etc.) at the extremes of the economic pyramid.

Unlike the social stratification and middle-class studies carried out in and for other countries in Latin America, works on stratification in Bolivia explicitly incorporate the ethnicity issue and highlight its importance. By proposing a process of upward mobility of different ethno-linguistic groups, they suggest a reconfiguration of society and a break with historical ethnic and class cleavages, especially notorious in the middle strata, be they socio-occupational or purely economic. However informative, the previous analyses had not dealt with critical questions regarding the accompanying processes of structuring of new identities within the middle class, nor have they explained the construction of subjectivities around these new identities, which are all driven by the same socio-demographic and productive transformations that gave rise to the middle class. This absence could be explained by the rather limited amount of social stratification studies in the country, which makes the middle class a scarcely explored segment. Even at the international level, it is important to highlight that most of the contemporary cross-national studies that use either sociological or economic definitions of middle class do not include Bolivia in their analysis. In view of this, this dissertation aims to fill the gap in the Bolivian and regional literature on the emergence of indigenous middle classes in historically stratified societies by incorporating the mechanisms of reconstruction of new social identities at the core of the analysis.

2.5 A conceptual framework for the analysis of the construction of social identities in the middle class

The literature review so far has revealed three important gaps. First, stratification studies, especially those based on occupational classifications, fall short in capturing the transformation that the middle class suffered as a result of the dramatic social and economic changes introduced by the neoliberal model. This is explained by the broad and porous conceptualization of the middle class as *non-manual workers*, and the impossibility of delineating boundaries around this category given the highly heterogeneous nature of labour markets in Latin America. In this setting, socio-occupational categories fail to reflect the underlying classical reasoning that ‘individuals in the same occupation experience similar degrees of advantage or disadvantage, maintain comparable lifestyles, and share similar opportunities in life’ (Giddens, 2001, p. 287). In addition, studies that take a purely economic stand suffer from serious limitations; not only are they unable to reflect long-term processes of change (as their primary aim is to have cross-national breadth) but they are founded on the feeble assumption that economic resources make up class, when they constitute only one of the many dimensions that structure social class and inequalities. The work of López Calva and Juárez Ortíz (2011), which has been seminal in the definition of the middle class in the area of economics (see Ferrerira et al., 2013), partially overcomes this limitation by pinpointing the notion of lack of vulnerability as a middle-class characteristic. While this has been extremely helpful in identifying middle-class individuals beyond the traditional definition, more attention needs to be paid to the context and time subtleties under which ‘vulnerability’ is defined.

Second, ethnicity has been largely absent in stratification and mobility studies despite being an important factor determining access to the structure of opportunities. Recent literature has recognized this omission. Atria (2004) and Franco et al. (2007), for instance, in literature reviews on occupational

stratification, social structure, and social classes, conclude that while the ethnic factor associated with indigenous groups has been tackled from anthropological and demographic perspectives, there is a lack of studies that focus on the relationship between ethnicity and social class in Latin America. For this reason, the authors contend, it is crucial to strengthen the inclusion of these dimensions in studies of social stratification especially in countries where ‘stratification cannot be analysed without appealing to the ethnic factor, such as Bolivia, Ecuador, and Peru’ (Franco et al., 2007, p. 49).

Third, studies that link ethnicity with different forms of inequality – including studies that focus on Bolivia – have consistently treated ethnic identity as a monolithic conception, assuming homogeneity and assigning it a unitary role, when in fact it is in constant flux and negotiation. The reason for this simplification seems to lie in the research method adopted. As inequalities are normally captured by material distinctions (as reported in quantitative instruments), it seems inevitable that the cultural nature of identity gets lost in rigid questionnaire classifications.⁸ Concomitantly, there is a lack of mixed-methods research that tackles the interrelated nature of class, inequality, and ethnic identity, and accounts for all the fluidity that the concepts entail, especially in situations of dramatic social, economic, and political change.

Issues of simplification and of adopting essentialist definitions of both middle class and ethnic identity hide what prevails at the core of these notions: their *social identities*. Middle classes have long been recognized as having specific values, tastes, aspirations and patterns of association. While these hinge on material resources, the specific *lifestyles* that individuals develop will essentially group them along common grounds. Ethnic identity, in turn, inherently involves a constant process of contestation and negotiation; it is fluid, contextual, and moves along a

⁸ See Zavaleta (2010) for a complete revision of ethnic identification in Bolivia using different quantitative instruments.

continuum. The intersection of both these notions constitutes a key component of the conceptual framework that guides this thesis.

2.5.1 The social identity framework

‘Identity is a work in progress, a negotiated space between ourselves and others; constantly being re-appraised and very much linked to the circulation of cultural meanings in a society’

(Taylor & Spencer, 2004, p. 4)

The social sciences have become increasingly interested in the concept of ‘social identities’ in the last two decades. Different disciplines are, as a result, producing large amounts of literature on the definition, meaning, and unfolding of social identities, as well as about their roles in political, social, and economic outcomes. Despite so much attention and work in this area, the literature has remained unclear and scattered. Conceptual divisions together with coordination gaps in defining and measuring identities at both cross-disciplinary and cross-subfield levels inhibit the use of theoretical advances in the research of social identities (Abdelal et. al, 2009; Taylor & Spencer, 2004). In an effort to fill these gaps, Abdelal and colleagues offer a definition of social identity as a ‘social category that varies along two dimensions – content and contestation. *Content*, describes the *meaning* of a collective identity. [...] *Contestation* refers to the degree of *agreement* within a group over the content of the category’ (Abdelal et al., 2009, p. 18 emphasis added).

Content and contestation, therefore, encapsulate the notion that social identities are determined by an underlying dialectic relationship between the individual and society, which results in feelings of ‘membership to socially constructed communities’ (Cohen (1985) in Jenkins, 2004, pp. 106–107). Waldmann (2011) further explains that social identities are the result of specific socio-historical

circumstances and are constructed by turning to knowledge that has been socially legitimized and internalized during a process of socialization. Therefore, individuals' feelings of adherence to some groups – or distance from others – are constructed by both their objective personal life trajectories and experiences, and their subjective interpretation of the social structures established in their social environments. These considerations are pertinent in that they explain how individuals create their senses of belonging to both the middle class (and intermediate groups within) and different ethnic groups.

Social identities, class, and the role of lifestyles

Recent engagements with the cultural dimension of class have their roots in older debates. The term *identity*, specifically, is a by-product of an unresolved debate about 'class consciousness' initiated in the 1940s (Devine & Savage, 2005). The determination of scholars to investigate the cultural meaning of class in terms of subjectivities, awareness of, perceptions about, and feelings towards class – especially that of the working class – gave way to what today is understood as 'class identity' (Centres, 1949; Jackman & Jackman, 1983; Savage, 2000). The initial development of the scholarship, however, was rather limited and tainted by fundamental obstacles. The examination of the ways in which people became aware of their structural class positions was hindered by the conceptual impasse between *agency* and *structure*: class positions did not generate a coherent class image, much less expose a clear class consciousness (Lockwood, 1959; Mann, 1973; Parkin, 1972). Long, heated debate around this dilemma resulted in a reorientation from studies of 'class consciousness' to 'identity', which was regarded as a *claim of recognition* (Devine & Savage, 2005) rather than being a label for a class position.

Pierre Bourdieu's work is a central point of reference for the notion of class identity. Rather than recognizing oneself as belonging to a given position, Bourdieu conceived that individuals create their class identities by differentiating themselves

from others (Bourdieu, 1984, 1987).⁹ Specifically, the conceptual dyad of *fields* and *habitus* frame the class/identity nexus in that the habitus refers to the system of dispositions that emerge in response to the objective conditions of the *fields*. In other words, *habitus* is the behaviour that individuals acquire through activities and experiences of everyday life. This means, identity formation would respond to tactical and strategic moves that occur continuously through *everyday practices*. This concept was arguably born out of Weber's notion of *status*, which was founded on the premise that society recognizes the social honour of monopolizing a defined *modus vivendi* (Weber, 1978). The monopoly of a *modus vivendi* has important consequences for people's behaviours since the honour of an individual or a group is established by its *consumption canon*. In this way the reconciliation of the objective-and-subjective struggle in the recognition of one's social identity is mediated by processes whereby certain representations become attributed with moral values (e.g. good/bad, worth/worthless, etc.).

Bourdieu goes further into the understanding of status and lifestyles by incorporating the notion of *cultural capital* and the development of tastes accordingly. In his seminal work, *Distinction: A social critique of the judgement of taste* (Bourdieu, 1984), cultural capital is defined as the accumulated stock of knowledge about the products of artistic and intellectual traditions. Additionally, cultural capital is acquired through educational training and social upbringing, and is 'inscribed, as an objective demand, in membership of the bourgeoisie and in the qualifications giving access to its rights and duties' (1984, p. 15). Focusing on cultural capital means that while the ability to consume is closely related to the amount of economic capital an individual possesses, cultural capital intervenes in regulating the symbolic value of goods. In this way, the aesthetic taste of individuals with high cultural capital is used to secure a position of prestige in the social structure. Thus, 'taste is an acquired disposition to "differentiate" and

⁹ See Devine, Savage, Scott, and Crompton (2005) and Weinger (2005) for excellent introductions to the work of Pierre Bourdieu.

“appreciate” [...] to establish and mark differences by a process of distinction [...] ensuring recognition’ (1984, p. 468).

This means that, for Bourdieu, groups in the social hierarchy tend to distinguish themselves from the rest through criticism or differentiation from what they consider ‘inappropriate’. Those at the top, for instance, condemn and distance themselves from what they regard as ‘popular’. Those at the bottom, in contrast, are concerned with what is necessary and useful. Between these opposing poles lies the middle class which, according to Bourdieu, is composed of those who are in favour of a ‘hedonistic morality of consumption, based on credit, spending, and enjoyment’ and those who judge others by ‘their capacity of consumption, their standard of living, their lifestyles, as much as their capacity for production’ (Bourdieu, 1984, p. 309).

The conclusion that emerges from these works is that *lifestyles* are social instruments by which people establish similarities with some groups, and differences from others; in other words, *lifestyles* objectivize and expose individuals’ social identities. Lifestyles, in turn, are composed of differentiated consumption patterns that depend on economic resources, on the one hand, and on the social value given to a certain product, on the other. Following this line, Giddens (1991) defines lifestyles as sets of routinized practices that individuals adopt (reflexively) not only to satisfy utilitarian necessities, but because they shape the identity in a concrete way. Therefore, lifestyles should be understood not only in terms of their relationship to consumption but also as what makes evident an individual’s location in the space of social positions, what objectivizes past and present conditions, and what highlights the importance of heritage in terms of class, status, and social relations.

Ethnicity and ethnic identity

The term ethnicity has been widely used by social scientists to describe cultural practices and outlooks that define and differentiate a community of people. Ethnicity has been approached from a number of fronts ranging from primordialist to constructionist notions.¹⁰ While the former treats ethnicity as singular, static, and deeply-rooted (see Geertz, 1963; Horowitz, 1985; Van Evera, 2001); the latter is based on the idea that ethnicity is socially constructed and that individuals can combine different aspects from a variety of cultures to produce their own identities (Barth, 1969; S. Hall, 1992; Portes, 1984). Therefore, according to the constructionist approach individuals can have multiple identities and these identities can change over time and space (i.e. they are contextual). This aspect has led Wade (2010) to liken ethnic identity to a Russian doll: ‘rather than having a single and univocal ethnic identity, most people have multiple identities according to who they are interacting with and in what context’ (p. 17).

The constructivist trend developed mainly in the 1970s, just when scholars and policy makers in Latin America also turned their attention to the more profound interrelationship between class and ethnicity (as discussed in Section 2.3). The product of both trends was a new model that located ethnic groups in history, economic inequality, and in processes of social construction of identity. More importantly, ethnic identities – being flexible and connected to inequality – were seen as phenomena that would endure modernization and acculturation processes (Wade, 2010). Stavenhagen (1975), a key advocate of this idea, emphasized that the Indian culture persisted independently of stratification, i.e. when indigenous people moved upwards in a stratification system they did not lose their identities. These notions were further explored in relation to urban migrants. Notably, the studies of Roberts (1974) and Doughty (1972) confirmed that strong ties prevailed between origin villages and cities and, moreover, traditional celebrations were

¹⁰ See Hutchinson and Smith (1996) for a complete collection of works on theories of ethnicity.

adapted to the new city life. While this indicated cultural continuity, it said little about ethnic identity. Indeed, it was observed that migrants often avoided self-identifying themselves with indigenous groups because of the backwardness that this label entailed (Wade, 2010)

Influenced by the post-modern paradigm, the conception of ethnicity evolved into being considered a *process* in constant renegotiation, mediated by complex mechanisms of relationality and representation. A direct implication of this was that culture became the locus of attention. With the unfolding of globalization, the focus on culture adds a geo-political layer to the analysis of ethnicity. That is, ethnicity becomes connected to the national and the international arena, and the constitution of identities is recognized to be (and to have been for centuries) a global issue.

A closely related concept, which affects the process by which individuals construct their social identities, is that of race. Similarly to the conceptualization of ethnicity, race was initially conceived to be a permanent trait, able to mark innate qualities that were passed on from one generation to the next. In the nineteenth century, however, this approach was abandoned and race was understood as a social construction that had its roots in European colonization (Banton, 1998; Wade, 2010). To illustrate this argument, Wade (2002) shows the different ways in which race is understood in the USA and in Latin America. Whereas in the former anyone with a ‘drop of black blood’ would be considered ‘black’, in the latter, the categorization would be based on a visual assessment: anyone who looks quite African in appearance. People of (a more visible) mixed origin are often classed by different terms that denote a position between ‘black’ and ‘white’ (e.g. mulato). In this sense, similarly to ethnic identities, races are deemed to be unstable, contextual, and situational.¹¹

¹¹ See Banton (1998) for a comprehensive review of the theories of racial relations.

While both ethnicity and race are socially constructed notions used to create social categories, there is wide consensus amongst social scientists that the main difference between them is that ethnicity makes reference to *cultural differences* while race is said to concern *phenotypical differences* – or disparities in physical appearance (Wade, 2002). This is a particularly important distinction in that it implies that, in the process of constructing social identities, individuals internalize perceived physical similarities and differences in relation to other individuals/groups. On the other hand, it also means that social identities will be validated by other individuals' perception of phenotypical differences and the categories they construct around them.

The way ethnicity is defined directly affects the way it is approached empirically. Thus, just as the conceptualization of ethnicity has been a largely contested topic, so too has its measurement. While primordialist views regarded language and dress as 'border guards' of ethnic groups (as ascription units) (see Barth, 1969), constructivists considered self-categorization, or identifying oneself as part of a particular group, the basic element of group identity. Following this line, any measurement of ethnic identities must begin by verifying that individuals identify themselves as members of a particular group (Phinney & Ong, 2007). In terms of quantitative operationalization, self-identification has been commonly studied through closed-ended questions that supposed an appropriate inclusiveness (i.e. all ethnic groups are properly represented in the answer options). The advantages of operationalizing the measurement of ethnicity and ethnic identity are related to the large-scale coverage and national representativeness that quantitative instruments provide. The disadvantages, however, relate to the fact that not only are the ethnic categories pre-constructed labels but that much of the fluidity and negotiability that characterize ethnic identities does not get captured, however inclusive the categories may be; defying in this way the underlying constructivist idea. While lying closer to a constructivist notion of ethnicity, a qualitative operationalization is limited by the smaller sample sizes on which it relies. Sylvan

and Metskas (2009) reflect on the advantages and disadvantages of adopting different measures of ethnicity in an analysis of trade-offs. The most significant trade-off is between relying on pre-constructed categories of identity and identifying identities inductively. Therefore, the authors conclude, many real-world identity puzzles require multi-method approaches to ensure that the weaknesses of one method are compensated by the strengths of another.

Modernization and changing identities

As culture becomes the entry point to constructivist studies of ethnicity, it follows that individuals' lifestyles – understood as sets of cultural practices and beliefs – will determine how close individuals feel to any given ethnic group that leads a similar lifestyle. As noted previously, culture/ethnic identity association has become increasingly important in contexts of rapid social and economic change, especially where the processes of globalization are involved. The debate around this topic has led to rather different postures. While early social theorists argued that modernity would destroy community ties, urban sociologists emphasized that community ties could be re-constructed even in modern and complex worlds. As discussed in the previous section, the latter account gained much force from globalization scholars who argued that in a world characterized by the continuous movement of people, objects, capital, and information, social life could not be fixed to certain places or boundaries. In this sense, identities are fluid, mobile, and transient.

Modernization and the far-reaching and swift process of globalization have not only introduced new complexities to the notion of lifestyles but have further confirm its importance in constituting identities (Giddens, 1991). The widespread diffusion of information about consumer goods and consumption standards across countries and cultures through new communication technologies and the opening of markets have introduced new benchmarks against which developing countries

measure their well-being. Moreover, individuals too have new parameters by which they differentiate themselves from others in their societies. Prior to global economic integration, the dividing line between the poor and the rest was based solely on income standards set within national boundaries. The era of the global economy meant the introduction of new cross-national principles and values that guide social and economic behaviours. Middle classes are especially sensitive to these globalizing trends. This is because above the poverty line – the region that many would call middle class – absolute income is relatively unimportant in affecting well-being; what motivates people above this threshold is relative income and the ability to show how much more than your neighbour you have (Layard, 2005; Schor, 1999).

The globalization of consumption patterns and lifestyles (i.e. cultural globalization) is framed along three contested currents of thought. The first is *homogenization* theory, which postulates that cultural globalization is a process of social change whereby less developed societies acquire (or emulate) characteristics common to more developed ones (Pieterse, 1994; Ritzer, 2004). The ‘McDonaldization of societies’, as denominated originally by Ritzer in 1998, assumes a global cultural convergence that makes the world more uniform, standardized and synchronized. Consequently, this theory refers to the cultural homogenization of consumer patterns and lifestyles (Kuhn, 2009).

Culture essentialists oppose the previous theory by arguing that, rather than homogenizing socio-cultural practices, globalization has provoked an intensification of cultural differences and diversity. According to Barber (1995) the world is experiencing a global divergence in cultural terms. The idea behind this theory is best represented in Huntington’s *Clash of Civilizations* or Barber’s *Jihad vs. McWorld*, both founded on the premise that multiple cultural identities arise out of resistance to Western globalization. Thus, the globalization of Western lifestyles is inevitably subdued to the maintenance of cultural specificities (Kuhn, 2009).

This premise is the underlying argument for the second theory of cultural globalization known as *heterogenization* theory.

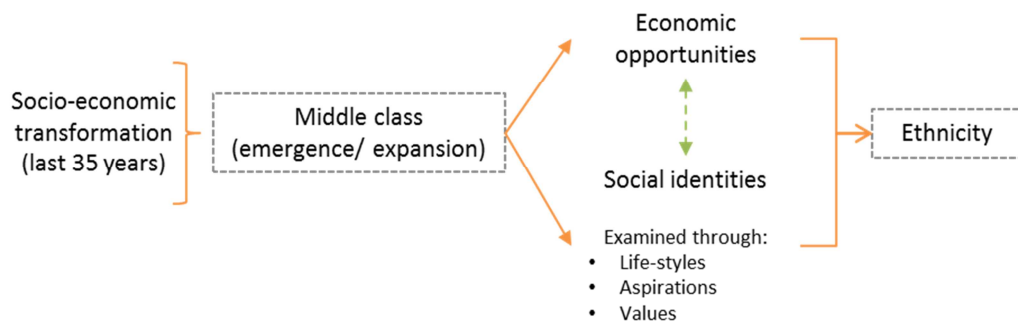
Yet there is a third current contradicting the previous two: *hybridization* theory. In short, this theory proposes that the globalization of consumption patterns and lifestyles largely provoked a cultural blending and the emergence of new cultural forms and practices. Therefore, there are ‘third cultures’ that do not fit existing categories of cultural differences (Schmidt, 2009). According to Pieterse (1994), hybridization means that globalization translates into ‘an increase in the available modes of organization’ in the social structure (p.166). Moreover, the author argues, hybrid formations manifest themselves in hybrid sites and spaces. The urbanization process in Latin America, the consequent fusion of pre-capitalist and capitalist modes of production, and the emergence of ‘cities of peasants’ exemplify this argument. In spite of sharing important similarities with the homogenizing hypothesis, hybridization theory aims to fill some fundamental gaps in it. It thus explores the impact of non-Western cultures on global culture, the role of the local reception of Western culture, and the heterogeneity of Western culture, which is itself part of a cultural melange.

Both the ability and willingness of the middle classes to consume and, moreover, embrace new consumption patterns makes it a particularly fertile segment of society to consider while reflecting on the three theories of consumption and lifestyles outlined above. This, in turn, allows the social identity circle to be closed by providing an in-depth narrative of the multiple ways in which class and ethnic identities are being reconstructed and renegotiated.

2.6 Conclusions

In this chapter I have sought to develop a conceptual framework for a comprehensive understanding of how indigenous middle classes emerge in highly

stratified societies. By reviewing the literature on social stratification, social mobility and middle classes in Latin America, I have argued that both socio-occupational and economic approaches have tended to overlook the role of ethnicity to the detriment of a holistic analysis of social stratification and social mobility. This is particularly problematic in countries where ethnicity and class have been historically intertwined, as in Bolivia. With the aim of providing a more in-depth and meaningful approach I introduced a conceptual framework built around the construction of *social identities*.



I propose to take up the discussions around the topics of stratification, emergence of the middle class, and ethnic identity from both an empirical point of view (what happened in the last thirty-five years? How does the middle class emerge?) and a conceptual point of view (how can we understand the ethnic identity of the middle class?). The rest of the dissertation employs the insights presented in this chapter to explore the mechanisms that give rise to the middle class, the flourishing of new opportunities for indigenous individuals within it, and the ways in which ethnic identities get reconstructed and renegotiated in episodes of social and economic transformation. In doing so, the thesis aims to shed light on the dynamics of change that have happened in Bolivia in the last thirty-five years.

Chapter 3

Methodology

3.1 Introduction

Examining the emergence of middle classes in highly unequal and stratified societies requires a complex, multi-method research design to construct the ‘subject’ of the study (i.e. the middle class), track its evolution over time, and examine its nature (both objectively – in terms of the socio-economic standing and occupational profile – and subjectively – in terms of its social identity). Mixing qualitative and quantitative methods was thus deemed the best approach. The adoption of a mixed-research design reflects an acknowledgement of the difficulties in both describing and explaining comprehensively a process that entails not only objective socio-economic status, but also the subjective construction of prestige, social distance, and identity.

This chapter proceeds in three parts. The first one presents an overview of the mixed-methods approach used in this study and includes the rationale for mixing both quantitative and qualitative data. The second part covers the quantitative component. It describes the different datasets used in the thesis and explains how they were used throughout the different empirical chapters. In addition, this section presents the methodological background for the construction of a Socio-Economic Index (SEI), which forms the cornerstone of the definition of the middle

class used here. For this purpose, I explain each dimension included in the Index, the aggregation and the weighting procedures, and provide a referential framework for the definition of the middle class. In the third section I focus on the qualitative component. I justify the selection of the fieldwork site (the city of El Alto), discuss the sampling design, describe the data collection process, and explain the framework for the interpretation and analysis of the data. Finally, I present a reflection on the challenges and lessons learned during my field research.

3.2 Overview of the mixed-methods approach

The relevance and popularity of mixed methods in social science research has been on the rise over the last decade. Scholars and academics increasingly recognize the benefits of developing techniques that, by mixing qualitative and quantitative methods, not only cancel out each other's weaknesses but also produce synergies. Teddlie and Tashakkori (2011) coined the term *methodological eclecticism* to characterize the approach. In their words, 'methodological eclecticism involves synergistically integrating the most appropriate techniques from a myriad of QUAL, QUAN, and mixed methods in order to more thoroughly investigate a phenomenon of interest' (Teddlie & Tashakkori, 2011, p. 286 italics in original text).

The adoption of a mixed approach in this study was established at the outset on the basis of the research questions. This was of paramount importance because the entire research design depended on the underlying reasons for integrating quantitative and qualitative methods. With the main objective being to understand the process by which indigenous middle classes emerge in societies historically divided by class and ethnic cleavages, my research questions concern how and why middle classes emerge, on the one hand, and in what ways individuals construct their ethnic identities amidst processes of social and economic change, on the other. By demanding answers based on 'information that is

presented in both narrative and numerical forms' these questions comply with Teddlie and Kashakkori's (2009, p. 129) definition of what constitutes a mixed-methods research question. Moreover, their symbiotic relationship makes *completeness* the main purpose for such blending, as integrating methods will provide 'a more complete understanding of the phenomenon under study than its qualitative and quantitative strands did alone' (Tashakkori & Teddlie, 2008, p. 102).

The early identification of a mixed methods approach resulted in the development of an *iterative* mixed-methods design.¹ An iterative design (also called fully integrated mixed design) happens when the 'mixing occurs in an interactive or iterative manner at all stages of the study. At each stage one approach affects the formulation of the other, and multiple types of implementation processes occur' (Teddlie & Tashakkori, 2009, p. 151). A core principle in iterative designs is that the qualitative and quantitative components hold equal value throughout the research process (Natashi, Hitchcock, & Brown, 2010).² As such, the qualitative component complements the quantitative component in providing explanations, validations, and generating hypotheses. The quantitative adjunct, in turn, serves to provide measured descriptions, guide purposeful sampling, allow formal generalizations, and suggest analytic paths (Sandelowski, 2000).

In this study the interaction between the qualitative and quantitative components began with the initial measurement of the SEI. While this is largely a quantitative task, the selection of dimensions and indicators considered in the SEI also responded to a qualitative consultation of 'what constitutes living well'. Subsequently, the quantitative component provided the basis upon which the

¹ In the mixed methods literature, there are three main types of research designs: parallel or concurrent (signalled by a plus sign [+] in mixed methods nomenclature), sequential (signalled by an arrow [→]), and iterative (signalled by two counter-pointing arrows [↔]).

² In both parallel and sequential designs, one of the components is always dominant. In mixed methods terminology, the dominant component is written in capital letters. Therefore, the research design adopted in this thesis is specified as: QUAN↔QUAL, denoting the same level of importance of both the quantitative and qualitative components.

qualitative sampling was performed. This constant interaction between quantitative and qualitative components is observed throughout the different chapters of the thesis. Following this abridged overview of the research design, in what follows I will present each component and explain the sampling procedures, operationalization, and integration of them throughout the thesis.

3.3 Quantitative component

The use of quantitative techniques is inherent to any study of social stratification and mobility. With the central objective being to classify a whole society into different strata or classes, the most common instruments have been National Censuses or any survey that is statistically representative of the population under scrutiny. In turn, social mobility studies, which suppose temporal comparisons of individual's or households' positions within a stratification system, are frequently based on longitudinal surveys.³ Given the fact that long-term panel data is rare in Latin America and non-existent in Bolivia, alternative methods – explained in more detail below – have been developed to overcome the lack of retrospective information. The characteristics of such instruments (large-scale, statistically representative, and ideally longitudinal) reflect the need to base the quantitative analysis of this thesis purely on secondary data.

3.3.1 Datasets and operationalization

The quantitative strand of this thesis makes use of three National Censuses (1976, 1992, and 2001) and other nationwide, urban-rural representative Household Surveys (2001–2011), including different Living Standards Measurement Surveys (LSMS) and the Encuesta Nacional sobre Movilidad y Estratificación Social 2009

³ Longitudinal or panel surveys are those that collect information for the same research units (e.g. households, individuals, firms, etc.) over multiple time periods.

(EMES, National Survey of Mobility and Social Stratification), all conducted by the Instituto Nacional de Estadística (INE, National Institute of Statistics) in Bolivia. In addition, the testing of sub-hypotheses demanded the use of other datasets such as municipal investment records, socio-demographic information, etc., compiled from various official government sources.

Access to some of these datasets was not straightforward. For instance, raw datasets for the National Censuses, which contain millions of observations, are not publicly available and their circulation remains restricted. While working as a junior researcher at the United National Development Programme (UNDP) in Bolivia in 2006, I was granted access to them via an institutional letter. Similarly, the Human Development Office of the UNDP granted access to the EMES in 2011 on the submission of a letter describing my research and explaining how the information would be used and the expected outcomes. Household Surveys, on the other hand, are all publicly available online; they can be downloaded from the INE webpage (www.ine.gob.bo).

A cornerstone of this study was the identification and measurement of the middle class through the estimation of a Socio-Economic Index (SEI) (described in detail later in this section). Three National Censuses were used to this end (1976, 1992, and 2001). Additionally, in order to have a more contemporaneous view, the analysis was complemented using the Household Survey 2011, for which relevant weights were considered to reach the national population distribution and eliminate sampling biases.⁴ The result was a longitudinal overview of the socio-economic changes experienced by the population as a whole for a period of thirty-five years.

The first empirical chapter of this thesis, Chapter 4, examines the SEI in detail in order to identify the factors that determine social and economic change and,

⁴The most recent National Census was conducted in 2012. However, the data has been made partially available only in March 2014 due to political questionings of the validity of the results.

therefore, explain the emergence of the middle class in Bolivia. The analysis is complemented with a decomposition of socio-economic improvement at the municipal level. Public records of social investment in education, basic sanitation, and housing at the municipal level taken from Jean-Paul Faguet's (2012) municipal finances dataset,⁵ together with other socio-demographic and governability indicators (gathered from INE and UNDP) were compiled in a single dataset in order to run an Ordinary Least Squares (OLS) regression with the change in SEI as the dependent variable.

Chapter 5 turns to examine inter- and intra-generational occupational trajectories and the resulting socio-occupational profile of middle class individuals. This analysis required a harmonization and re-classification of all the occupations reported in each of the examined datasets (i.e. each National Censuses, Household Survey 2011, and the EMES 2009). Accordingly, a fourteen-tier socio-occupational scale was produced in line with Kelley's (1990) occupational classification.⁶ The analysis of the resulting occupational groups led to a dual strategy of describing changes in economic activities (i.e. agriculture, commerce, mining, services, etc.) while accounting for the differences in labour conditions that the development model promoted. Inter- and intra-generational occupational transitions were a key analytical entry in this chapter. The information for this analysis comes from the EMES 2009, a survey designed by the Human Development Office of the UNDP and implemented by the INE.⁷ The main purpose of this survey was to offset the lack of panel datasets for investigating processes of social mobility in the country through the collection of occupational and educational histories. Chapter 5 uses

⁵ Jean Paul Faguet's book *Decentralization and Popular Democracy from Below in Bolivia* (2012) is based on a unique compilation of governmental finances from 1987-2007 at the municipal level. The author has kindly made the information available at:

<http://governancefrombelow.net/>.

⁶ See Chapter 5 for an in-depth description of Kelley's (1990) occupational score.

⁷ The sampling design of the EMES 2009 is stratified by clusters following the methodological framework of the National Census 2001. The coverage is national, with an urban-rural representativeness.

this information to track the inter-generational (in relation to the individual's fathers) and intra-generational (in relation to the individual's first occupation) trajectories that shaped the occupational profiles of middle-class individuals. Specifically, this is done through the application of log-linear models to the analysis of contingency tables.

Built on a historical account of the controversial and difficult interrelation between class and ethnicity in the country, Chapter 6 studies the ethnic composition of the middle class and changes therein following the same data points as in the previous chapters. While acknowledging the limitations of exploring the topic of identity through survey categories, findings suggest that ethnic identity is influenced by socio-economic status. This is, being part of the middle class influences the way individuals re-construct their identities. In-depth interviews with middle class individuals (described in detail in the qualitative component subsection) complement the analysis by illustrating the manifold and contrasting ways in which individuals define themselves and negotiate different identities.

3.3.2 The Socio-Economic Index (SEI)

This section outlines the methodological background that supports my work in the construction of a comparable Socio-Economic Index (SEI) for a timespan of thirty-five years. For the estimation of the SEI, I propose an alternative method that not only incorporates a broader definition of class based on satisfaction of needs and experience of material opportunities, but that allows a long-term assessment of the population's well-being as a whole through the use of census information. Because the present study aims to portray the socio-economic structure of the country before and after the structural reforms of 1985, the SEI will be estimated and analysed for the National Censuses of 1976, 1992 and 2001, and the Household Survey of 2011.

In Chapter 2 I explained the inadequacy of income-based or occupation-based measures of stratification in developing countries in general and in Latin America in particular. As noted, purely economic approaches are subject to two drawbacks. First, by focusing exclusively on the *amount* of income or expenditure, they tend to ignore the *source* of wealth; overlooking, in this way, its importance in determining life-chances. Second, by basing the estimation on a one-time measure of monetary income, these measures are rather questionable for depicting long-term well-being of households. As argued by López Calva and Torche (2012), this issue is particularly acute in developing countries where agricultural workers and the self-employed are often paid in kind or in fluctuating cycles throughout the year. Equally important is the fact that large-scale instruments, such as census questionnaires, do not capture income or expenditure data, hindering the possibility of conducting long-term analyses.⁸

In view of these limitations, different authors have proposed the estimation of latent indexes as proxies for households' long-run material welfare or living standards (Filmer & Pritchett, 2001; McKenzie, 2005; Torche & Spilerman, 2006; Vyas & Kumaranayake, 2006). There are at least three advantages associated with such indexes: (i) they produce continuous measures of material wealth that are less sensitive to short-term temporal fluctuations or shocks; (ii) they (indirectly) include extra-occupational and in-kind resources and thus they capture well-being in the long-term; and (iii) unlike income or expenditure, they are based on information that is less susceptible to refusal or recall problems (Torche & López Calva, 2012).

People's notion of what constitutes living well further justifies looking beyond income measures to reflect their well-being. The words of people interviewed

⁸ In Bolivia, the first year for which there is nationally representative income data is 1994, year of the Household Survey: *Encuesta Integrada de Hogares* (EIH, Integrated Household Survey).

during a preliminary round of fieldwork in 2007 serve to illustrate this point.⁹ Whilst income played an important role in their well-being and in their perception of their place in the socio-economic pyramid, individuals also regarded other sorts of goods and assets highly. The following expressions reveal discrepancies between how people weight income versus other aspects of well-being when answering the questions ‘what are the things that make you happy?’ And/or ‘what is your idea of “living well”?’

What people value: the meaning of ‘living well’

Living well, for me, means owning a house and living in comfort in it. Also having a nice car. My other dream is having another business, not like this one [referring to his business of computers and electronic devices], but something like a restaurant or an ice-cream shop, more like a chain as *Dumbo* or *Grosso* [recently franchised ice cream shops]. I am already buying a house to do that. Just because I do not want to be another one from the crowd.

Juan, 42 years old

I think that one of the most important aspects to live well is to have a property: a house and maybe a car as well. People see these things as manifestations of prosperity. A good job is also important, it is always better to work for a recognized institution than to be a baker [...] maybe more important than anything else is the chance to build a family with long-held relations and strong support for the ones you love, I never had this and I want my children to have it...

Federico, 32 years old

I don’t expect much in life, there are people that need to buy clothes and many houses and travel abroad to be happy and feel they are living well. I think I will be happy the day that I have my own house and maybe a car to go to *Los Yungas* or to *El Lago*

⁹ I conducted two months of fieldwork in the city of El Alto in 2007 in order to collect information for my M.Phil. thesis in Development Studies. While the research purpose at that point was somewhat different (i.e. study the endurance of ethnic and class cleavages), I made use of some of the material to guide my current research and provide contrasting accounts where needed. An anonymized description of respondents is provided in Appendix 2.

[Titicaca] .That, of course, provided that all the basic necessities of my family are covered.

Esther, 26 years old

Given my experience living abroad, I would say that living well is to live in your own country where you can have not only a roof, health, and food, but the right to express what you think, change the things you don't like and have the freedom and the right to fight for a better future...

Antonio, 46 years old

What gives prestige is education; that's fundamental. I have a profession and that gives me a little prestige. Also, we cannot deny the economic aspect, having a degree is worthless if one does not have a 'spot to drop dead' [*un lugar donde caerse muerto*]. For me both of these make prestige, although I would give more weight to education.

Gonzalo, 48 years old

As argued by Montgomery et al. (2000), despite the growing number of studies that estimate socio-economic indexes, a 'best-practice' line on the selection of living standard proxies has not emerged. Indeed, proxy measures seem to have been selected on an ad hoc basis. An exhaustive review of the relevant literature, nonetheless, has revealed that if there is anything these studies have in common it is the reliance on at least one of three sets of measures: 'access to water, the nature of toilet facilities, indicators of housing quality, and ownership of selected consumer durables' (Montgomery et al., 2000, p. 156). The underlying assumption in the selection of the indicators that make a socio-economic index is that they constitute factors that differentiate between either households or individuals in social and economic terms (Minujin & Bang, 2002).

Opposing the notion of basing the concept of class solely on income or occupation, several stratification researchers in Latin America have made use of socio-economic indexes and have further added information on education and occupation to

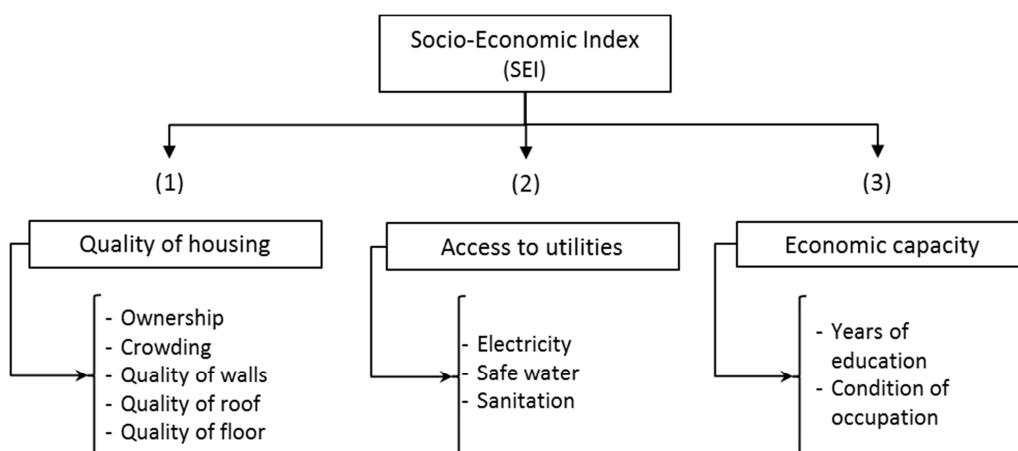
stratify the population. Robles (2001), for instance, studies the socio-economic stratification of the metropolitan area of Asunción, Paraguay, by developing an index based on (i) characteristics of the housing, which conditions the integral development of the household members; (ii) household goods and assets, which mirrors the living conditions of household members; (iii) occupation (of household head), which is one of the main indicators of the expected income; and (iv) education (of household head), which determines insertion in the labour market and is considered one of main explicative factors of social mobility (p.68). In a similar way, to investigate temporal changes in Argentina's social structure, Mora y Araujo (2002) relies on an index that combines the ownership of assets and access to services, and education and occupation of the main contributor to/carer of the household.¹⁰

Supported by these empirical studies and people's own accounts of what constitutes living well, I have developed a Socio-Economic Index to stratify the Bolivian population and define the middle class accordingly. The SEI I propose is defined by the integration of three dimensions, expressed by ten indicators. The first dimension has to do with the characteristics of the dwelling or 'quality of housing.' This dimension includes measures of crowding – or lack of an adequate space per household member in the dwelling – quality of construction materials used for walls, roof, and floors, and ownership of the house. The second dimension refers to access to basic services or 'access to utilities', comprising availability of electricity in the household, access to safe drinking water, and access to sanitation. Finally, the last dimension refers to the household's 'economic capacity' – a proxy for the available resources in the household. This dimension represents the dependency rate weighted by years of education of all working household members.

¹⁰ On a larger scale, Schmeichel et al. (2006) employed similar indexes to draw comparative analyses on 18 Latin American countries.

Differently from other studies that focus on the education level and occupation status of the household head, the SEI proposed in this study depends on the characteristics of occupation and education of all household members who are part of the working population. This way I am able to account for a more complete picture of the resources available in the household and to arrive to a more accurate socio-economic positioning shared by all household members. Additionally, the SEI does not include ownership of consumer durables (e.g. television, radio, sofa, cook, fridge). This exclusion is explained by three main reasons. First, information on consumer durables was not gathered in the National Censuses of 1976 and 1992, preventing thus the estimation of a clean comparable measure throughout the period covered in this thesis. Second, the value of owning a consumer durable varies considerably with time: in the 1980s, for instance, the value of owning a television was very different from owning it nowadays. Third, ownership does not capture the quality of the consumer durable and does not allow us to distinguish between better-off households, which are more likely to have a newer or colour television, and less well-off households, which may own an older or black-and-white one. Figure 3.1 provides a summary of the dimensions and variables used in the SEI.

Figure 3.1. Components of Socio-Economic Index



Thus, the SEI not only groups people with similar levels of well-being but also combines three aspects of well-being that are closely linked to the theory of class. Because the stratifying elements are made of occupational, educational, and material characteristics, each socio-economic aggregate has strong connotations of access to power, prestige, and lifestyles, including prospects of social mobility. Being in a lower position on the socio-economic ranking (i.e. closer to zero) would mean not only that some (or most) of the basic needs are unmet, but that to climb the socio-economic ladder more education and greater access to employment is needed. Since greater efforts need to be made in order to break the barrier between lower and better-off positions, these are also spaces of hindered social mobility. Contrarily, upper ranks (i.e. those closer to one) are associated with a complete fulfilment of basic needs, better life conditions, better education, and greater possibilities for accessing positions of power.

An underlying feature of this measure, which directly affects the definition of the middle class in this study, has to do with its *contextual appropriateness*. This is, the finite period for which the SEI is able to meaningfully discriminate between households' or individuals' socio-economic positions which translates in a constant need to re-specify the index from time to time. More specifically, this trait means that each of the indicators that make the index will need to be assessed periodically in order to see whether they show significant variation. For instance, if all households suddenly had access to water coming from a tube well located outside the dwelling – which represents the basic national norm of quality in Bolivia – then the indicator and the norm should be amended to express variation in quality such as requiring that water comes from a public network and is piped directly into the dwelling.

The estimation of the SEI is the average of each of the components, using equal weights.

Where:

$$SEI_i = \frac{QHI_i + ASI_i + EC_i}{3}$$

QHI_i =Quality of the house index for household i

ASI_i =Access to services index for household i

EC_i =Economic capacity of household i

The selection of weights is a problematic area in the construction of composite indexes of socio-economic well-being. Weights express the relative importance of any particular dimension within the indicator. Thus, they reflect an important aspect of the trade-offs between the different dimensions (Decancq & Lugo, 2009, 2013). Using equal weights – as I do in the construction of this SEI – implies that each of the indicators within the dimensions, and each dimension within the index, matters just as much as the others. Losses in one indicator could be offset by equal gains in another. While this supposition is debatable, other weighting schemes (i.e. data driven, normative, or hybrid) proved to be inadequate for a longitudinal comparison of the SEI. Since all other weight-selection methods are time- and context-specific, certain shifts in the SEI would become unnoticeable as they could get absorbed by changes in the distribution of the data or by modifications in the quality-of-living norms at each point in time. In consequence, equal weighting for all years of analysis yields a much clearer and precise estimation of socio-economic improvement over time.

The Socio-Economic Index' components

The present exercise is based on variables that have been commonly used in the measurement of wealth and that have been collected consistently in all three National Censuses and in the Household Survey. Because most of the variables are qualitative in nature (e.g. material of walls, roof, floor) the estimation requires an assignment of values or scores to each one of the answers in the census questionnaire. The scores were taken from the methodology of estimation of the

Unsatisfied Basic Needs (INE, 2003b). In what follows I describe how each component of the SEI was estimated and standardized, and summarize the values attached to each qualitative variable.

Quality of Housing Index

This index is estimated as the average of five indicators: ownership of the house, crowding, and main material used in walls, roof, and floors.

$$QHI_i = \frac{Crowding_{st} + Wall_{st} + Roof_{st} + Floor_{st} + Ownership_{st}}{5}$$

(i) Crowding

$$Crowding_{st} = \frac{(\#Rooms/\#HHmembers)}{1/2}$$

Where:

#Rooms = Total number of rooms in the household (excluding kitchen and bathrooms)

#HHmembers = Number of household members

The national norm requires a maximum number of two people per room; hence the denominator. Crowding values greater than 1 are set as 1 in the standardization stage. While crowding denotes a negative aspect of the household, the values of the indicator have been inversed in order to make it compatible with the others in the SEI.¹¹ This means that lower values (i.e. closer to zero) mean that the household is more crowded and vice versa.

¹¹ Composite indexes need that all constituting elements have the same direction. In the case of the SEI, more means better and thus all elements should follow this rule.

(ii) Material of walls

Bricks, cement blocks, etc	1.5
Un-plastered adobe	0.5
Plastered abode	1.0
Stone	0.5
Wood	1.0
Cane, palms, logs	0.5
Other	0.0
Un-plastered mud	0.5
Plastered mud	1.0

National norm of quality material: Plastered adobe

Standardization:

$$Wall_{st} = \frac{(Wall_i - Score\ Wall_{min})}{(Score\ Wall_{max} - Score\ Wall_{min})}$$

Where:

$$Score\ Wall_{max}=1.5$$

$$Score\ Wall_{min}=0$$

(iii) Material of roof

Corrugated iron	1.0
Tiles (cement, clay, etc)	1.5
Cement	1.5
Hay, canes, palms	0.5
Other	0.0

National norm of quality material: Corrugated iron

Standardization:

$$Roof_{st} = \frac{(Roof_i - Score\ Roof_{min})}{(Score\ Roof_{max} - Score\ Roof_{min})}$$

(iv) Material of floor

Earth	0.0
Wood planks	2.0
Parquet	2.0
Carpet	2.0
Cement	1.0
Tiles	2.0
Brick	1.0
Other	0.0

National norm of quality material: Cement

Standardization:

$$Floor_{st} = \frac{(Floor_i - Score\ Floor_{min})}{(Score\ Floor_{max} - Score\ Floor_{min})}$$

(v) Ownership of the house

Ownership_{st} = 1 : any household member owns the house
0: otherwise.

Unlike other indicators in the Quality of Housing Index, house ownership is a binary variable that takes the value of 1 if any household member owns the house (even if it is still being paid for) and 0 if the house is not owned.

Access to Utilities Index

This sub-index is estimated as the arithmetic average of three components: access to electricity, access to safe drinking and cooking water, and access to safe sanitation.

$$AUI_i = \frac{Elect_{st} + Water_{st} + Sanit_{st}}{3}$$

(i) Access to electricity

$Elect_{st} = 1$: household has electricity

0: otherwise.

Access to electricity is a binary indicator establishing whether the household has access to electricity or not.

(ii) Access to safe water

The national norm in 1992 was that water came from a tube-well piped into the dwelling or from a public or private network piped outside the dwelling but inside the property.

Source of water/ water distribution	Piped inside the dwelling	Piped outside dwelling but inside property	Piped outside property	Does not get piped water
Public or private network	4.0	3.0	2.5	-
Cistern	-	-	-	0.0
Tube-well	3.0	2.0	1.5	1.0
River, lake, un-protected water	2.0	1.0	0.5	0.0
Other	-	-	-	0.0

The national norms in 1976, 2001 and 2011 were similar. They dictated that water needed to come from either a tube-well (with or without pump) or a cistern but it needed to be piped inside the dwelling. Or, if coming from the main network, it could be piped outside the dwelling but inside the property.

Source of water/ water distribution	Piped inside the dwelling	Piped outside dwelling but inside property	Does not get piped water
Main network	4.0	3.0	2.0
Public stand-pipe	4.0	3.0	2.0
Cistern	3.0	2.0	0.0
Tube-well with pump	3.0	2.0	1.0
Tube-well without pump	3.0	2.0	1.0
River, lake, unprotected water	2.0	1.0	0.0
Other	2.0	1.0	0.0

Standardization:

$$Water_{st} = \frac{(Water_i - Score\ Water_{min})}{(Score\ Water_{max} - Score\ Water_{min})}$$

(iii) Access to sanitation

The norms in 1992 and 1976 were similar, requiring a toilet in the dwelling, private or shared, with immediate or no immediate flush, and waste disposal to a public sewerage or a septic tank.

Waste disposal/ toilet availability	Toilet in the dwelling				No toilet in the dwelling
	Private		Shared		
	Immediate flush	No immediate flush	Immediate flush	No immediate flush	
Public sewerage	4.0	3.5	3.5	3.0	0.0
Septic tank	4.0	3.5	3.5	3.0	0.0
Other	-	1.5	-	1.0	0.0

Norms 2001 and in 2011: shared toilet in the dwelling with waste disposal to public sewerage.

Waste disposal/ toilet availability	Toilet in the dwelling		No toilet in the dwelling
	Private	Shared	
Sewerage	4.0	3.5	0.0
Septic tank	4.0	3.0	0.0
Pit or latrine	1.5	1.0	0.0
Surface	0.5	0.5	0.0

Standardization:

$$Sanit_{st} = \frac{(Sanit_i - Score\ Sanit_{min})}{(Score\ Sanit_{max} - Score\ Sanit_{min})}$$

Economic Capacity

The economic capacity index is a proxy for household resources which is able not only to absorb the socio-demographic characteristics of each household member but also to overcome the lack of income data in large-scale instruments such as census questionnaires (Álvarez, 2000; Mario, Gómez, de Oliverira, & Pereira, 2004). The conceptual ground substantiating this measure lies in two main aspects. The first one refers to the close positive relationship between education and labour income. The second aspect responds to the notion that high dependency rates combined with low levels of education will most likely lead to insufficient resources

for vital basic necessities.¹² The index is estimated as the ratio between the years of formal education of each income earner in a household and the total number of household members. Thus, its formal meaning is that of a dependency rate weighted by years of education of household members that are part of the working population.

Where:

OC_j = Condition of occupation of household member j (has the value of 1 if household member is employed, 0 if household member is unemployed, and 0.75 if household member is retired).

YE_j =Years of education of household member j, which is capped at 17 (i.e. twelve years in school and five in university) for comparability purposes. This means that having a profession – with or without postgraduate studies – is deemed the best possible educational outcome.

n = Number of household members

$$EcoCap_i = \sum_j^n \frac{OC_j * YE_j}{n}$$

Standardization:

$$EC_i = \frac{(EcoCap_i - EcoCap_{min})}{(EcoCap_{max} - EcoCap_{min})}$$

The inclusion of a variable for the condition of occupation (employed/unemployed/retired) instead of one that captures the occupational category and status of the individual (commonly used in socio-occupational studies, see Chapter 2) is explained by two factors. First, the definition of middle class in this study is not bound by occupation but depends rather on living standards. This means that an individual is considered part of the middle class if he/she attains a certain socio-economic level, regardless of his/her occupation.

¹² The validity and implementation of the Economic Capacity Index is amply discussed in INDEC (1998a and 1998b) and the sources cited therein.

Second, class is defined at the household level, meaning that all individuals within a household have equal socio-economic levels and, thus, are part of a same class. Occupational differentiation, conversely, yields individual measures of class, making it impossible to assign a household composed by members in different occupations to a unique class position.

Examining the socio-economic index

As explained earlier, the resulting SEI is the average of the three sub-indices presented previously. Socio-economic values range between 0 and 1, the latter being the highest value of socio-economic level a household can have. In a thirty-five-year span well-being increased from an average of 0.28 to 0.37 between 1976 and 1992, to 0.43 in 2001, and to 0.53 in 2011 – exposing a somewhat constant course of improvement during the first twenty-five years and a slightly greater increase in the last ten years (1.8, 1.7 and 2.1 per cent annual increases in each time interval, respectively). Figure 3.2 provides a snapshot of the SEI distributions for all the years considered.

Figure 3.2. Histograms and distributions of the SEI 1976–2011



Source: Own elaboration based on National Censuses 1976, 1992, 2001, and Household Survey 2011

A longitudinal analysis exposes an initial large concentration of people in lower values of the SEI ranking and a nearly complete absence in higher positions (greater than 0.8) (upper left panel in Figure 3.2). This graph characterizes the state of penury in which most of the population lived in the 1970s.¹³ Fifteen years later, there had been significant changes (upper right panel). People started moving towards the middle values of well-being and, to a lesser degree, to the upper values of the ranking. In 2001, the socio-economic situation compared to that of twenty-five years before was very different (bottom left panel). Not only had the population gathered around the middle values of well-being, but the upper aggregates (or upper classes) had also seen significant growth. In 2011, the socio-economic situation exhibited the most important change in relation to the initial year (bottom right panel). The bottom end of the socio-economic distribution

¹³ A large majority of the population lived with no access to basic services, in poor living environments, and with meagre economic capacity.

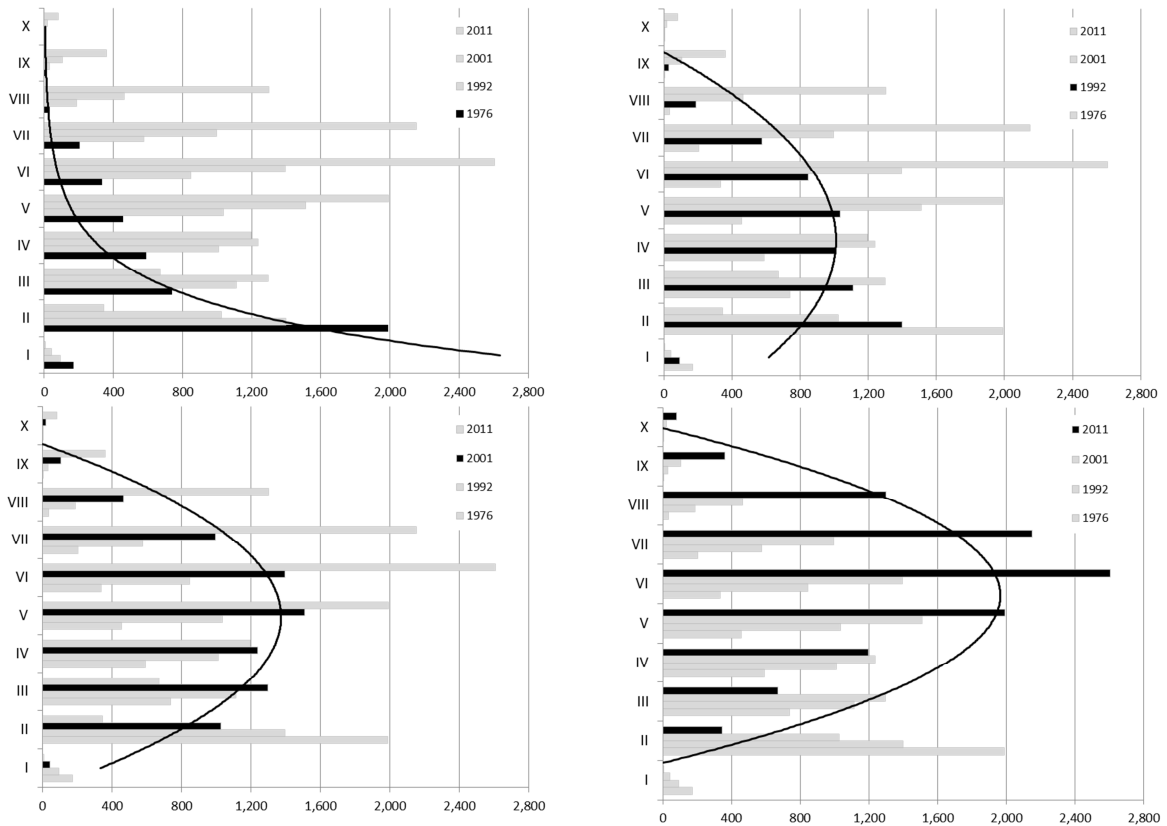
diminished considerably and, in turn, both the middle and the upper areas grew notoriously even in relation to the year 2001.

3.3.3 The emerging middle: defining the middle class

An overarching conclusion from the previous analysis is that between 1976 and 2011 Bolivian households gradually clustered around the middle values of well-being by improving both their economic capacities and living conditions. The exercise of dividing the values of socio-economic achievement into ten equal groups and sketching out changes in the distribution of the population in each of these groups helps to illustrate the argument. The overlap of the figures for 1976, 1992, 2001 and 2011 presented in Figure 3.3, shows the emergence of a middle stratum largely sustained by a drastic reduction in the number of people in the lowest values of well-being, especially groups I and II.¹⁴ The decision to group the SEI in terms of its values – rather than in deciles – responds to the need to observe temporal variations in the socio-economic standing of the population. This means, to gauge *absolute* differences in the SEI position of individuals at different points in time.

¹⁴ The SEI is divided as follows: the bottom group, Group I, considers all the population who have a SEI between 0.01 and 0.10; Group II between 0.11 to 0.20; Group III between 0.21 to 0.30; Group IV between 0.31 to 0.40; Group V between 0.41 to 0.50; Group VI between 0.51 to 0.60; Group VII between 0.61 to 0.70; Group VIII between 0.71 to 0.80; Group IX between 0.81 to 0.90, and Group X between 0.91 to 1.00.

Figure 3.3. Population by socio-economic group
(In thousands of people)



Source: Own elaboration based on National Censuses of 1976, 1992, 2001, and Household Survey 2011.

So how do we define the middle class based on a socio-economic measure? Given that the SEI ranges between 0 and 1, the middle class would correspond to the space that lies around the middle value (i.e. 0.50). The challenge, however, lies in selecting specific and appropriate lower and upper limits. Examining the distribution of SEI for all analysis points reveals a depression around the value of 0.30 in SEI – which corresponds to the lowest value of group IV (see Figure 3.2). This suggests the existence of a ‘barrier’ that individuals in lower values of the SEI find difficult to cross. A closer look at the components that make up the SEI indicates that the obstacles to crossing the 0.30 threshold relate to access to services, especially access to electricity and safe water. Because the notion of being part of the middle class ought to include people who have satisfied basic needs (i.e. those who have crossed the access-to-services barrier), the lower limit of the middle

class will be set at 0.3. At the other extreme, the greatest difference in socio-economic levels happens between groups VIII and IX (see Figure 3.3). This time the component that marks the difference between the top two SEI groups and the ones below them is economic capacity. Thus, the upper limit of the middle class will be set at 0.8 – the value just above group VIII. In conclusion, the middle class is defined as the population that lies between the values 0.3 and 0.8 of the SEI, or those who are in groups IV to VIII.¹⁵

Having defined the middle class, we can now infer from Figure 3.3 that well-being improvement in Bolivia is exclusive to this group. Most people who were in this segment in 1976 maintained their position in the following years. This long-established middle class was joined by people who had improved their socio-economic status over the years. This process is seen in the constant enlargement of the share of population in the middle groups of SEI, the gradual decrease in the lowest group, and the virtually immutable nature of the upper groups. Amongst other things, this implies that the middle class in Bolivia is composed of two distinct groups: a ‘traditional’ middle class and a ‘new’ middle class that has emerged in the last thirty-five years through a process of vertical social mobility. It is the objective of this thesis to examine the nature of this new middle class in terms of what new opportunities it provides for the indigenous population in Bolivia.

What does it mean, in terms of the SEI, to belong to the middle class? A breakdown of the index by periods, components, and groups shows that people in the middle were differentiated from both upper and lower groups mainly by their power to access certain services. Thus, access to electricity, safe drinking water, and sanitation are important elements in stratifying the population. Throughout the study’s timespan, only ten per cent of people in the lowest SEI groups had

¹⁵ The next section will check the robustness of setting the lower and upper bounds at 0.3 and 0.8, respectively, by overlapping the SEI with an income measure.

access to electricity. In contrast, nearly 100 per cent of people in the upper groups had access to this service. In the middle groups the numbers vary greatly, ranging between 10 and 90 per cent. The same pattern is reproduced for all three components relating to access to services: extreme values at the extremes of the distribution and great variation in the middle. This suggests that the middle class cannot be treated as one entire, homogeneous group, but rather one with different levels of well-being and highly heterogeneous living conditions.

In terms of the components that refer to the quality of dwelling, differences are subtler and follow expected trends. The lower classes used construction materials that were below the national norm of quality, upper classes used higher quality materials, and the middle groups used average quality (i.e. they just complied with the national norm). In addition, 60 per cent of households in the middle strata owned their dwelling, as opposed to 50 and 90 per cent in the lower and upper groups, respectively.

Economic capacity is the indicator that most differentiates the upper from the middle and lower groups. For instance, in the first seven SEI groups household size was almost constant at five to six members per household; in the top two groups, however, household size dropped dramatically to two and four members. Similarly, the share of people who were employed remained constant for the lower and middle strata, at around 45 and 50 per cent.¹⁶ In the upper groups, this number ranged from 60 per cent to almost 100 per cent in the highest SEI values. In terms of the years of education of the working members, the bottom groups showed extremely low levels that ranged between 0 and 3 years of education. The middle groups showed a slight improvement with averages between 4 and 12 years. The upper groups, on the other hand, displayed not only much larger averages (between 15 and 17 years of education), but also important improvements in their

¹⁶ Some of the bottom groups show even greater shares of working population than the middle ones. In these cases, the differences might come from the types of employment and expectations of the labour market. This will be analysed in detail in Chapter 5.

quantity of education since 1976.¹⁷ These results suggest that in terms of economic capacity there are only subtle differences between the lower and the middle groups of SEI.

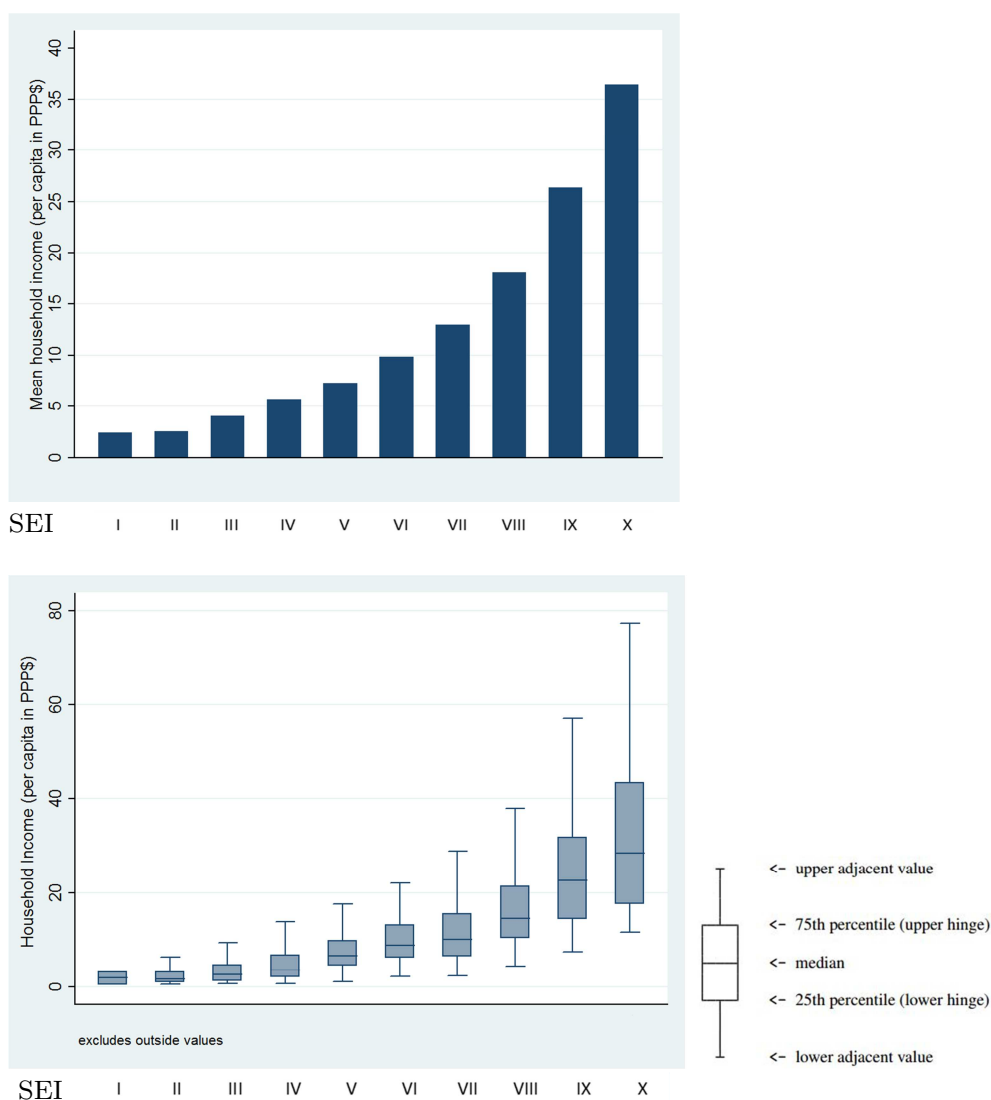
Checking the socio-economic middle class against economic measures

As argued in Chapter 2, the main challenge in defining the middle class lies in selecting thresholds that exclude individuals in the upper and lower ends of the distribution. In purely economic terms, this means counting both individuals living in poverty and the wealthy out. In order to test this assumption for the middle class proposed in the previous section, I make use of the Household Survey 2011 (which contains information on income) to delineate the poverty threshold. In addition, I map other empirical economic measures of the middle class (reviewed in Chapter 2) onto the SEI in order to observe measurement overlap, provide more information on the income characteristics of this group, and check for robustness. Figure 3.4 illustrates this exercise. The upper panel shows the mean per capita household income (in US\$PPP) for the ten SEI groups.¹⁸ As expected, the lowest socio-economic levels comprise almost entirely the population living below the moderate poverty line (i.e. US\$2 per day per person). The bottom panel, in turn, presents a more detailed description of the distribution of income by showing the median, and 25th and 75th percentiles.

¹⁷ Years of schooling show a big jump for the middle groups in 2011, for the previous three years, years of education for the middle group ranged between two and four years.

¹⁸ Household income was estimated based on INE's methodology to construct income aggregates using Household Surveys (INE, 2003c). In synthesis, it includes labour and non-labour income. Labour income is estimated for both independent and dependent workers and, for each, regular and extraordinary incomes (extra hours, production bonuses, subsidies, etc.) are added. Non-labour income, in turn, considers income coming from: rents, dividends, interests, transfers from other households, compensations, assistance bonuses, etc. The aggregates are estimated on a monthly basis.

Figure 3.4. Socio-economic levels and per capita household income (in PPP\$)



Source: Household Survey 2011. Conversion factor for PPP\$ taken from WDI 2012.

The mean per capita household income for the whole sample is US\$10.7 PPP per capita per day and the median is US\$7.5 PPP, meaning that income distribution is skewed to the right. In addition, 5 per cent of the population has a daily income of US\$30 PPP or higher and only 1 per cent has an income of at least US\$53 PPP per day. According to the relative measures of middle class reviewed in Chapter 2,

the lower limit should be set somewhere between Groups III and IV of SEI.¹⁹ Propositions to situate the upper limit, however, vary greatly between Groups V and VIII.²⁰ Absolute measures, on the other hand, suggest very different lower limits for differentiating the middle class from the poor. I will focus on López-Calva and Juárez-Ortíz's (2011) proposed measure because, as noted, it is not only regarded as a more comprehensive empirical measure since it incorporates the notion of economic vulnerability, but it has been devised specifically for countries in the region.

The authors establish a lower threshold of US\$11 PPP per capita per day. Individuals between this point and the poverty line are considered vulnerable to falling back into poverty and are therefore not part of middle class. In relation to the SEI, this means setting the line somewhere around Group V. The distribution of income for Group IV, however, shows that there are some people in this group above the US\$10 PPP per capita per day threshold. As lower income is backed-up by a fairly stable socio-economic level in Group IV, the exercise supports the notion of setting the lower limit at Group IV. However, there is a vulnerability caveat and Group IV will be treated as the *vulnerable* middle class, requiring careful attention and interpretation in the rest of the study.

The delimitation of the upper threshold is rendered more difficult by the well-known shortcomings in the representativeness of household surveys at the top of the income distribution (Ferreira et al., 2013; Korinek, Mistiaen, & Ravallion, 2005). Applying López-Calva and Juárez-Ortiz's suggested upper threshold for the middle class of US\$50 PPP per capita per day, for example, results in less than 1 per cent of the country's population being counted as being elite (or above the middle class). Because Group IX includes people that are above this monetary

¹⁹ To recapitulate some the relative measures reviewed in Chapter 2, common lower limits are: $p(20)=US\$3.3$, $p(40)=US\$6.00$; and 0.50, 0.60, and 0.75 of the median, which equals US\$5.6, US\$4.5, and US\$3.8 respectively.

²⁰ Upper limits correspond to $p(60)=9.4$, $p(80)=15.4$, and $p(90)=22.4$, and 1.25, 1.50, and 2.5 of the median, which equals 9.4, 11.3, and US\$16.9 PPP respectively.

upper threshold and given that the average income corresponds to the 95th percentile, the exercise confirms the notion of setting the upper bound just below Group IX. This means that the group above the middle class in Bolivia accounts for 5 per cent of the total population.²¹ In sum, the robustness check performed in this section supports the decision to consider the middle class to be composed by the population which lays between the 4th and 8th groups of the SEI (i.e. individuals between the values of 0.3 and 0.8 of SEI).

3.4 Qualitative component

With the main aim of this study being to examine the construction and reconstruction of ethnic identities in relation to the emergence of the middle class, extensive qualitative data was collected around the themes of identity formation, mobility strategies, consumption practices, and lifestyles – all of which could not be studied through a quantitative lens. In this section I explain how the qualitative component was combined with the quantitative, justify the selection of the city of El Alto as my fieldwork site, provide an overview of the data collection process, discuss the method for data analysis, and conclude by presenting a reflection on the challenges encountered during my field research.

The process leading up to the fieldwork needs some elaboration since it shaped the direction and the nature of the fieldwork. Prior to my first round of data collection, I had worked on estimating the SEI (and defining the middle class accordingly), on producing a draft of Chapter 4 – which looked at the determinants on the middle class – and on examining the occupational profile of middle class individuals (the basis of Chapter 5). These pieces of work informed not only the decision to choose El Alto as my fieldwork site (i.e. urban, migrant,

²¹ This proportion coincides with the one estimated by UNDP (2010), which sets the upper threshold where the cumulative income distribution presents a ‘breaking point’ and an erratic pattern from that point onwards. According to Birdsall (2010) having a ‘breaking point’ at the 95th percentile is characteristic of developing countries income distribution.

with a strong ethnic identity, and with a dominant tertiary economy), but also the way the sampling design was conducted (i.e. typology of middle-class individuals' profiles). Subsequently, based on the information collected in this round of fieldwork I produced Chapter 7. This process allowed me to reflect on the methodological challenges and limitations of my data, which in turn informed my second round of fieldwork. In the next sub-sections I will explain these stages in more detail.

3.4.1 Fieldwork site: El Alto – the Aymara, migrant and commercial city

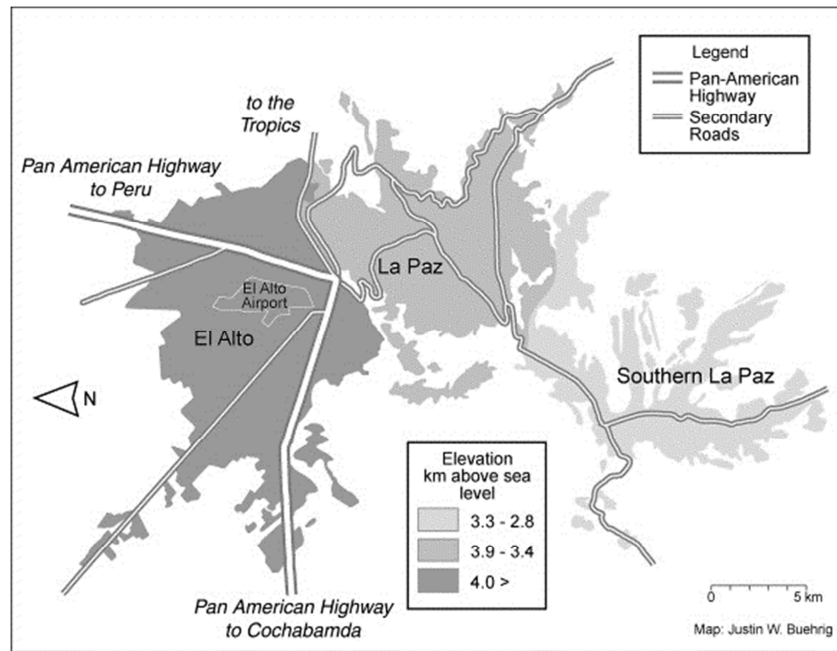
'Chaos in motion. A perplexing Babel. Street vendors and shopkeepers, merchants in their stores and sellers in their stalls, brokers and commission agents going on and on over persistent rumours, waves of movement on sidewalks and streets that are black and sticky with mud; blaring horns mixed with Andean music – traditional songs combining pututus and electric guitars – fused with voices offering, selling, demanding, haggling [...]: this is El Alto's La Ceja district, the commercial and political junction of the Aymara capital.'

(Zibechi, 2005 Web Page)

At 4,000 meters above sea level, overlooking the city of La Paz, lies El Alto, an ever-changing city in a constant whirl of activity. Regarded as the Aymara city because of the vast numbers of migrants coming from the highlands, El Alto shelters a diversity of social sectors from those who live in penury to those who have become the new *qamiris* (Guaygua, 2011).²² My choice of fieldwork site was influenced by this diversity, but it was ultimately driven by the fact that El Alto provides the most revealing case of migration, labour informality, and ethnic identity. In what follows I provide abridged descriptions of these characteristics and set up the background for the qualitative analysis of this thesis.

²² *Qamiri*; Aymara word for rich

Map 3.1. El Alto and La Paz



Source: Taken from Arbona and Kohl (2004, p. 256)

The migrant and Aymara city

The history of El Alto is short but vertiginous, made of migratory waves caused by diverse social, economic and environmental shocks in the country (Albó, 2006; Salazar, 1999). While the first residential neighbourhood – *Villa Dolores* – started developing in the 1940s, the true genesis of the city was driven by the National Revolution of 1952. More specifically, the Agrarian Reform of 1953 with the expropriation of *haciendas* and the ensuing parcelling-out of land opened a window to an urban modernity previously available to only a few. This way, El Alto quickly became the promised land for displaced rural dwellers looking to improve their precarious and poor life conditions (Sandoval & Sostres, 1989). In the twenty years between 1956 and 1976, the population of El Alto swelled from 18,000 to 95,000 inhabitants with migrants coming almost entirely from other Andean regions of the country (Sandoval & Sostres, 1989).

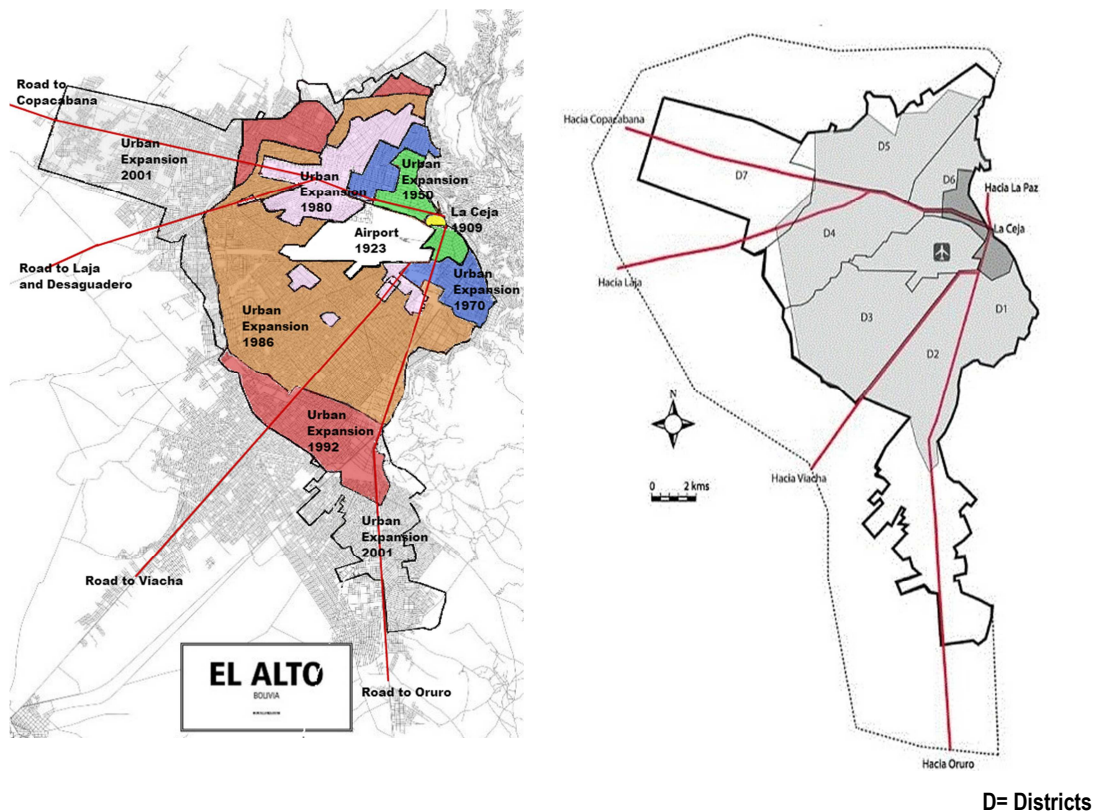
The most intense migration happened between 1983 and 1986 as a result of droughts and floods caused by El Niño, an economic crisis caused by the debt crisis, and the re-location of miners in the wake of collapsing tin prices (CODEPO, 2005; Quintana, 2004). According to Sandoval and Sostres (1989), by the year 1985 El Alto already sheltered 223,239 people living in 140 neighbourhoods (from an initial number of only 6 in 1950). Of this population, 75 per cent were migrants from other the provinces of La Paz (especially from Ingavi, Pacajes, Los Andes, and Omasuyos) and the rest were from the departments of Oruro and Potosí (Sector Urbano Popular (SURPO), 1988). By the year 1987, the total population had reached 356,514 and the number of neighbourhoods 178. This means that in only two years, the population had increased by sixty per cent. The conditions and vertiginous nature of the movements that shaped the development of El Alto have led Salazar (1999) to baptize it as the ‘reception centre of all the exiles produced by modernity in Bolivia’ (p. 59).

Despite its size and the speed of its growth, El Alto was still considered a neighbourhood of La Paz in 1985. Precarious living conditions and the State’s unwillingness to tackle them gave rise to a tenacious quest for autonomy. After continuous, increasing pressure and social mobilization, on 6 March 1985 El Alto acquired a new status as an independent ‘fourth municipal section’. Finally, three years later, on 26 September 1988, El Alto acquired the status of a city, gaining full administrative autonomy to create its own development policies (Poupeau, 2010).

Even though migration to El Alto has diminished in the last two decades, the amount of incoming people still constitutes an important aspect of the demographic and territorial dynamism of the city. Indeed, in 2001, the National Census registered a total population of 649,958 inhabitants and El Alto outstripped Cochabamba to become the third biggest city in Bolivia after Santa Cruz and La Paz. In the 2012 Census, El Alto reached a population of 848,840,

overtaking La Paz and becoming the second most populous city in the country. This tremendous change happened over just sixty years.

Map 3.2. El Alto: population settlements and administrative division



Source: Left map: own reconstruction from CODEPO (2005)

Right map: taken from Poupeau (2010)

With contingents of migrants coming largely from Andean regions, El Alto is identified as a society with an intercultural fabric of Aymara predominance (Antezana, 1993). According to the National Census 2001, 85 per cent of the population in El Alto self-identified as indigenous, with a 75 per cent declaring being of Aymara origin. In the latest census of the year 2012, however, the percentage of individuals self-defining as indigenous in El Alto decreased to 50 per cent. While I inquire into the reasons for this decrease in Chapter 6, it

suffices to say for now that 92 per cent of the share of individuals declaring to belong to an indigenous community, self-ascribe to the Aymara (INE, 2015).

Basic services and the labour market

Inevitably, migration trends and rapid growth had notorious consequences for the provision of housing, basic services, and sources of employment. This was made worse by an unequal and disorganized distribution of the population. El Alto has very different density rates by district; the largest populations remain in D1 and D6, which were the areas where the first settlements occurred (see Map 3.2).

Access to basic services was traditionally a challenge for residents of El Alto. Sandoval and Sostres (1989) explain that in the late 1980s most of the Alteños depended on public standpipes for the provision of water and the sewage system covered less than a third of the population. In addition, garbage collection services only covered eight per cent of the population. These factors adversely affected the health of the residents who, in addition, faced poor health system coverage with one hospital for the whole city and one doctor for every 10,000 residents.

The situation in El Alto has changed dramatically over the last 30 years. According to preliminary figures from the National Census 2012, almost the entire population of El Alto has access to electricity, 88 per cent has tubed-water provision, garbage collection covers 63 per cent of the population, and 80 per cent of the population is connected to the public sewage system. It is important to note, however, that the provision of services has not improved uniformly across El Alto; being districts one, two, and six (D1, D2, and D6 in Map 3.2) where the greatest developments took place.

Job opportunities in El Alto have been conditioned by a narrow labour market and precarious urban industry. The establishment of micro and small enterprises, as well as commercial activities, which now absorb most of the working population,

has challenged this situation. Indeed, between the year 1989 and 2000 the sector that grew the most, tripling in size, was the semi-business sector [*sector semi-empresarial*], which includes all micro and small enterprises. By the year 2012, 30 per cent of the urban population of El Alto declared their participation in commercial and service-related occupations and another 30 per cent in the construction and manufacturing industry (INE, 2015). In addition to scarce labour opportunities, a singular feature that has shaped the occupational profile of individuals in El Alto is a constant preference for independent activities. Sandóval and Sostres (1989) observed that about 34 per cent of the economically active population aspired to become self-employed even when they held salaried jobs. This trend was also observed more recently in the Bolivian Human Development Report of 2005 where 'being on a salary' was characterized as lacking prestige for the population of El Alto: 'having an employer seems to compromise many people's dignity' (PNUD, 2005, p. 107). This popular perception has translated in a working population composed of 45 per cent of self-employed and employers and 40 per cent of employees and workers according to the 2012 National Census (INE, 2015).²³ This history of migration, improvement, labour heterogeneity, and dynamism is what guided my choice of El Alto as the fieldwork site for this study.

3.4.2 Sampling design

A fundamental challenge of mixed-methods research has to do with the sampling design (Collins, 2010a). This thesis, which makes use of both qualitative and quantitative approaches, had to deal with the problems associated with having two different samples: one based on probability sampling techniques (i.e. household surveys) and another based on a purposive sampling procedure (i.e. selection of

²³ The self-employed group consists of individuals whose remuneration depends directly upon the profits derived from goods and services produced. Unlike employers, self-employed individuals do not engage on a continuous basis any people to work for them, in their business, as employees (ILO 2015).

respondents). Unlike other pieces of mixed research, however, probability sampling was set by the survey designers (i.e. National Institute of Statistics of Bolivia) to reach national representativeness. This means that the quantitative and qualitative samplings occurred independently. Therefore, the challenge was to select a sample closely connected to – or able to be complemented by – the quantitative component that would allow me to get the most information about occupational histories, negotiation and re-construction of ethnic identities, and lifestyles.

Because the quantitative design and preliminary data analysis in terms of the SEI was carried out prior to the qualitative component, I was able to identify key profiles of middle class individuals who would suit the qualitative sampling. This means that I employed predetermined criteria to guide the selection of the qualitative sample. According to Sandelowski, making certain that particular characteristics are included in the sample allows for ‘informational representativeness’ (Sandelowski 2000, p. 250). The quantitative analysis, therefore, provided not only the contextual information about the population profiles of the selected middle class individuals, but also the sampling frame for the selection. To select the individual traits, I took the ten SEI groups and observed the dominance of migratory status and occupational categories in the middle strata (fourth to eighth SEI groups). Table 3.1 illustrates the profile typology identified for the city of El Alto.

Table 3.1. Excerpt of middle class profile typology in El Alto

Group IV	Group V	Group VI	Group VII	Group VIII
Shoe maker and seller	Making and selling food (comida de barrio)	Local butcher	Jeweler	Maker and merchandiser of clothes
Artisan	Children's toys retailer	Mechanic	Dentist	Architect
Business manager	Lorry drivers (heavy loads' transport)	Bakery – pastry and bread maker and merchandiser	Traditional fabrics' artisan	Home appliances merchandiser
Food seller (not working in a fixed spot)	Coca leaves merchandiser	Trader	Car and automobile spare parts trader and merchandiser	Heavy equipment merchandiser

Therefore, statistical profiling was based on the following criteria: (i) participants should be first or second generation migrants from rural areas; (ii) they should represent different socio-economic levels within the middle class; (iii) they should be from the occupational groups identified in the exercise.

Another design challenge had to do with the sample size. Given that the quantitative component is based on secondary data analysis, the common trade-off between representativeness and saturation that mixed-methods research features (Teddlie & Yu, 2007) was not a problem during the sampling design of this study. While the sample size was preliminary set based on the statistical profiling of respondents and theoretical recommendations (see Collins, 2010b), during fieldwork the rule of *saturation* was applied.²⁴ The final number of interviews conducted was sixty-two.

²⁴ This means that interviews were collected and analysed to the point that additional cases did not provide new information or insights.

3.4.3 Data collection and data analysis

When looking into the interaction of different multi-faceted dimensions such as class and ethnicity, Anthias argues that researchers should focus on narratives of how individuals place themselves in terms of social categories at a specific point in time and in space. In her words: ‘the narrative is a story about who and what we identify with, and it is also a story about our practices and the practices of others, including wider social practices and how we experience them’ (Anthias 2005, p.42). Following this, I conducted semi-structured interviews covering lifetime recollections of migration, occupational trajectories, accounts for social distance, and consumption practices.

Using an initial census-like questionnaire with questions on household characteristics – quality of the housing materials, access to services, and economic capacity of the household (including level of education of every household member and condition of activity in the labour market) – I was able to situate informants on a socio-economic scale. Although repeated estimations of the SEI made me somewhat intuitive of the outcomes that different combinations of answers would yield, I ended up conducting eight interviews with respondents who were below the lowest SEI middle-class threshold (i.e. 0.3) or above the highest limit (i.e. 0.8). These interviews were not considered in the analysis, although they were useful for comparisons between them and the lower and upper groups of the SEI middle strata.

As mentioned previously, the interviews had the purpose of gathering information on three major themes: consumption practices and lifestyles, assessments of status symbols and social distance, and recollections of occupational trajectories. The first theme was largely covered by asking respondents to create consumption diaries by detailing quotidian and weekend outgoings and major purchases in the last years. However, additional exercises for assessing the importance of different groups of

items in terms of economic burden vs. personal satisfaction, subjectively qualifying the importance of personal image, and describing the most important celebrations and festivities for the household were used to investigate how individuals' particular lifestyles led them to construct their social identities. The theme related to social distance and status symbols was examined through in-depth narratives of individuals' positionality in relation to other people they considered in lower or upper positions, and through respondents' reflections on the different means by which individuals gain prestige and acknowledgement in society. Finally, the theme of occupational trajectories was tackled by asking respondents to recollect the pathways that enabled them to have their current job, emphasizing the difficulties and circumstances that facilitated the process.²⁵ The interview guide is presented in Appendix 3.

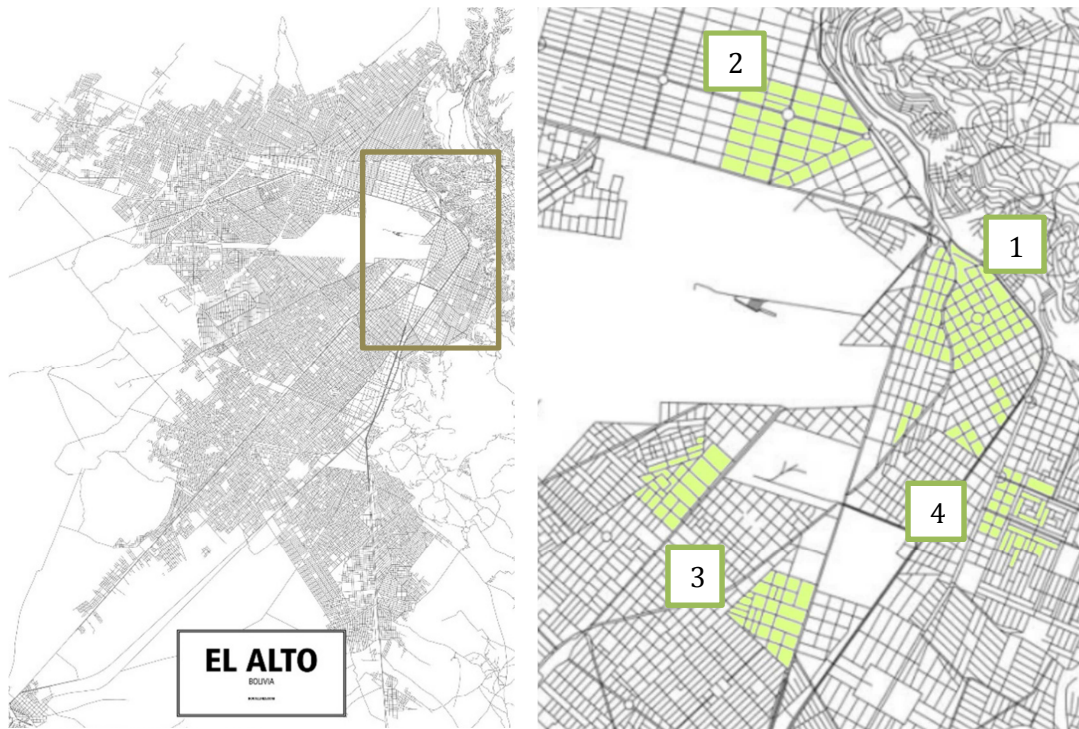
Semi-structured interviews were conducted in two waves of fieldwork in the city of El Alto; the first took place between February and May 2012 and the second between December 2013 and February 2014. At the beginning of the first wave I had the opportunity to discuss and develop the interview guide and other research tools with academics and social scientists who have worked extensively in the city of El Alto. For the topic of consumption practices and lifestyles, for instance, I was strongly advised not to use consumption diaries, as was my initial intention, and to instead add a battery of questions as a separate module in the semi-structured interviews. During the first wave, I interviewed a total of forty-three people, of which six were below the lower threshold and two were above the SEI-defined middle class. Having analysed this data, I went back to the field for a second round of interviews with the main purpose of completing missing information and enlarging my sample. During my second fieldwork I carried out a total of thirty-one interviews, of which twelve were second visits and two were with people below

²⁵ In addition, life stories were collected for a sub-sample to cover topics related to the different mobility strategies middle class individuals used to (i) enter into the middle class and (ii) keep on moving within the middle class and beyond. This was done to complement and update information collected during M.Phil. research fieldwork in 2007.

the lower SEI threshold. Thus, the second visit added a total of seventeen new interviews. A full list of interviews is presented in Appendix 1.

Because the interviews touched on sensitive aspects of consumption and occupational histories, the first contact with my respondents had to be done through a personal introduction. For this reason, I was introduced to my first respondents by a couple of social workers who live and work in the centre of the commercial district of El Alto. Nancy and her husband Omar— with whom I had worked previously on organizing interviews and focus groups for qualitative research on human development – introduced me to a group of their neighbours working in diverse jobs, who ranged from butchers to pharmacy owners. The subsequent selection of interviewees followed a snowball method; that is, other respondents were identified and contacted by my first interviewees. This approach allowed me to reach various neighbourhoods of El Alto and add diversity to my sample. In addition, gaining access to respondents through known neighbours and friends was important as it helped me gain trust quickly. While I acknowledge that this could have added bias to my sample, I believe that this was an appropriate and pragmatic way of collecting true, detailed, and intimate information on consumption in a limited amount of time. Map 3.3 shows the location and geographical development of my interviews in both rounds of fieldwork.

Map 3.3. Location and development of interviews



Interviews were conducted in three different districts of El Alto, in the regions highlighted in green on the left-hand map in Map 3.3. About two thirds of my interviews were conducted in the areas of greatest economic activity in El Alto (zones 1 and 2). I began my visits in *La Ceja*, the old quarter of El Alto (zone 1). From there, I moved onto different locations depending on my respondents' leads on people willing to take part in the study who worked in occupations that fitted my typology. Inevitably, respondents in the neighbourhood *16 de Julio* (zone 2 in the map) were identified, as this is the zone characterized by its vibrant commercial activity.²⁶ More distant locations, zones 3 and 4, were either

²⁶ This neighbourhood is the venue for the *Feria 16 de Julio*, the largest and most attended market in the city which takes place twice per week on Thursdays and Sundays. According to the Municipal Government of El Alto, the fair welcomes approximately 60,000 buyers and moves about 2 million dollars in a single day. Around 10,000 stalls offer a great variety of products, ranging from local, rural, and national products to imported and smuggled electronic appliances, and even cars. Another prominent part of the day is the second-hand clothing market, where the clothes come from Chile via Oruro (Gobierno Municipal El Alto, 2005).

neighbourhood convenience stores, warehouses, or the homes of respondents who worked in zones 1 or 2 but could not meet me during working hours.²⁷

In situations where there was more than one household member available for interview, people tended to voluntarily recommend a household member they thought would be the best candidate for the different parts of the interview. In most instances these were women. While this self-selection process might have been influenced by intra-household power dynamics, they proved extremely important at the time when talking about household consumption practices and ethnic identity. This is because in Bolivia, indigenous women who have migrated to the cities keep hold of their traditional clothing, reinforcing their sense of ethnic identity (see Chapter 7). Also, women are the ones in charge (and have a clearer overview) of daily household consumption expenses.

In other cases, respondents were somewhat arbitrarily selected in the sense that they happened to be the only ones available to take part in the interview at the time of the visit. On quite a few occasions, other household members (mostly husband/wife or other adult children) were present at the interview and joined the conversation at various points, complementing the statements of the primary interview participant or clarifying/correcting certain points. As this study was not designed to capture an accurate factual picture but rather to characterize the complex and diverse ways in which people reconstruct their social identities, shape their perceptions of social distance, and develop their lifestyles, using the data collected from multiple participants in a household added invaluable insights.

I conducted a thematic analysis of my interviews, which identifies, analyses, and reports patterns (or themes) that emerge as important to the description of a phenomenon (Braun & Clarke, 2006; Fereday & Muir-Cochrane, 2006). At a very basic level, thematic analysis organizes and provides a rich description of the data.

²⁷ All interviews were conducted in Districts 1, 2 and 6, as shown in Map 3.2.

Then it moves to an interpretative level that enables connections between themes and research questions to be made (Braun & Clarke, 2006). The use of thematic analysis allowed me to develop a sound understanding of phenomena of interest and to make comparisons between cases and across groups within the middle class. The flexibility that the method offers – given that it is not theoretically bounded – proved to be highly suitable to the mixed-methods approach used in this thesis.

The process of identifying themes involved careful reading of the data from very early on. Thus, the analysis of my interviews began during data collection and I noticed patterns of meaning emerging for each of the topics covered in the interviews (see Appendix 3). The first approach to analysing my data was to review my post-interview notes and then listen to and transcribe the interviews. The second stage consisted of marking the transcripts' margins with codes and writing short memos on the emerging themes. At this point I focused on the topic of consumption patterns and lifestyles, sacrificing in this way my attention to the life-stories. These rounds of analysis guided the second wave of data collection, for which I was certain that some concepts were not completely clear and others needed more exploration. After having collected my interviews and approached the initial analysis similarly, by reading my fieldwork notes, the next round of data analysis was conducted through the lens of the themes emerging from the first stage. However, this time I was more inclined to sort out the life-stories. For this purpose, I analysed the themes by mapping different life-trajectories and grouping people accordingly. The thematic analysis conducted in this study follows a deductive approach. This means that the coding was carried out specifically to answer my research questions, and not to re-formulate them (as an inductive approach would do).

3.4.4 Methodological challenges and lessons

In this section I provide methodological reflections emerging from my two rounds of fieldwork. While previous sections touched briefly upon methodological challenges (e.g. snowball sampling and women's self-selection into the interview), the issues presented in this section warrant more explanation since they consider the research relationship and positionality.

One-off semi-structured interviewing

One-off semi-structured interviews have the advantage of giving enough control to the researcher to ensure that rich data is generated across different topics in a time-limited visit. However, there is a trade-off in terms of establishing rapport and getting respondents sufficiently engaged with the research. In addition, semi-structured interviews make the data collection process more rigid. I realized, while listening to and transcribing my first round interviews, that interviews that developed as 'conversations' were the ones that enhanced the relevance and strength of my data. Consequently, I adopted a different and more effective approach during my second field trip.

Single-view of emergent themes

As happens in every piece of doctoral research, the interpretation of results in this thesis is limited to a single perspective of the thematic analysis. Even though the analyses and main results were discussed widely with my supervisor and other academics, and have been triangulated with secondary literature, they are far from offering the comprehensive view that multiple perspectives from a variety of disciplines would yield. Thus, using this method in other studies would greatly benefit from discussions between several individuals from different fields.

Perceived social distance

Because an interview is a social relationship between the researcher and the respondent, the social distance between the two actors constitutes a potential source of bias (Dunbar, Rodríguez, & Parker, 2002). In this regard, different status characteristics such as age, sex, social class, race, or ethnicity could have motivated the fabrication of certain responses in order to accommodate what respondents may have perceived as the interviewer's status. This consideration was of special importance during my fieldwork as perceived social distance between me and my respondents could have led them to hide their true feelings and perceptions of other segments of the population or give distorted accounts of their own situations. However, this did not seem to be a problem for most of my interviews; not only did respondents go into long and open judgements, especially negative, of the upper and traditional middle class, but they also repeatedly asked about my nationality at the end of the interviews (suggesting that they did not have a clear idea of my background/origin/identity).

3.4.5 Ethical challenges and concerns

A common ethical issue in mixed methods research is associated with linking data between methods after informed consent and confidentiality agreements have been settled during the first approach to respondents (Hesse-Biber, 2010). That is, using one method to identify respondents for the subsequent round of research could result in a breach of the participation agreement. However, I did not encounter this difficulty because the sampling methods were conducted in isolation (as discussed previously). All the information provided by the National Institute of Statistics was properly anonymized, preventing the identification of the participants. Similarly, the information presented in this study has been anonymized as fully as possible by changing all the names.

However, I did encounter different ethical concerns related to informed consent. Each interview started with a preamble that contained a brief explanation of my research and the written consent form (translated into Spanish). As a procedure, when introducing the research topic, I assured the respondents that their identities and interests would never be revealed and, indeed, would be protected. In addition, every respondent was asked about his/her comfortableness and approval to be recorded during the interview. None of them declined the request. This exercise usually took quite some time and, on some occasions, respondents appeared concerned and distrustful of signing a contract-like document for someone they did not know.²⁸ However, I believe that in most cases the perceived risks involved in taking part in the research were minimized by making reference to previous respondents who had taken part in the research (the ones who had directed me to them in the snowballing sampling).

²⁸ In such situations, respondents asked for proof that my research was not related to any government office (fearing that the information would be used by the National Tax Office) or that I was not sent by a competing firm.

Chapter 4

Demography or public policy or both? Looking into the factors that determine the emergence of the middle class in Bolivia

4.1 Introduction

The development model of Bolivia since 1985 has been described as one of ‘human development without income’ (Gray-Molina & Espinoza, 2007). Bolivia is one of the few countries in the world where education, life expectancy, and health indicators are greater than predicted by its income level (PNUD, 2005). Between 1980 and 2011, Bolivia’s human development indicator went from 0.507 to 0.663. More than 90 per cent of this change was due to changes in the sub-indices of education and health (0.504 to 0.749 and 0.504 to 0.735, respectively) and less than 10 per cent was due to changes in the sub-index related to income (from 0.514 to 0.530).¹ Accordingly, Bolivia belongs to two different groups: in social terms, it belongs to the group of countries with medium-high human development (which includes countries like Brazil, Paraguay, the Arab states, and China); in

¹ See Appendix 4 for a revision of HDI components and temporal trends.

economic terms it belongs to the group of countries with medium-low development (along like Haiti, Nigeria, Ghana).

This paradox has been explained by Bolivia's extraordinary ability to transform its very scarce resources into positive social outcomes (PNUD, 2004). This explanation, however, falls short in explaining how the country's uneven progress fits into the demographic, social, economic, and cultural transformations that occurred there in the last quarter of the twentieth century. A massive urbanization process, in tandem with a number of policies designed to ameliorate the dire situation of the impoverished segments of the population, have led to a shift in the structure of the supply and demand of public goods and services. Along with these changes, Bolivia's labour market has undergone a profound transformation; based on agriculture thirty years ago, it is now largely concentrated in the non-tradable sector (P. Espinoza, 2008; PNUD, 2005).

What contribution have demographic change (i.e. migration and urbanization) and new public policy made to the enhancement of well-being in the country? Do these factors explain the emergence of the middle class (as defined in Chapter 3) in spite of the lack of long-term economic growth in Bolivia? This chapter aims to answer these questions by analysing the forces behind the socio-economic transformation of the country during the last quarter of the twentieth century.

This chapter is structured in four sections. Section 4.2 analyses changes in the socio-economic structure of the country making use of the Socio-Economic Index (SEI) at four different points in time (1976, 1992, 2001 and 2011). While a preliminary analysis was carried out in Chapter 3, this section aims to go further by examining the geographical and temporal variations of the SEI and its components. Next, Section 4.3 looks into the factors that explain socio-economic change in the country. For this purpose, it analyses: (i) demographic and productive changes and (ii) public policy changes in the country in the last thirty-five years with a focus on geographical distinctions. The chapter argues that, as

the emergence of the middle class in Bolivia can be best understood by the upward movement of the lowest groups of the socio-economic distribution, this phenomenon, in turn, is explained by the radical demographic shift that occurred in the period from 1976 to 1992 and by a combination of the slowing of the urbanization process and a more efficient framework for allocating resources between 1992 and 2011. With this in view, Section 4.4 raises some discussion points and provides the concluding remarks.

4.2 Bolivia's socio-economic structure: a long-term view

'[...] social change is seen primarily as an evolutionary process, developing gradually over time, or as a combination of evolution and "punctuated evolution" when drastic shifts occur.'

(Portes, 2010, p. 64)

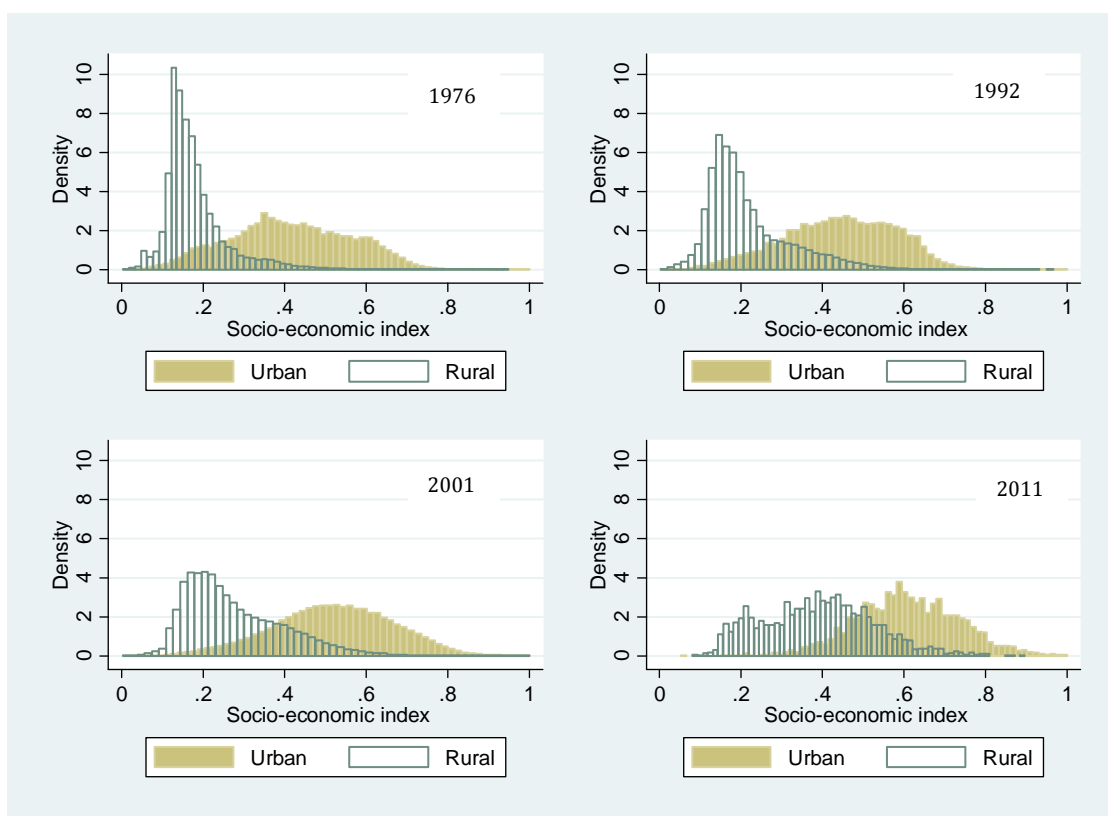
In Latin America, the major socio-economic changes that have taken place since the 1990s resulted from the coming together of three processes: rapid urbanization, industrialization, and the growing economic importance of the services sector (De Oliveira & Roberts, 1998). While similar processes produced a convergence of social structures (i.e. expansion of the middle classes, consolidation of the working class, and generalized improvements in welfare) in developed countries, the results were different in Latin America. They brought about an uneven modernization between and within countries and, thus, created diverse social stratification structures. This section will examine the effects of these processes on Bolivia's new socio-economic configuration.

As shown in Chapter 3, the estimation of the SEI for 1976, 1992, 2001 and 2011 tells us a story of gradual socio-economic improvement over time that concluded with a massive aggregation of people around the middle values for well-being. The

rates at which people moved to the middle values of SEI were somewhat constant throughout the thirty-five year span; between 1976 and 1992 the annual rate of socio-economic improvement was 1.8 per cent, between 1992 and 2001 it was 1.7 per cent, and between 2001 and 2011 it was 2.1 per cent. These changes meant that by the year 2011, the amount of people who belonged to the middle class – those with a SEI between 0.3 and 0.8 – outnumbered those in the lower SEI rankings to become the most salient group in the country.

While annual improvements in SEI were fairly constant through the period analysed, they displayed great geographical heterogeneity. Figure 4.1 shows the socio-economic levels for rural and urban areas. Two trends are particularly salient. First, there is a large and persistent rural/urban divide which explains the bimodal distribution of the SEI for the years 1976-2001 (shown in Figure 3.2). Second, the rural/urban divide is somewhat overcome in the year 2011 by a significant shift of the rural distribution. Specifically, the figure for the year 1976 shows a high concentration of individuals in rural areas with very limited material opportunities and potentially living with unmet basic necessities. Furthermore, in this year, socio-economic position for rural dwellers was limited to a maximum value of 0.5. Urban residents, on the other hand, moved along a wider range of socio-economic positions, and only few shared the poor conditions of their rural counterparts. In the following years, the rural mass shifted to the right of the scale – to higher socio-economic levels – and the peaked narrow distribution became flat and widely spread in 2011. While there are still two distinct distributions for rural and urban areas in 2011, profound socio-economic transformation in rural areas – particularly acute in the period 2001-2011 – suggests a process of regional convergence. Throughout the period studied, the urban group presented a gradual yet more modest shift to the right, mainly clustering around the middle values of the SEI with the most important transformation taking place between 1992 and 2001.

Figure 4.1. Distribution of SEI in urban and rural areas, 1976-2011

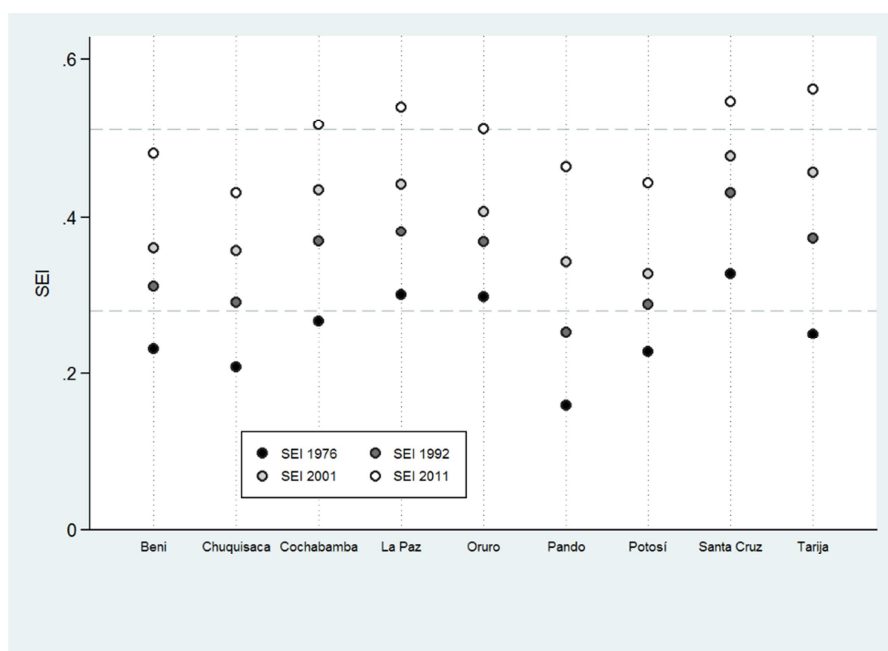


Source: Own elaboration based on National Censuses 1976, 1992, 2001, and Household Survey 2011.

Figure 4.2 shows the socio-economic levels for each of the nine departments in Bolivia. The horizontal dotted lines mark the average SEI value for 1976 (lower line at 0.28) and for 2011 (upper line at 0.53). The figure reveals that in the eastern region of the country (i.e. the lowlands and valleys) the departments of Pando and Tarija had the highest improvements in well-being. On the other hand, in the western region (i.e. the highlands) Oruro and Potosi showed the least progress, well below the national average. The poor performance of the highlands reflects the profound economic crisis, created by the decline of mining, which the region suffered during the 1980s and 1990s. By contrast, in the lowlands, fast and high well-being improvements were sustained by the benefits of booming hydrocarbon and soybean production.

Distributions of the SEI at the departmental (presented in Appendix 8) show a more nuanced narrative of socio-economic improvement. In general, all departments, except for Santa Cruz, presented in 1976 a distribution lumped at the inferior values of SEI. In this respect, the departments of Chuquisaca, Potosí, and Pando are the ones with the worst initial conditions. In the following years, socio-economic improvement followed the trend described previously for rural and urban areas. This is, departments showed different distributional shifts depending on the proportion of urban and rural population they had at different points in time. By the year 2011, all departments except for Chuquisaca, had radically transformed their initial distributions. This result is largely explained by the fact that Chuquisaca was one of the departments with highest proportion of rural population in the country (estimated at 50.5 per cent in 2010) (INE, online statistics).²

Figure 4.2. Socio-Economic Index by departments
(average values)



Source: Own elaboration based on National Censuses 1976, 1992, 2001, and Household Survey 2011.

² For this year, the estimated share of population living in urban areas was 66.4 per cent.

At the departmental level, socio-economic well-being is highly correlated with income. Evidence of this is that the four departments with the highest SEI, above the national average, are precisely the richest in the country. Of these departments, La Paz and Santa Cruz were the only two that started in 1976 with a well-being advantage over the rest. By 2011, these two departments were still at the top but had been joined by Tarija and Cochabamba due to their impressive growth rates over the thirty five-years.³ The accelerated pace at which departments in the lowlands and valleys improved their well-being suggests a process of relative regional convergence.

When looking at the inter-period annual growth rates of the components that constitute the SEI (Table 4.1), it becomes clear that the drivers of the socio-economic advancements vary throughout the thirty-five-year time span. The numbers suggest that the overall trend is driven by both economic capacity and access to basic services in general, since these experienced the greatest annual growth rates. However, the contrasting temporal trends of these components (i.e. decreasing growth rates) in relation to the housing quality-related ones (i.e. increasing growth rates) reveal a distinct model of socio-economic advancement.

³ It is especially important to note that Tarija had a Gross Domestic Product Growth of 25.4 per cent in the year 2005.

Table 4.1. Components of the Socio-Economic Index and Growth Rates

Socioeconomic index and components	1976	1992	2001	2011	Annual growth rates (%)			
					'76-'92	'92-'01	'01-'11	'76-'11
SEI	0.28	0.37	0.43	0.53	1.8	1.7	2.1	1.9
Household space	0.26	0.27	0.29	0.33	0.3	0.9	1.2	0.7
Quality of walls	0.53	0.65	0.74	0.82	1.3	1.4	1.1	1.3
Quality of roof	0.59	0.66	0.70	0.76	0.7	0.6	0.8	0.7
Quality of floor	0.26	0.35	0.41	0.54	1.9	1.9	2.7	2.1
Household ownership	0.74	0.69	0.70	0.66	-0.4	0.1	-0.6	-0.3
Access to electricity	0.35	0.57	0.66	0.88	3.0	1.8	2.9	2.7
Access to water	0.37	0.52	0.55	0.65	2.0	0.7	1.8	1.6
Access to sanitation	0.16	0.32	0.46	0.63	4.3	4.1	3.3	3.9
Economic capacity	0.06	0.12	0.16	0.26	4.5	3.8	4.7	4.3

Source: Own elaboration based on National Censuses 1976, 1992, 2001, and Household Survey 2011.

In the case of the service-related components, larger initial improvements are to be expected. This is explained by the fact that parts of the population could have experienced jumps in their well-being simply by gaining access to those services. Subsequent socio-economic gains, however, depend on a better use of the services and on improvements in quality. Later in the chapter I will review this issue in more depth to see whether people with an improving socio-economic situation in the second (1992–2001) and third (2001–2011) periods achieved this by accessing services they had not previously accessed or by (for those who still did not have access to them) or in terms of improving the quality of the services they had already accessed. Decreasing growth rates in the quality of housing components complements the previous account in that they reveal a tendency to improve housing quality conditions once access to services has been attained.

The singular behaviour of the economic capacity indicator, in turn, responds to a different rationale. Improvements in this indicator could have happened either by an increase in the number of household members in employment or by an increase in the number of years working members spent in education, or by a decrease in

the household size. The data shows that employment rates⁴ increased from 40 to 47 per cent between 1976 and 1992, then decreased to 45 per cent in 2001, and finally increased significantly to 60 per cent in 2011. For the same years, the average years of education of the working population increased from 1.51 to 2.47 to 3.22 to 7.52. Finally, average household sizes have had an erratic pattern, increasing slightly from 1976 to 1992 from 4.35 to 4.36, decreasing to 4.09 in 2001, and increasing to 4.90 in 2011. These numbers suggest that the large progress in economic capacity between 1976 and 1992 came from new opportunities in the labour market more than from improvements in the qualifications of the labour force and that this counteracted the effects of larger households. Conversely, during the second period, smaller households together with a more qualified working force seem to compensate for the effects of a contracting labour market.⁵ Finally, in the period 2001–2011, the remarkable increase in households' economic capacity is the effect of an expanding labour market with a much more qualified labour force, which neutralized the effect of larger household sizes.

These results are especially important because they point to two different trajectories for well-being improvement, namely, those that occurred as part of improvements in access to public services, and those that happened due to changes in the conditions of housing quality, labour, and education. As such, the trajectories are linked to both structural and individual changes. They could have

⁴ Employment rate is defined as the share of population aged seven or older (as asked in the three censuses and household survey) who declared that they had a job or performed an activity to earn income in the week prior to the census interview. I acknowledge the inclusion of some measurement error due to the different phrasing of the relevant question. For instance, in 1976 the question referred to the activity in which the respondent spent most of his/her time in the previous week (with the options being: working, not working but had a job, unemployed, looking for a job for the first time, household chores, student only, retired/pensioner). In 1992 and 2001, the question was phrased, 'From the following activities, which one did you perform last week?' with answer codes similar to the ones in 1976. In 2001, the question was 'During the last week, have you worked?' followed by control questions for those who had not worked. Finally, in 2011, the question was 'During the last week, have you worked for at least one hour?' similarly followed by control questions for those who answered not having worked.

⁵ The analysis reveals that the variable related to employment is highly cyclical. The decline in the percentage of population that was employed in 2001 responds to a period of crisis and stagnation that began in the late 1990s. For a more detailed exposition of the periods of growth and crisis in the country see Appendix 5.

happened either by: (i) an institutional change and the State's growing attention to providing better services, labour and education for all, or (ii) as part of people's strategies to improve their situation by getting closer (i.e. migrating) to spaces favoured by state policies (i.e. with better services, education and labour climates) which, in turn, enhanced their capacity to access quality goods; or (iii) by a combination of both. The following sections of the chapter will tackle these points in an attempt to uncover and disentangle the explanatory factors of well-being improvement in the country, placing the making of the middle class at the core of the analysis.

4.3 What determines social change in Bolivia?

The aim of this section is to shed light on the extent to which urbanization and social policy may have contributed to an increase in the socio-economic well-being of the population and, thus, to the emergence of the middle class in Bolivia. For this purpose, the first part reviews patterns of human mobility, putting special emphasis on the differentiated socio-economic conditions of places of origin and destination. The second part, in turn, surveys the major social policy interventions that have aimed to improve well-being conditions since the last quarter of the twentieth century. Acknowledging the inter-relationship between these factors, the third section deconstructs socio-economic improvements in order to provide a clearer characterization of the aspects that contribute to well-being enhancement in the country and, thus, to the making of the middle class.

4.3.1 The urbanization process

'At a minimum this migration [rural to urban] represents a form of horizontal mobility, and is a precondition for many kinds of vertical mobility'

(Sjoberg, 1966, p. 236 own clarification in brackets)

Migration in Bolivia has a long history; whilst its patterns are diverse they fall into three main strands: rural-rural migration (mainly from highland to lowland territories), rural-urban migration (mainly to the cities of La Paz, Cochabamba and Santa Cruz, and more recently to Tarija and Cobija), and external migration (mainly to Argentina, United States of America, and Spain) (Ledo, 2010; Ministerio de Desarrollo Sostenible, 2004; Terrazas, 1979). Population growth, therefore, has been closely related to the social and economic dynamism of specific regions (Laserna, Morales Anaya, & Gómez, 2000; Ledo, 2010). The current demographic layout reflects the configuration of a new system of cities that highlights the reduced importance of agricultural activity and the expansion of the tertiary sector. Given its very rapid growth and importance for understanding the current spatial organization of the population, the following section focuses on internal migration, more specifically on rural-urban flows and its consequent urbanization process.

The origins of rural-urban migration can be found in the reforms introduced following the National Revolution in 1952 and the new development model which aimed to modernize the country through the creation of a new national bourgeoisie able to lead the process of import substitution. In this setting, three major reforms changed the country's demographic lineaments in favour of the urban conglomerates. The first was the Land Reform of 1953, which promoted the individualization of agrarian property through a programme of expropriation and re-distribution of rural land. Ownership, however, was granted to a great number of *campesino* families in the highlands, leaving the lowlands (sixty per cent of the country) out of the jurisdiction (Morales, 2003). Soon, the parcelling out of the land and inadequate farming methods rendered agricultural production insufficient for anything but household consumption. As a consequence, moving to the cities became the only way to overcome the difficulty of reproducing sources of labour in the rural lands (Laserna et al., 2000; Ledo, 2010). The second major reform was

the institutionalization of a centralized, urban-focused, bureaucratic apparatus. In turn, the centralized state created a bureaucratic apparatus in the cities that contributed to a significant increase in urban employment and accentuated the labour gap between urban and rural areas. The third reform was the diversification and industrialization of the economy that, supported by an import substitution model and by the construction of new road inter-connections, created a new niche in the urban labour market. A newly constructed road between Cochabamba and Santa Cruz not only opened a door to a region richly endowed with natural resources, but also gave rise to massive migration flows between east and west (Morales, 2003). Between 1950 and 1976, the share of the population living in urban sites increased (though somewhat timidly) from 35 to 41 per cent. This change was more acute in the lowlands and highlands, due to the growth of the cities of La Paz and Santa Cruz de la Sierra. The growth of the *campesino* population, the parcelling out of land, and the constant worsening of the terms of trade between the countryside and the cities are arguably the main factors determining this change of residence (Terrazas, 1979). Firebaugh (1979) adds to this argument by concluding that between 1950 and 1970 the structural determinants of urbanization in Latin American countries were related not only to economic development but to adverse rural conditions, especially those related to high agricultural density and poor agricultural production.

By the year 1976, the country was marked by profound socio-economic inequalities between urban and rural areas. The National Census revealed that 76.24 per cent of the urban population had access to electricity, as opposed to only 6.17 per cent of its rural counterpart. Similarly, differences in access to safe drinking water were abysmal; just 9.25 per cent had access to safe water in the rural areas compared to 84.13 per cent in the urban. In addition, gaps in educational achievements were critical (as shown in Table 4.2). Thirty-seven per cent of the population aged fifteen or older was illiterate. Of this number, four fifths lived in rural areas. In terms of attained levels of instruction, whilst 18.39 per cent of the urban

population had no education at all, this number reached 58.58 per cent in rural sites. For secondary education, these numbers reached 20.29 per cent and 2.59 per cent for urban and rural sites respectively. The meagre condition of rural areas is summarized by a poverty headcount of 99 per cent in 1976 (Rodney Pereira & Jiménez, 2007). The relative prosperity of the cities explains why they became increasingly attractive to rural inhabitants.

Table 4.2. Years of schooling by area of residence and department; 1976, 1992, 2001, 2011
(Population aged 19 and older)

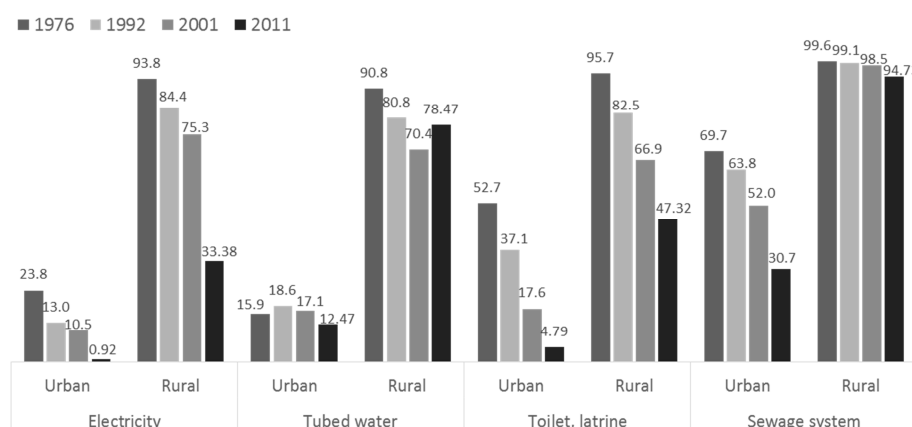
Department	1976		1992		2001		2011		Urban-Rural difference			
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	1976	1992	2001	2011
Chuquisaca	6.75	0.86	8.66	2.18	9.52	2.77	11.83	3.94	5.89	6.48	6.75	7.89
La Paz	6.15	1.99	7.91	3.85	9.40	4.75	11.29	6.09	4.16	4.06	4.65	5.20
Cochabamba	6.67	1.66	8.34	3.30	9.53	3.83	11.74	5.43	5.01	5.04	5.70	6.31
Oruro	6.15	2.22	8.17	4.00	9.90	5.15	12.32	5.98	3.93	4.17	4.75	6.34
Potosi	5.15	1.21	7.22	2.57	8.78	3.08	10.65	4.67	3.94	4.65	5.70	5.98
Tarija	5.64	1.79	7.50	3.23	8.53	4.03	10.86	4.83	3.85	4.27	4.50	6.03
Santa Cruz	6.12	2.82	7.83	4.06	9.01	5.00	10.90	6.49	3.30	3.77	4.01	4.41
Beni	5.62	3.11	7.23	4.45	8.42	5.20	10.63	7.57	2.51	2.78	3.22	3.06
Pando	6.37	2.59	8.22	4.28	9.49	5.53	12.06	7.31	3.78	3.94	3.96	4.75
Total	6.11	1.81	7.92	3.38	9.23	4.19	11.25	5.65	4.30	4.54	5.04	5.60

Source: Taken from INE (2003a, p. 132) and complemented with INE's online social indicators for the year 2011 (based on information of Household Survey).

Rural-to-urban migration rates exploded in the 1980s. Indeed, between 1976 and 1992, Bolivia stopped being a predominantly rural country. Figures from the 1992 National Census showed that cities contained 57.55 per cent of the total population while rural sites sheltered the remaining 42.45 per cent (INE, 2003a). In relative terms, this means that between 1976 and 1992, the urban population grew by almost 94 per cent, whereas the rural population grew by less than 1 per cent. Consequently, the growing process of urbanization happened at the expense of 'ruralization.' In the words of Pereira and Montaña '[these figures] show that, in the country, the urbanization process follows mainly migratory factors and the

consequent urban reclassification, and not a vegetative growth [of the urban sites]’ (2002, p. 15 own clarification in brackets).

Figure 4.3. Share of households with NO access to basic services, by area of residence
(In percentages)



Source: Own elaboration based on data from INE (2004, pp. 24–25) supplemented by INE’s online social indicators for the year 2011 (based on Household Survey).

Figure 4.3 shows deficiencies in access to basic services for urban and rural areas. The single most striking observation that emerges from this comparison is the degree of deprivation in rural areas compared to urban localities. Although gaps in access seem to have been closing for all services, except for access to a sewage system, the vast majority of rural households were still deficient by the year 2011, although access to electricity did show an important improvement between 2001 and 2011. In terms of education – which directly affects the economic capacity of households – schooling indicators were poor in rural areas throughout the period. Despite some significant increases in years of schooling in the rural areas, the average is still very low. In 2001, for instance, rural children study on average about 5.6 years, which corresponds to just below completing primary education (as was shown previously in Table 4.2).

Table 4.3. Population growth rates by department and area of residence (1976, 1992, 2001, and 2012)

Department / area of residence	Inter-census annual growth (%)			Relative increase (%)		
	1976-1992	1992-2001	2001-2012	1976-1992	1992-2001	2001-2012
Chuquisaca						
Urban	4.1	4.2	2.4	90.2	48.0	29.8
Rural	0.6	0.3	-0.5	9.0	2.3	-4.8
La Paz						
Urban	3.6	2.8	1.4	74.8	30.0	16.9
Rural	-0.7	1.3	1.2	-9.7	12.9	13.5
Cochabamba						
Urban	4.9	4.2	3.1	115.0	47.6	40.2
Rural	1.0	1.3	-0.6	17.5	13.1	-6.2
Oruro						
Urban	2.1	0.7	2.7	40.0	6.4	34.2
Rural	-1.6	3.0	1.2	-22.2	31.9	13.7
Potosí						
Urban	1.0	1.1	3.2	16.9	10.3	40.7
Rural	-0.6	1.0	0.4	-9.1	9.5	4.6
Tarija						
Urban	5.0	4.8	2.2	119.2	55.4	27.0
Rural	0.9	0.9	1.5	15.3	8.7	17.8
Santa Cruz						
Urban	6.2	4.9	3.1	162.3	57.3	39.8
Rural	0.8	2.6	0.2	13.7	26.7	2.8
Beni						
Urban	5.2	3.4	2.0	125.5	36.3	23.9
Rural	0.4	2.1	0.0	7.0	21.4	0.0
Pando						
Urban	6.4	7.9	9.0	174.0	108.2	158.6
Rural	-0.6	1.3	5.4	-9.0	13.0	78.5
BOLIVIA						
Urban	2.1	2.7	1.8	39.2	28.9	21.6
Rural	0.0	1.4	0.5	0.7	14.1	5.2

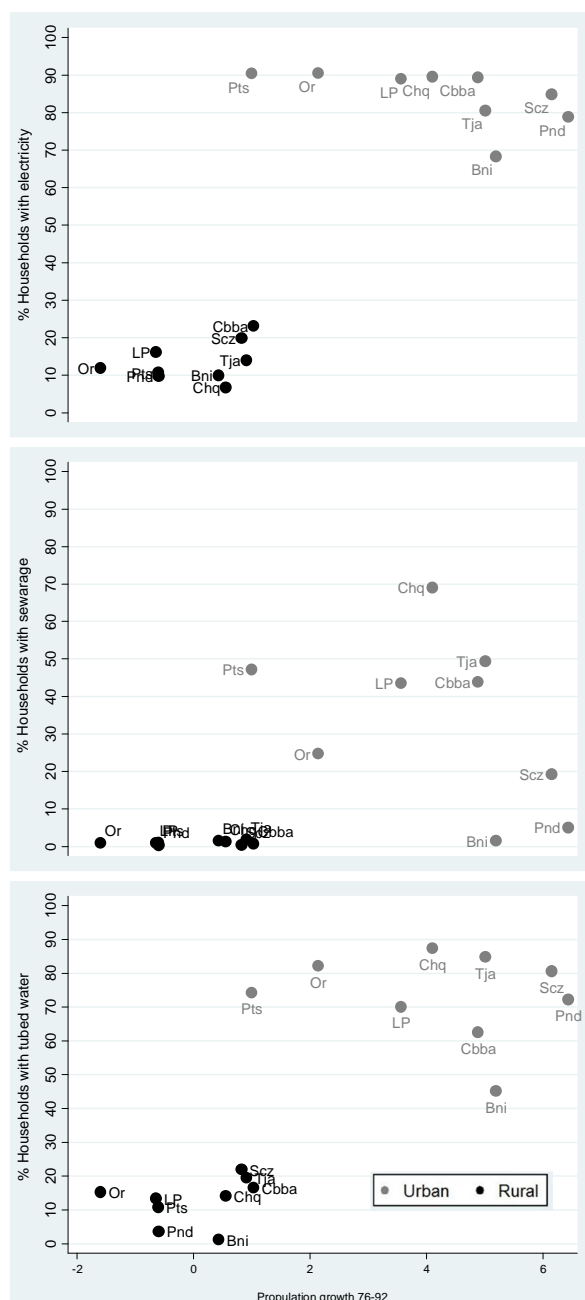
Source: Taken from INE (2003a, p. 43) and complemented using INE National Census 2012 online application (<http://censosbolivia.ine.gob.bo/>).

Urban concentration, shown in Table 4.3, together with information on access to basic services by department, tell a story of socio-economic improvement through migration, especially in the period 1976–1992. Figure 4.4 exposes this in more detail. The privileged situation of the urban centres of La Paz, Santa Cruz, and Cochabamba is largely explained by the growth of the state apparatus and the

national strategy of re-colonizing the eastern region of the country, both of which were part of the nationalistic reforms of 1952. The limits of this reform, the shift in the country's development model, and the growing importance of alternative economic sectors (hydrocarbons, soybean production, and coca leaf production) explain not only why La Paz lost its demographic domination but also the movement of massive contingents of people to eastern urbanities.⁶

⁶ This analysis is complemented and supported by information on migration flows presented in Appendix 6.

Figure 4.4. Population growth between 1976 and 1992 and access to selected basic services by department in 1992



Source. Own elaboration based on data from INE (2003)

Taking the cases of Oruro and Potosí, where general access to services was quite limited, increasing numbers of people moved out continuously from 1976 onwards. Deficiencies, in general, were well above the national average in both of these departments. Therefore, the pattern that emerges from bonding migration flows

with access to basic services shows that the two go hand in hand: departments with the highest migration balances are the ones with greatest access to services.

More specifically, both the crisis of the development model and the crisis of the mining sector in 1985 and 1986 help to explain why urbanization rates peaked in these years. The mining crisis was brought about by plummeting international prices for tin, which provoked the immediate closure of several mines and the lay-off of about 90 per cent of the civil servants working in state-owned mining companies. According to J. Espinoza (2010), the number of redundancies totalled 25,000 workers. As a consequence, several towns and cities in the highlands lost the vast majority of their inhabitants, some were even deserted altogether.

The battery of reforms that came as part of policy measures implemented to stop the crisis (reviewed in detail in the next section) help to explain not only the new direction of migration flows but also the deceleration of rural-to-urban migration in the 1990s. Indeed, the Popular Participation Law, implemented in 1994 within the framework of the Structural Adjustment Programme, was what sparked off a new territorial ordering and an increase in migration fluxes in all directions. In the words of Ledo (2010), the Law ‘caused the (temporal and/or definite) return of population to municipalities that were forgotten in the past’ (p.15). This explains why rural growth was more intense in the inter-census period 1992–2001 (with a relative increase of 14.1 percentage points) than in 1976–1992 (only 0.70 percentage points) and in 2001–2011 (5.2 per cent).

These two different waves of rural-urban migration meant that, by the year 2001, two thirds of the population (62.42 per cent) lived in urban areas. In relative terms, this meant a growth of almost 40 per cent in urban population and around 14 per cent in population living in rural areas between 1992 and 2001. According to Andersen (2002) there were three main reasons behind rural-to-urban migration in 1999: (i) job hunting, which accounted for a little less than a fifth of the cases; (ii) education, which explained more than a quarter of rural-urban migration; and

(iii) family reasons, which drove half of the migrants. These reasons had gender variants, with men the job-seeking migrants, and women the ones migrating for family reasons.⁷ The demographic change was followed by a new structure for labour and income creation in the cities. This transformation, in turn, was mainly sustained by an informalization and feminization of the labour force in tertiary activities (P. Espinoza, 2008; PNUD, 2005; Wanderley, 2003).⁸

Migration trends remained fairly unchanged in the period 2001 and 2012 according to preliminary results from the 2012 National Census.⁹ Hence, the population living in urban areas increased by about 5 percentage points in relation to 2001 (i.e. 67.48 per cent). In relative terms, this means that the urban and rural population grew by about 31 per cent and 5 per cent respectively in eleven years. According to the INE (2011), the cities of Santa Cruz, El Alto (which had displaced the city of La Paz), and Cochabamba have the largest share of urban population in the country.

In summary, a massive urbanization process buttressed by extensive rural-to-urban migration help to explain the well-being improvements experienced between 1976 and 2011. Throughout these years, the population moved gradually to areas with more work opportunities – following the prevalent development model – and with better conditions for more comfortable living. An inter-census analysis of the composition of the population shows that urbanization had reached a peak in the period 1976–1992, when the country stopped being predominantly rural and slowed down in 1992–2011.

⁷ Seeking more and better education was a reason common to both men and women.

⁸ The resulting labour market profile of the middle class is examined in detail in Chapter 5.

⁹ To date, the National Census 2012 has made only a few basic statistics and automatic cross-tabulations available online.

4.3.2 The State and the reformulation of public policy

The emergence of the middle class has commonly been associated with episodes of sustained economic growth and effective public policies aimed at transforming the provision of public goods and services for the population.¹⁰ Yet, this has not been the case in Bolivia given the relatively low long-term rates of growth.¹¹ The last quarter of the past century, in particular, was characterized by stagnation, debt, hyperinflation, crisis and structural reform, as Bolivia was one of the countries in the region most affected by the debt crisis. Despite the hard times, social indicators improved significantly and the socio-economic index depicted the emergence of a group with greater well-being, which placed them in a middle-class position. The previous section showed that the urbanization process could explain some of these improvements but, to what extent was the State responsible for promoting development and well-being? Was the emergence of a middle class an intended consequence of public policy? If so, what were the relevant policy mechanisms?

This section aims to answer these questions by gauging the extent to which the State assisted the creation of the middle class, and whether this was a countrywide action or one biased towards certain groups and/or territories. To do so, the section explores changes in social policy and in the corresponding allocation of public resources since the last quarter of the last century.

The previous section showed how rural areas were perpetually disadvantaged in comparison to the urban areas. Acute disparities in the availability of public services point to a strong urban focus in public policy that, in turn, indicates a degree of correlation between the explanatory variables (i.e. migration and social policy). The exercise of analysing them independently, however, brings at least

¹⁰ For a detailed example of the case of Brazil see de Aragão (2010).

¹¹ For a long-term picture of the GDP and GDP per capita see Appendix 5.

three advantages to the study of the factors determining the emergence of the middle class. First, it helps to uncover specific patterns of migration, as well as their intensity and their speed. Second, it helps to disentangle structural from individual trajectories of socio-economic change. Third, it helps to expose which of these two forces have had the greatest impact on the creation of the middle class.

Prior to the adjustment and stabilization reforms of 1985, the centralized government allocated large amounts of resources to the major cities (especially La Paz for being the government hub) and some to the most dynamic and important mining centres (hence the large concentration of investment in production-related sectors) (Arauco, 2000; Baldivia Urdidinea, 2000; Faguet, 2012). In this respect Faguet (2002a) notes that, beyond a few regional capitals and provincial towns, ‘Bolivian local government existed only in name, as a ceremonial institution devoid of administrative capability and starved for funds’ (p.4).

Bolivia’s social situation during the crisis – roughly between 1980 and 1985 – can be described as one of high unemployment, deteriorated services, low private and public income, with extremely small fractions of the State’s resources directed to social spending (see Table 4.4). The lack of attention to the social arena, in turn, triggered further social problems. In education, for instance, low teachers’ salaries and a depreciation of the physical infrastructure lowered the quality of education (Antelo, 2000; Morales, 2002). In health, expenditure below 0.5 per cent of GDP resulted in a lack of access to first-level (i.e. the most basic) health facilities in rural areas and in an insufficient budget to cover people’s health attention demands (Landa & Esquivel, 1997). This all caused deterioration in the performance of social indicators in Bolivia, which were in general well below the region’s average (De Oliveira & Roberts, 1998).

Table 4.4. Fiscal priority of PSS
(Public Social Spending as a percentage of Public Total Spending)
(In percentages)

Year	Non-social	Social					
	Total	Total	Education	Health & social security	Housing & basic sanitation	Employment	Other social sectors
1980	65.42	34.58	21.22	10.1	0.46	0.18	2.62
1981	72.49	27.51	19.69	5.25	0.63	0.16	1.77
1982	70.77	26.23	23.69	3.45	0.42	0.13	1.53
1983	70.62	29.38	24.2	3.29	0.51	0.12	1.27
1984	69.56	30.44	25.28	3.32	0.21	0.15	1.49
1985	78.28	21.72	17.08	2.86	0.14	0.09	1.55

Source: Taken from Landa and Esquivel (1997, annex)

The economic, political, and social crisis that characterized the country in the first half of the 1980s created the need to rethink and promote a new development plan. The new strategy, based on an orthodox model of economic stabilization and on the implementation of structural reforms, had the aim of recovering economic growth, promoting equality, and encouraging a more rational use of natural resources (Antelo, 2000). Following this thinking, in August of 1985 the government launched a structural adjustment programme in order to put a halt to the critical situation in the country. Broadly speaking, the reforms were of two kinds: (i) short-term measures to recover macroeconomic stability; and (ii) medium- to long-term measures designed to transform the system of incentives for productive activities. In this sense, social policy was virtually absent from the agenda. With the implementation of the stabilization policy, embodied in the Supreme Decree 21060 and commonly known as the *Nueva Política Económica* (NPE, New Economic Policy), the previous development model based on a *state's capitalism* was abandoned (Antelo, 2000). In the new setting, the private sector was in charge of overseeing productive investments and the State's role was reduced to regulating the economy and safeguarding macroeconomic stability.

The short-term reform was aggressive in eliminating hyperinflation and restoring Bolivia's foreign solvency through a sharp decrease of the fiscal deficit. The immediate control of public finances precipitated a public-investment and public-wage freeze, a dramatic reduction in public sector employment, and the closure of several state enterprises. In this gloomy scenario, the few social actions implemented by the State were aimed at putting out the fires of a devastating adjustment programme, and did not come as part of a global social strategy.¹² Indeed, the most important achievement in the social realm was the mere inclusion of social concerns into the public debate. In the years that followed the reforms, Bolivia still belonged to the group of countries with the lowest social spending (i.e. less than 9 per cent of GDP) in Latin America, reaching a low point in 1986 of less than 2 per cent of GDP (Antelo, 2000; Mostajo, 2000). Table 4.5 disaggregates total, non-social, and social spending (as a percentage of GDP) for the 1980s.

Table 4.5. Macroeconomic priority of public spending
(Social Spending as a percentage of GDP)
(In percentages)

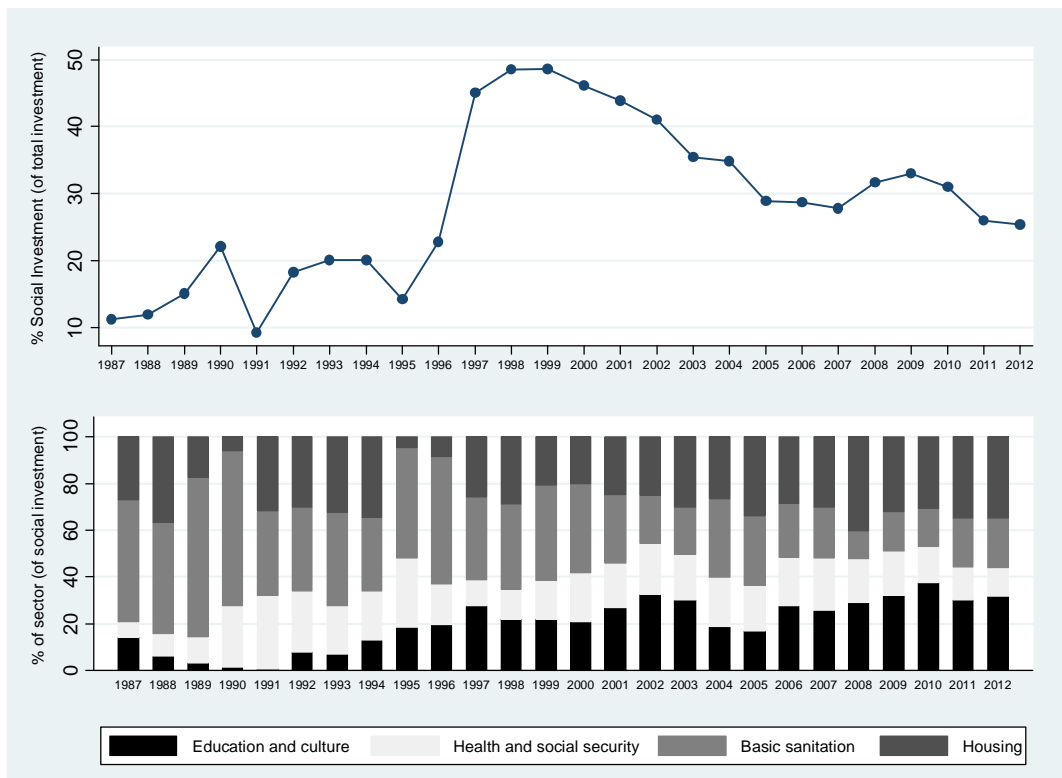
Year	Total	Non-social	Social					
		Total	Total	Education	Health & social security	Housing & sanitation	Employment	Other social sectors
1980	19.30	12.63	6.67	4.09	1.95	0.09	0.03	0.51
1981	15.81	11.46	4.35	3.11	0.83	0.10	0.03	0.28
1982	12.42	8.79	3.63	2.94	0.43	0.05	0.02	0.19
1983	13.01	9.19	3.82	3.15	0.43	0.07	0.02	0.16
1984	15.18	10.56	4.62	3.84	0.50	0.03	0.02	0.23
1985	13.38	10.47	2.91	2.29	0.38	0.02	0.01	0.21
1986	10.63	8.80	1.83	1.37	0.24	0.03	0.01	0.19
1987	12.57	8.87	3.70	2.31	1.03	0.03	0.16	0.18
1988	11.91	7.28	4.63	2.72	1.27	0.03	0.33	0.28
1989	11.94	6.97	4.97	3.08	1.49	0.02	0.17	0.21

Source: Taken from Landa and Esquivel (1997, annex)

¹² Since 1987, social spending displayed a timid recovery mainly due to the implementation of social assistance programmes, such as the Fondo Social de Emergencia (FSE, Emergency Social Fund). Designed under the premise of providing a bridge between adjustment and reactivation, the FSE was responsible for creating temporary employment and allocating resources to projects of high social impact. Ultimately, the FSE's goal was to cope with the thousands of relocated miners that sought employment in the cities after being made redundant due to the stabilization measure.

Only after 1990 – during the second phase of the structural adjustment programme – did the country look into implementing a national strategy for poverty reduction and prioritize the allocation of public resources to the social arena. In this vein, the government implemented diverse reforms and programmes amongst which the most notable were: popular participation, administrative decentralization, and education reform. These programmes had a powerful effect not only on where resources were allocated but also on the amount of public spending effected by the different public institutions (Antelo, 2000). Figure 4.5 displays the substantial change in social investment in the 1990s, especially after 1994 when the Law of Popular Participation came into effect. From being about 10 per cent of total public investment in the late 1980s, social investment reached almost 50 per cent only a decade later. Finally, it decreased significantly and stabilized at around 30 per cent in early twenty-first century.

Figure 4.5. Social investment (total and sectorial)
(in percentages)



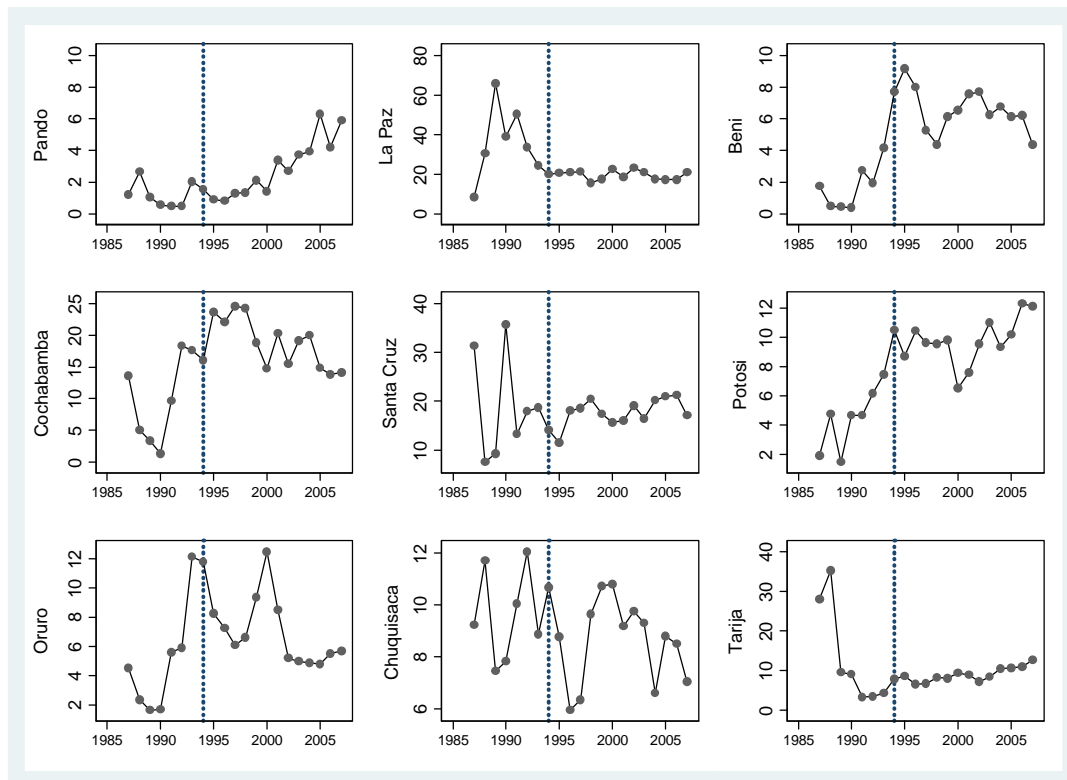
Source: Own elaboration based on UDAPE (2011) and complemented for the years 2008-2012 with UDAPE (2013).

The Law of Popular Participation,¹³ which provided the framework for the decentralization of decision-making in the country, provoked a profound transformation in the economic situation of the rural municipalities. Indeed, it represented the most extensive rural development reform since the Land Reform of 1953 (Tuschneider & Viaña, 2006). Buttressed by three prominent dimensions – (i) allocation of fiscal resources to prefectures, (ii) allocation of resources and granting fiscal autonomy to the municipalities, and (iii) the establishment of local-level institutions to promote participation in the political process – the Law transformed the spatial and social distribution of public funds. The previous

¹³ The process of decentralization in Bolivia is buttressed in the Law 1551 of Popular Participation, approved on 20 April 1994, and the Law 1654 of Administrative Decentralization of 28 July 1995.

allocation of resources that had favoured the cities in the economic ‘axis’ – especially La Paz and Santa Cruz, as illustrated in Figure 4.6 – was replaced by a system of transfers to municipal and departmental governments, assigned on the basis of population size and poverty headcount (Galindo & Medina, 1995; Tuscheneider & Viaña, 2006). Thus, while in 1992 roughly 72 per cent of public investment was allocated by the Central Government and local institutions had power to decide over only 2 per cent of the total investment, by the year 2002 the central government’s participation had been significantly reduced to 41 per cent and municipalities’ capacity to allocate investments had increased to 21 per cent (Faguet, 2012; UDAPE, 2011). While this represented an undeniably major transformation, the question of whether the decentralization reform affected the formation of the middle class remains.

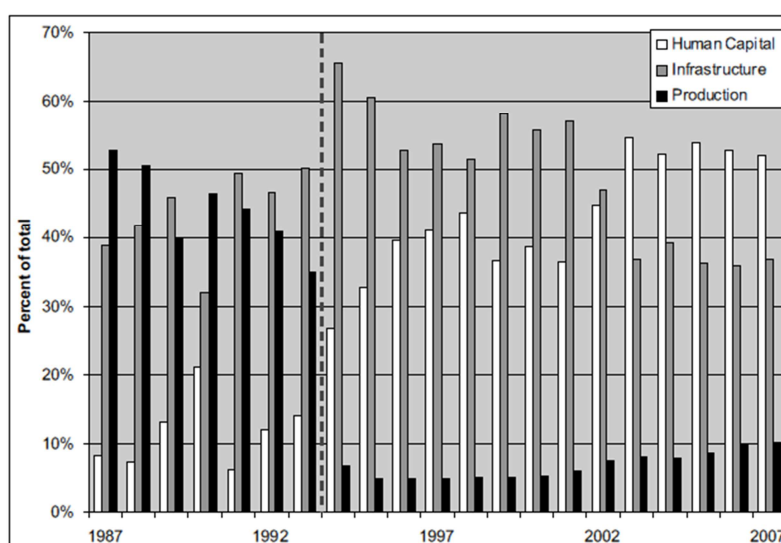
Figure 4.6. Departmental Social Investments, 1987–2007
(As percentage of national social investment)



Source: Own elaboration based on UDAPE (2011)

Despite the opening of new spaces for citizen participation, the social gains of the process of decentralization remain rather ambiguous. On the one hand, defenders of decentralization argue that the reforms not only changed the pattern of investment in response to local needs, but that these changes were driven by the smallest and poorest municipalities (Faguet, 2002b, 2012). More specifically, Faguet concludes that decentralization was associated with a shift of public investment from the production to the human capital sectors. This argument is illustrated in Figure 4.7. The sectors that were prioritized were water and sanitation, education, urban development and water management, which coincidentally respond to the small municipalities' greatest needs. Finally, the author contends that resources were allocated more equally across regions and were based on more responsive local governments (2002b, 2012).

Figure 4.7. Public investment by type, 1987–2007



Source: Taken from Faguet (2012, p. 21).

On the other hand, Inchauste (2009) argues that there is no strong evidence that increases in spending by municipalities had a significant impact on short-term social indicators (i.e. school enrolment, school attendance, access to electricity, improved attention of health problems, etc.). Furthermore, the author notes that

the decentralization system suffered from significant vertical imbalances and it tackled horizontal inequalities only partially.¹⁴ The prioritization of and over-investment in basic social service projects explains the emergence of idle capacities and low quality services, especially in the sectors of health and education.¹⁵

Following on from the previous discussion – and setting aside for the moment the debate on the equity in municipalities’ power to prioritize investment sectors – changes brought about by the decentralization process strongly suggest that the reconfiguration of investments, from productive to social sectors, affected the socio-economic levels of the population positively. Changes in the SEI in the period 1992–2011 described in the previous section coincided with the newly prioritized social investment sectors, in particular basic sanitation and education, which was further bolstered by the education reform examined in detail below. From this, it can be surmised, even if prematurely, that policy changes from the mid-1990s onwards also formed the bedrock of the formation of the middle class.

The Law of Education Reform, promulgated just months after the Law of Popular Participation in 1994, was created with the objective of establishing a universal, participatory, intercultural, pluri-lingual, and free public education system. Because the reform began after the process of decentralization, it recognized within its structure the new levels of territorial jurisdiction, and established mechanisms for participation in the decision-making process on education issues. Thus, whilst the reform objective was primarily the transformation of the curricula and the administration structure, it also attracted more funds as a consequence of popular deliberation.¹⁶

¹⁴ While, in the beginning, population size was a good criterion for distributing public resources, nowadays it is no longer an effective mechanism for addressing income inequalities and differences in revenue capacity between municipalities.

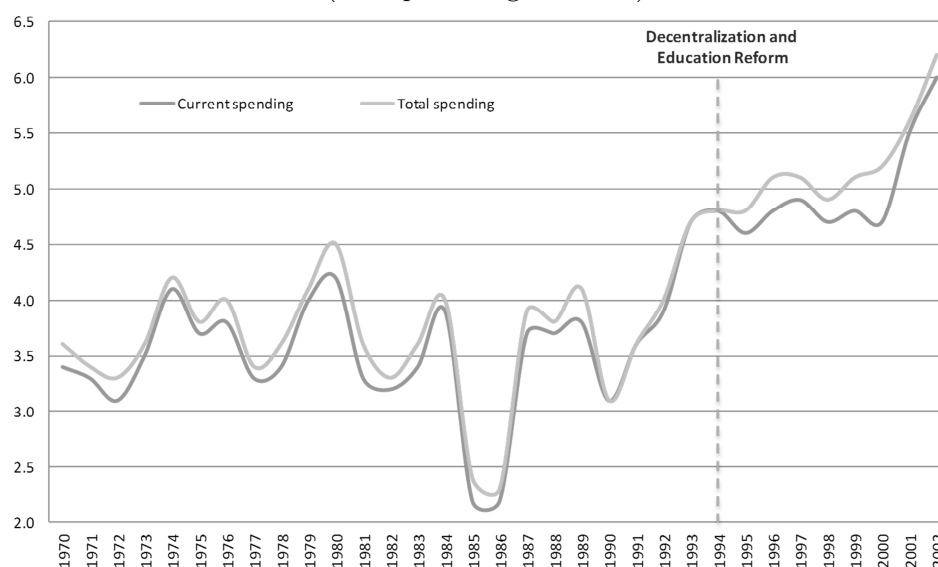
¹⁵ Additionally, some of the resources were assigned to current expenditure, especially those related to personnel wages.

¹⁶ The main reforms to the old education system happened along four axes: (i) the popular participation structure, which determined levels of organization in the communities and the

Figure 4.8 shows the trend in education spending as a percentage of the GDP after 1970. There are two notably different periods, one prior to and one post the structural reforms. The first period shows a rather erratic pattern, even in the 1970s when income was high in the country due to the export of raw materials. It should be noted that due to the lagged nature of the education component in the estimation of the SEI, the effects of investments in education are to be observed in a later period. That is, for instance, the erratic pattern of investment in the 1970s is reflected in the increase in the years of education from 2.5 to 3.2 of the employed population between 1992 and 2001. This fact reinforces the claim that improvements in the education are due to the demographic changes that occurred in the 1980s. The second period, on the contrary, exposes a sustained increase in total spending in education since the 1990s which is reflected in the remarkable increase in the years of education of the working population from 3.2 to 7.5 in the period 2001-2011. In line with my previous argument, this trend stresses the importance of the new institutional framework in improving the social and economic conditions of the population.

mechanisms of participation; (ii) the curricula organization structure, which defined not only the objectives, areas, and levels of the education system but also the learning methods to be used, language, and assistance; (iii) the curricula administration structure, which determined the objectives, the areas, and responsibilities in the administration of education activities; and (iv) pedagogical services and resource administration structure, which provided technical support to authorities and teaching personnel (Lizárraga, 2006).

Figure 4.8. Spending in education
(as a percentage of GDP)



Source: Own elaboration based on data gathered and presented by Lizárraga (2006).

Note. Spending in education includes Universities.

In summary, until the 1990s the allocation of public resources had a strong urban focus. The social, economic, and political crisis of 1985 did not modify this lack of attention to the social arena, at least not immediately. Instead, the role of the State was centred on stabilizing and boosting the economy through the implementation of a Structural Adjustment Programme that, in its initial phase, had no room for social concerns. As a result, social public spending was nearly non-existent. Only during the second phase of the Structural Adjustment Programme, with the implementation of a national strategy of poverty reduction and the subsequent decentralization of public resources, was the social aspect of development brought back to the national agenda. Whilst the effects of both the Decentralization and Popular Participation Reforms on the way in which resources were allocated are clear, the specific extent to which they had an impact on socio-economic gains vis-à-vis urbanization for the period from 1992 onwards remains ambiguous. In the next section I tackle this issue by decomposing socio-economic

gains into their explanatory factors for the period that has had the greatest change in terms of social policy, namely 1992–2001.

4.3.3 Decomposing socio-economic improvement

As explained previously, this section focuses on the period 1992–2001 in order to provide more specific information on the factors that explain socio-economic transformation in the country. The aim of this section is twofold. First, it aims to assess the extent to which urbanization and policy changes have contributed to improving the population’s socio-economic level. Thus, I return to the question ‘demography, public policy, or both?’ and provide a more precise answer about which of these factors trumps the other in pushing for socio-economic change in the country. Second, the section aims to shed light on the debate on the ultimate effects of decentralization – even if that is not the primary goal of my thesis.

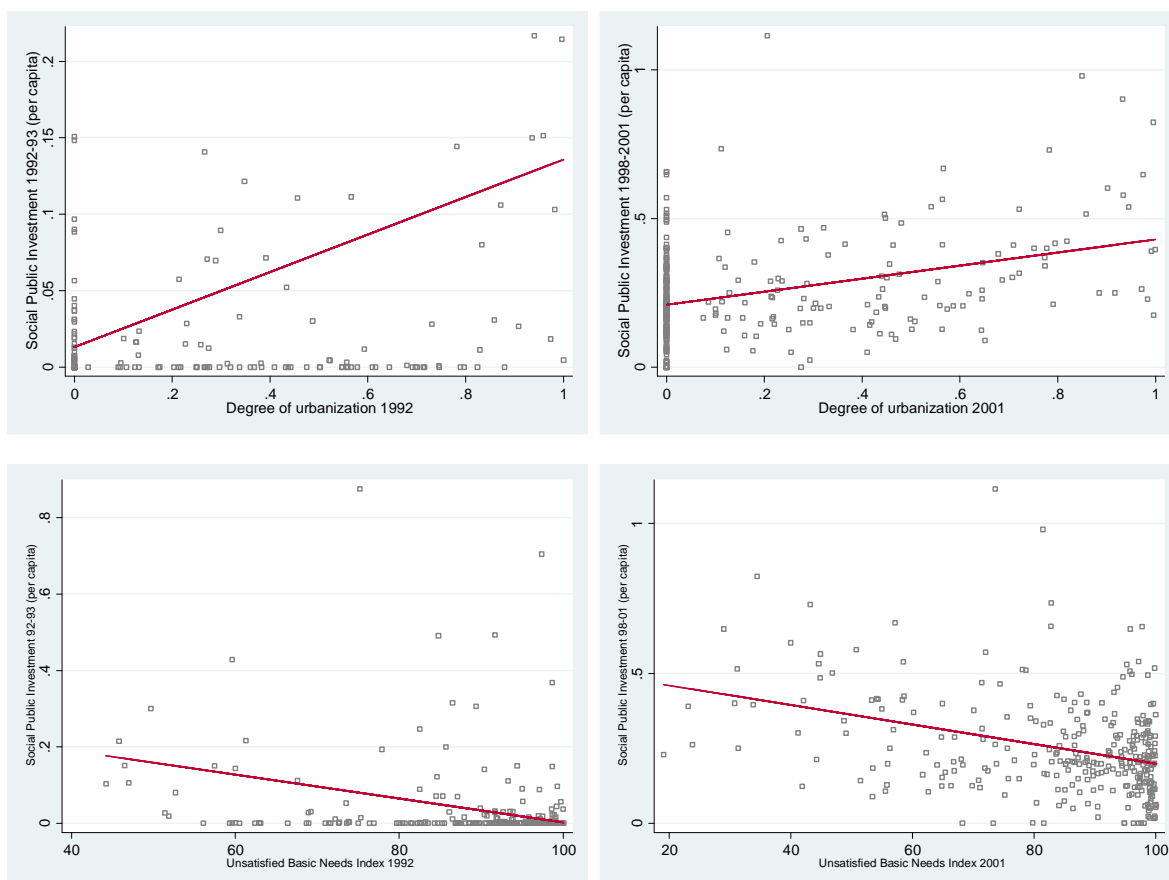
I elaborate an econometric model to deconstruct socio-economic improvements at the municipal level. The proposed model tests how much demography and municipal public policy contributed to socio-economic change between 1992 and 2001. The information used for the estimation comes from the National Censuses of 1992 and 2001 and a new dataset on municipal finances elaborated by Jean Paul Faguet for his book *Decentralization and Popular Democracy. Governance from below in Bolivia* (2012). The combination of both datasets permits the compilation of a municipal panel data file that contains information on socio-economic levels (SEI),¹⁷ demographic tendencies, and public resources for the period 1992–2001, which will make it possible to track changes before and after the Decentralization and Popular Participation reforms were implemented.

¹⁷ Panel data, also known as longitudinal data, refers to datasets that contain repeated observations for the same sampling units. In the case of this thesis, the units refer to the municipalities.

Apart from being the period when most changes in social policy occur, circumscribing the analysis to the inter-census period 1992-2001 – and not extending it to the year 2011 – warrants explanation. It primarily reflects the lack of representative municipal data in Household Surveys and the inaccessibility to National Census 2012, the only reliable source of demographic and housing conditions information at municipal levels. The latter inconvenience is explained by controversial headcount disagreements at the municipal level which led to continuous revisions of the data.

Before presenting the model, it is important to review in a more descriptive manner where public resources were allocated over time. For this purpose Figure 4.9 shows the trends in social spending before and after decentralization. The upper charts focus on degrees of urbanization, and the bottom on poverty levels (measured by the Unsatisfied Basic Needs Index). In addition, the slopes of the (fitted) red lines mark the level of concentration of social spending; the greater the slope, the more concentrated investment is in one of the comparison groups. Thus, the snapshots confirm that even though more resources were still being allocated to urban and richer municipalities in 2001, since 1994 social funds have been distributed more equally and in greater quantities to small, rural, and poorer municipalities. To put it differently, there was significantly more social spending after 1994, where there was virtually none before.

Figure 4.9. Social Investment, urbanization, and poverty at the municipal level



Does this mean that previously forgotten localities have improved their socio-economic situation in a similar way? The comparison of SEI for 1992 and 2001 seems to point to a positive answer. During this period, both rural and urban municipalities improved their socio-economic levels at comparable rates. This can be observed in Figure 4.10 where dots (each representing a municipality) are in their majority situated below the blue line, set at 45 degrees.¹⁸ Testing the differences in the average changes in the SEI for urban and rural municipalities (i.e. under the null hypothesis that the difference between the mean SEI improvements in 1992 and 2001 is zero) confirms this claim; the difference

¹⁸ Being below the 45-degree line means having a greater SEI in 2001 than in 1992, conversely positions above the line mean decreases in well-being.

between both areas is not statistically different from 0 (i.e. the t-test gives a p-value of 0.9802).

Figure 4.10. Changes in socio-economic level between 1992 and 2001 (at municipal level)



Note. The colours of the dots represent the shares of population that live in urban areas of the municipality. Orange >70% urban; Green >40% and <=70%; Red >5% and <=40%; and Grey <=5%.

Considering the previous information and assuming that socio-economic improvements at the municipal level respond to economic, social, demographic, and political aspects, changes in socio-economic status are determined by a function of the form:

$$\Delta SEI_i = f(MSize_i, MDem_i, PPInt_i, MGov_i, SEI_{92, i}) \quad (1)$$

where ΔSEI is the variation in the socio-economic index between 1992 and 2001 in municipality i , $MSize_i$ is a vector of the size of municipality i in terms of

population, $MDem_i$ is a vector of demographic characteristics including population growth, share of indigenous population, and variation in the degree of urbanization, $PPInt_i$ is a vector of policy interventions of the municipal government, $MGov_i$ represents other governability aspects of the municipality, and $SEI_{92,i}$ is the initial SEI level of municipality i . Following equation (1), socio-economic change is modelled as being determined by the following linear equation:

$$SEI_{2001}-SEI_{1992} = \alpha + \beta_1 SEI_{92} + \beta_2 MunA + \beta_3 MunB + \beta_4 MunC + \beta_5 popgrow + \beta_6 indi + \beta_7 Vurb + \beta_8 Sbbbtot + \beta_9 Urvitot + \beta_{10} Educatot + \beta_{11} Indgov + \varepsilon \quad (2)$$

Here, SEI_{92} is the variable of structural control. $MunA$, $MunB$, $MunC$ refer to the dichotomic variables that identify municipalities with less than 5,000 inhabitants, with a population between 5,000 and 15,000 inhabitants, and with a population between 15,000 and 45,000 inhabitants respectively. $MunD$ (municipalities with more than 45,000 inhabitants) was excluded for being the reference group. $Popgrow$ is the population growth rate between 1992 and 2001, $Indi$ is the proportion of indigenous population in each municipality, and $Vurb$ is the change in the share of population that lives in urban areas between 1992 and 2001. Policy interventions by the municipal government are represented by: $Sbbbtot$, which is the per capita public investment in basic sanitation; $Urvitot$, which is investment in urban development and housing; and $Educatot$, which is spending in education. Finally, $Indgov$ represents government aspects of each municipality and is proxied by UNDP's governability index. This indicator uses a principal component analysis to assess the impact of three elements: (i) number of processes controlled by the treasury inspector's office [*contraloría*], (ii) frequency of change of mayor in the municipality, and (iii) number of coalitions in the municipality board.

Table 4.6. Descriptive statistics
(Variables included in the model)

Variable	Mean	Std. Dev.	Min	Max
Δ SEI	0.066	0.028	-0.055	0.164
SEI in 1992	0.243	0.076	0.117	0.488
SEI in 2001	0.309	0.082	0.177	0.576
Mun A (pop <5,000)	0.286	0.453	0.000	1.000
Mun B (pop >5,000 and <15,000)	0.425	0.495	0.000	1.000
Mun C (pop >15,000 & < 45,000)	0.238	0.427	0.000	1.000
Mun D (pop >45,000)	0.051	0.220	0.000	1.000
Population growth (1992-2001)	0.243	0.315	-0.898	1.826
Indigenous peoples (proportion)	0.714	0.305	0.020	1.000
Growth of urban population	0.023	0.103	-0.502	0.686
Basic sanitation (pc investment)	0.102	0.108	0.000	0.635
Urban development and housing (pc investment)	0.160	0.115	0.002	1.036
Education (pc investment)	0.148	0.109	0.002	1.224
Governability index	0.544	0.261	0.100	0.900
<i>N</i>	<i>294</i>			

Table 4.6 presents a summary of the statistics of the different variables included in the model. On average, the socio-economic index increased by 0.07 from 1992 to 2001, which gave many municipalities the necessary push to belong to the middle strata in 2001. In terms of population growth, whilst the average increase was 25 per cent, some municipalities almost doubled their population (182 per cent increase) in less than a decade. This change of location happened at the expense of virtually ‘vacating’ other localities (-90 per cent). Shares of population that live in urban areas increased on average 2 per cent. Whilst this increment is rather unimpressive, the wide breadth suggest that some municipalities experienced strong urbanization and others strong ruralization. Variables related to social spending are expressed in per capita terms and in thousands of Bolivianos. The summary of statistics shows that on average, each municipality spent Bs.102, Bs.160, and Bs.148 per person in basic sanitation, urban development and housing, and education, respectively. Finally, dummy variables of municipality simply show that, in the sample (of 294 municipalities out of 314 municipalities that existed in 2001), 84 had an initial population of less than

5,000 in habitants, 125 had between 5,000 and 15,000 inhabitants, 70 had a population of 15,000 and 45,000, and 15 had more than 45,000 inhabitants.

Next, I present the main results based on the estimation of equation (2). Because the dependent variable is a difference ($SEI_{2001}-SEI_{1992}$), negative coefficients should be interpreted as changes below the average change in the SEI and, conversely, positive estimators as increments in well-being above the average. The next table shows five different specifications of the model.

Table 4.7. Regression on change in socio-economic level

VARIABLES	(1)	(2)	(3)	(4)	(5)
	ΔSEI	ΔSEI	ΔSEI	ΔSEI	ΔSEI
SEI in 1992	-0.054 ** (0.0270)	-0.067 ** (0.0278)	-0.078 *** (0.0295)	-0.083 *** (0.0304)	-0.081 *** (0.0306)
Municipality A (<i>pop < 5,000</i>)	-0.025 *** (0.0084)	-0.024 *** (0.0090)	-0.023 ** (0.0091)	-0.024 ** (0.0092)	-0.025 *** (0.0093)
Municipality B (<i>pop > 5,000 & < 15,000</i>)	-0.020 *** (0.0070)	-0.019 ** (0.0076)	-0.017 ** (0.0077)	-0.018 ** (0.0079)	-0.019 ** (0.0079)
Municipality C (<i>pop > 15,000 & < 45,000</i>)	-0.018 *** (0.0068)	-0.019 ** (0.0075)	-0.017 ** (0.0076)	-0.018 ** (0.0078)	-0.018 ** (0.0078)
Population growth	0.009 * (0.00546)	0.011 * (0.0056)	0.011 * (0.0057)	0.010 * (0.0056)	0.011 * (0.0055)
Indigenous peoples (<i>proportion</i>)	-0.026 *** (0.0057)	-0.024 *** (0.0057)	-0.024 *** (0.0057)	-0.025 *** (0.0059)	-0.025 *** (0.0060)
Growth urban pop.	0.037 *** (0.0138)	0.034 ** (0.0140)	0.033 ** (0.0140)	0.033 ** (0.0141)	0.032 ** (0.0142)
Basic sanitation (<i>pc investment</i>)		0.039 ** (0.0165)	0.037 ** (0.0167)	0.038 ** (0.0167)	0.038 ** (0.0165)
Urban dev. & housing (<i>pc investment</i>)			0.021 (0.0139)	0.021 (0.0139)	0.021 (0.0140)
Education (<i>pc investment</i>)				-0.016 (0.0179)	-0.017 (0.0178)
Governability index					0.007 (0.0063)
Constant	0.115 *** (0.0137)	0.113 *** (0.0142)	0.111 *** (0.0141)	0.116 *** (0.0158)	0.112 *** (0.0163)
Observations	294	294	294	294	294
R-squared	0.131	0.150	0.155	0.159	0.162

Robust standard errors in parentheses

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

The first specification, which controls solely for demographic and structural characteristics of the municipalities, shows that all variables with the exception of the population growth rate are statistically significant in explaining socio-economic changes. Furthermore, they all present the expected signs. In particular, municipalities with larger populations in 1992 and with greater increases in their urban populations improved their socio-economic well-being at a rate above the average. On the contrary, municipalities with greater presence of an indigenous population improved their situations less than the total average. Interestingly, the sign of the variable of structural control (SEI_{92}) suggests that most of the changes in SEI occurred at the bottom of the distribution. This means that municipalities with a lower initial SEI (SEI_{92}) had greater well-being improvements. This is a common behaviour in socio-economic measures, showing that access to public services as improvements in areas where the services are already existent are more difficult to attain and ultimately will depend on improvements in the quality of the service (as mentioned earlier in section 4.2).

The inclusion of the variables related to public policy in specifications (2) (3) and (4) makes evident the high degree of influence that social investment has in improving socio-economic levels. This is true for social investments in basic sanitation and urban development and housing (though the latter is not statistically significant) in determining socio-economic change above the overall average. It is noteworthy that investment in education, contrarily to the other investment variables, has a negative sign, implying a change below the average. As explained previously, spending on education is deemed irrelevant in explaining immediate socio-economic change. That is, the effects of the investments in education in the period 1992–2001 can be observed only later, in a period that this exercise does not cover.¹⁹ Finally, the variable related to the governability of

¹⁹ Testing the effect that investments on education has on the SEI requires of a lagged variable (i.e. investment on previous periods). This, however, is not possible due to data limitations. Not only municipalities had no registration of public finances, but only 117 municipalities existed

the municipality – included in specification (5) – is not statistically significant, meaning that it is not significantly associated with socio-economic improvement.

The most important story that arises from this analysis is that both urbanization and public social spending, especially that in basic sanitation and in urban development and housing, seemed to exert a significant influence on socio-economic improvement across all regions between 1992 and 2001. In order to stretch the argument further, the following table presents the relative participation of each variable in SEI changes.²⁰

Table 4.8. Relative participation of variables in socio-economic change

	Rel Impact (Coef*Mean)	Rel Impact (SD of Δ SEI)
SEI in 1992	-0.020	-0.220
Municipality A (<i>pop < 5,000</i>)	-0.007	-0.406
Municipality B <i>pop > 5,000 & < 15,000</i>	-0.008	-0.332
Municipality C (<i>pop > 15,000 & < 45,000</i>)	-0.004	-0.275
Population growth	0.003	0.121
Indigenous peoples (<i>proportion</i>)	-0.018	-0.268
Growth urban pop.	0.001	0.117
Basic sanitation (<i>pc investment</i>)	0.004	0.145
Urban dev. & housing (<i>pc investment</i>)	0.003	0.085
Education (<i>pc investment</i>)	-0.002	-0.064
Governability index	0.004	0.064

prior to the promulgation of the Law of Popular Participation, when 198 new municipalities were created and the existing ones were expanded to include suburbs and surrounding rural areas.

²⁰ Relative changes are estimated by multiplying the estimated coefficient by the mean value of the variable.

Analysing the effects of each factor on SEI changes (or Δ SEI) shows that one point increase in the initial SEI (in 1992) resulted in about -0.22 standard deviation (SD hereafter) in Δ SEI. Municipality size also affected considerably the extent of the change in the SEI, being the smaller of the municipalities the ones with lesser socio-economic gains. Municipalities with less than 5,000 inhabitants, for instance, resulted in about -0.41 SD of Δ SEI in relation to the reference group (composed of municipalities with more than 45,000 inhabitants). Negative SDs became smaller as municipalities' populations increased. These results are explained by the fact that since the decentralization reform public resources were assigned on a population headcount basis. This is further reflected in the positive effect of the population growth between 1992 and 2001, where one percentage point increase in population increased Δ SEI in 0.12 SD. Most importantly for this section's aim, the figures reveal that greater public spending in basic sanitation and urban development (though not statistically significant) had a greater impact in socio-economic improvement than urbanization. Specifically, the results show that an investment increase of one Bolivian Boliviano in basic sanitation creates a positive impact of 0.15 SD in Δ SEI and in urban development and housing increased Δ SEI in 0.09 SD. The magnitude for a one percent increase in urban population at the municipal level, in turn, increased Δ SEI by 0.12 SD. In this sense, whilst changes in SEI in the period 1992–2001 are due to both demographic and public policy interventions, the latter seems to have been the most important in driving socio-economic change.

4.4 Conclusions

The story of socio-economic change in Bolivia is one of limited, segmented, and heterogeneous progress. Since 1976 Bolivia's well-being has increased in a way that has provoked the emergence of middle groups, largely sustained by a pattern of vertical social mobility. This transformation was based as much on significant

progress in the economic capacity of the households as on elements related to access to basic services. Although the periodization is done in relation to census years, the exercise has served to uncover two different trajectories of well-being improvement: those that occurred as part of improvements in access to public services, and those that happened due to changes in the conditions of labour and education.

An overarching conclusion that arises from the analysis is that the emergence of the middle class resulted from an upward movement by the lowest groups of the distribution. The comparative analysis of the socio-economic attributes of the middle class vis-à-vis those of the upper and lower classes, examined in detail in Chapter 3, reveals that this segment differs from the lower strata mainly in its opportunities to access services. On the other hand, differences between the middle class and the rich are fundamentally connected to the power given by having more economic capacity. It is worth noticing that the great variability in the socio-economic components suggests that the middle class cannot be treated as one homogeneous group, but rather as one with different levels of well-being and highly heterogeneous living conditions.

Coupling the previous results with the temporal analysis of the SEI components, points to three possible trajectories for socio-economic improvements (in the making of the middle class): one that is institutional and dependent on effective social policies to improve the population well-being; another that is individual, based purely on people's strategies to improve their social and economic standing; and a third that could be a combination of both trajectories. In order to examine this proposition, this chapter tested the contribution and interaction of: (i) people's strategies to improve their situation by getting closer (i.e. migrating) to spaces favoured by state policies (i.e. with better services, education and labour climates) and (ii) institutional changes aimed at providing better services, labour, and education to the population.

The study of the urbanization process suggests that greater well-being was mainly a product of demographic shifts; especially those that occurred between 1976 and 1992. During this period, the urban-focus of public policies, a national stabilization programme bereft of a social development strategy, the consequent abysmal differences in social indicators between rural and urban areas, together with the radical shifts in the rural-urban balance, support the argument that progress was acquired by urbanization. During the period 1992–2001, which coincides with the second phase of structural adjustment, the drivers seem connected to a less drastic urbanization process and a more efficient national framework for allocating resources in both rural and urban areas of the country in response to social need. However, focusing on the emergence of an *urban* middle class, the genesis seems to be located in the demographic shifts of the former period.

Data limitations have not allowed the factors that explain socio-economic improvement in the last decade to be unravelled. However, temporal views of the components of the SEI, in Table 4.1, show that quality-related components and economic capacity increasingly gained relevance. This suggests that once a basic platform to enter into the middle class has been achieved (through urbanization and better public policies) subsequent SEI improvements depend increasingly on the ability of individuals to access the better quality goods and services that are a distinctive indicator of middle classes.

Chapter 5

From rural workers to successful merchants: the making of the socio-occupational profile of middle-class individuals

5.1 Introduction

Occupation profile is a crucial aspect to look at when examining the nature of the middle class. Traditionally seen as dynamic entrepreneurs armed with capacity and tolerance for delayed gratification, middle-class individuals have been considered to be the engine behind productivity growth and the creation of employment in society (Acemoglu & Zilibotti, 1997; Doepke & Zilibotti, 2005, 2007; Ordeñana & Arteaga, 2012). In a recent study, however, Banerjee and Duflo (2008) have painted a different portrait of middle classes in developing countries. According to the authors, ‘nothing seems more middle class than the fact of having a steady well-paying job. While there are many petty entrepreneurs among the middle class, most of them do not seem to be capitalists in waiting [...] If the middle class matters for growth, it is probably not because of its entrepreneurial spirit’ (p.26). How does this story fit the Bolivian context? What do middle-class individuals in Bolivia do? How do they earn their living? And, more importantly, what are the occupational trajectories that allowed them to reach a middle-class status?

This chapter aims to answer the questions posed above by providing a long-term view of the transformations of the labour market's structure before and after the adoption of the neoliberal model in the mid-1980s and by inspecting middle-class individuals' occupational histories. Given that labour markets in rural and urban areas follow different logics, and acknowledging the importance of urbanization in the formation of the middle class, the analysis in this chapter will be limited to urban areas only.

The chapter is organized in five sections. Section 5.2 examines the socio-economic stratification of the working population in the period 1976–2011 using the National Censuses and Household Survey data. This approach allows us to visualize not only a productive transformation but also an important process of *occupational mobility* in the making of the current profile of the middle class.¹ Section 5.3 then complements this by looking at intra- and inter-generational occupational mobility tables and, thus, sheds light on the specific occupational trajectories that shaped the contemporary middle-class profile. In Section 5.4 I present qualitative information on the life stories of middle class individuals in El Alto, examining the different occupational channels that shaped labour market relations. Finally, in Section 5.5 I summarise the results of the chapter and provide concluding remarks.

5.2 The change of development models and its effects on labour market relations in Bolivia

As Latin America shifted from the ISI development model to a neoliberal one in the last two decades of the twentieth century, social scientists became interested in assessing the consequences of this change for the structure of labour. Chapter 2 discussed how early studies of social change and socio-occupational stratification in the region followed the somewhat optimistic view offered by the

¹ In this chapter I use the term 'occupational mobility' to denote changes in membership to occupational categories, and not to imply that there has been a change in individuals' social class position.

modernization/industrialization perspective during the ISI model – especially in relation to the creation of the middle class. The neoliberal model, on the other hand, was viewed to have had a contrasting effect, undermining the middle class by worsening the social conditions and enlarging the part of the population engaged in informal and precarious activities. This section analyses the changes in Bolivia’s labour structure since the adoption of the neoliberal model and links these with the emergence of the middle class, as defined in previous chapters on the basis of the SEI.

In essence, an emphasis on fiscal austerity, the strong promotion of labour flexibility, trade liberalization, and the poor capacity of public institutions to design sectorial policies according to the new development model, affected the occupational landscape of the country as a whole. One of the most direct consequences on the structure of labour of the country’s transition to the neoliberal model was, arguably, a sharp contraction of the two sectors that employed the largest amount of population: mining and agriculture (both rural activities).² To begin with the closure of the State’s mining company *Cooperación Minera de Bolivia* (COMIBOL, Mining Corporation of Bolivia) – spurred by the collapse of tin prices – resulted in the layoff of approximately 25,000 mine workers between 1985 and 1989 (J. Espinoza, 2010).³ On this point, Gill (1997) narrates that ‘the neoliberal reforms deprived them of much more than a job; their entire way of life in remote highland mining centres was devastated, and if people were to have any future at all, they had to create it for themselves in distant cities and regions’ (p. 294). In addition, in the agricultural sector, a rapid increase in imports – due to the lifting of trade protection measures – together with the peasants’ incapacity to respond to the new market stimuli and develop a new agriculture

² In 1975 both sectors employed about 63 per cent of the total working population in Bolivia (Terrazas, 1979).

³ This figure represents about 82 per cent of the total personnel working in COMIBOL (J. Espinoza, 2010).

system, wiped out small farmers' production surplus.⁴ In this way, peasants too turned to migration as a way to find better work opportunities and improve their quality of life (as observed in the previous chapter) (Wanderley, 2009).

In the urban areas, the most notorious effect of the neoliberal policies was the sharp contraction in public sector employment. Based on the 1996 National Survey of Employment, Grossman (2000) shows that between 1985 and 1997, the share of public employment in total urban employment decreased from 26 per cent to 12 per cent. As these losses were not offset by newly created jobs in the salaried private sector, the urban labour market faced an excess of labour coming from both migrants from rural areas and from within the cities themselves. Naturally, this situation soon translated into high unemployment rates, which peaked in 1987 at approximately 20 per cent (Muriel & Jemio, 2008). Individuals, in turn, responded to the lack of jobs by creating their own sources of employment, which resulted in a rapid increase in the levels of informality and underemployment (Antelo, 2000). Increasingly precarious labour conditions in the cities were largely a result of Supreme Decree 21060,⁵ which reintroduced flexible hiring arrangements and free negotiation of wages between firms and workers, thus undermining all previous safeguards for labour stability (Antelo, 2000; Wanderley, 2009).

The previous account somewhat follows the line of argument posed by the literature on socio-occupational mobility in Latin America presented in Chapter 2. To recapitulate some of the claims raised by authors such as Portes and Hoffman (2003) and León and Martínez (2001), the *petty bourgeoisie* – defined in the regional context as being represented by micro-entrepreneurialism and marginal self-employment – was one of the groups that experienced the greatest growth

⁴ Small agriculture employed about 60 per cent of the population. Business agriculture, on the contrary, barely employed 3 per cent of the population (Terrazas, 1979; Wanderley, 2009). Differently from peasant/small agriculture, large-scale agriculture reacted almost immediately to the new market demands by establishing an agricultural development model based on oilseeds production (Crespo Valdivia, 2000).

⁵ Supreme Decree 21060 introduced a New Economic Policy in the country and with it the lineaments of the neoliberal model.

following the implementation of the neoliberal measures. The size of the group increased significantly as it absorbed salaried professionals, skilled workers, and public servants displaced by the neoliberal measures. Thus, according to this analysis, the most immediate effect experienced in urban areas was a downward socio-occupational mobility given that in such literature occupations represent power, status, and economic level. The other group that experienced large growth, the *informal proletariat*, sheltered formal workers expelled from a modern industrial sector ‘ravaged by cheap imports under the new “open markets” doctrine’ (Portes, 2010, p. 108).⁶ Given that the informal proletariat represented the bottom of the class structure, the transition from formal to informal working conditions also represented a downward mobility pattern (see Chapter 2 for a full description of the socio-occupational structure in Latin America).

Adopting a longer-term socio-economic view, however, reveals a different story. Rising well-being levels and the emergence of a middle class (as noted in Chapter 4) suggest an opposing mobility trend. Thus, moving the argument forward, this chapter focuses on tracking long-term upward mobility trajectories by combining socio-economic levels and socio-occupational profiles.

Socio-occupational stratification requires specific criteria for grouping occupations into sorted categories. In Bolivia, as in the rest of Latin America, where capitalist and non-capitalist labour relations coexist, this is especially challenging. This chapter follows Kelley’s categorization, which makes use of the International Labour Office’s (ILO) International Standard Classification of Occupations (ISCO) and a *status score* to create an occupational scale that proved applicable to both developed and developing countries (Kelley, 1990).⁷ There are a number of advantages to adopting Kelley’s classification: (i) by using ISCO, the

⁶ The informal proletariat is defined as the group composed of own account workers (minus professionals and technicians), unpaid family workers, domestic servants, and waged workers in industry, services, and agriculture without any legal protection (Portes & Hoffman, 2003).

⁷ Kelley’s study is one of the few that includes Bolivia in the analysis. Data came from a nationally representative sample and a local sample (N=1,125 collected in 1965).

categorization includes complete occupational data that is easily harmonized across different surveys; (ii) the classification takes into consideration the particular situation of informal-sector workers (in a broad sense of the concept); (iii) it yields an intuitive typology whereby any given occupation is readily assigned to a particular group. Table 5.1 provides a full description of each of the occupational categories considered in this chapter.

Table 5.1: Occupational classification

1. Higher professionals	Includes lawyers, doctors, dentists, pilots, engineers, accountants, academics, secondary school teachers, economists, etc.
2. Administrators and managers	Includes managing directors of companies, sales managers, bank managers, parliamentarians, high ranking bureaucrats, etc.
3. Technical employees	Includes computer programmers, nurses, primary school teachers, librarians, artists, social workers, etc.
4. Higher clerical employees	Includes clerks, secretaries, book keepers, bank tellers, etc.
5. Higher sales employees	Includes owners of retail stores, sales representatives, insurance agents, wholesale managers, etc.
6. Routine clerical workers	Includes filing clerks, postal clerks, telephone operators, other office machine operators, etc.
7. Routine sales workers	Includes shop assistants, sales clerks, hawkers, street vendors, etc.
8. Skilled manual workers	Includes mechanics, machinists, master, craftsmen (textile, electricians, television, repairmen, locomotive drivers, etc.
9. Skilled service workers	Includes: restaurant managers, policemen, cooks, hairdressers, hotel managers, firemen, detectives, etc.
10. Ordinary semi-skilled workers	Includes carpenters, plumbers, sheet metal workers, drivers, painters, and decorators, bricklayers, builders, welders, miners, etc.
11. Unskilled service workers	Includes waiters, bartenders, cleaners, domestic workers, etc.
12. Unskilled manual workers	Includes all labourers (except for agricultural), porters, garbage collectors, etc.
13. Farmers/ fishers/ hunters	Includes farm/ fisheries owners, farmers, fishers, hunters working at industrial size, etc.
14. Farm/ fishing/ forestry labourers	Includes farm/fishery/forestry workers, tractor drivers, fishermen, boat drivers, etc.

Note. Census 1976 - Occupations disaggregated at 4 digits. Census 1992 - Occupations disaggregated at 3 digits which, while giving enough precision, fail to account for specific subtleties; therefore, these categories should be looked at with caution. Census 2001 – Occupations disaggregated at 6 digits. Household Survey 2011 – Occupations disaggregated at 4 digits. All occupations related to athletes and sportsmen, as well those related to the armed forces were omitted from the classification for surveys.

The distribution of the working population around the occupational groups for each National Census available since 1976 and for the 2011 Household Survey is presented in Table 5.2. The four time-pins allow us to compare the situation of the labour market before and after the change in the development model. According to the figures, changes in the overall occupational distributions occurred along three marked lines: (i) increase in the number of professionals, which expresses the slow but constant expansion of education opportunities for social sectors that were previously denied; (ii) growth in the size of routine sales workers; and (iii) decrease in the proportion of farmers and farming labourers. The latter two trends suggest not only a geographical but also an inter-sectorial migration motivated by the relative ease of entry into retail commerce and service-related occupations, which require less investment and knowledge and allow greater control over returns.

Table 5.2. Occupational categories in Bolivia, 1976–2011
(% of total working population aged 25 and older)

	1976	1992	2001	2011
Professionals	3.15	3.87	6.26	7.19
Administrators and managers	0.64	2.15	2.24	1.87
Technical employees	4.69	7.47	6.68	8.65
Higher clerical employees	3.35	3.89	2.74	2.38
Higher sales employees	6.31	0.32	0.38	0.75
Routine clerical employees	0.72	0.39	0.34	0.86
Routine sales workers	0.86	10.09	13.08	13.95
Skilled manual workers	8.14	6.04	7.84	2.34
Skilled service workers	1.33	1.9	4.66	1.56
Ordinary semi-skilled workers	14.98	17.27	17.41	19.95
Un-skilled service workers	3.1	4.81	6.64	6.94
Un-skilled manual workers	2.83	1.43	0.62	4.38
Farmers/fishers/hunters	4.41	3.36	2.59	1.25
Farm/ fishing/ forestry labourers	45.48	37.01	28.51	27.94

Source: Own elaboration based on National Census information of 1976, 1992, 2001, and Household Survey 2011.

How do occupational categories map onto socio-economic index groups? Or, put differently, what is the relationship between socio-occupational categories and

socio-economic groups/levels? A contingency table using both variables reveals the dominance of agricultural activities at the bottom of the distribution in the four years analysed.⁸ On average, 70 per cent of the working population in the three bottom SEI groups are labourers working in farming, forestry, and fishing. The two top socio-economic groups, however, were dominated by professionals and technical employees in the years 1976 and 1992 (75 per cent on average) and started opening up to individuals involved in commercial activities for the years 2001 and 2011.

Occupational trajectories take a different form in the middle class (SEI Groups IV–VIII). Figure 5.1 shows distributions for urban areas in the years 1992, 2001 and 2011 for each of the middle SEI groups. Each SEI group adds up to 100 per cent. Therefore, each single graph shows the distribution of urban occupations in each middle SEI group in a given year. Thus, for instance, in 1992 6.3 per cent of Group IV (the lowest/vulnerable bound of the middle socio-economic class) were employed as farming labourers, in 2011 the proportion had increased to almost 15 per cent.⁹

Even though proportions vary according to socio-economic level, there are arguably four groups that characterize the middle class: semi-skilled workers, routine sales workers, technical employees, and professionals.¹⁰ To being with, the group of semi-skilled workers, which includes workers in transport, construction, mining, carpenters, plumbers, and sheet-metal workers among others, is the most important employer in the three bottom groups of the middle strata (Groups IV, V, and VI). In 2011, this group employed about 40 per cent of SEI Groups IV and

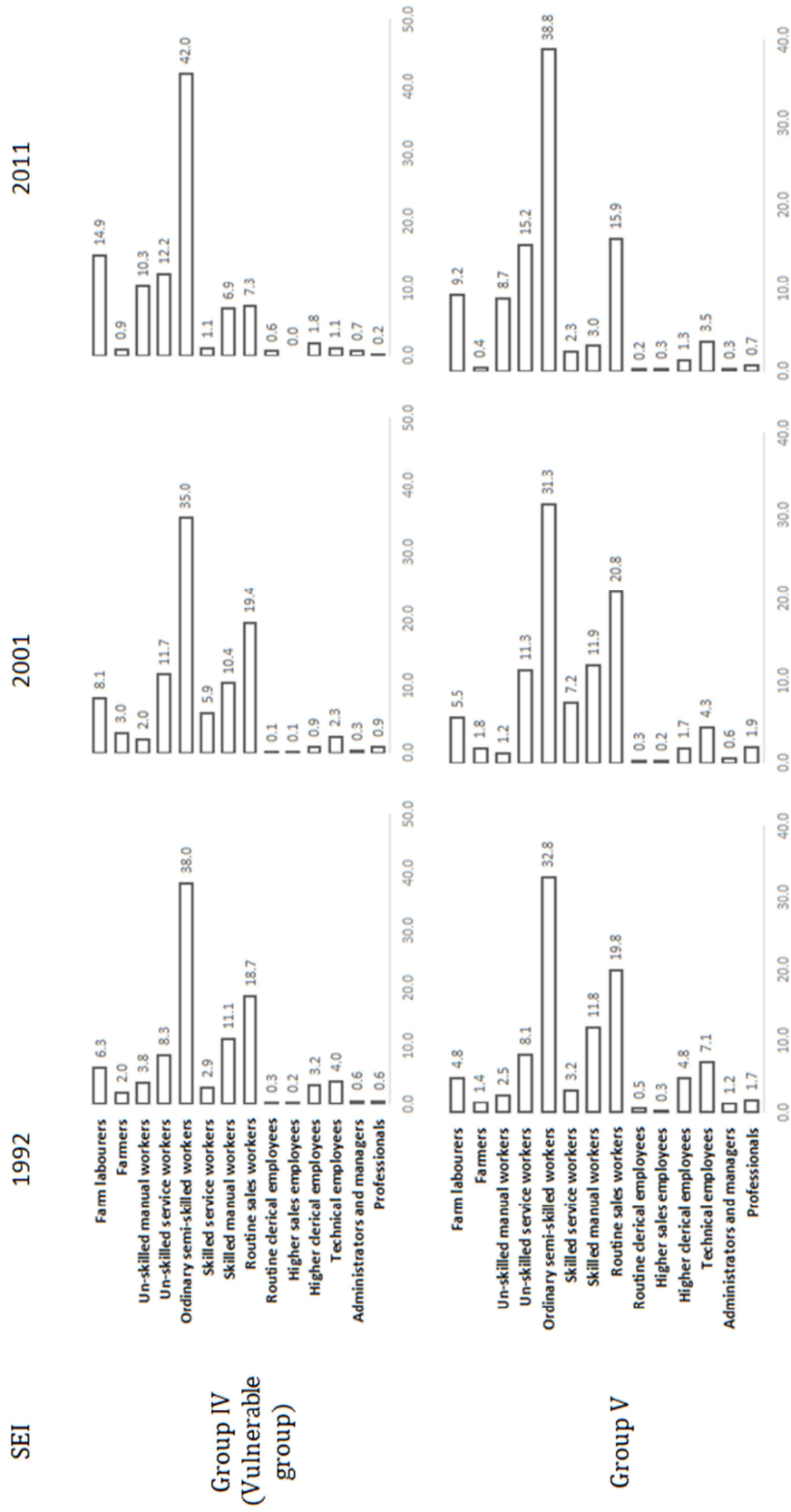
⁸ See Appendix 7 for a complete picture of how each SEI group is composed in terms of occupational categories.

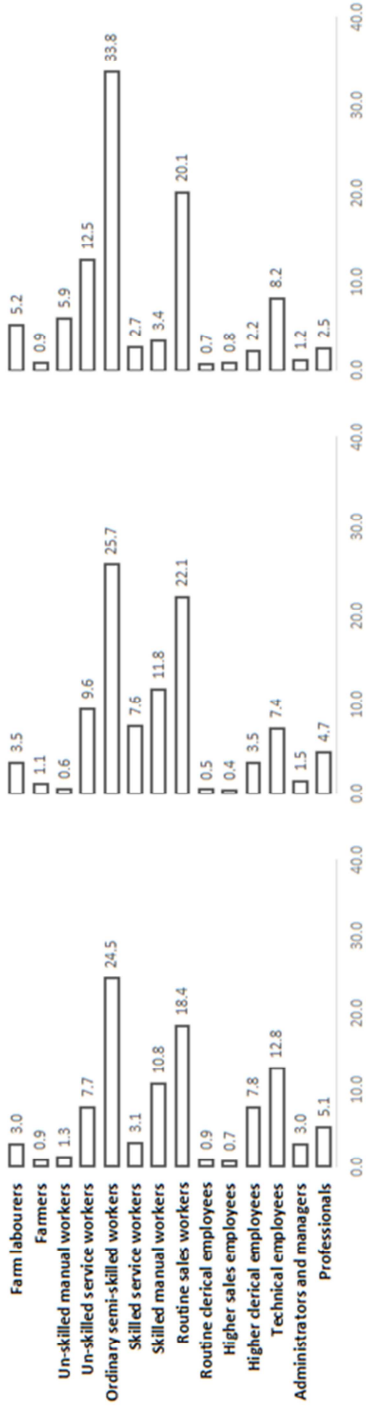
⁹ The presence and enlargement of the group of farming labourers in urban areas could be explained by two factors. First, the timing of the survey could have coincided with harvest time, therefore farming was considered by the respondents the main occupation in the week previous to the survey interview. Second, individuals increasingly hold more than one occupation, and it is common practice for previous migrants to move between the city and their original towns where not only they hold assets and land, but have families.

¹⁰ See Appendix 9 for an aggregated graph of the occupational categories that make the middle class.

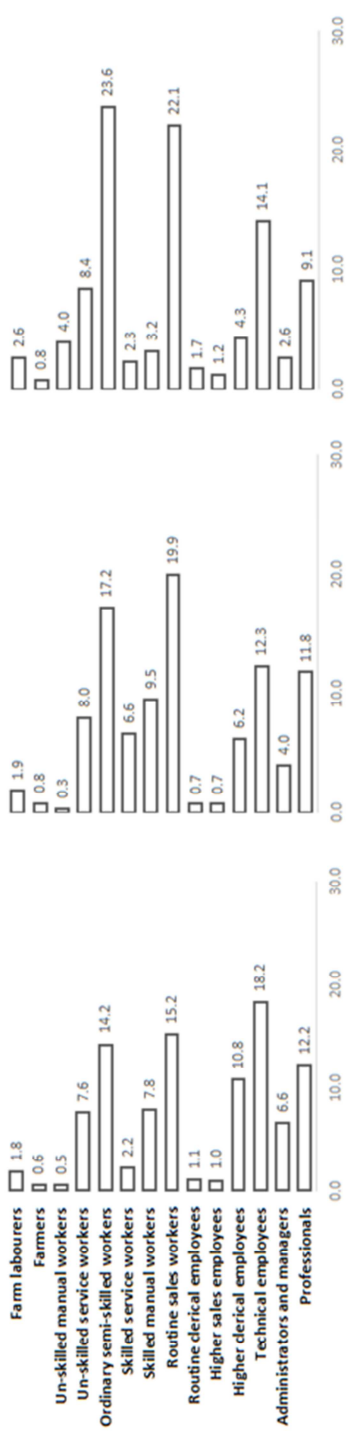
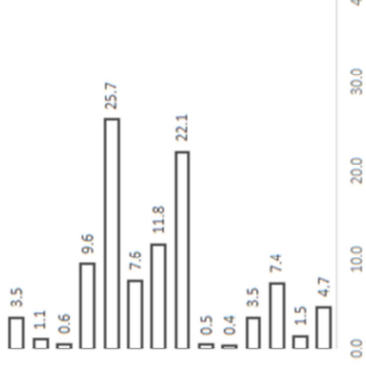
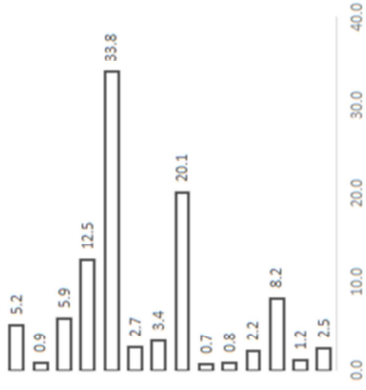
V. Trends in commercial activities, on the other hand, show an initial growth for all socio-economic groups, however, the tendency reverts between 2001 and 2011 for the three bottom SEI groups. Together with the temporal trends described previously, this suggests that while commerce was a refuge sector for agricultural workers migrating to the cities, it provided individuals with wealth and capital that pushed them into the top socio-economic groups of the middle strata. Finally, another visible trend is the growing importance of professionals and technical employees in the top groups, accounting for almost 40 per cent of Group VIII in 2011. In sum, the exercise of combining socio-economic level and occupational categories shows the lower socio-economic middle-class to be composed of semi-skilled workers, the middle middle-class dominated by workers in sales activities, and the top middle-class as composed of professionals, technical employees, and sales workers.

Figure 5.1. Occupational categories in the middle SEI groups, urban areas
(Working population aged 25 and over)

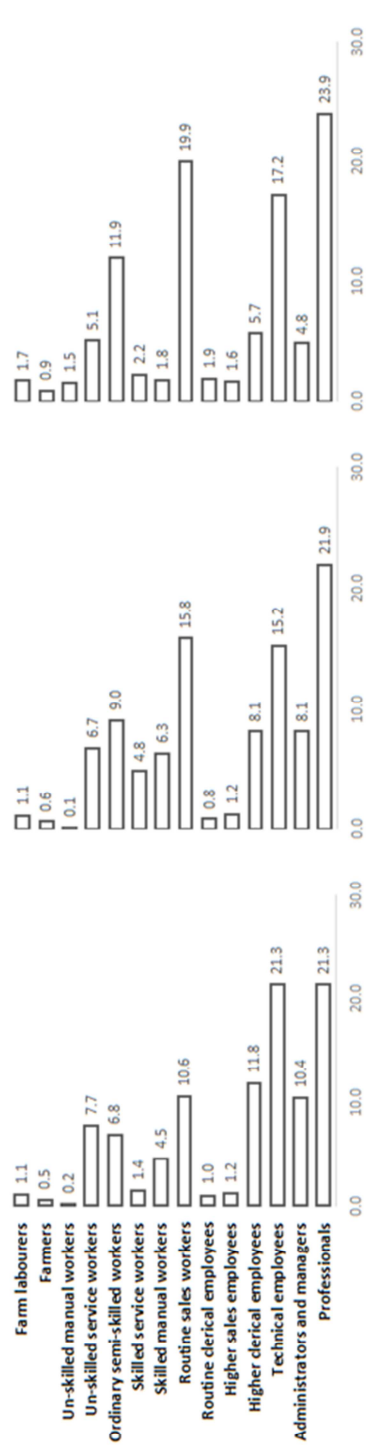
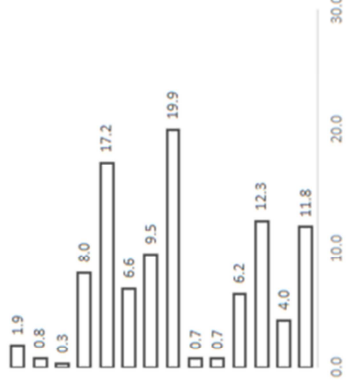
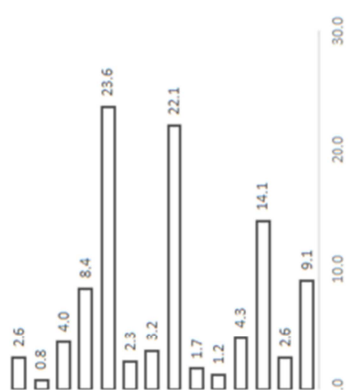




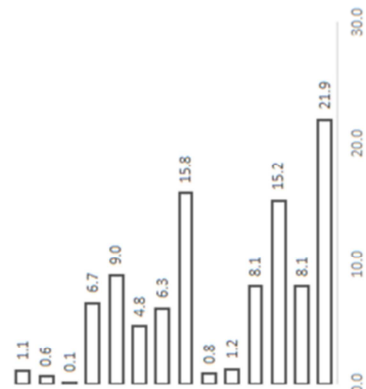
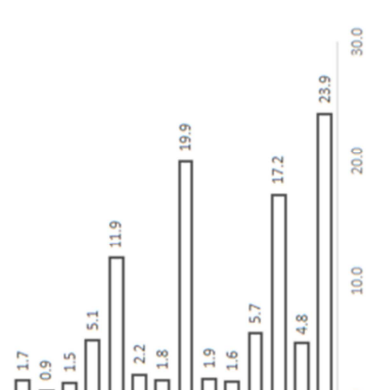
Group VI



Group VII



Group VIII



This section has provided an overall analysis of changes in the labour market since 1976 and an initial overview of the occupational composition of the middle class. However, further exploration is necessary to identify the specific direction and weight of the occupational trajectories that shaped middle-class individuals' profiles. In the following sections, I focus on analysing inter- and intra-generational occupational mobility patterns; namely, those that occurred between and within generations.

5.3 Explaining occupational trajectories: inter- and intra-generational occupational mobility tables

The study of occupational mobility gains particular importance where there have been great transformations in the labour market, as happened in Bolivia. A longitudinal view of the socio-occupational structure, examined in the previous section, shows that since the 1970s tertiary activities (both skilled and un-skilled) have become emblematic of the middle class. This transformation suggests a movement from rural agricultural activities – which predominate at the base of the socio-economic distribution – to semi-skilled, commercial, and technical and professional occupations – which predominate in the middle. What remains uncertain, however, is whether these transformations happened within one or more generations. In other words, have middle-class individuals seen their work situation radically changed from that of a previous generation? When did the big movement take place? To tackle these questions, this section will focus on tracing the specific occupational trajectories that middle-class individuals followed during their lifetime (intra-generational mobility) and in relation to their parents (inter-generational mobility).

The analysis makes use of the *Encuesta Nacional sobre Movilidad y Estratificación Social 2009* (EMES, National Survey on Social Mobility and Stratification). This is a unique data set that contains individuals' occupational history (i.e. parents'

occupation, first occupation, and current occupation) as well as the necessary information to replicate the estimation of the Socio-Economic Index. All occupations in the survey (i.e. parents' and respondents') were coded in detail and disaggregated at five digits using the ISCO-2008, allowing me to estimate the occupational categories in a similar way to that in the previous section.¹¹

5.3.1 Inter-generational occupational trajectories

Inter-generational mobility compares the socio-occupational categories of the respondent's *destination* with their parents' *origin* categories. The simplest and most straightforward measure of mobility is the total percentage of offspring who are in a different occupational category to their parents (i.e. total mobility) (Breen, 2004). Following this line, a society is considered immobile if offspring's working opportunities are determined by their parents' situation. This means that there will be no or very little inter-generational occupational mobility. On the other hand, a mobile or fluid society is one in which the position of the offspring is relatively independent from their social origin. This means that there will be significant inter-generational variation (Hout, 1983; Solís, 2007).

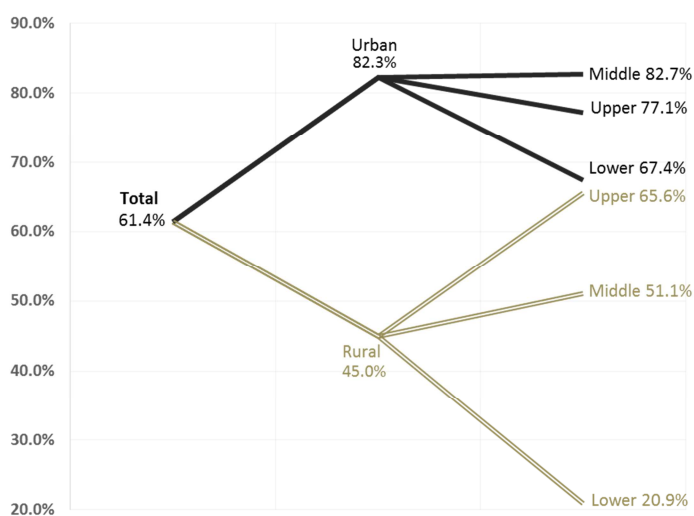
In order to examine inter-generational changes in occupational categories, the occupation of both the parents and their offspring were classified in the same fourteen categories as in the previous section. The recorded parents' occupation was the one they had when the respondent was fourteen years old.¹² The occupation of the respondent, in turn, was his/her main occupation at the time of

¹¹ The survey is representative at the national urban-rural level. More details on the EMES can be found in Chapter 3.

¹² More precisely, the set of questions refers to the person who was the head of the household when the respondent was 14 years old. In 78.1 per cent of the cases, the head of the household was the father, in 13.9 it was the mother, and in 8 per cent of the cases the head of household was someone else. The selection of the age (14 years old) corresponds to an international standard that is based on the premise that this age reflects life conditions when the interviewee was developing his/her opportunities and that it is not too early in life for the respondent to recall his/her parents' occupations somewhat precisely.

the survey. Based on this, total inter-generational mobility for the working population aged twenty-five to sixty-five is 61.4 per cent. This result suggests that approximately two in five people have remained in the same occupational category as their parents.¹³ Mobility estimates change significantly when they are calculated separately for urban and rural areas and for different socio-economic strata. Figure 5.2 shows the addition of these differences. Overall, all socio-economic strata in rural areas display very limited mobility in relation to urban areas. The urban middle class, in turn, is the most dynamic in terms of occupational mobility. The extent to which the direction of occupational mobility coincides with upward or downward socio-economic mobility is explored in what follows.

Figure 5.2. Inter-generational occupational mobility
(Working population age 25–65 in 2009)



Source: Own elaboration based on EMES 2009

A common and simple practice to study the direction of mobility is through the analysis of *outflow* (i.e. row percentages) and *inflow* (i.e. column percentages) tables. Both refer to the inter-generational flow of labour captured by the two

¹³ See Appendix 10 for a complete contingency table of inter-generational mobility.

percentages. In this sense, outflow charts show the distribution of destinations for each category of origin, while inflow charts show the distribution of origins for each destination (see Breen, 2004; Hout, 1983). Table 5.3 presents these distributions for the fourteen-tier occupational classification of the urban socio-economic middle class. The cells of the main diagonal, running from top left to bottom right, represent the spaces where individuals' current occupation is the same as their parents' (i.e. total immobility). Because the focus of this chapter is on the occupational trajectories of middle-class individuals, I will concentrate on analysing inflow distributions, i.e. parental occupations for each individual occupational category.

An important trend revealed by the preliminary conclusions of the previous section, is the increase in commerce-related occupations, manual and non-manual semi-skilled occupations, and those requiring higher levels of education – each of which was prevalent in different middle-class levels. Inflow distributions, presented in Table 5.3, suggest that occupational mobility may not have been equal in all socio-economic levels. For instance, between 27.3 and 36.9 per cent of individuals who were professionals and technical employees had parents employed in semi-skilled occupations. Interestingly, almost 13 per cent of professionals and technical workers had parents who worked in skilled manual activities – which include mechanics, machinists, and master craftsmen – and in sales activities. These trends, together with the fact that only 16 per cent of professionals and 7 per cent of technical employees had parents employed in the same occupational category as them, suggest a process of upward mobility for those groups from occupations that prevail at lower SEI levels to the ones that prevail at the top.

More than a quarter of individuals working in commercial activities (26.7 per cent) had parents employed as semi-skilled workers. Given that the semi-skilled-manual group includes workers in the mining and quarrying sector, the movement to the commerce sector is the trend that best describes the structural change that the labour market underwent after the change in the national development model

discussed in the previous section. It is also noteworthy that a significant share of this group – 25.2 per cent – came from parents involved in farming, fishing, or hunting activities. This finding further supports the notion that commerce provided a refuge for rural-to-urban migrants. The limited proportion of workers in commerce who had parents in the same occupational category – 12.9 per cent – and the trajectories already described, offer evidence of a process of upward mobility.

Finally, the group of semi-skilled workers, which is especially prevalent in the bottom levels of the urban middle class – including Group IV, considered the vulnerable group within the middle class – presents a different dynamic. To begin with 32.3 per cent of semi-skilled workers had parents working in the same occupational category, signalling occupational immobility for one-third of this group. However, 28.8 per cent had parents employed in agricultural activities, suggesting a process of upward mobility. Altogether, these contrasting trends point to a lower degree of inter-generational occupational mobility in the lower levels of the middle class.

Key for reading Table 5.3

Group 1. Higher professionals	Group 8. Skilled manual workers
Group 2. Administrators and managers	Group 9. Skilled service workers
Group 3. Technical employees	Group 10. Ordinary semi-skilled workers
Group 4. Higher clerical employees	Group 11. Unskilled service workers
Group 5. Higher sales employees	Group 12. Unskilled manual workers
Group 6. Routine clerical workers	Group 13. Farmers/ fishers/ hunters
Group 7. Routine sales workers	Group 14. Farm/ fishing/ forestry labourers

Table 5.3: Inter-generational distribution percentages outflow/ inflow for the urban middle class
(Working population age 25 – 65)

Table 5.3: Inter-generational distribution percentages outflow/ inflow for the urban middle class
(Working population age 25 – 65)

	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10	Group 11	Group 12	Group 13	Group 14	Total	N
<i>Outflow</i>																
Group 1	34.0	6.6	16.0	8.5	4.7	2.1	14.0	1.4	3.9	3.3	2.8	2.8	0.0	0.0	100.0	22,155
Group 2	8.0	2.3	7.5	12.7	22.3	2.3	11.8	0.0	13.5	19.5	0.0	0.0	0.0	0.0	100.0	2,533
Group 3	27.0	3.6	17.4	2.9	1.3	4.0	20.4	7.9	3.0	7.3	4.6	0.6	0.0	0.0	100.0	12,314
Group 4	24.6	0.0	27.1	9.7	0.0	0.0	24.1	0.0	0.0	14.5	0.0	0.0	0.0	0.0	100.0	2,554
Group 5	32.4	0.0	8.3	5.6	3.5	0.0	28.3	2.2	4.6	15.1	0.0	0.0	0.0	0.0	100.0	5,222
Group 6	16.2	3.4	0.0	3.0	5.5	4.8	23.9	19.1	0.0	18.7	5.5	0.0	0.0	0.0	100.0	3,854
Group 7	8.4	1.6	11.3	3.1	1.5	0.4	24.6	14.2	10.7	18.0	4.3	1.8	0.0	0.2	100.0	38,272
Group 8	16.6	2.2	9.1	2.9	1.2	1.8	17.9	19.7	2.9	16.9	4.7	4.0	0.0	0.0	100.0	34,193
Group 9	16.9	1.8	8.5	1.3	2.3	2.2	21.3	9.6	14.7	15.1	2.8	3.4	0.0	0.0	100.0	14,895
Group 10	10.6	0.2	12.7	5.1	0.4	3.1	19.4	9.1	3.6	24.4	7.7	3.0	0.0	0.8	100.0	97,787
Group 11	2.6	0.0	14.6	1.3	2.6	4.6	19.2	8.5	2.7	32.8	9.0	2.1	0.0	0.0	100.0	12,181
Group 12	6.7	0.0	3.2	0.0	3.2	0.0	15.8	10.7	10.1	31.5	14.1	4.6	0.0	0.0	100.0	13,742
Group 13	2.9	0.0	2.3	0.0	0.7	1.5	34.2	6.8	7.1	30.9	9.3	3.3	1.1	0.0	100.0	13,775
Group 14	4.2	1.0	5.3	1.9	0.7	1.5	23.0	9.9	6.1	27.3	5.8	4.3	0.9	8.1	100.0	96,212
Total	11.2	1.3	9.9	3.5	1.5	2.1	21.1	10.2	5.7	22.0	6.1	3.1	0.3	2.1	100.0	369,689
<i>Inflow</i>																
Group 1	16.0	27.3	8.5	13.0	16.7	5.2	3.5	0.7	3.6	0.8	2.4	4.8	0.0	0.0	5.3	
Group 2	0.8	1.9	0.8	3.8	15.8	1.2	0.6	0.0	2.5	0.9	0.0	0.0	0.0	0.0	1.1	
Group 3	9.6	11.3	7.0	3.3	3.5	7.6	3.9	3.1	2.1	1.3	3.0	0.8	0.0	0.0	4.0	
Group 4	1.6	0.0	2.0	2.0	0.0	0.0	0.8	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.7	
Group 5	3.2	0.0	0.9	1.8	2.6	0.0	1.5	0.2	0.9	0.8	0.0	0.0	0.0	0.0	1.1	
Group 6	1.2	2.2	0.0	0.7	3.0	1.9	0.9	1.5	0.0	0.7	0.7	0.0	0.0	0.0	0.8	
Group 7	8.2	14.1	12.6	9.7	11.3	2.1	12.9	15.4	20.8	9.1	7.8	6.4	0.0	1.1	11.1	
Group 8	13.9	16.0	8.6	7.9	7.3	8.0	8.0	18.3	4.9	7.3	7.3	12.1	0.0	0.0	9.4	
Group 9	6.0	5.6	3.4	1.5	6.1	4.3	4.1	3.8	10.4	2.7	1.9	4.4	0.0	0.0	4.0	
Group 10	27.3	3.8	36.9	42.3	8.1	42.9	26.7	25.9	18.2	32.2	36.8	28.4	0.0	10.8	29.0	
Group 11	0.8	0.0	5.1	1.3	6.1	7.7	3.2	2.9	1.6	5.2	5.1	2.3	0.0	0.0	3.5	
Group 12	1.7	0.0	0.9	0.0	6.1	0.0	2.1	2.9	5.0	4.0	6.5	4.1	0.0	0.0	2.8	
Group 13	1.0	0.0	0.9	0.0	1.9	2.9	6.6	2.7	5.0	5.7	6.2	4.3	17.4	0.0	4.0	
Group 14	8.6	17.9	12.3	12.7	11.4	16.4	25.2	22.4	24.9	28.8	22.2	32.3	82.6	88.0	23.1	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
N	34,821	7,413	33,159	9,401	5,440	4,132	83,197	39,776	23,807	75,695	28,889	13,187	1,430	9,342	369,689	

Source: Own estimation based on EMES 2009

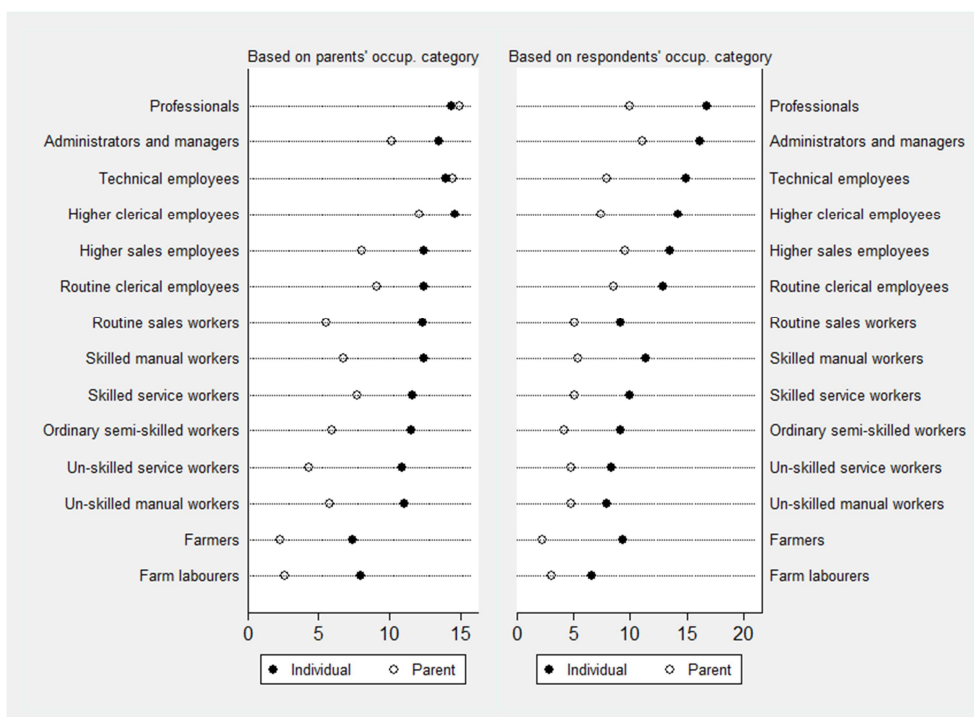
The previous account reflects inter-generational changes in education levels. In general, the number of years in education of working parents in relation to their working offspring increased by 2.6 years (from 5.7 to 8.3). However, for the urban middle class, this number reached 4.9 (from 6.7 to 11.6). Figure 5.3 shows the correspondences between average years of schooling for parents and offspring for each occupational category in the urban middle class.¹⁴ The left-hand chart is anchored in parental occupations; each line shows the number of years in education of parents in each of the occupational groups listed on the left-hand axis and that of their offspring – who could be in the same or in a different occupational group. For instance, the bottom line relating to farm labourers means that parents in this activity had on average 2 years of schooling and their offspring (who were not necessarily farm labourers) had 7.5 years. These figures imply that farm labourers had much more educated offspring. The right-hand chart is anchored in the respondent's occupation. It illustrates how much individuals of certain occupations have improved their education levels in relation to their parents (regardless of their occupation). Therefore, the dots in the bottom line imply that respondents who were farm labourers had two times the schooling their parents had, at six years compared to three.

Two visible trends emerge from the charts. First, individuals whose parents were in highly-educated occupations seem to have gained less years of schooling than those with parents in less skilled positions (see left-hand graph). A caveat to this finding, however, is that there was a cap on the number of years of education used in the analysis; information on up to twenty-two years in education has been captured in the data. Although this could influence the fact that there was not much progress in schooling at the top of the parents' socio-occupational structure, it does not change the outcome that much of the increase in years of schooling was driven by individuals with less-educated parents; notably from parents who were routine sales workers, skilled and semi-skilled workers, and un-skilled workers in services.

¹⁴ The middle class status is that of the offspring or the respondent.

Second, from the respondents' perspective (see right-hand graph), professionals and technical employees were the ones with the largest increases in years of schooling in relation to their parents, who in general had just completed intermediate education (i.e. eight years of schooling). Furthermore, there is a noticeable trend for individuals in the top six occupational categories (from routine clerical employees to professionals) to have on average completed secondary education or undertaken higher education studies while their parents had not completed school. For the rest of the occupations, although years of formal education increased with no exceptions, they remained lower than twelve. The differential increments in years of schooling provide further support for previously noted occupational patterns of inter-generational mobility in the urban middle class.

Figure 5.3. Average years of education for urban middle class working individuals (respondents) and their parents



Source: Own estimation based on EMES 2009

While inflow/outflow tables are useful for describing the formation process of each occupational category, they present a major weakness: they do not show the extent to which one category determines the destination outcome (Breen, 2004; Hout, 1983). For this reason, further tests such as the χ^2 and L^2 (both tests of independence) and statistical modelling need to be conducted in order to control for processes related to the relative supply and demand of labour and social fluidity. Ultimately, the goal is to test how much difference there is in the chances of people coming from different origin categories of occupying a place in one destination category rather than another.

Even though cases of perfect mobility (i.e. no association between origins and destinations) are rare, tests of *no association* are routine in the analysis of mobility tables. Measures of goodness-of-fit, such as χ^2 and the closely related L^2 (also called likelihood-ratio χ^2) not only gauge how well the observed data fits a model of perfect mobility (i.e. testing H_0 : *perfect mobility, or no association between origin and destination*), but also tell us what particular model will fit the data best (Breen, 2004).¹⁵

$$\chi^2 = \sum_i \sum_j (f_{ij} - F_{ij})^2 / F_{ij} \quad \text{with } (R - 1)^2 \text{ degrees of freedom} \quad (1)$$

$$L^2 = 2 \sum_i \sum_j f_{ij} \log(f_{ij} / F_{ij}) \quad \text{with } (R - 1)^2 \text{ degrees of freedom} \quad (2)$$

Where:

$R = \text{Total number of cells (rows*columns)}$

¹⁵ The first step for conducting both tests is the estimation of the frequencies expected under perfect mobility (F_{ij}) as follows:

$$F_{ij} = \frac{n_i * n_j}{N}$$

Where, N is the total sample size, and n_i and n_j are origin and destination marginals, respectively. The second step corresponds to comparing the expected frequencies F_{ij} (just estimated) and the observed ones f_{ij} (presented in Table 5.3 using formulas (1) and (2)).

Accordingly, both χ^2 and L^2 tests for the contingency table of parents' occupations (origin) and individuals' occupation (destination) for the urban middle class are significant at $p < .001$ (and 169 degrees of freedom). This means that the null hypothesis of perfect mobility can be rejected. In other words, the estimates suggest that there are prevalent associations between the occupations of fathers and offspring in the urban middle class. Based on these results, it is reasonable to opt for a Quasi-Perfect Mobility (QPM) model to determine the real occupational legacy, or degree of association, between parents and offspring (Breen, 2004).

QPM models, based on log-linear models, have the major advantage of allowing us to know which occupational categories have a larger degree of immobility or occupational inheritance (see Goodman 1961, 1965, 1969; White 1973; Hout 1990). The theory underpinning such models states that observed patterns of mobility are explained by two separate elements: (i) immobility, which places individuals whose destinations are the same as their origins (i.e. stayers); (ii) mobility, which allocates the rest of the individuals independently from their origins (i.e. movers). However, some of the latter group may end up in the origin group by chance, making their situation similar to that of the stayers. The crucial difference between them is that while stayers do not leave their origin because of forces not accounted for by the model, the movers arrive at their destination by pure chance. Based on a log-linear model, the formal representation of the QPM model is:

$$\log(F_{ij}) = a_0 + a_{1i} + a_{2j} + b_j \quad \text{for } i = j \quad [\text{origin}=\text{destination}] \quad (3)$$

$$\log(F_{ij}) = a_0 + a_{1i} + a_{2j} \quad \text{for } i \neq j \quad [\text{origin} \neq \text{destination}] \quad (4)$$

Where a_0 is the grand mean, a_{1i} is the row effect, a_{2j} is the column effect, and b_j is the immobility effect. All cells in which the origin category is different from destination category (i.e. $i \neq j$, or all cells that are not the main diagonal) have the

same equations as in a perfect mobility model. Where origin categories are equal to destination categories (i.e. $i = j$, or the cells in the main diagonal), the equation includes the immobility factor, which aims to capture the proportion of stayers in the group. b_j will measure the extent to which one occupational category is inherited by the next generation. Table 5.4 summarizes the results of the QPM model by showing the parameter estimates for diagonal cells (b_{ij}). The higher the number, the more immobile the occupation is in relation to the origin, or the more likely the occupation is transmitted from one generation to the next.

Table 5.4. QPM Parameters of origin legacy for the urban middle class
(Working population age 25-65)

Occupational category	Urban middle class estimates b_{ij}
Professionals	1.5
Administrators and managers	0.4
Technical employees	0.6
Higher clerical employees	0.9
Higher sales employees	0.7
Routine clerical employees	0.7
Routine sales workers	0.4
Skilled manual worker	0.9
Skilled service workers	1.0
Ordinary semi-skilled workers	0.6
Un-skilled service workers	0.3
Un-skilled manual workers	0.3
Farmers	1.5
Farm labourers	3.4

Source. Own estimation based on EMES 2009

Accordingly, immobility from parents' occupations was greatest for farm labourers, followed by professionals and skilled service workers.¹⁶ The situation is similar if we compare the working population as a whole and the urban middle class. Inter-

¹⁶ The interpretation of the parameter estimates (b_{ij}) is straightforward as higher figures entail a higher degree of immobility. However, the parameters do not move within a specific range nor are they comparable across different samples. This means that they are useful for comparison of degrees of immobility across categories within a same sample but not to measure specific proportions of occupational reproduction.

generational legacy in occupations means that individuals in these categories are very likely to pass on their socio-occupational status to the next generation too. For farm labourers this means their confinement to lower socio-economic levels within the middle class, which entails a high degree of vulnerability to falling back into lower socio-economic levels and ultimately into poverty. Together with the results of the outflow and inflow tables, these numbers indicate that the urban middle class is very dynamic in terms of socio-occupational mobility. Even if the extremes (i.e. categories of professionals and farm labourers) are the groups in which the most occupational inheritance happens, low inter-generational legacy in the other categories mean that individuals are able to reach different socio-occupational levels, mostly moving to occupations that characterize higher socio-economic levels, as observed in the figures presented in Table 5.3.

5.3.2 Intra-generational occupational mobility

Intra-generational occupational mobility refers to changes taking place during an individual's life trajectory (Parrado, 2005; Solís, 2007); it connects different development strategies to individuals' career opportunities. The analysis carried out in this section will focus on the socio-occupational path followed from the first to the current occupation. In this way, the previous analysis of inter-generational mobility will be complemented by shedding light on the transitions that urban middle class individuals went through in order to shape their current occupational profile.

Based on the fourteen-tier socio-occupational classification of both current and first occupations, total intra-generational mobility for the working population aged between twenty-five and sixty-five is 38.4 per cent. This means that about three out of five individuals are in the same occupational category as when they first became active in the labour market at the average age of 15.5 years old. For the urban middle class, the mobility figure reaches 49 per cent. This is still a low

mobility figure considering that half of urban middle-class individuals did not change occupational groups since starting work at an average age of 17.6 years old.

Table 5.5 presents total mobility rates for each socio-occupational category and for both the total population and for the urban middle class. For the latter group, the average age at first job and current age (the one recorded at the time of the survey in 2009) is also detailed. Two clear messages emerge from comparing these mobility figures. First, both samples show similar trends of mobility for all socio-occupational categories with the exception of those related to the agricultural activities (i.e. farmers and farm labourers), which have exceptionally high mobility rates for the urban middle class vis-à-vis the total population. This means that a great majority of urban middle-class individuals who started working in agriculture-related activities moved to other activities. Larger differences between the average age at first and current job also suggest that these individuals started in a family farming business (possibly in rural areas) and then moved to their current sector within a time-span of thirty years. Second, the socio-occupational categories with the least mobility were, as expected, those that required the acquisition of specific skills, such as professionals, technical employees, and skilled service workers (hotel and restaurant managers, policemen, firemen, etc.). Higher average ages at first job illustrate the larger investment in education that these categories require.

Table 5.5. Intra-generational mobility from first to current job
(Working population aged 25–65)

Socio-occupational category	Total population (in %)	Urban middle class (in %)	Age at first job (in years)	Current age (in years)
Professionals	14.7	15.6	22.8	39.0
Administrators and managers	33.6	33.6	19.8	39.6
Technical employees	27.0	28.6	21.8	39.8
Higher clerical employees	47.4	50.9	20.4	36.5
Higher sales employees	66.8	68.1	20.5	42.2
Routine clerical employees	81.0	80.7	19.2	35.9
Routine sales workers	39.9	42.5	19.2	41.8
Skilled manual workers	50.8	49.6	17.8	40.8
Skilled service workers	30.9	25.7	18.9	40.3
Ordinary semi-skilled workers	41.1	36.3	17.4	41.4
Un-skilled service workers	74.6	72.0	20.2	40.1
Un-skilled manual workers	77.1	78.3	18.8	42.5
Farmers	49.4	95.4	11.8	44.2
Farm labourers	21.8	78.2	13.9	43.9
Total	38.4	49.0	19.5	40.5

Source: Own estimation based on EMES 2009

A closer look at occupational mobility through outflow and inflow tables reveals the specific trajectories that shaped the above-mentioned occupational trends. Table 5.6 shows that of the total urban middle-class population who started as professionals, technical employees, and skilled service workers, 84.4, 71.4, and 74.3 per cent, respectively, did not move from a different occupational category in about twenty years. Conversely, between 72 and 53 per cent of those who started working in agricultural-related activities moved towards semi-skilled, commercial, and un-skilled manual occupations in urban areas. There was also a strong tendency for routine clerical and un-skilled service workers to move to semi-skilled and commercial occupations. However, for these groups, significant numbers of individuals moved towards more skilled categories: to professionals from clerical workers, and to skilled-manual and skilled-service activities from un-skilled service-related occupations. In summary, albeit to a lesser degree than seen in the inter-generational mobility figures, the trajectories described paint a picture of upward

intra-generational socio-occupational mobility for urban middle-class individuals with individuals moving towards the categories that characterize higher socio-economic levels and higher degrees of skill.

Occupational groups: Key to reading Table 5.6

Group 1. Higher professionals	Group 8. Skilled manual workers
Group 2. Administrators and managers	Group 9. Skilled service workers
Group 3. Technical employees	Group 10. Ordinary semi-skilled workers
Group 4. Higher clerical employees	Group 11. Unskilled service workers
Group 5. Higher sales employees	Group 12. Unskilled manual workers
Group 6. Routine clerical workers	Group 13. Farmers/ fishers/ hunters
Group 7. Routine sales workers	Group 14. Farm/ fishing/ forestry labourers

Table 5.6. Intra-generational distribution percentages outflow/ inflow for the urban middle class
(Working population age 25–65)

Table 5.6. Intra-generational distribution percentages outflow/ inflow for the urban middle class
(Working population age 25–65)

		<i>Current occupation</i>															
		Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10	Group 11	Group 12	Group 13	Group 14	Total	N
<i>Outflow</i>		84.4	4.1	6.3	0.9	1.7	0.5	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	89,823
Group 1	17.0	66.4	0.0	0.0	9.2	0.0	7.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	5,550
Group 2	8.5	1.4	71.4	1.1	0.9	1.0	10.0	1.7	3.5	0.0	0.3	0.0	0.0	0.0	0.0	100.0	85,659
Group 3	7.7	3.6	7.6	49.1	4.4	0.5	8.2	4.8	2.7	10.8	0.0	0.0	0.0	0.0	0.7	100.0	50,031
Group 4	0.0	0.0	11.2	3.0	31.9	7.4	27.1	8.5	0.0	7.4	4.8	0.0	6.0	0.0	0.0	100.0	8,524
Group 5	15.8	1.0	9.5	4.1	2.1	19.3	13.9	7.1	1.4	20.7	0.4	4.6	0.0	0.0	0.0	100.0	59,207
Group 6	4.5	1.1	4.5	1.8	1.2	0.8	57.5	6.3	3.4	10.9	5.3	2.0	0.0	0.0	0.7	100.0	207,854
Group 7	4.2	0.7	4.5	2.4	2.8	0.3	13.8	50.4	1.2	16.7	1.5	1.4	0.0	0.0	0.0	100.0	97,277
Group 8	2.3	0.0	0.0	0.0	0.0	1.3	0.0	8.9	3.9	74.3	0.0	0.0	0.0	0.0	0.7	100.0	36,072
Group 9	3.5	0.5	4.9	0.9	0.1	0.3	6.6	6.4	5.5	63.7	2.4	3.5	0.0	0.0	1.7	100.0	225,567
Group 10	1.1	1.2	4.9	1.2	1.2	2.5	28.0	7.2	7.0	13.3	28.0	4.0	0.0	0.0	0.6	100.0	165,120
Group 11	10.4	0.0	1.3	2.5	0.0	1.1	6.4	17.4	0.7	31.7	4.5	21.7	0.0	0.0	2.5	100.0	38,321
Group 12	0.0	0.0	5.3	0.0	0.0	0.0	19.7	10.7	5.3	40.8	2.9	10.8	4.6	0.0	0.0	100.0	10,177
Group 13	4.3	0.0	2.1	0.5	0.0	1.4	22.4	9.3	2.2	25.0	1.6	6.1	3.2	21.8	0.0	100.0	77,916
Group 14	11.1	1.5	9.8	3.5	1.4	1.9	21.2	9.8	5.8	22.3	6.1	3.2	0.3	2.1	0.0	100.0	1,157,098
Total																	
<i>Inflow</i>		59.0	21.5	5.0	1.9	9.1	2.1	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.8	
Group 1	0.7	21.5	0.0	0.0	3.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	
Group 2	5.7	7.0	54.2	2.4	4.8	4.0	3.5	1.3	4.5	0.0	0.4	0.0	0.0	0.0	0.0	7.4	
Group 3	3.0	10.5	3.4	60.4	13.3	1.2	1.7	2.1	2.0	2.1	0.0	0.0	0.0	0.0	1.4	4.3	
Group 4	0.0	0.0	0.8	0.6	16.5	2.8	0.9	0.6	0.0	0.0	0.2	0.0	1.4	0.0	0.0	0.7	
Group 5	7.3	3.5	5.0	6.0	7.5	51.4	3.4	3.7	1.2	4.8	0.4	7.3	0.0	0.0	0.0	5.1	
Group 6	7.2	13.6	8.3	9.4	15.3	7.0	48.9	11.5	10.6	8.8	15.4	11.0	0.0	0.0	5.8	18.0	
Group 7	3.2	4.3	3.9	5.8	16.5	1.2	5.5	43.2	1.8	6.3	2.1	3.6	0.0	0.0	0.0	8.4	
Group 8	0.6	0.0	0.0	0.0	0.0	2.1	1.3	1.2	40.2	0.0	4.4	0.0	0.0	0.0	1.0	3.1	
Group 9	6.1	6.9	9.8	5.2	1.8	2.7	6.1	12.7	18.7	55.6	7.5	21.1	0.0	0.0	15.2	19.5	
Group 10	1.4	11.1	7.1	4.9	12.0	18.7	18.9	10.4	17.2	8.5	65.3	17.5	0.0	0.0	3.9	14.3	
Group 11	3.1	0.0	0.5	2.3	0.0	1.9	1.0	5.9	0.4	4.7	2.4	22.3	0.0	0.0	3.9	3.3	
Group 12	0.0	0.0	0.5	0.0	0.0	0.0	0.0	2.9	1.0	0.8	0.4	2.9	15.9	0.0	0.0	0.9	
Group 13	2.6	0.0	1.5	1.0	0.0	4.9	7.1	6.4	2.5	7.5	1.8	12.8	84.1	68.9	6.7		
Group 14	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Total	128,458	17,114	112,869	40,703	16,480	22,190	244,811	113,645	66,690	258,430	70,854	37,224	2,964	24,666	1,157,098		

Source: Own estimation based on EMES 2009

What do inter and intra-generational mobility patterns tell us about the occupational trajectories of middle-class individuals? To begin with, absolute inter-generational mobility rates demonstrate that the urban middle class is the most dynamic in terms of socio-occupational changes from fathers' to respondents' current occupations. In addition, inflow charts show that most of the mobility follows an upward trend (i.e. to occupational categories of higher socio-economic level and more skill), even though they decrease for the bottom SEI groups of the middle class. However, examining the intra-generational dimension shows that mobility seems to decline as approximately half of urban middle-class individuals remained in the same occupational category as when they started working. Yet, as a rule, for the population that moved to a different occupational category, improvement was achieved by moving to more specialized occupations. The following is a summary of inter- and intra-generational trajectories followed by middle class individuals.

Figure 5.4. Summary of socio-occupational trajectories for middle-class individuals

(1) Parent's occupation	=	First occupation	=	Current occupation	12.8
(2) Parent's occupation	=	First occupation	≠	Current occupation	11.4
(3) Parent's occupation	≠	First occupation	=	Current occupation	38.4
(4) Parent's occupation	≠	First occupation	≠	Current occupation	37.3
					100%

Note. Current occupation corresponds to the one held by the respondent (middle-class individual who lives in urban areas) when she/he was interviewed in 2009. Parent's occupation is the one held by the respondent's father when the respondent was fourteen years old.

5.4 Life stories: giving meaning to mobility channels

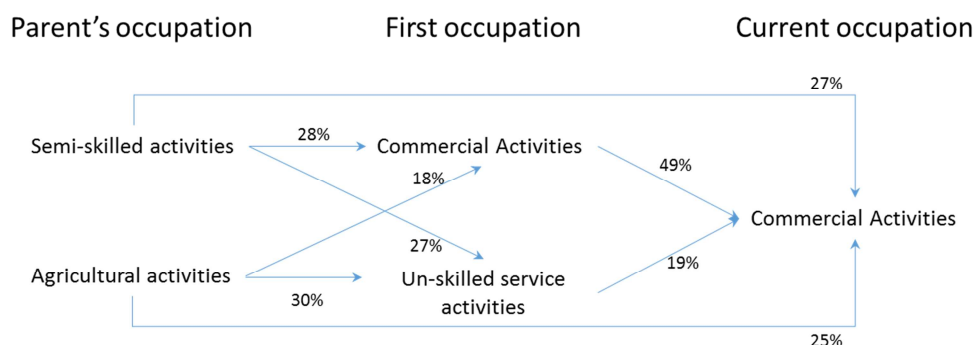
The inter- and intra-generational analysis presented previously showed that while socio-occupational trajectories were initially framed by a (structural) process of urbanization, there were three channels through which different groups gained visibility in the middle class: the commercial channel, the professionalization channel, and the semi-skilled channel. This section explores and illustrates these pathways, making use of selected life stories gathered through in-depth interviews in the city of El Alto.¹⁷ Narratives of migration, qualified by reminiscences of both hardship and prosperity, mark the long and winding road that individuals travel not only to become part of the middle class but also to improve their position within it. These stories are inextricably linked to perceptions on values, prestige, and high reputation – factors that can be brought to the fore only through a qualitative approach.

5.4.1 The commercial channel

This channel explains the increasing number of individuals who moved inter-generationally from semi-skilled and agricultural activities to commerce; an emblematic occupational category of the middle and top layers of the middle class in urban areas of the country. Intra-generational trajectories for this group, however, suggest that for two out of ten individuals who started their working life as un-skilled service workers, the transition was not straightforward. Whereas, five out of ten individuals started their economic life already in the commercial sector (refer to inflow distribution in Table 5.6). Figure 5.5 illustrates the most salient movements shaping the commercial channel.

¹⁷ See Chapter 3 on Methodology for a detailed description of the qualitative sample.

Figure 5.5. The commercial channel



In addition to summarizing the mobility figures presented in the inflow tables, the figure reveals the amount of mobility from parent's occupation to the respondent's first occupation. Thus, the graph shows that 30 per cent of the individuals who started working in un-skilled service-related activities had parents involved in agricultural occupations and 27 per cent had parents in semi-skilled occupations. In addition, 28 per cent of individuals who started working in commercial activities had parents employed in semi-skilled activities, and 18 per cent had parents who worked in agricultural activities. The most salient path of the commercial channel, based on both the intra- and inter-generational trajectories, is that of individuals who started working in commercial activities, and whose parents were involved in semi-skilled occupations. The story of Cristina¹⁸ epitomizes this path.

My name is Cristina, I was born in a community near the city of Viacha. My father was a miner; he is now retired. My mother was a housewife. My father studied only until second grade of primary school. My mother got her high-school diploma, but she could not continue studying because she got married and my father didn't allow her.

I first went to school when my dad was working in [a mining centre in] Oruro. Since he didn't make enough money, my mother and I used to sell pastries [*masitas*] outside my school. After two years we moved to Viacha

¹⁸ Interview #44 in list of interviews (Appendix 1). First interview in March 2012 and second in January 2014.

[El Alto]. There, I continued studying and my mom and I kept on selling our pastries at school [...] When I was fourteen years old I started secondary school. I passed the first two years and when I was sixteen I met my husband, I got pregnant, and I had to get married. I stopped going to school. My first child was a boy and when he turned one I went to work with religious women who taught me nursing [...] In the end I became an auxiliary nurse but had to stop working because my husband didn't like it.

At that time my husband was learning electronics. So he was working during the day and at night he went to classes. I used to secretly get away from my house to take different classes in a community centre. I learned how to cook and knit [...] Later, when my husband finished his studies, he was hired to work in a firm and since my two children were no longer babies I could start exploring handicraft's commerce. First I sold handicrafts I made myself in macramé. Later, I started gathering and selling my friends' works too. With this, I started to establish my own market [...] I became well-known in some places, especially in tourists' shops. I offered them everything: sweaters, embroideries, carvings, everything [...] I used to sell very well; so well that at some point I started earning more money than my husband. Later I became a broker between producers and buyers but not here in Bolivia, abroad!

I met the best craftsmen and I worked with them, sometimes selling their products, and some other times contacting them as buyers [...] Then I opened a store in La Paz. In time I was no longer the one looking for customers, but they were the ones looking for me.

Now I have a good business going on, and I even represent the handicrafts' sellers [...]. With my business I was able to afford to send my kids to university [...] They will be professionals because I can afford their studies [...]. Although, nowadays you never know if being a professional and having a career is going to be helpful in the future. Before it was very worthy, now not very much... Look at me and my husband as an example!

I think I am much better off than my parents. Sometimes they didn't even have enough to eat. Despite having worked very hard and sacrificed many things, they never improved their situation. I own my house, I have a well-established business, I earn a lot of money. I think I have improved a lot.

The relevance of commerce has already been observed by Sandoval, Albó and Greaves (1981) who, when studying the pull factors that attracted migrants to the cities of El Alto and La Paz, saw that this activity typically provided a form of

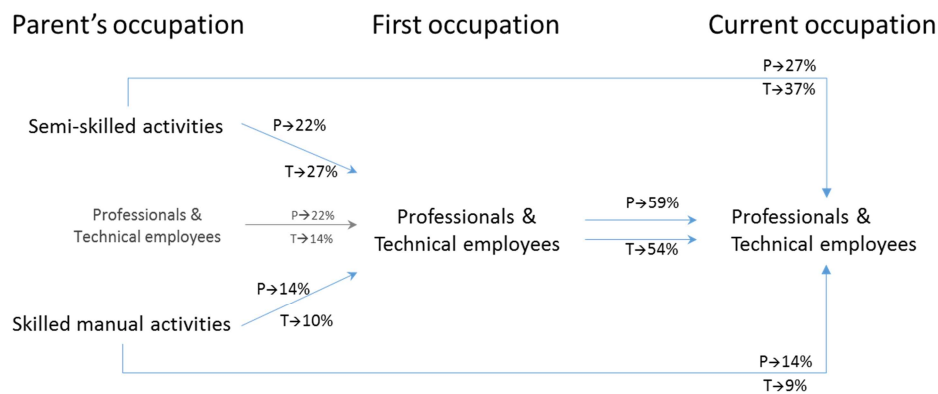
transition to an urban economic life. While yielding minimal profits at first, commerce has become an increasingly attractive vehicle for economic and social improvement. This explains why commercial activities prevail initially at all levels of the middle class and decades later at the middle and top. The salience of this group in Bolivia's economy and, more recently, in social life has triggered a stream of research that labels it as the *clase media popular* (popular middle class). Henry Oporto (2011), for instance, argues that one of the typical trajectories for economic accumulation of *empresarios populares* (popular entrepreneurs) has been through commercial activities. In a time-span of two decades, these entrepreneurs managed to not only grow their businesses but to diversify them. According to Oporto, the big economic leap onto a secured upward mobility path was made by the offspring of migrants who were better educated and more socialized in an urban world. Similarly, the recent work of Tassi et al. (2013) '*Hacer plata sin plata. El desborde de los comerciantes populares en Bolivia*' tells the story of rural migrants' successful, yet unrelenting, commercial journey. The authors emphasize not only the precarious conditions that characterize the attempt to enter and remain in commercial activities but also the vast control over the marketing for different products exercised by well-established *comerciantes populares* with national and international networks. Cristina's life-story illustrates well the finding of these studies.

5.4.2 The professionalization channel

'Education is your passport to the future' said Roger Parra, encapsulating the great value that middle-class individuals in El Alto give to education. Independent of the economic well-being that it may bring, having a profession or a higher qualification is mainly perceived as a way of achieving social recognition. The mobility pattern that predominantly shapes the growing numbers of professionals and technical employees, who characterize the upper levels of the urban middle class, is one in which most parents were involved in the semi-skilled workforce.

Intra-generational mobility figures suggest that people whose current occupation is in these high-skill categories, also started working in them. This type of pathway is illustrated in Figure 5.6.

Figure 5.6. The professionalization channel



Note. Mobility figures expressed by the letters P and T denote those for Professionals and Technical employees, respectively.

Specifically, the figure tells us that three out of five professionals started working in professional activities. One out of five individuals in this group, in turn, had parents who worked in semi-skilled activities. Roger's story illustrates this path.¹⁹ Roger arrived to El Alto in 1970 to undertake his secondary schooling because in his town education was limited to the primary level. His parents were bakers who followed Roger to the city after three years; his father then became a driver, carrying freight between La Paz and Oruro. On the importance of education, Roger reflects:

Education was always a very important topic in my family. My father couldn't finish his studies so he used to tell us: 'you can have a lot of money getting into commerce, or things like that, but above all what you need is prestige, you need to become someone in life, stand out among the common.' Therefore, I think that in my family there was never the idea of making money just for the sake of it [...]

¹⁹ See interview #40, January 2014.

I came here [to El Alto] sent by my parents to finish my studies. I came alone and in the beginning I lived with my godparents who had come to El Alto four years before me. Once I finished school, my parents moved to the city because the situation back in Colquiri was not good enough to pay for my studies. My father was determined to make me a professional (*sacarme profesional*) and he may have had more determination than me at that time. I could see that the economic situation in my household was not good and at times I told my father ‘maybe I should help out, work for a while and then go back to get my degree.’ My parents never allowed it [...]

I started my higher education with a technical qualification in mechanics, and once I finished it I looked for its functionality and then I felt it was time to look for more [...]. Then I chose to get a title in mechanical engineering; [...] I finished my studies with scholarships that the university gave me. I now see the importance of having my degree. You see, it’s really not a matter of having money, it is about the respect that people show to you, even those who have more money than you. When I attend parties, people don’t call me by my name, they all call me *The Engineer* [...] that’s how I stand out.

[...] I have one son and one daughter and both of them are professionals. My older son is a social communicator and the younger one studied international trade. Both of them were born here [in El Alto] and they got their education here as well. My son is already married and works in the mayor’s office. My daughter just finished her last year of university [...]. They both studied in private schools and universities. In a way they have had everything that I couldn’t have. I guess that’s every parent’s dream: try to make the next generation better than ours.

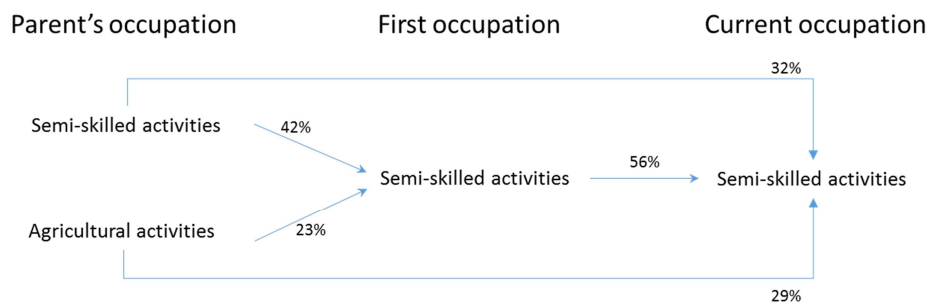
Like Roger, many other migrants and their parents saw in the cities an opportunity to improve their status by getting more education and perhaps a profession. As noted by Sandoval, Albó and Greaves (1981), migrants were attracted to the city by the idea of *progress* through education, which also involved the internalization of the cultural and linguistic patterns of a dominant Spanish culture. Among the group of migrants who cited progress as their main reason for migrating to the city, about 30 per cent meant it in terms of acculturation, 60 per cent referred specifically to getting more education, and the remaining 10 per cent

referred to getting more education for their children. This situation determined the inter-generational jump in years of schooling presented in Figure 5.3 and the increasing relevance of the group of professionals and technical employees in the urban middle class.

5.4.3 The semi-skilled reproduction channel

The third mobility channel aims to illustrate the one followed by individuals who characterize lower and middle levels of the middle class, in particular those involved in semi-skilled activities. As already noted in Section 5.3, this group was the one with the most limited inter-generational mobility within the urban middle class. One third of this group had parents who also worked in semi-skilled activities, and a somewhat smaller amount had parents who worked in agricultural activities. Intra-generational trajectories also show very little dynamism in the sense that about 56 per cent of individuals in a semi-skilled occupation started their working lives in the same group. Figure 5.7 presents the mobility figures associated with the semi-skilled trajectory.

Figure 5.7. The inter-sectorial migration channel



To illustrate the replication channel, I selected Pablo's²⁰ story because it illustrates how certain trades – those that entail a certain degree of specialization – are continuously replicated from masters to apprentices.

I was born in Corocoro in 1967. My father was a carpenter; he would get most of his work by making handrails, window-frames, and doors for people working in the mining industry. In 1985 we were forced to leave our town. The mine closed and my dad could not find any work for a long time. At some point we realized we had to leave or starve to death [...] In this way, my family and I arrived in El Alto when I was about eighteen years old. El Alto was a common destination. We had family and friends who had already moved here to try their luck...

I had not finished school [...] I had worked with my dad helping him and learning the trade of carpentry. Now in the city, I was still helping him in whatever little job he would get but I also got enrolled in CEMA [Centre of Education for Adults] where I finished my secondary education. With time, and getting to know some clients, together with my dad we established a little workshop in Ciudad Satélite. We were one of many carpentry workshops in the neighbourhood. I remember the competition over work was brutal, sometimes we had to compromise our labour and earn very little for many hours or days of work...

After a few years I realized that if we wanted to succeed, we needed to *innovate*. I never thought of changing to a different work area, I believe I had the carpentry trade in my veins, but I knew we had to become different from the rest of the carpenters in the neighbourhood. So I started looking at the carpenters that established their stores in the Feria 16 de Julio. Most of them started like us: with a small workshop, doing standard works, with small capital, and suddenly they were displaying their modern, fine-finished furniture. But differently from me, they had received capacitation. So I got enrolled in INFOCAL. At the same time I got affiliated to the Federación de Artesanos Trabajadores de Madera, this was key to start belonging to the high league of carpenters.

Finding a place in the Feria 16 de Julio was a hard task, everyone who grows in the business fights fiercely to get a spot there. There are a lot of politics involved too [...] Finally I was able to get hold of this place and later I was able to rent the store next door. Before I didn't have space to show my products, one bedroom set at the most!

My business improved since I got further training in carpentry. I remember that in INFOCAL we used to train with different machines.

²⁰ Interview #12, January 2014.

There was no way I could afford one of those machines, so I made a drawing and asked a friend who is a machinist to build it for me; he did it and it worked! I had to improvise other tools too, everything was *hechizo* [made by himself]; later I was able to acquire other equipment... In that way I have made my business little by little, and little by little I will keep growing.

The 2005 Bolivian Human Development Report, *La economía más allá del gas*, portrayed this occupational trend in the city of El Alto with the phrase ‘incubadora de talleres clonados’ (incubator of cloned workshops) (p.92). The phrase was an attempt to describe the practice – common among small producers – of becoming and staying independent by replicating the business in which they were trained. Most of them being migrants, the initial exposure to urban working life came in the form of apprentices, mostly in small family businesses. The system worked by training the newcomer in exchange for his/her work in the business under the tacit understanding that he/she is a future potential competitor. A key aspect of the perpetuation of the trade (i.e. carpentry, construction, decoration, mechanics, etc.) is, therefore, the degree of specialization, which makes it hard for a trainee to leave the sector once a market has been established and a certain level of skill has been acquired. Equally important, as shown in Pablo’s story, is the need to become associated with a relevant group, which provides its members with stability and guarantees them a privileged position in relation to crucial market decisions. The replication system – and the fierce competition it entails – may explain why individuals in these activities cluster at the lower levels of the middle class. Increasing specialization and association, on the other hand, explain the gradual climb upwards in the socio-economic scale.

5.5 Conclusions

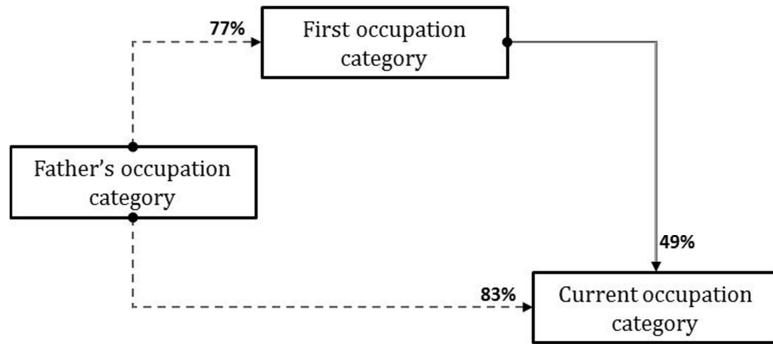
This chapter offered a long-term view of the processes of productive and occupational transformation in Bolivia in order to arrive at a clearer

characterization of the occupational profile of the middle class, specifically the one in urban areas. For this purpose, the chapter examined inter- and intra-generational occupational trajectories for middle-class individuals and the life-stories of middle-class individuals living in the city of El Alto.

Major decreases in the proportion of population employed in agriculture and mining (in rural areas) and in the public sector (in urban areas), coupled with the deregulation of the labour market, provoked high rates of unemployment which soon translated into high underemployment and the expansion of the informal sector. Within this, certain groups were able to thrive, traverse the middle class, and become visible in terms of their numbers and socio-economic position. This was the case for individuals in commercial and semi-skilled activities. Also noteworthy is the conspicuous growth of the group of professionals and technical employees, which have traditionally characterized the upper levels of the middle class but who have been increasingly joined by the commercial group.

When looking at inter- and intra-generational occupational trajectories, the most striking conclusion is that greatest occupational mobility for middle-class individuals is experienced inter-generationally. Figure 5.8 below summarizes both intra- and inter-generational mobility for the middle class in urban areas of the country. Accordingly, eight out of ten middle-class individuals were in a different occupational category to that of their parents. The big inter-generational change had already happened in relation to individuals' first occupation, where a similar number (almost eight out of ten) were already in a different occupational category to the previous generation. The intra-generational mobility figure in turn, shows that five out of ten middle-class individuals changed to a different occupational category from their first to their current occupation.

Figure 5.8. Summary of inter- and intra-generational occupational trajectories for the middle class in urban areas



Greater inter-generational mobility reflects not only the importance of the urbanization process in reconfiguring the productive apparatus, but also the role of social policies – such as the Education Reform – in levelling the playing field in terms of opportunities (as demonstrated in Chapter 4). With this in mind, in the next chapter I continue to focus on the characteristics of the middle class, but this time in terms of its ethnic identity. In this way I approach the research question on whether there are more opportunities for indigenous individuals in the middle class and whether we can call it an indigenous middle class at all.

Chapter 6

Ethnic identities in the middle class

‘Perhaps the most difficult groups to analyze are the intermediate sectors, which suffer, more than anyone else, the ambiguity of their situation... The solidity of their economic and social position gives them a greater security and enables them to act with greater freedom to posit alternatives. On the other hand, their cultural position almost inevitably entails a lack of identity.’

(Albó, 1995b, p. 21)

6.1 Introduction

Previous chapters provided evidence of the emergence of a largely rural-to-urban migrant middle class that made an inter-generational and intra-generational leap from agricultural to professional, commercial, and semi-skilled activities. These facts pose several questions not only about the ethnic identity of the middle class, but also about new opportunities for indigenous individuals to ascend the socio-economic pyramid. In this context, this chapter sets out to investigate the ethnic composition of the middle class, the negotiation of ethnic identities for middle class individuals, and the existence of ethnic-based processes of social mobility. More specifically, this chapter seeks to answer the following questions: To what extent can the middle class be called an indigenous middle class? Do indigenous people have more opportunities than before to enter into the middle class? And finally, how do class and ethnic-based identities interact in the middle class?

These questions are discussed in four sections in this chapter. The first one deals with the historical relationship between ethnicity and class in Bolivia. The aim is to explain the backdrop against which enduring ethnic and class cleavages and the formation of ethnic categories developed in the country. The discussion is centred around three major moments: the colonial and early republican period, the National Revolution of 1952, and the most recent decades since the neoliberal reforms. The picture that emerges from this account is one in which indigeneity is a social concept whose meaning has changed on the basis of principles, discourses, and political events that have served to position individuals and groups in a structured system of ethnic hierarchies and to construct their identities.

Building on the previous description of the development of ethnic categories in Bolivia, Section 6.3 reviews the practices for measuring ethnicity in the country. The usefulness of this section is twofold. First, it lays out the methods that will guide the quantitative approximation of the number of indigenous peoples in the middle class, discussed in section 6.4. Second, it uncovers an important decline in the amount of indigenous people in the country; a fact that has serious implications for this chapter's findings. Prior to discovering this decline, in order to investigate the creation of opportunities for indigenous peoples in the middle class, I had assumed identity did not change with socio-economic advancement. What I found, however, was that identity is a complex construction. Individuals who found new economic opportunities in the urban sector and advanced into the middle class, modified their imaginaries of belonging and, thus, changed their identities.

In view of this, Section 6.4 takes a mixed-method approach to the study of ethnicity in the middle class. The quantitative component makes use of different ethnic markers following the same data points and instruments as in previous chapters (National Censuses 1976, 1992, 2001, and Household Survey 2011). In the analysis, patterns of social mobility based on ethnic-language loss and revival are revealed and, more importantly, the middle class is shown to have opened up new

opportunities for individuals monolingual in indigenous languages both who either identify as indigenous and those who do not. The qualitative component, in turn, is based on an examination of the intricate components of ethnic identities and the imaginaries of belonging for middle-class individuals. It aims to make sense of the contradicting identities that middle-class individuals use to describe themselves by explaining the ways in which ethnic identity is negotiated in different spaces.

6.2 A history of ethnic and class cleavages and the evolution of ethnic categories in Bolivia

In Bolivia, ethnicity and class have been closely intertwined throughout history. Ever since colonial times, different ethnic groups have been denied basic rights and opportunities, which has translated into enduring inequalities in terms of wealth and power (Gray-Molina, 2007; Harris, 1995; Zavaleta, 2011). In order to understand the current situation in terms of ethnic differentiation a brief historical review is needed. This section explores key moments in the creation and evolution of ethnic categories, the close link between ethnic and class divisions, and the constant reconstruction of ethnic identities in Bolivia. Based on this, I show that indigenous peoples have historically been confined to the bottom of the economic and social pyramid with little or no access to the (incipient) middle class; a situation that seems to be changing in recent times.

6.2.1 Colonial and early republican periods

The intimate interplay between class and ethnicity has its roots in colonial times. The initial distinction between Indians and non-Indians (or the ‘republic of Indians’ and the ‘republic of Spaniards’) was grounded on a simple economic differentiation: Indians were subject to tribute and forced labour in the mines

known as *mita*, non-Indians were not (Canessa, 2007; Harris, 1995).¹ However, the ‘Indian’ label transcended the fiscal and forced labour meaning, incorporating within it people who were ‘not qualified, who must be ruled, educated, indoctrinated, led, governed and appeased’ (García Linera, 2012, p. 28). Such stigmatization of Indians soon established a structure of social domination and fostered a cultural, economic, and political exclusionary hegemonic discourse that would last up into the twenty-first century (Valenzuela, 2004).

The rapid demographic decline of the Indian population in the late sixteenth century, coupled with increasing fiscal and labour obligations, drove a significant amount of Indians away from their original communities – the *Ayllus* – and away from the control of the *caciques* (Barragán, 1992; H. Klein, 2011).² This demographic reshuffle triggered a re-organization of social relations in the country by creating alternative socio-racial categories (Saignes, 1995).³ The two most visible ones were the *forasteros* and the *yanaconas* who, while still subject to tribute, were spared from *mita* services.⁴ Unsurprisingly, this exemption prompted many Indians to register as *yanacona* by ‘abandoning their ethnic affiliation, changing to European dress, and learning a craft or becoming traders’ (Harris, 1995, p.358). Whilst *forasteros* and *yanaconas* still belonged legally to the ‘republic of Indians’, the shift was a key turning point in the existing social negotiations and exposed new strategies for moving across social positions by changing ethnic identity.

¹ *Mita* was a form of forced recruitment in which male adults worked in the mines in exchange for minimal or no pay.

² *Ayllus* are basic Incan political units; territorial groups organized in a segmentary system and a rule of endogamy. *Caciques* were Indian chiefs or lords (definitions taken from glossary on Larson, Harris, Tandeter (1995)).

³ For an in-depth analysis of the patterns of population decline during the colonial period, as well as their determinants, see Newson (1985).

⁴ *Forasteros* is used to refer to Indians who lived away from their village of origin, *yanaconas* are Indian dependants no longer attached to an *Ayllu* but often bound to a Spanish master (taken from glossary of Larson, Harris, and Tandeter (1995)).

A similar phenomenon, although with more profound implications, was observed in the increasing number of mixed-race or *mestizo* people. While miscegenation was the most direct way of ‘passing into’ the category of *mestizo*, the denial of one’s past, or at least establishing distance from one’s origins, was a common way to achieve the new status (Harris, 1995; Saignes, 1995).⁵ In a context where identity markers hinged mainly on visual identification, changing clothing was a common mechanism for making the transition (Barragán, 1992). This shift represented a much deeper rupture than the one originated by the transition to *forasteros* and *yanaconas* because *mestizos* were considered part of the ‘republic of Spaniards.’ As such, they were not only exempted from pretty much all obligations that the Indians had, but were also forbidden from living in Indian villages or towns. Figure 6.1 illustrates the social stratification pyramid created during the colonial period.

Figure 6.1. Social stratification pyramid in colonial times



Source: Montenegro (1984, p. 110)

⁵ Barragán (1992) coined the term ‘*mestizaje cultural*’ to denominate all those individuals who passed into the *metizo* category using the second method. Indeed, because of the underlying reasons to make the transition from Indian to *mestizo*, the author uses the term ‘*mestizaje de movilidad social*’ interchangeably.

Despite the liberal ideas that flourished with independence in 1825, which included ‘making the Indians citizens’ [*hacer a los indios ciudadanos*], the new republic inherited much of the colonial social structure, which conferred prestige, property, and power as a function of skin colour, surname, and lineage (Valenzuela, 2004). Thus, as proposed by Tapia (2002), the construction of the Republic happened without the construction of a nation and generalized citizenship. A new asymmetrical relationship was established with citizens on one side and the neglected *indiada* (*group of Indians*) on the other (Albó, 1994b). The most enduring colonial legacy, in this respect, was the system of beliefs, prejudices and dominant values created by the invention of ‘Indian’ not only as a tax-paying category but above all as a ‘negative other’ by which people, including Indians themselves, made sense of society’s symbolic structures (Albó, 2008; García Linera, 2012).

In this way, Indians – or *indígenas* as they were increasingly called – not only remained as a source of free or cheap labour to landowners, merchants, and representatives of the state, but lacked citizenship and any form of social recognition in the republican period. All this, coupled with a political structure that left the indigenous population excluded from any form of participation, provided further incentives for Indians, even those of noble extraction, to move into the category of *mestizos* (Barragán, 1992). This ‘intermediate status’ gained such importance during this time that it came to be distinguished from another culturally driven *mestizo* group: the *cholo* (Albó, 2008).⁶ In this way, the process of *mestizaje* generated a sophisticated layering depending on the mix of white, indigenous, and even black (Szeminski, 1983). As the vicepresident of the Plurinational State of Bolivia, the academic Álvaro García Linera (2012), narrates:

⁶ The *cholo* label was used to designate *mestizos* who were close to the indigenous society (Barragán 1992), or in other words, people who were biologically indigenous but had lost contact with their rural origins (Albó 2008).

‘this does not impede the intrusion of social climbers who have been able to whiten their lineage ... This is the case for successful merchants, purchasers of communal lands, and the offspring of oligarchic *encholamiento*⁷ who, nonetheless, possess a suspicious citizenship, which must be negotiated by developing clientelistic networks, showing off their money, and abiding by the lifestyle of the traditional elites’ (p. 30, footnote in original).

Segregation and the open subjugation of the indigenous population continued almost unchanged until the National Revolution of 1952. Exclusionary practices reached such a fundamental level before the Revolution that Indians even had limited access to public spaces, including the capital’s main square – Plaza Murillo – where the Presidential Palace is located. Despite the many modifications to the State’s political constitution since independence, indigenous peoples remained socially, culturally, and politically excluded in state law and in daily practice.⁸ This lack of integration of the indigenous population into the country’s institutional framework – other than into the taxation system – and the continuous use of force to uphold the exclusionary structure led René Zavaleta Mercado to characterize pre-revolutionary Bolivia as being ‘at perpetual war with its own population’ (Zavaleta Mercado, 1992, p. 26 own translation).

6.2.2 The National Revolution of 1952

While the National Revolution of 1952 changed the way of talking and thinking about ethnicity in the country, it did not eliminate ethnic exclusion and discrimination practices; it simply transformed them. Amongst the various reforms that the Revolution embraced, the ones related to cultural homogenization and extension of citizenship were arguably the most far-reaching. The Movimiento

⁷ The union of oligarchic men and *mestizo* women.

⁸ Since independence, the State’s political constitution has been changed fourteen times in 1826, 1831, 1834, 1839, 1843, 1851, 1861, 1868, 1871, 1878, 1880, 1938, 1945, and 1947.

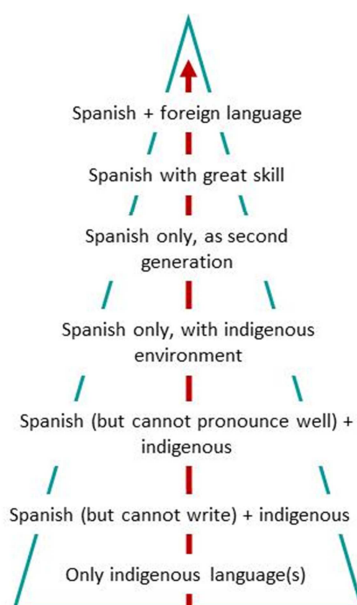
Nacionalista Revolucionario (MNR, Nationalist Revolutionary Movement), which spearheaded the Revolution, implemented a national integration policy that relied on an explicit effort to erase from public discourse any reference to ‘ethnicity’ (Widmark, 1999). The plan was buttressed by two main notions. The first related to the common belief that ethnic connotations entailed pejorative tinges and racist stigma. Therefore, the new ideology proposed to substitute ethnic divisions with others based exclusively on class. The second notion followed a modernization theory rationale, which held that the indigenous culture had vestiges of tradition that were doomed to disappear with the modernizing process that the revolution was to promote (Albó, 1994b).

With its homogenization and citizenship expansion objectives in mind, the revolutionary government started with a Land Reform designed to abolish indigenous servitude and put an end to the *hacienda* system (Ticona, 2003). The reform also provided incentives to adopt the term *campesino* (peasant) to refer to Indians and to transform their communal organizations – the *Ayllus* – into peasant unions (Albó, 2008). Next, with the establishment of universal suffrage and the corresponding elimination of literacy requirements, millions of indigenous people were quickly granted full political citizenship. According to Klein (2011), as soon as the Indian peasants were enfranchized, the voting population increased from 126,000 in 1951 to 955,000 in 1956, and it reached 1.3 million voters in 1964. The extension of free public education to rural areas also constituted a key policy for meeting the revolutionary objectives. For the indigenous population, the overwhelming illiterate majority in the country, it meant the creation of new paths of social mobility through the accumulation of cultural capital (Widmark, 1999). At the institutional level, the old public office of *Asuntos Indígenas* (Indigenous Affairs) was moved up the State’s organization chart becoming the *Ministerio de Asuntos Campesinos* (Ministry of Peasant Affairs) which, amongst other things, was in charge of overseeing the expansion of rural education.

What quickly became clear, however, was the impossibility of breaking mental and cultural structures, especially when they had been so deeply engrained in society through centuries of internal colonialism (Albó, 2008; Rivera Cusicanqui, 1987). In popular language, old references to ethnicity were still widely used and the new terminology (i.e. *campesino*) was interpreted along the same lines. That is, *campesino* was no longer interpreted as a social and productive category, but as a synonym for *indio* and, as such, *campesinos* were still treated as second- or third-class citizens (Canessa, 2004). Albó (1994b) exemplifies this by narrating how offended a neighbour who lived in a provincial town in Cochabamba felt when he was asked if he was a *campesino*. His reply was: ‘¡Yo no soy campesino! Soy un humilde agricultor’ [I am not a peasant! I am a humble farmer!] (p. 53).

Another downside of the revolutionary measures was that, while aiming to expand citizenship, they did so by neglecting indigenous peoples’ *originary* identities (Albó, 2008). Not only was the accumulation of cultural knowledge limited to those who spoke Spanish or were willing to learn, but the new social and cultural norms, dictated by an allegedly common *mestizo* culture, were closer to the dominant white/*criollo* society. Consequently, about 64 per cent of the population whose mother tongue was an indigenous language in the 1950s could only exercise its citizenship rights in a foreign language. The expansion of the public school system was, arguably, the most important means to devalue indigenous languages as teaching was carried out only in Spanish. The ‘linguistic market’, illustrated in Figure 6.2, created in this process set new limits on access to decision-making positions and became the basis of further stigmatization for those not able to speak Spanish fluently. Furthermore, as will be shown in the next section, it also determined the entrance of people into the middle class.

Figure 6.2: The ‘linguistic market’ emerging from the National Revolution



Source: Own construction based on García Linera (2012; p. 31)

Moreover, soon after the euphoria of the Revolution had dampened, the State’s institutions adopted once again a dualist approach with regard to indigenous matters. In the 1960s, control of rural education reverted to the Ministry of Education and the Ministry of Peasants Affairs was merged with the Agriculture Ministry. In both institutions, issues related to rural education and *asuntos campesinos* were kept as separate concerns. In this way, as Albó (1994a) argues, indigenous peoples carried on receiving differentiated treatment not only in everyday practices, but also at the institutional level.

In sum, a system originally designed to overcome ethnic discrimination ended up creating yet another form of cultural division in the country. Indigenous peasants continued to be regarded as second-class citizens; a situation that became more pronounced during the military governments of the 1960s and 1970s. In this regard, Tapia (2002) contends that whilst the National Revolution broke with mechanisms of exclusion on the basis of race, it did not eliminate the stigmas attached to skin colour or language. While the tiny dominant elite was replaced

by a *mestizo-criollo* middle class, the latter did not eliminate the barriers that indigenous peoples faced in order to become part of it, it only camouflaged them under new labels, titles, and symbols. The National Revolution of 1952 only modified the appearance of colonial habits of racism and discrimination.

6.2.3 Post-revolutionary legacies, the neoliberal crisis, and the politicisation of ethnicity

[Who are we?] The peasant Aymaras, Quechuas, Cambas, Chapacos, Chiquitanos, Canichanas, Itonamas, Cayubabas, Ayoreodes, Tupiwaranies and others are the legitimate owners of this land. We are the seed from which Bolivia was born... We want to reconquer the freedom taken from us in 1492, recover the value of our history... and be subjects and not objects of our own history

(Tesis Política, CSUTCB, 1979, own translation)

Indigenous comrades, for the first time we are presidents!

(President Evo Morales, public speech in the night of his victory, 18 December 2005, own translation)

However incomplete and counterproductive the Revolution may seem for indigenous and originary communities, its merit needs to be appraised in terms of the voice that ethnic minorities were given to express their frustrations and dissatisfactions. In the words of Albó (1994b) ‘it was that integration, although partial, achieved by the MNR [...] that had opened the eyes of those new citizens. For that reason, they could have their complaints heard. A new phase was beginning’ (p.54, own translation). One product of this voice was the Tiwanacu Manifesto of 1973, considered to be the first nation-class proclamation for indigenous peoples in Bolivia (Hurtado, 1986). The Manifesto not only stressed the ideological and cultural oppression to which indigenous groups were subject, but

proposed a new reading of the ‘indigenous puzzle’ in that it combined both identity and social class elements instead of focusing fundamentally on one or the other (Ticona, 2003).

During the 1970s, the ‘recovery’ of the ethnic identity (amidst the *mestizo* paradigm) was in the hands of *campesinos* who had settled in the city of La Paz. Frustrated with the unmet promise of the Revolution to integrate Indians into the political, economic, and cultural life of the nation, and having established a subculture sensitive to the racist mentality of the *criollo/mestizo* stratum, an independent indigenous movement emerged among these Aymara-speaking communities (Albó, 1994b; Sanjinés, 2005; Stefanoni, 2010). Known as the Katarista movement, the group sought to increase ethnic consciousness, restore indigenous traditions, and eliminate economic and social discrimination against the indigenous population (Hurtado, 1986; Rivera Cusicanqui, 1987). Even though the Katarismo did not gain many supporters outside the Aymara-speaking population, it did acquire control over the *campesino* unions of the highlands and managed to raise awareness on indigenous issues at the national level. Undoubtedly, the movement stirred new expectations by challenging existing ethnic relations and shifting ethnic identities in the country. The ‘theory of two eyes’ [la teoría de los dos ojos] reflected how the Katarismo situated the analysis of society at two levels: one in which Bolivia was seen as an unresolved problem of the exploited classes and another as a problem of oppressed indigenous nations forgotten by the State (Sanjinés, 2005).

Ethnicity became yet more politicized (and interpreted along the lines of social class) in the 1980s – just after the military dictatorship of Bánzer Suárez came to an end – when the Katarista movement, which had just vied for control over the National Confederation of Campesino Workers of Bolivia (a peasants’ union), split into two rival factions: an ‘Indianist’ wing, which became the *Movimiento Indio Tupac Katari* (MITKA, Indian Tupac Katari Movement), and the ‘indigenous’

wing, which became the *Movimiento Revolucionario Tupac Katari* (MRTK, Revolutionary Tupac Katari Movement). On a fundamental level the split reflected the way ethnicity was conceived in the country (Gray-Molina, 2007). While the MITKA rejected *q'ara* (white) left-wing parties and promoted an autonomous political agenda, the MRTK became associated with left-wing parties in the *Central Obrera Boliviana* (COB, Bolivian Worker's Central) and eventually with national political parties such as the MNR.

In the 1990s (the last period of the Katarismo as an organised movement) important political parties emerged along the same ideological lines, although with a marked populist bent. One of them was *Conciencia de Patria* (CONDEPA, Conscience of the Fatherland) led by Carlos Palenque Avilés – a social communicator and owner of important media channels in La Paz – who successfully promoted the discourse of ‘unity in diversity’ amongst urban Aymaras, traditional parties and social movements.⁹ The other was *Unidad Cívica Solidaridad* (UCS, Civic Solidarity Unity) led by Máx Fernández Rojas – main shareholder and CEO of the *Cervecería Boliviana Nacional* – who sold the idea of hard work as a means of overcoming the obstacles faced by any person who did not belong to the elite.¹⁰ Both these parties were successful in awakening a growing urban ethnic conscience amongst the informal sectors that inhabited the outskirts of the cities (Widmark, 1999). Finally, with a less populist overtone, at the end of the 1990s, the *Movimiento Indígena Pachacutti* (MIP, Pachacutti Indigenous Movement), revived by the former Indianist Felipe Quispe, managed to unify the indigenous communities of the highlands under the banner of the ‘two Bolivias’, the Indian and the *q'ara*, which had been pitted against each other since colonial times.¹¹ All these parties managed to include and push forward the issue of ethnicity in the political debate. Furthermore, they were extremely successful in

⁹ For a complete analysis of the emergence and politics of CONDEPA, see Archondo (1991).

¹⁰ For an analysis of the sociological characteristics UCS and Max Fernández, see Mayorga (1991).

¹¹ For an analysis of Felipe Quispe's political discourse, see Mantilla (2008).

transforming the understanding of ethnic identity as a political instrument and, thus, a tool for collective action (Canessa, 2006b; Zavaleta, 2011). Until then indigenous peoples had been in a disadvantaged position vis-à-vis the non-indigenous and *mestizo* population, without any real possibilities to move up the stratification pyramid, at least through formal means, and join the middle class, but the politicization of ethnicity paved the way for future political empowerment that reached a peak in the 2000s with the election of Evo Morales, the first Bolivian president to define himself as indigenous.

Based on a political strategy that incorporated an indigenous rhetoric and an anti-imperialist discourse, Evo Morales and the *Movimiento al Socialismo* (MAS, Movement Toward Socialism) swept the board with an ample majority of votes in 2005 (Archondo, 2007). In this framework, the possibility of a socio-cultural transformation based on equality and endogenous development was placed at the centre of the political debate. Indeed, Morales' government has been so successful at incorporating indigenous demands into the national institutional framework that, according to Canessa (2012), today indigenous citizens are not only recognized as citizens of the nation, but they also have a privileged position vis-à-vis the state. In this sense, 'Evo symbolizes a break in indigenous peoples' imaginary of a horizon of possibilities restrained to subordination' (García Linera, cited in Stefanoni, 2007, p. 29, own translation).

To summarize, this historical account has not only depicted a complex history behind the evolution of ethnic labels and ethnic identities but, above all, has shown how the rigid ethnic and class cleavages imposed since colonial times have been contested and changed in recent times. While most of the discussion stressed the exclusion and discrimination of indigenous peoples on economic, social, and cultural terms, and their inability to move upwardly to belong to the middle class, the last account took a political turn in order to highlight a conspicuous process of ethnic politicization. This shift in focus is explained by two reasons. First, it points

to a process of change in the country characterized by a political empowerment of indigenous peoples. Second, it constitutes the background against which new imaginaries and forms of ethnic identification, explored in following sections, are to be understood.

6.3 On the measurement of ethnicity using quantitative tools

As described in the previous section, the notion of indigeneity is the result of a long process in which different elements (social, cultural, ideological, political, and legal) converged. However, ethnicity in Bolivia has been quantitatively measured in terms of specific political objectives and orientations. For instance, in colonial times the administrative instrument for the categorization of the Indian population was based on regular visits that served to define and administer the *encomiendas*¹². Later, when the *encomiendas* were dissolved, the function of taking a census of the Indian population was in the hands of the *Corregidor de Indios* who, instead of the regular visits, kept a permanent book called the *Padrón de Tributarios* (taxpayer register). All the people listed in the register were considered Indians. The same rule was used for most of the republican period up to the final years of the nineteenth century. Despite the number of dispositions that regulated the process of registration, there was not a single criterion that distinguished the *mestizos* and white people from the indigenous population (Molina, Figueroa, & Quisbert, 2005).

In the 1900 Census a new definition (not directly related to fiscal categories) for measuring the indigenous population was introduced. In this framework, *indígenas* were defined as the descendants of the ‘orgirinary’ population, i.e. the one that existed before the Spanish conquest. In addition, there was a category for the

¹² Encomiendas were concessions or grants made by the Spanish Crown to Spaniards to benefit from free labour in exchange of indoctrinating the Indian population into the Spanish norms.

mestizo population that would include those inhabitants who were a mix of white and Indian. In sum, only four groups were considered in the demographic count: white, *mestizo*, indigenous, and black. In a complex context of racial and cultural mixing, the four-tier categorization resulted in a large under-registration of the indigenous population: of a total population of 1,633,610 only 46 per cent declared being in the indigenous category (Molina et al., 2005).

Greater social and political visibility of the indigenous population in the following fifty years provoked not only a re-evaluation of the ethnic categories, but a greater self-identification of the population with the different indigenous groups (Molina et al., 2005). Accordingly, in the 1950 national census, 62.9 per cent of a total population of 2,704,165 was registered as indigenous. In an in-depth analysis of the changes in the definition of *el indio* between these two censuses, Grieshaber (1985) highlighted that there was a better identification of the indigenous population in 1950 because, for the first time, it was based on two cultural elements: language and clothing.¹³ In this sense, indigenous were those who spoke native languages only and wore autochthonous clothing from the region they lived in.

The homogenization project enforced by the National Revolution of 1952 under the promotion of a *mestizo* paradigm, meant that ethnic differences were no longer considered relevant. For this reason, only one characteristic was collected in the censuses of 1976 and 1992 – spoken language. However crude, this represented the only testimony of the existence of indigenous cultures in the country for the whole second half of the twentieth century.

Only in 2001, after greater mobilization of indigenous people and the politicization of ethnicity in the country, was a question of self-identification included for the first time in the National Census. Since then, self-ascription has become the main component in calculating the number of indigenous people in Bolivia (Canessa,

¹³ These were recorded based on enumerators' observation.

2007). In the 2001 National Census, the question ‘Do you belong to any of the following indigenous or *originario* groups?’ allowed people to select the one group they identified with from a list of the main ethnic groups in the country.¹⁴ Accordingly, 62 per cent of a total population of 8.3 million defined themselves as indigenous. Notably, the list of ethnic groups included only indigenous groups; therefore, the size of other groups such as white or mestizo was approximated by, and combined in, the group who denied belonging to any of the groups in the list (those who selected the option ‘None’).

In addition, the 2001 Census collected information on spoken language(s) and, also for the first time, language first learned in childhood. Based on these questions, it is surprising that urban dwellers, some of whom do not speak an indigenous language and have never spoken one, ascribed themselves to an indigenous group. According to Canessa (2007), about 20 per cent of the total population was in this situation, including children of European parents. While this was explained by the lack of a category to represent properly the different ethnic groups in the country (see for instance Toranzo 2006, 2008), others justify this, sometimes contradictory, self-identification with an indigenous group as a way of expressing a political position (see Canessa 2007).

More recently, the election of President Evo Morales in 2006, and the revision of the political constitution in 2008, in which the indigenous topic was a focal point, made the issue of measuring ethnicity crucial in defining the identity of the country.¹⁵ So strongly was the recognition of indigeneity and diversity pursued that in 2009, by mandate of Supreme Decree No. 48, the country changed its name from the Republic of Bolivia to the *Estado Plurinacional de Bolivia* (Plurinational

¹⁴ The specific categories were: (1) Quechua; (2) Aymara; (3) Guaraní; (4) Chiquitano; (5) Mojeño; (6) Other native (in which the group was specified in a follow-up question); and (7) None.

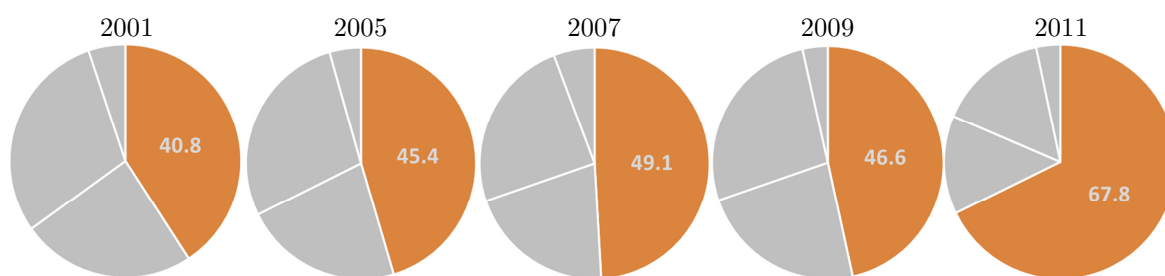
¹⁵ Previous versions of the Constitution already recognized many of the rights of the indigenous communities in the country. The new Constitution, however, has introduced many new areas in terms of protection and respect of indigenous culture and worldview and has deepened in topics included previously (Velasco Unzueta, 2012).

State of Bolivia). Despite all the attention put on ethnic diversity, in the last National Census (2012) 58 per cent of the population declared themselves as not belonging to any indigenous, originary, or *campesino* group.

This situation has driven a number of analysts to make conjectures about what this reduction in the number of self-identified indigenous people means. The explanations follow two main lines of argument. First, there are those who maintain that the change reflects the unusual way in which the census question was phrased (see for instance Stefanoni and Mesa Gisbert in Solíz, Stefanoni, and Mesa (2013)). In addition to having added the category *campesino* to the wording, the question took a rather different form to the 2001 Census when, instead of presenting the list of ethnic groups, the answers were reduced to: yes (I belong), do not belong, and I am not Bolivian (see Figure 6.3). Only those who answered 'Yes' were then asked to specify an indigenous group. These changes have given rise to two main critiques. First, by adding the category *campesino*, the question mixed ethnic and class categories and respondents may have been confused about the purpose of the question. The rural connotations of the term *campesino* might have dissuaded an overwhelming urban population from choosing the group (Stefanoni, 2013). Second, by beginning the question by acknowledging everyone as primarily Bolivian and by eliminating the option to not belong to any of the groups (thus avoiding *el ninguneo*), respondents were given a wider, yet more adjusted-to-reality, way of defining themselves (Mesa Gisbert, 2013).

Motivated by the objective of determining the ethnic identity of the middle class, I inspected the issue of decreasing self-ascription to indigenous groups further. I estimated the amount of people who did not self-identify with an indigenous group using five nationally representative household surveys. The main results are presented in Figure 6.4, which shows in orange the groups who do not self-ascribe to any of the ethnic groups listed in the survey options (i.e. Quechua, Aymara, Guaraní, Chiquitano, Mojeño, and Other). The advantages of using these sources of information are that, first, household surveys are collected more regularly than National Censuses (approximately every two years), and second, between 2001 and 2011 the question of self-identification was phrased consistently and in the same terms as in the National Census of 2001. Having said this, the biggest disadvantage is that the first nationally representative household survey is the one for the year 1997. Thus, long-term analysis is simply not possible.

Figure 6.4: Self-identification with indigenous groups
(Population 15 and older)



Source: Own elaboration based on Household Surveys 2001, 2005, 2007, 2009, and 2011.

There are at least three main conclusions that emerge from this analysis. First, household information and census data show very similar results for the year 2001. Accordingly, 59.2 per cent of the population would be considered indigenous and 40.7 per cent non-indigenous (white and *mestizo*). Second, throughout the decade, there has been a gradual tendency for the population to feel less identified with an

indigenous group. Third, even when keeping the self-identification question in the same terms and words, the big jump to a much less indigenous self-identification happens sometime between 2009 and 2011 when the decrease reaches approximately 20 percentage points. These results suggest not only that the *proyecto indigenista* promoted by the new Constitution may have encouraged the vast urban *mestizo* population to make its identity visible by renouncing any feeling of kinship to a particular group, but also that individuals' changing circumstances also modelled new and complex identities that came into conflict with rigid categories. Not identifying with any group was, therefore, a way of escaping an inflexible label. What does less self-identification with an indigenous group imply for the ethnic identity of the middle class? The following section deals with this question.

6.4 Approximating ethnicity/indigeneity in the middle class

The previous two sections highlighted not only the close interrelationship between ethnicity and class that upheld a system of domination and exclusion of ethnic minorities, but the beginning of a process of change triggered by the National Revolution and crystallized partially in the last decades. In addition, the review of the common approaches to measuring ethnicity in Bolivia suggested that identification of indigenous people has become problematic and contentious in recent years. How is this story reflected in the middle class? What does it mean in terms of the patterns of social mobility in the country? To answer these questions, the current section makes use of the Socio-Economic Index estimated for the years 1976, 1992, 2001, and 2011. This analysis is further complemented with a qualitative exploration of perceptions of identity and social distance for middle-class individuals of the city of El Alto. In this way, the issues of ethnic identity,

stratification, and social mobility are analyzed using different ethnicity markers, varied stratifying elements, and imaginaries of belonging.

6.4.1 How indigenous is the middle class? Approximating ethnicity in the middle through different ethnic markers

In describing the multiple ways in which indigeneity has been estimated using quantitative instruments, a key message was that the measurement relied on survey questions that highlighted different ethnic markers (i.e. language, self-ascription) at different points in time. For the purpose of this investigation, which is to determine how indigenous the middle class is and, based on this, to inspect the degree to which the middle class has provided more opportunities for indigenous people, different and inconsistent proxy variables to ethnicity represent a clear challenge.

To recapitulate what was described in the previous sections, ethnic differences were deemed irrelevant following the National Revolution ideology. This meant that national censuses – those in 1976 and 1992 – purposely excluded questions directed at measuring the ethnic diversity of the country. For this reason, questions related to spoken language(s) constituted the only proxy for ethnicity for the second half of the twentieth century. In consequence, any longitudinal analysis of ethnicity is bound to be approximated by this variable.

Despite the particular shortcomings this variable presents,¹⁶ there are at least two advantages to using spoken language(s) as a proxy for ethnicity. First, language is considered the most preponderant manifestation of attachment to a culture (Peyser & Chackiel, 1994). On this point Mar-Molinero (2000) has argued that ‘language is a means by which human beings grow to understand themselves and

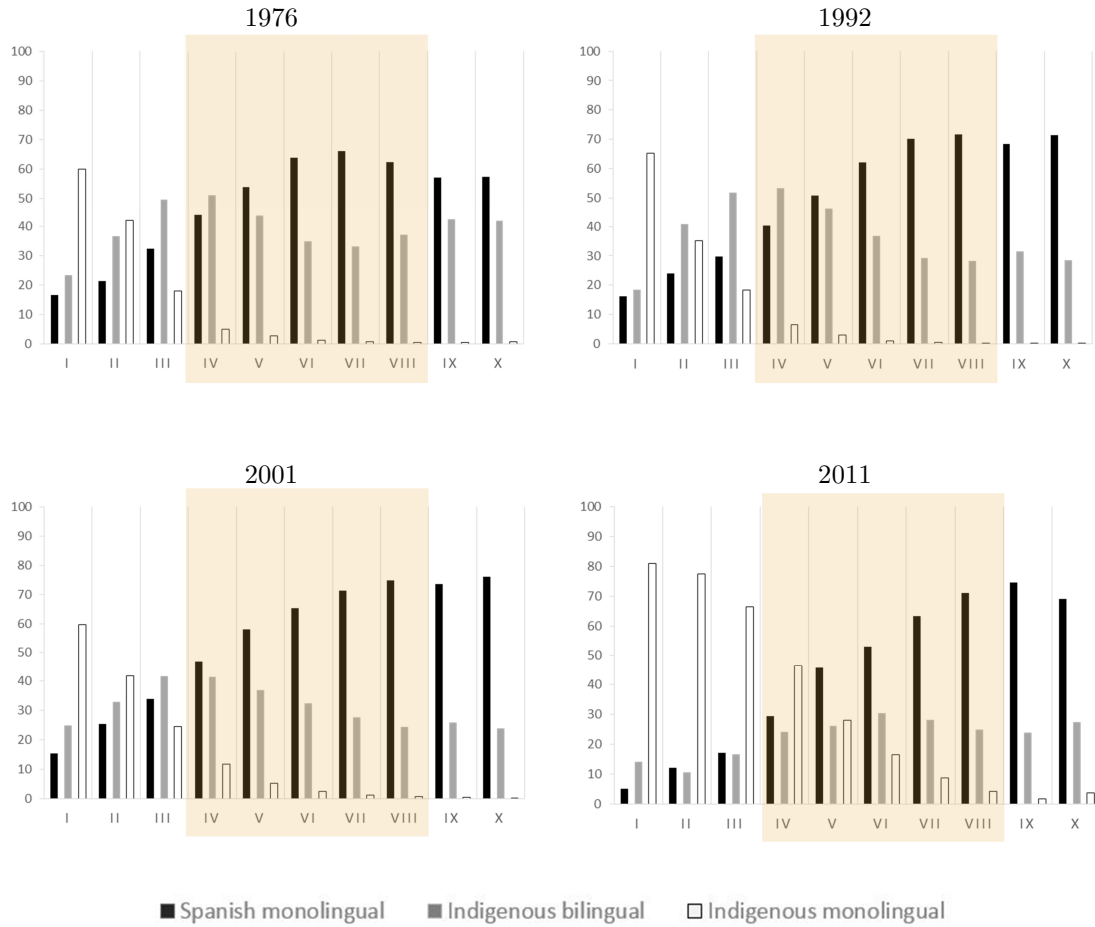
¹⁶ Albó (1995a) highlights that spoken language(s) suffers from not being able to differentiate the levels of skill that a person has in each of the reported languages, and also from not being able to identify the individual’s mother tongue.

then to understand and share with those who speak the same language [...] is the most important defining factor in the make-up of humans and their communal grouping' (p. 8). Second, language is considered a more objective measure of ethnicity than self-identification. The latter is more prone to be either under-reported if the respondent fears being stereotyped or discriminated against, or over-reported if, on the contrary, respondents believe they could become recipients of economic or social indigenous-oriented benefits (Molina et al., 2005).

Questions related to spoken languages in the National Censuses of 1976, 1992, and 2001, and in the Household Survey 2011, allowed the construction of three language categories: monolingualism in Spanish, bilingualism in an indigenous language and in Spanish, and monolingualism in an indigenous language.¹⁷ Figure 6.5 shows the breakdown of the constructed variable for each SEI group. Each bar in the graph expresses the share of population in each language category that are in each SEI decile. Thus, the three language groups for each SEI group add up to 100 per cent. This means that, for instance, in the graph related to the year 1976, the lowest SEI level (Group I) is composed of about 16 per cent Spanish monolingual, 24 per cent bilingual, and 60 per cent indigenous monolingual. Conversely, the top SEI level (Group X) is composed of 57 per cent of individuals who speak only Spanish, 42 per cent who speak a combination of Spanish and an indigenous language, and less than 1 per cent who are monolingual in an indigenous language.

¹⁷ In 1976 the question 'What Bolivian languages do you speak?' was asked to all the population irrespective of the age of the respondent. In 1992, the question 'What languages or dialects do you speak?' was asked to the population aged six and over (asked as part of the education section). In 2001 and 2011, the question 'What languages do you speak?' was asked to all the population.

Figure 6.5: Distribution of population by spoken language(s) by SEI groups (In percentages)



Source: Own elaboration based on Censuses 1976, 1992, 2001, and Household Survey 2011

The story that emerges is one of socio-economic mobility driven by language loss; particularly evident between 1976 and 2001 and for the middle class. The first pattern that comes to light in this respect is the over-representation of Spanish monolinguals at the top levels of the SEI and at the upper levels of the middle class. Accompanying this pattern, is a noticeable decline in representation of bilingual individuals in the same SEI levels. The continuous situation of disadvantage of indigenous monolingual groups becomes evident as they represent greater shares of the lower SEI groups, a situation that reaches a peak in 2011. Setting the focus on the middle class – groups IV to VIII – it is noteworthy that

the composition of the lower group (or the vulnerable middle class) changed to being dominated by bilinguals in 1976 and 1992, to being represented by indigenous monolinguals in 2011. What is more, individuals monolingual in indigenous languages gain remarkable visibility in the rest of the middle class levels in 2011 in relation to previous years. While this trend is partly explained by a natural tendency to transit from monolingualism in an indigenous language to bilingualism, and from bilingualism to Spanish monolingualism – especially relevant in a context of rapid urbanization – the greater presence of indigenous-language monolinguals strongly suggests that the middle class has provided new opportunities for this group.¹⁸

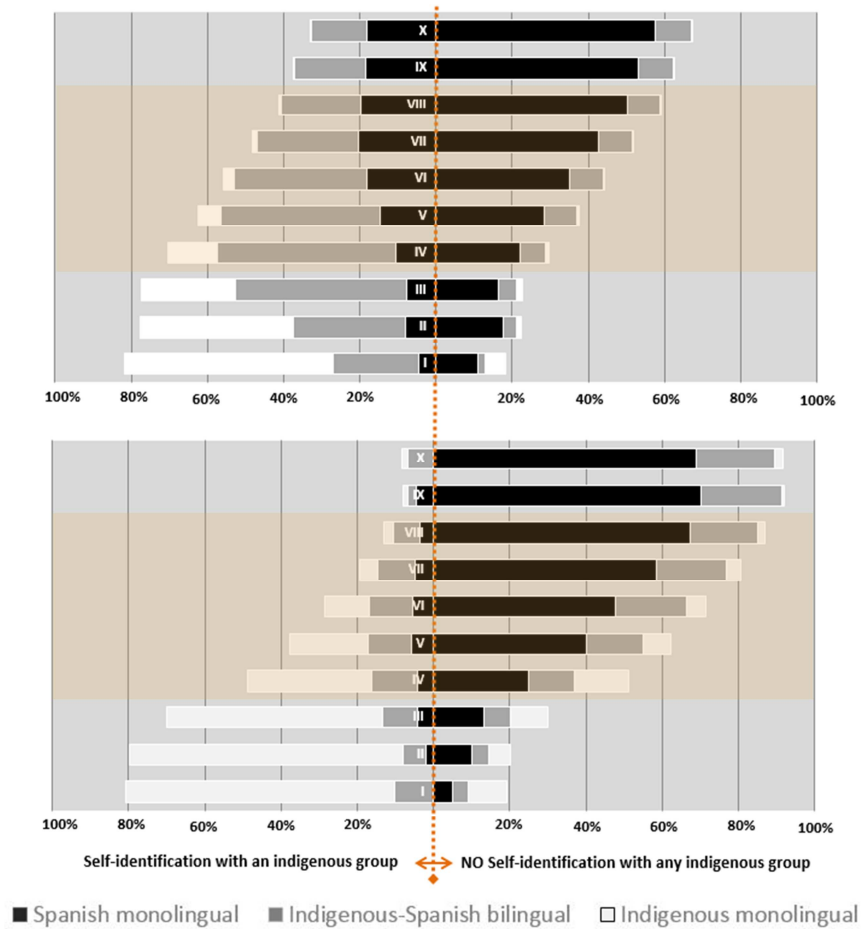
How do these language patterns and less self-identification with indigenous groups – described in the preceding section – map on to the socio-economic structure? And more importantly, what do they mean in terms of the ethnic identity of the middle class? Figure 6.6 shows the results of combining language and self-identification across socio-economic levels for 2001 and 2011.¹⁹ Each SEI level – represented by horizontal bars that add up to 100 per cent – is located around an axis (dotted orange line) that divides those individuals who self-identified with an indigenous group (left-hand side) and those who did not (right-hand side). Thus, the more a bar moves to the right of the axis, the larger the amount of people who do not self-identify with an indigenous group. This is, arguably, the most noticeable change between 2001 and 2011, when all socio-economic groups, except the bottom three, shift from being mostly indigenous (by self-ascription) to non-

¹⁸ These results need to be appraised having in mind that each SEI group has a different size in each year. Indeed, SEI groups at the extremes lose weight as individuals gradually cluster around the middle SEI groups (as noted in Chapter 3). In order to test the coherence of the conclusions raised previously, I carried out the same exercise using SEI deciles. This means that the total sample, at each point in time, is divided in 10 equal groups so that each one represents 1/10. The results, presented in a similar format in Appendix 11, confirm that there is indigenous language loss and greater, though subtle, participation of monolinguals in indigenous languages in the middle segments of the SEI.

¹⁹ The years are selected based on the availability of information on self-identification with an indigenous group.

indigenous. This finding suggests that much of the ethnic identity transformation occurs in the middle class.

Figure 6.6: Distribution of population by self-identification, spoken language, and SEI groups, 2001 and 2011
(In percentages, population 15 and older)



Source: Own elaboration based on National Census 2001, and Household Survey 2011

Referring to changes occurred to the group who self-identify as indigenous (left of the dotted orange line), the most revealing result is that in 2001 self-ascription and spoken language seemed to have very little relationship, whereas in 2011 self-identification and being monolingual in an indigenous language go hand in hand. According to figures of the National Census 2001, of the total of individuals who

self-defined as indigenous, 20.4 per cent did not speak an indigenous language and had never spoken one. By referring to anecdotal evidence, Canessa (2007) contends that in the 2001 Census some self-identified as indigenous despite not having any knowledge of an indigenous language as a way of expressing a political alignment, or to convey concern for natural resources, globalisation, and U.S. hegemony (p.210-209). In this way, this result not only echoes the far-reaching effects of ethnic politicization in the 1990s, but a conspicuous process of change in recent years since ethnic politicization reached a peak with the election of Evo Morales in 2005. Less self-identification with indigenous groups for bilinguals and Spanish monolinguals could thus be reflecting the downfall of ethnic politicization as a political instrument for this group as they not only achieved a political purpose with the election of the first self-defined indigenous president but also have considerably improved their socio-economic level. The political significance of this change lies in the ability of the new *indigenous state* to respond to the demands and needs of those who self-identify as indigenous and speak only indigenous languages – who are those who were left behind in terms of socio-economic progress – and to deal with a large population that contradicts and is in conflict with the government’s indigeneity discourse.²⁰

In addition to a stratified process of less self-identification with indigenous groups, there are three trends specific to the middle class worth highlighting. First, virtually every individual who spoke only Spanish, changed to define themselves as not belonging to any indigenous category in a ten-year span. Second, there is also a dramatic decrease in the bilingual group that self-identified as belonging to an indigenous group in relation to 2001. Thus, in this case, less self-ascription is determined by language loss in addition to socio-economic betterment. Third, inversely to the previous language groups, three out of four individuals monolingual in indigenous languages – those who have gained visibility in the

²⁰ This last point will be expanded in the next section.

middle class in the year 2011 – consistently define themselves as belonging to an indigenous group.

Therefore, the analysis points to two main lines of argument that begin to answer the research questions guiding this chapter. First, the middle class has opened new opportunities for people who speak only indigenous languages whether they ascribe or not to an indigenous group. While opportunities are larger for those who have ‘consistent’ ethnic markers (i.e. monolingualism in indigenous language and self-ascription to an indigenous groups), especially in the lower levels of the middle class, it is noteworthy that monolingual individuals who do not ascribe to an indigenous group have increased their participation in the upper levels of the middle class, where they had no participation ten years ago. Second, individuals build their ethnic identities in complex and even contradicting ways as they move into the middle class. While the dramatic decrease over ten years in self-identification with indigenous groups – which account for almost 30 per cent – can be explained by the ethnic discourse prevalent in 2001, socio-economic status seems to play an important part as less self-identification and language loss happen in a marked stratified manner. To what extent, then, can the middle class be considered indigenous? Or, what is the ethnic identity of the middle class? In what follows I explore these questions by focusing on how middle-class Alteños relate to the issue of ethnic identity by inquiring into the many ways they distinguish themselves through lived experience.

6.4.2 Intricate ethnic components: who is indigenous in the middle class?

‘We have only begun to explore how [Andean peoples] continually reconstructed cultural meanings and identities, as they moved into (or sometimes, out of) the orbit of regional and world markets.’

(Larson, 1995, p. 38)

From a historical perspective, ethnicity in Bolivia follows a long tradition of re-invention and re-definition. The previous sections have shown that historical rigid ethnic and class divisions have been not only contested but re-constructed in recent times. Fast-paced rural-to-urban migration and the resulting betterment in socio-economic levels seem to be playing a key role in this process. Indeed, these factors point to the emergence of complex and fluid ethnic identities that are seemingly more visible in the middle class. In order to take a step forward in the study of the ethnic identity of the middle class I turn now to investigate, from a qualitative angle, the meaning behind the contradictions around not only displaying and reporting different ethnic markers, but also self-ascribing to different groups such as *mestizo* and indigenous. In addition, I unravel the ways in which middle-class individuals define themselves and how they express their identities.

The issue of complex and fluid ethnic identities in Bolivia has been studied and highlighted in the past (see for instance the works of Canessa, 2007; Madrid, 2006; Sanjinés, 2005; Toranzo, 2008; Zavaleta, 2008, 2011). The recent study by Zavaleta (2011) is an illustrative example of this endeavour. In his research, the author showed that 40 per cent of the Bolivian population easily changed between self-defining as indigenous and *mestizo* when survey options became available. Moreover, for the specific case of El Alto – my fieldwork site – Zavaleta revealed that eight out of ten individuals preferred to identify as Aymara when ethnic labels were proposed as options for self-identification, whereas only four out of ten individuals were defined as such when alternative non-ethnic categories were offered.²¹ Neither one is more precise than the other in defining individuals'

²¹ The instrument used for this study was the CRISE 2006 Perception Survey. In a first instance, people were asked to choose from a list of options the group they felt they belonged to. The list included Aymara, Quechua, Guaraní/Guarayo, other indigenous groups, mestizo, mestizo/indigenous groups, White, Afro-Bolivian, other, and none. In a following question respondents were asked to choose from a list that included: Peasant, *Paceño*, *Colla*, *Alteño*,

ethnicity, instead, Zavaleta argues, ‘both identities refer, or may refer to many people, to specific aspects of an individual’s identity’ (p. 63). In this way, crossing between ethnic identification preferences marks the relative importance of certain aspects of identity in specific circumstances.

In the context of such fluidity in ethnic identification, I asked respondents how they would answer a census-like question (as phrased in the National Census 2001) and how they would have answered a question that included the *mestizo* category. The large majority of respondents replied in two ways: (i) no self-ascription to an indigenous group (for the first question) and *mestizo* (for the second question), and (ii) self-ascription to an indigenous group and *mestizo*. While similar exercises have been carried out in other studies that cover (quantitatively) larger samples, the relevance for my study lay in the opportunity to use the exercise as an entry point to the topic of ethnic identities, which could be regarded as sensitive by my respondents. Specifically, it allowed me to expand on the issue of ethnicity by inquiring how respondents made sense of their identities without the imposition of preconceived categories or labels. Furthermore, it paved the way for a further investigation of the process of creation of the ‘we’ in opposition to ‘them’ and the resulting process of group formation. With this, I attempt to describe the universe of representations to which respondents refer when ethnic identities come into play.

An overarching notion that emerged from respondents’ explanation of how they feel in relation to self-ascribing to different identities, especially to an indigenous identity, is that of ‘distance without disconnection.’ This is, while people feel a strong *connection* with an indigenous group – as part of an ancestral legacy or as bearers of cultural traits such as language and garb – they no longer feel *belonging*. Two main arguments are put forward to explain the process of distancing. The

worker, union member, entrepreneur, *Ayllu* member, Bolivian, Indigenous-peasant, other, and none. Finally, they were asked to choose the one answer they preferred.

first one relates to the closer ties to modernity given by living in an urban setting. Raúl²², a jeweller working in Feria 16 de Julio exemplifies this ambivalence.

I am in constant transition. I'm part of the Aymara people, I keep my parents' legacy, but in the city I'm stuck between that and my urban life. I mean, whenever I go to my parents' hometown I dress in my *ojotas* (*rough sandals*) and my poncho out of habit. Here, in the city, I change to regular clothes out of habit as well. I can see the conflict for my children. They tell me: 'we've never lived in the countryside'. Therefore, even though they feel the ancestral legacy, they do not regard themselves indigenous.

The conflict at heart seems to be that urban dwellers who originated in the traditional indigenous communities and have a historical consciousness of racism and injustice are developing new cultural values and ways of life in the cities that are difficult to articulate under the same labels or categories. As Goodale (2006) argues, these people are developing an 'indigenous cosmopolitanism' that seems to be at odds with the new discursive articulations around *lo étnico*. Scarborough (2012) noted this dualism by investigating how *cholitas* embodied indigeneity through their dress, language, and cultural practices, but have also gained wide recognition for being savvy businesspeople in urban areas. With this, the author argues, *cholitas* positioned themselves outside a social continuum between indigenous and white by creating a middle ground space and more complex identities. Béteille (1998) summarizes this conflict of identities by posing a critical question: 'is there now such an essentialist view of indigenous people in which they carry their identity with them wherever they go and whatever they do?' (p. 190). The answer, in the eyes of Bolivian middle-class individuals, seems to be no.

²² Interview #41. Interviewed twice in April 2012 and in January 2014

The second argument is related to increased wealth. More specifically, middle-class individuals feel distanced from an indigenous identity because of a prevailing imaginary of poverty and exclusion attached to indigeneity. In this sense, they see increased wealth and higher living standards as incompatible with an indigenous identity. While this imaginary was forged through centuries of exclusion and dispossession of the indigenous population in Bolivia – as described in Section 6.2 – it was reinforced by the indigeneity discourse of Morales' government. A blatant example of this is President Morales' prologue to the new Constitution, where he wrote: 'all who were born in Bolivia are originaries of this land; some of us are millenary originaries, and others are contemporary originaries. The problem is that the millenary originaries are many but poor and the contemporary originaries are few but rich'. In this respect, Canessa (2014) argues that Evo Morales seems to be embracing an older pattern of ethnic relations where indigenous peoples 'occupied a structurally distinct position, be they as the defeated in conquest, a fiscal category, a racial group, or a social class' (p. 158). Undoubtedly, such propositions have led middle-class individuals to feel excluded from an indigenous group, despite their originary heritage.

Bolivia's new Constitution may have also played a role in this process of distancing. In Chapter 4, Article 30, the Constitution defines an Indigenous Originary Campesino Nation as 'any human community that shares cultural identity, language, historic tradition, institutions, territoriality, and view of the world, whose existence is prior to the Spanish colonial invasion' (own translation). Therefore, individuals who previously defined themselves as belonging to an indigenous group have reconsidered their views in light of the increased requisites for being considered as such. Indeed, Raúl – the same respondent who had declared being in constant transition between an indigenous and urban identity – expressed his disappointment when, in 2009, public authorities disregarded his application for a job just because his identity card showed that he was born in El

Alto instead of in *Coro Coro* or *Pacajes*.²³ According to Raúl, this was a joint initiative of the Government and indigenous and mining guilds to reactivate the mining industry in the town of Coro Coro by employing the indigenous population of the region.

The identity tension seems to be solved by the adoption of a more neutral term such as *clase media popular* (popular middle class) with which individuals seek to position themselves within a wider structure while making reference to their indigenous background. During my interviews, it became common practice for my respondents to make reference to this group whenever I asked them to place themselves in society's different layers. In this way respondents used *clase media* as a way of integrating and equalizing their position to an existing but exclusionary traditional middle class. Conversely they added the term *popular* to mark and establish differences with respect to that traditional segment.

I then sought to understand how exactly respondents made sense of *lo popular*. The following constitute some of the most telling examples of *popular* representations.

The popular middle class is composed by folklorists, by individuals throwing *prestes* (*Andean parties*) and big parties in celebration of their hometown patron saints.

Julia, 41 years old, interview #27

[Us,] the popular middle class maintain our ancestral traditions. For instance, in Carnival we make a *ch'alla*²⁴, in August we set a *mesa* for *Pachamama* [*Mother Earth*], in San Juan, we burn wood and incense. The

²³ Coro Coro is a town located in the province of Pacajes within the department of La Paz, about 100 Km south of El Alto.

²⁴ Andean ritual carried out to thank/ ask Pachamama for good fortune.

upper or the [traditional] middle class don't have these customs; they simply don't believe in all this.

Tito, 35 years old, interview #16

Popular middle class individuals are the opposite of what a traditional middle class culture represents. That is, they're not sober, they spend a lot of money, they drink a lot in parties. It's a way of being and living.

Doña Remedios, 47 years old, interview #29

This is a class composed of merchants; who may or may not have a high level of education but have had economic success. These are the *comerciantes de pollera* [merchants in polleras]²⁵.

Don Saturnino, 47 years old, interview #51

Descriptions pertaining to the celebration of rural or countryside traditions, thus, seem to be at the heart of the universe of representations of *lo popular*. In this respect, the sociologist Henry Oporto²⁶ explains that individuals use the term *popular* as a way of describing a *cholo* identity without mentioning the word *cholo*, which is normally used in a pejorative sense. Instead, the term *popular* highlights individuals' attributes (economic prosperity and stability and loyalty to their indigenous background) in a very positive way. As this constitutes a crucial element for answering the thesis' research questions, I will delve deeper into the meaning of tradition versus modernity in the constitution of the ethnic identity of the middle class in the next chapter.

Amongst all the diversity and complexity that characterizes the middle class, there are 'indigenous blocks' (i.e. those who consistently report indigenous markers) that

²⁵ Polleras are traditional layered skirts that indigenous women (cholitas) wear.

²⁶ Personal interview, January 2014.

have gained visibility in recent years (see Figure 6.6). The increased presence of this population also decouples indigeneity from traditional notions of exclusion and discrimination. This situation is vividly acknowledged in people's narratives of old forms of discrimination and renewed imaginaries of inclusion and success.

I felt discriminated due to my surname when I was attending university. My surname is *Mamani*, and because of that teachers made fun of me. They told me: 'You will have to study more than a Gutierrez' – a middle, upper class surname. That meant that if you were a *Condori* or a *Quispe*, you were the subject of discrimination ... and so many colleagues have changed their surnames as a result. It was very common to do that.... This situation has changed. The upper class is quiet now. They no longer discriminate as much as before. [The structure] was too rigid in that sense. Not so much anymore. It has changed.

Doña Elsa, 50 years old, interview #46

This fragment highlights not only the processes by which individuals traversed ethnic boundaries in order to avoid discrimination and enhance their opportunities of social mobility but also hints at a moment of change in the country. Whilst exclusionary practices still persist, they appear to be less categorical than in the past. Indeed, middle-class *Alteños* perceive substantial changes in relation to spaces that have been liberated from ethnic discrimination. This, in turn, affects the way they feel about themselves in terms of their identities. Throughout the interviews, the common feeling was that being indigenous is no longer an obstacle to belonging to the middle or upper classes. Indeed, nowadays there is pride in women wearing *polleras*, as they are considered a symbol of wealth.

I think more people can now belong to the upper classes without being discriminated against. I believe this might have changed because, first, there is an anti-discrimination law and, second, life circumstances have

changed. The same people of El Alto have bought houses in the *Zona Sur*.²⁷ Therefore, there is not so much division anymore. It's not as strict as it used to be. This change has happened in the last five to ten years; it's quite recent. You could feel more division before.

Don Germán, 55 years old, interview #23

Without a doubt, the notion of opportunities for the population of indigenous origin within and beyond the middle class marks the beginning of a significant process of change in Bolivia.

6.5 Conclusions

Indigeneity becomes an even more complex and fluid issue when it is accompanied by social and economic change. In a matter of ten years, the population who self-identified as being part of an indigenous group diminished by almost 30 per cent. The shift in identities was not constant for the population as a whole, instead, it was particularly marked in the middle class. In-depth interviews revealed the contradictions and difficulties that middle class individuals face when asked to choose between strict categories to define their ethnic identities. In the particular case of those navigating away from an indigenous identity, the main reason seems to be a sense of distancing from their origins. There are two broken imaginaries that explain the distancing. The first is associated with indigenous people living in backward rural areas. The second has to do with indigenous peoples having been historically excluded, and disposed and confined to poverty. Thus, the new economic, social, and cultural situation of middle-class individuals seem to collide with such notions. While these imaginaries were founded on a long history of problematic ethnic relations in the country, the current Government has also

²⁷ The Zona Sur or Southern District is considered the most exclusive area in La Paz; where the white and mestizo/ criollo elite resides.

played a key role in reinforcing them with an indigeneity discourse aimed at making ethnic boundaries rigid. Individuals find a way out of the identity limbo by the use of neutral terms such as *clase media popular*, which makes reference to their economic urban prosperity and attach their ways of living to traditional rural settings. Essentially, *lo popular* concerns lifestyles by which middle class individuals re-construct their social identities; a topic that will be explored in the next chapter.

Chapter 7

Middle classes, consumption patterns, and lifestyles: the (re)construction of social identities in the Bolivian middle class

7.1 Introduction

The previous chapter explored the complex ways in which ethnic identities and indigeneity evolve; a process particularly marked for the middle class in Bolivia, whose self-ascription to indigenous groups diminished radically in the ten years between 2001 and 2011. Characterized by contradictions, especially when made to choose between ethnic categories, middle-class individuals find solace in the use of what they consider neutral terms, such as *popular*¹, which denotes a world in which tradition coexists with modernity. The demographic shift in the form of rural-to-urban migration – a determinant factor for the emergence of the middle class – has undoubtedly played a key role in mixing modernity and tradition in the ways of life of middle-class individuals. This notion is illustrated by Crespo (2007), who

¹ In Chapter 6, I explained that respondents used the term *clase media popular* as a way of marking the difference between them and the white ‘traditional’ middle class. The term ‘popular’ itself is used in Bolivia to describe objects or behaviours that are closely associated to indigenous practices.

calls it a '*decantamiento cultural*' [cultural decanting] in which migrants maintain original cultural/traditional traits that are reproduced or modified as they become integrated into urban life. There are, however, two other relevant elements that have re-enforced the blend of modern and traditional lifestyles. The first is the new economic opportunities, facilitated by new labour market structures, which have allowed middle-class individuals to accumulate 'economic capital'. The second is the opening of markets in the mid-1980s, which led to a massive influx of foreign goods and, in consequence, remodelled the way in which individuals relate to each other in consumption terms and the subjective value they give to what they possess. In this context, this chapter aims to investigate the specific ways in which the new, the rural, and the global get mixed in the lifestyles of middle-class individuals. Furthermore, the chapter examines how these new forms of cultural integration configure new social identities and whether this process follows a homogeneous or segmented pattern. This is, whether middle-class individuals construct their social identities by synthesizing tradition and modernity in similar ways or whether the degrees of combination vary in relation to their socio-economic standing (i.e. being in the lower-, middle-, or upper-middle class).

I tackle these aspects by: (i) analyzing imaginaries of social class and perceptions of social distance from other social groups or classes; (ii) examining the symbolic aspects of consumption practices and lifestyles; and (iii) exploring the manifold representations by which individuals establish similarities and differences in relation to other people and groups and, thus, construct their social identities. I have based this work on fifty-two in-depth interviews with first- and second-generation migrants living in El Alto.² Whilst the adoption of new stylized forms of

² A full description of the qualitative sample is presented in Chapter 3. In sum, the selection of respondents followed statistical profiling of middle-class individuals. This characterization resulted from the combination of the SEI, migration status, and occupational categories. These three elements provided the basis to select respondents for the interviews. I started interviewing people who lived and worked within the core of commercial life in El Alto. From that point, the selection followed a 'snowball' method, though always moving within the boundaries of the profile typology. I began each interview with a set of 'control' questions, which helped me situating individuals along the socio-economic scale, and do a final selection of the interviews relevant for

living is not uncommon after demographic changes and a gradual accumulation of wealth takes place, my argument goes beyond this. In this chapter I contend that the new urban middle-class individuals of El Alto have developed *hybrid* and *segmented* identities. Cultural blending and the emergence of new cultural forms and practices have translated into new forms of organization in the structure of the Bolivian middle class. In this way, the theory of the modernization of consumption practices (discussed in Chapter 2), together with an understanding of the ways in which certain practices and habits intervene in the construction of social identities, frames the theoretical basis of this chapter.

The chapter is organized as follows. Section 7.2 examines the subjective processes by which middle class individuals discern similarities and differences regarding other groups in society and how they cultivate their class imaginaries. Section 7.3 then analyzes the (re)construction of hybrid identities in a time when the globalized market unfolds objects and behaviour models. The investigation is based on the analysis of a discursive corpus of fifty-two in-depth interviews structured around four domains: food consumption, clothing and fashion, celebration of rituals, and architectural preferences. Section 7.4 examines the association between social identities and consumption practices and lifestyles within the middle class by scrutinizing consumption's double nature, namely, that of satisfying consumers' needs and that of stimulating the creation of similarities and differences between groups (i.e. making social identities visible). The relevance of this analysis lies in the fact that it helps to explain not only the segmented ways by which middle-class individuals create their social identities, but also helps us understand the heterogeneity within this group. Finally, in Section 7.5 I provide reflections and conclusions.

the research. This material was further complemented with secondary literature, media outlets (i.e. newspapers and magazines), and conversations with experts.

7.2 About middle-class awareness and identity

As discussed in detail in Chapter 2, recent engagements with the notion of class identity are framed in older debates on the existence of a coherent formation of class consciousness. To recapitulate this point of discussion, the examination of the different ways in which individuals become aware of their class position and, therefore, develop a ‘class consciousness’ was hampered by a conceptual and empirical impasse between structure and agency. This meant that class positions seldom generated coherent class imaginaries or exposed clear class identities. The result was a re-conceptualization of the notion of identity as a *claim for recognition* by which individuals continuously seek connections and establish contrasts between themselves and others. In this way, individuals set up their association with particular groups and develop their social identities.

We are what is vulgarly called *la indiada*, we are merchants of El Alto, we love watching the folkloric parade of *El Gran Poder*, or *16 de Julio*, or attending provincial parties where we consume lots of beer, not fine whisky as the upper classes or professionals do.

Don Gonzalo, 39 years old, interview #25

The previous fragment exemplifies not only the aforementioned dissonances between real and perceived social positions but the multiple ways in which middle-class individuals describe their place in the social order. Throughout the interviews, class imaginaries were closely related to multidimensional aspects of people’s lives, the most salient being: appearance, behaviours, migratory status and social networks, education, occupation, and the possession (or lack) of certain assets. What is more interesting, however, is that individuals assessed all these aspects by establishing similarities with some people and differences with others

which were, in turn, constructed on the basis of their personal life trajectories and experiences and subjective interpretation of their own social environments.

I would say I am from the middle class, but from la popular... I mean... I don't have too little or too much money; I have my house and my comforts but I live in the El Alto and not in the *Zona Sur* [Southern District]³. I can see the differences very clearly [from people who live in the Southern District], the way they talk, the way they behave, the way they dress; surely they have more time to look better because they have maids. Here, we do everything ourselves.

Doña Ruth, 56 years old, interview #30

Given that identity is multidimensional and that different identity imaginaries can operate simultaneously in the same individual, it is not difficult to deduce that there is not a single idea of what the middle class is, or what it means to be part of it. Indeed, as described in Chapter 6, evidence from the interviews suggests that although many prefer to identify themselves as part of the *clase media popular*, the category is also accompanied by a series of nuances and explanations, adjectives and values that establish some sort of distance and blurring from such 'fixed' classifications.

Individuals' perceptions of closeness to other groups became clear when asked how they would describe or recognize a person from each class of society: upper, middle, and lower. Surprisingly, criteria based on personal values prevailed, especially for the upper and middle classes, although they were markedly negative for the former. For the upper classes, some descriptions included: people who discriminate against *them*, racist, arrogant, those who lack moral values, and those

³ The *Zona Sur* [Southern District] is known for sheltering the traditional upper and upper-middle classes of La Paz. A critical portrayal of the lives and lifestyles of the people living in this neighbourhood can be seen in Juan Carlos Valdivia's film *Zona Sur* (2009).

who think of themselves as superior. This de-legitimization implies that the upper class is not a position aspired to by the respondents (who were, according to my sampling profiling, part of the new middle class)⁴, as is frequently assumed in the literature. Conversely, people from the middle class were described along two lines; either as the incarnation of virtuousness or as a group that shows prejudice against them. This form of representation supports my argument in Chapter 6, where I showed how middle-class individuals use the term *clase media popular* to express both closeness and distancing to a group that has similar economic power to them, but have traditionally treat them as inferior. Common adjectives to describe individuals from the middle class were: humble, hardworking, and ‘*just like us*’ or vain, selfish, and spoilt. Finally, people from the bottom of the pyramid were generally described with empathy and, almost without exception, in economic terms. My respondents referred to them as those who are jobless, who do not have enough to eat, or who wear ragged clothing. Frequently, this segment was also associated with certain occupations such as *cargadores* [people who carry loads on their backs] or those who sell *montoncitos* [small piles of goods] on the sidewalks. The following are examples of expressions related to people from each society layer.

In describing upper classes:

The upper class is that people who constantly show off having money, cars, houses, being important... they are ostentatious.

Froilán, 39 years old, interview #47

They believe they have the right to criticize our ways, always looking at us as inferior to them. Maybe they have a whiter skin... generally when one goes to the city [La Paz] they looked at us with displeasure...

Doña Francisca, 50 years old, interview #7

⁴ Refer to footnote 2 in this chapter for more information about the statistical profiling to select respondents.

They have a lot of money, but they are distrustful, they are feigners. They like to brag about their wealth. Of course, they dress better... in their houses they cultivate a different form of living.

Don Evaristo, 52 years old, interview #20

I would describe the upper classes just in terms of their economic power, because in other aspects they are poor. They do not have familiar affection, they lack morals.

Gladys, 38 years old, interview #37

In describing the lower classes:

From the lower class are the indigents. For instance those who have no studies, no jobs.

Doña Layda, 42 years old, interview #28

Those coming from the poor regions of Potosí to beg or to sell a couple of apples by the sidewalk.

Doña Rita, 52 years old, interview #13

They are very simple but have a good nature. They have nothing but they are willing to help...

René, 39 years old, interview #40

In describing the middle classes:

I think the middle is made of people like us, no? They have their things, but not all, enough to eat, to study... to live.

Don Walter 49 years old, interview #32

The middle class is more down to earth. Although they sometimes they can be conceited and often want to copy the upper classes.

Edwin, 39 years old, interview #9

[The middle class is made of] professionals or people with a technical degree. Although now merchants have reached that level too.

Doña Elsa, 50 years old, interview #46

[People] from the middle class are supportive, and understanding ... [they] know what's to work hard and know the sacrifice to achieve things.

Milton, 35 years old, interview #11

Other criteria to distinguish between classes were related to living in certain neighbourhoods and to clothing fashions. For instance, neighbourhoods in southern La Paz (*Achumani, Calacoto, Irpavi*) were associated with the upper class.⁵ In terms of clothing, interviewees mentioned that people in the upper class dress differently and care greatly about their looks. They felt that people in this class can afford to spend time on their looks because they have domestic workers helping in their households, while *they themselves* have to run from place to place in order to have food ready for their families, clean their houses, and work in their businesses as part of their daily routine, leaving no time to spend on other (banal) things. Other characteristics were related to language and the way in which people expressed themselves.

Further to this, when respondents were asked to position themselves, first, by saying to which group (bottom, middle, or upper classes) they belonged to and, second, by using a scale from 0 to 10,⁶ perceived positions and social distances seemed at conflict. On the one hand, the groups they felt affiliated with were always below the middle class. In this sense, respondents seemed to take into account how far they felt from a person they considered being from the upper class or upper-middle class (i.e. relational situation). On the other hand, when using the

⁵ By exploring the lives of upper-class youth in *Jailones* (term to denote people from upper classes – derives from the word ‘high’), López, Jemio, and Chuquimia (2006) corroborate this view. They describe *Calacoto* as the neighbourhood where these youngsters negotiate and construct group identities by going to cafes, attending exclusive schools, and socializing in clubs (such as tennis and golf clubs).

⁶ In the scale 0 represented the hypothetical situation of having very little money, bad living conditions, etc., whereas 10 meant having great wealth, living in comfort, having the desired assets, etc.

scale, respondents placed themselves systematically above the middle point, ranging between 7 and 8. This implies that when assessing their own situation, independently from others, middle-class individuals could see their overall socio-economic position as being well above average (i.e. contextual situation).

In sum, individuals' identities are multidimensional and made of nuances, tensions, and contradictions that are contextual and relational, exposing a problematic incongruity between real and perceived positions and, therefore, a variegated middle-class identity. For this reason, the analysis of middle-class identity representation fits best in Bourdieu's framework of social structure, class, and the creation of social identities conceived in the trinity: fields, habitus, and capital discussed in Chapter 2. To recapitulate what was explained in Chapter 2, the interaction of habitus, fields and different forms of capital (in particular cultural capital) overcomes the problematic dichotomy of structure/agency by making sense of how individuals establish their affiliations to specific groups with similar lifestyles. I explore this interaction in the next sections by delving into middle-class individuals' consumption practices and lifestyles to then explain how these shape the formation of senses of belonging and, thus, social identities.

7.3 About lifestyles in an unfolding modernity

Lifestyles and consumption practices – while being sets of routinized practices, as noted by Giddens (1991) – shape identities in concrete ways as individuals adopt them reflexively, pondering not only the satisfaction of utilitarian necessities, but also their symbolic and cultural value. It is through comparing lifestyles that individuals get closer (or more distanced) from groupings that display the same (or different) behaviours, interests, tastes, ideologies, etc. and thus cultivate and ultimately establish their sense of belonging and their social identity. Lifestyles do not exist in a vacuum; they are determined and conditioned not only by objective personal trajectories, but also by subjective interpretations of the social

environment. These considerations are important in that they begin to explain the aforementioned identity ambiguity that emerges from the encounter of tradition and modernity, which is especially marked among middle-class individuals. Therefore, in what follows I aim to unravel the identity conundrum by looking at the specific ways in which these individuals combine tradition/modernity in their ways of living.

7.3.1 Modernity and changes in symbolic consumption

In Bolivia, as in other Latin American countries, the adoption of a new development model based on an open economy in the 1980s provided the biggest step towards modernity. To quote Himpele (2003), 'if Bolivia's rough pursuit of modernity over the course of the twentieth century reached a watershed with the social Revolution of 1952, then it set a high watermark in the mid-1980s with the abrupt implementation of neo-Liberal economic policies...' (p. 210). In terms of consumption, this transformation was translated into a massive inflow of new imported goods that were not formerly available in the country. In turn, this led to a rapid intensification in consumption levels driven by an accelerated depreciation in the values of these goods. Table 7.1 provides an example of the rapid pace at which ownership of selected consumer durables became generalized. Consequently, even though absolute income did not increase and wages of less skilled workers decreased in this period, cheaper and more accessible products provoked a sense of social mobility (Hopenhayn, 2010).

Table 7.1. Ownership of selected consumer durables in capital cities, 1990 and 2007
(% of households)

Capital city	Television		Refrigerator		Electric/gas cooker		Radio/recorder	
	1990	2007	1990	2007	1990	2007	1990	2007
Sucre	30.0	82.0	50.1	42.4	2.0	95.1	25.0	25.9
La Paz	41.2	95.7	35.8	55.5	12.5	97.1	33.1	55.1
Cochabamba	39.2	92.1	66.3	79.1	2.5	98.3	31.7	47.6
Oruro	30.7	95.4	33.5	45.5	3.2	99.5	26.1	34.2
Potosí	25.7	93.6	22.3	15.9	0.6	98.8	32.4	33.5
Tarija	37.4	92.3	52.3	74.9	1.3	96.0	16.0	42.5
Santa Cruz	35.1	94.8	65.0	67.8	0.9	93.2	22.6	36.0
Trinidad	30.7	84.3	38.8	41.7	1.1	89.9	18.6	22.8
Cobija	n.a	94.5	n.a	82.8	n.a	93.3	n.a	59.9
El Alto	17.9	92.3	13.7	21.3	2.8	99.5	19.1	32.4
Total	34.4	93.2	44.6	55.0	5.0	96.4	27.0	40.8

Source: Own elaboration based on Integrated Household Survey (second round) and Household Survey 2007.

Note: There are small differences in the way questions were asked in the two surveys but numbers are still comparable.

These events were inextricably linked to a change in perceptions and, thus, in the symbolic value given to products that had been rare and restrictive for the vast majority of the population. Exclusive goods became democratized and turned into standard forms of consumption in a large proportion of Bolivian households. Soon, status-conferring goods were rendered ordinary and, as such, they became ‘obsolete’ as tools to mark differences between groups. Naturally, consumption practices – and related lifestyles – that had once served people to differentiate themselves from others (i.e. establish their social identities) took new forms. The examination of the ways in which the new urban middle classes adapted and responded to the ‘globalization of culture’ constitutes the main objective of the following section.

7.3.2 Riding between two worlds: the traditional baggage in the modern world

In 1983, Sandoval, Albó, and Greaves had already exposed the ruralization of urban life in La Paz by documenting how displaced rural migrants rode between

two worlds by living a rural community life in urban squatter neighbourhoods. Although nearly thirty years have passed and circumstances have greatly changed, and many of these migrants have seen their living conditions and socio-economic situations improve, what appears to remain intact is their loyalty to rural traditions. How can we explain this enduring allegiance to rural customs and practices?

During our conversations, interviewees explained that rural origin was something that they had been forced to abandon because of external forces (e.g. drought, economic collapse, *re-localización*, etc.) and it was therefore a feature that they tried to keep alive in their urban life for themselves and for future generations. It is extraordinary, given that rural and indigenous forms of living have been the basis of discrimination in Bolivia, that, instead of abandoning traditional customs altogether after arriving in the city, new middle-class individuals have embraced their traditions and adapted them to new and diverse urban lifestyles to evoke their multiple contexts and histories. Moreover, as will be shown in the following sections, indigenous traditions have become symbolic practices that confer status and prestige on individuals. This situation accommodates hybridization theory – discussed in Chapter 2 – which supposes a cultural melange between the global and the local, with a certain degree of contestation and resistance of local lifestyles and consumption patterns so that they do not get homogenized/assimilated into a ‘modern’ or mainstream form of living. For this reason, in what follows I repeatedly call the middle class a *hybrid middle class*, a term that I aim to justify through the empirical exploration of lifestyles and the creation of social identities.

When migrants recollect their life-stories, they emphasize the burden that food and housing placed on their budgets when they first arrived in the city. This is often in contrast to their current situation when they proudly declare having bought and built at least one house and having money to spare to spend on better quality and/or more valued goods (e.g. entertainment, clothing, housing

decoration, etc.). While this is not a surprising outcome – after all, as people prosper they consume more and more expensive goods – the decision to choose and exert one lifestyle (i.e. types of goods consumed, ways of participating in celebrations, clothing styles, decorations used in their houses, etc.) reveals a myriad of combinations in which these individuals still hold onto their rural heritage and adapt it to the urban social structure. Moreover, it shows the channels through which these combinations (i.e. hybrid consumption patterns and lifestyles) gain acknowledgement and prestige.

People's accounts of consumption practices and celebration of traditional rituals show that lifestyle decisions are also highly commanded by the 'sphere of action' (Giddens, 1991). This means, consumption practices will be different depending on whether they are exerted in the private or the public spheres. Evidence of this conditioning factor is clearly seen in the case of food consumption. During the interviews, people revealed that if food was acquired for the household's daily consumption (i.e. private sphere), then the quality and quantities were unimportant. Alternatively, if food was bought to feed party guests (i.e. public sphere), then acquiring and serving 'the best' was crucial. This indicates that for the same individual the private space is characterized by a logic of austerity and sacrifice, whilst the public, is marked by a common sense of ostentation and squandering. Because this chapter focuses on the construction of social identities (in the sense of feelings of belonging to groupings) analysis will concentrate on public spheres of action only.

In the coming sub-sections I will examine four consumption domains that expose negotiations between the traditional and the modern, the importance of the public sphere, and how these correspond to the socio-economic status of the individuals. The four examples are: food consumption, clothing and fashion, celebration of Andean parties (*prestes*) and public parades, and housing architecture. These dimensions were selected for being the most prominent in terms of people's

budgets as well as for being reported as those offering the most satisfaction and prestige to the respondents and their households.

Food consumption: between apthapi and fried chicken.

Different authors have inquired into the tensions between power and prestige that traditional/indigenous foods represent vis-à-vis the white/mestizo meals. Weismantel (1997), for instance, describes a situation where eating traditional barley soups makes one more Indian and, contrarily, eating dishes such as chicken with rice helps to establish one as more 'white.' Similarly, Orlove (1998) writes, following Bourdieu's conception of the relationship between food and social class, that Indians of the Lake Titicaca region value the strength that their food provides and deprecate mestizo food for not satisfying and filling them up. According to this author, mestizo people express disdain for Indian food because of its contact with earth.

Contrary to situations of tension and narratives of exclusion, in this section I argue that for people in El Alto food represents a way of constructing stories about themselves within a wider framework. Specifically, I argue that middle-class individuals re-enforce their traditional customs by establishing them within, and sometimes even in combination with, modernity. For this purpose, I will focus on an aspect of food consumption that was not only highly emphasized during the interviews, but also represents a clear example of how hybrid identities emerge in the new middle class: the *apthapi* (or communal meals).

The *apthapi*, which comes from the Aymara vocable *apthapiña*, meaning 'to gather the harvest,' is the custom of sharing food between members of a community, friends or family. It differs from everyday meals in that it usually takes place outdoors and around a tablecloth made of *aguayó*⁷ that is set on the floor. The

⁷ Multicoloured woollen cloth that is part of traditional dress in the Andes region.

main idea is that each member brings some ingredients to share. Ingredients are usually of a solid consistency as they are normally eaten using the hands. Additionally, the practice has specific rules and protocols covering, for example, where men and women are located around the food and who is responsible for beginning the ritual and sharing thankful prayers for the produce to the *Pachamama* (Mother Earth). Apart from its clear nutritional purpose, the *apthapi* also has an important cultural and social role. It is a space in which to promote learning, respect, gratitude, and responsibility towards each other and nature. More importantly, respect, inclusion, and equality are the premises that guide this ritual.

Photograph 7.1. The ritual of the *apthapi*



Source: Photo taken from González Henott (2012)

Some decades ago *apthapi* was considered a purely rural custom. Nowadays, however, it is an important part of the food consumption and lifestyles of city dwellers. Indeed, it is said that its current mix with modern day customs has revitalized the ritual (Fernández Bolaños, 2011). El Alto has the most vigorous incidence of the custom and, just by walking around its streets, one is very likely to find people gathering around the *aguayo* and sharing a meal. Whereas in rural towns *apthapi* was usually performed after harvesting (hence the name), in El Alto *apthapi* is now performed to celebrate all sorts of anniversaries, for instance, the

anniversary of a market or a street where individuals have their businesses and merchants of every product big and small participate in the ritual.

For me, the *apthapi* is sharing ... is being close to my family. To many people it represents a way of making peace with relatives from whom they are distanced due to arguments or problems.

Don Eloy, 46 years old, interview #3

My friends keep coming to me with coca leaves or ask me: ‘Doña Julia, do you have coca leaves for the *pijcheo*⁸?’ They also come and invite me for the *aphtapis*, and I attend, I always attend... ‘you are a nice person,’ they say ... You see, for me it’s important that they see me for what I am, and I’m their equal. I can have one, two, three or a whole fleet of trailers; I will always be the same.

Doña Julia, 41 years old, interview #27

Although the ritual is based on the premise of equality – each person should receive exactly the same amount of food – and is undertaken with the objective of reviving rural traditions, new middle-class individuals have additional agendas. These agendas, in turn, vary in relation to socio-economic power. The division of the middle class into three groups (lower, middle, and upper-middle class) in terms of the SEI helps to illustrate this point.⁹ The lower-middle class group perhaps keeps closest to the original purpose of the *apthapi*, which is to share food and interact with others on an equal basis. The upper-middle class’ agenda, conversely, has mainly to do with celebrating their (newly acquired) market power, which is

⁸ Aymara word for chewing coca.

⁹ After noticing that lifestyles vary greatly within the middle class and that these are marked for different socio-economic levels, I divided the middle class in three groups: the lower middle class, which includes groups IV and V of the SEI scale, the middle-middle class, which includes group VI, and the upper-middle class, which covers groups VII and VIII.

exemplified in their capacity to decide which brands should be commercialized in their commercial territories. Indeed, they remember having an *apthapi* celebrating blocking off the entrance of McDonalds in El Alto's commercial zone in the year 2002. Meanwhile, the majority of individuals from the middle-middle class asserted that they embraced the *apthapi* not only because it is part of their rural culture, but also so that they might be perceived as 'humble and loyal' despite their socioeconomic success in the city.

In a more evident way, the type of food and beverages that are shared during the *apthapi* reveal its interaction with urban life. Porfirio Cochi¹⁰, a sociologist in El Alto, explained to me that community members in the highlands place *jawas phusphu* (cooked broad beans), *kanka* (roasted meat) or *charque* (dehydrated llama meat), *chunño phuthi* (dehydrated potatoes), *qhatit ch'uzi* (type of potato), and *jallpa wayk'a* (yellow chillis with green onions) on the *aguayos*. Nowadays in El Alto, however, the tradition of the *apthapi* is mixed and complemented with rice, pasta, other flour-based products, and even fizzy drinks such as Pepsi. Whilst these are alien to rural people's lives and to the same practice of *apthapi* as every ingredient must be natural, they constitute part of the daily diet of urban dwellers. It is a situation that echoes Cochi's words: 'after all, these individuals are not completely impermeable to foreign habits. Nevertheless, native aliments are still the basis of the *apthapi*.'

Clothing and fashion: between polleras and tracksuits

Clothing, as one of the most visible forms of consumption, is key to the determination of one's social identity. As Crane (2000) argues, clothing reveals how people in different eras have recognized and appropriated their positions in social structures as well as how they have negotiated status boundaries. In this sense,

¹⁰ Phone interview. November, 2012.

variations in consumption patterns in clothing are clear indicators of how individuals experience their different social positions.

When looking at the consumption of clothing in El Alto, it is important first to differentiate between two forms of attire that individuals (mainly women) of the new middle class in El Alto often refer to: the traditional and the non-traditional. The first refers to attire worn by indigenous men and women, while the second is associated with western-style clothing. For women, this distinction is especially important as changing from one form of dressing to another, thereby hiding or changing ethnic identity, has been seen as a strategy for moving across social boundaries (Zavaleta, 2011).

Photograph 7.2. Cholas' traditional garb



The traditional attire (also called *traje de chola* for city dwellers), is composed of a bowler hat, a layered-cake skirt [pollera], and a fringed shawl [manta].

Source: Taken from Forero (2004).
Photo credit: Antonio Suárez

A consumption typology based on the three middle class groups (lower, middle, and upper), however, shows a rather different story. For upper-middle-class individuals, traditional clothing provides a mechanism for reasserting one's identity. Moreover, traditional attire represents prestige and prosperity. According

to Doña Alejandrina,¹¹ owner of an events firm, parties are organized differently depending on whether the hosts wear *polleras* or not. If they do, then extra space should be arranged as guests usually arrive with big and flamboyant presents; if they do not, less space is needed because the presents are usually *macanitas* (small or useless things).

The way you see me is how I dress everyday... but I do have my fashionable *cholita*¹² outfits... I have everything: my pollera, my bowler hat, my petticoat, my *ramita*¹³, and my jewellery. Of course, I do not have jewellery for all my outfits. I change the stones to different colours according to what I'm going to wear. I dress as a *chola* when I go dancing to the party... I love to dance.

Doña Salomé, 43 years old, interview #42

More interestingly, many women of the upper-middle class do not wear traditional clothes on a daily basis. Rather, they 'become' *cholitas* only for special events (e.g. important parties). On these occasions they make sure they wear fashionable attire, elevating their conception of personal image from unimportant to vital. Referring to the previous quote, Doña Salomé seemed very indifferent when talking about her everyday clothes and the value she gives to her daily personal image. She explained the austerity of her clothing in terms of both wanting to be seen as the same person she was before she accumulated wealth in her business, and being more comfortable to carry out her activities and work. Her attitude, however, changed as soon as she started talking about folkloric parades and parties, when she emphasized the need to 'change' and look good. This behaviour shows how individuals use consumption practices and lifestyles to be accepted and belong to certain groups and mark differences with others.

¹¹ Interview # 33. April 2012.

¹² *Chola* is a name given to an Indian woman of the western region of Bolivia that resides in the city.

¹³ *Ramita* is the golden brooch that holds the shawl.

A recent opinion poll conducted by Radio Fides on traditional clothing artisans showed that the traditional attire of the *chola Paceña* has become the favourite for both women of *pollera* and *vestido*.¹⁴ Following this line, Pericón (2012) argues that ‘an attire that in its time was a victim of discrimination, today is a symbol of good economic situation, especially in the main parties of our department.’ In addition, results from the opinion poll show that *mujeres de vestido* have adopted the traditional attire as a symbol of modernity. Continuous changes in fashion and demanding clients make the artisanal traditional clothing business busy.

I do very well in this business, but in the future I would like to change to a business that does not involve so much movement. Selling *polleras* is like selling perishable goods.... the fashion changes so quickly that many times I need to give away clothes just because the colours are no longer in fashion ... you can't imagine how demanding these clients are!

Doña Asunta, 55 years old, interview #35

One final remark about clothing has to be made with regards to the middle-middle class. While the upper-middle class cherishes traditional clothing and uses it as a way of establishing their social identity, members of the middle-middle class show a preference for foreign brands for their everyday dress as a way to distance themselves from the rest. Although there does not seem to be a preference for specific brands, individuals in the middle-middle class spend a significant share of their income, and get much satisfaction from, dressing themselves and their children in the latest fashions seen on the television, whenever their budget allows. They, thus, benefit from the used American clothes that have flooded El Alto in the last decade. For the middle-middle class in El Alto, ‘used but American’ is appreciated much more than ‘newly tailored and national’.

¹⁴ Vestido is used to distinguish an indigenous-origin women who do not wear polleras.

Photograph 7.3. Doña Asunta in her *pollerería*¹⁵



Source: Own photograph, published with consent (taken on 2 April 2012)

I interviewed Doña Asunta in April 2012 at her *pollerería*. She is a first generation migrant from Coro Coro. So far she has hosted three Andean parties and one celebration of ñatitas. In terms of consumption, she puts an emphasis on the burden that the education for her eight-year-old and the usual housing bills place on her budget. On a more personal level, the purchases that give her most satisfaction are jewellery or a vicuña shawl.

Personal image is very important for her. During the interview she complained about increasing robbery in El Alto and the fact that she can no longer display her jewellery in public.

'In the mornings I take everything in my bag, once I arrive to my shop I put on my shawl, my jewellery, and my hat... at night I need to remove everything again... it's not possible to go out as we used to'

Celebrations and parades: between prestes and Christmas

The celebration of *prestes* and participation in folkloric parades, provide good examples of how hybrid identities are negotiated and articulated in the public arena. Himpele (2010), in her research on the *Gran Poder* – the largest city-wide folklore event in the city of La Paz – describes folkloric parades as 'self-conscious objectifications of "culture" that have become socially valuable and visible in modernity, the proliferating indigenous images paraded through La Paz are the very vehicles in which middle-class Bolivians are actively entering, embracing, and defining modernity itself' (p. 212). During my interviews I asked people how they celebrated the most important festivities for the household, and what was the

¹⁵ *Pollerería* is a shop that tailors and sells *polleras* (women's traditional skirts).

meaning and importance given to each of them. Within the private space, the most important celebrations were birthdays and Christmas. For the latter, respondents emphasized its importance in terms of the meaning it has within their Catholic beliefs. However, most of the respondents also highlighted the frugality of the whole celebration, especially in terms of the gifts. Indeed, the celebration was described as intimate and familiar – a small dinner with hot cocoa given to the children in the family.

In the public space, the most important celebrations revealed by the interviewees were *prestes* (commonly translated into English as Andean parties) and folkloric parades. These important and often large-scale celebrations take over different neighbourhoods of El Alto on numerous occasions during the year. Like Christmas, *prestes* and parades have a religious element: celebrating the *Tata* (patron saint). Unlike birthdays and Christmas, however, these parties are celebrated lavishly and with grand public displays of opulence and luxury.

At folkloric parades, new middle-class individuals prefer to dance the *morenada*,¹⁶ perhaps because of its prestige and extravagance. In a quite profound description, Himpele (2003) characterizes this dance as a way for well-to-do urban Aymaras to revisit the cultural exclusion and hardship they experienced as they migrated from rural communities. Thus, dressed in their very expensive costumes,¹⁷ dancers articulate their rural identities and their success in urban modernity. According to Himpele, the *morenada* dance embodies the ‘political and economic emergence of an indigenous Aymara middle class [...] claiming legitimate cultural status and the benefits of a national citizenship’ (p. 208). Although the *morenada* dance is at first viewed as a public performance of rural identities, it has multiple meanings, as the

¹⁶ *Morenada*, also known as the dance of the black slaves, is a dance characterized by a mixture of native and African elements. Unlike other dances that seek to recover lost or authentic indigenous motives, *morenada* features urban Aymaras imitating colonial-era European invaders and the African slaves that they brought with them to either work in the mine or dance on grapes to make wine.

¹⁷ About US\$1,000 to buy each new outfit.

indigenous images are the vehicles by which new middle-class individuals enter, embrace, and define modernity itself.

Photograph 7.4. The *morenada* dance



Source: Taken from The Travelers Collection Blog (2012), and Quisbert Robles (2010), respectively.

In the narratives I collected during fieldwork, it became evident that folkloric parades (that include both performers and observers) provide clear representations of how the new middle classes articulate multiple-level identities and how they have reordered them, rather than removed them from their lives, in coming to the cities. Making use of the same three middle-class groups, it is noteworthy that lower-middle-class individuals in my sample were mainly observers or were saving economic resources in order to participate in this expensive and elaborated reproduction of rural dressing. Participation in these parades represented an upward movement in the social ranking allowing them to, as one informant put it, ‘become recognized by the society and their peers’. For middle-middle-class individuals, in turn, their better off situation allowed them to participate in the parades as dancers. A more ‘rational approach’ to the market – a characteristic that will be explored in more detail in Section 7.4 – justified the hiring, rather

than the purchase, of jewellery at about 10 per cent of the purchase price and the recycling of their outfits for other important events.

Upper-middle-class individuals, on the contrary, exhibit their economic opulence by wearing multiple layers and expensive, heavy jewellery. They usually bring gifts for other dancers and sponsor *prestes* to display their prosperity and, more importantly, to develop and maintain economic relationships in their native towns in order to support their business in the city. In the words of Himpele (2003), ‘in the hybrid form of performance, the [folkloric] parade is both the substance and the expression of a bourgeoisie social movement claiming not only a right to difference and visibility in the city, but in a more complex way a right to their status and their marked cultural hybridity, which had always repulsed national elites’ (p. 221).

Housing, decoration, and architecture: between pusi chakanis and reflective glasses

As suggested by Fleischer (2007) in her study of the new urban middle class in Beijing, middle-class individuals use lifestyles to distinguish themselves from the masses. In this way, the choice of housing has a dual social function: to mark status and to support new modern urban identities. Although owning a house is an ubiquitous aim for residents of El Alto, architectural preferences are what marks the hybrid and segmented lifestyles of the new urban middle classes. In a recent study, Cardenas et al. (2010) examined the strong symbolic value of house frontages in El Alto, which allow owners to ascribe themselves to particular groups. Frontages represent a space where, not only taste, but also individuals’ conceptions of the world become explicit. Moreover, house, frontage decorations and building materials are used to establish prestige by giving the house prominence in the urban landscape.

When the first urban dwellers arrived to El Alto, their houses repeated the style of the rural areas (Sandoval, Albó, & Greaves, 1983). Today, the emergent architecture suggests that owners not only want to show their economic accomplishments, but also want to remember their origins while showing that they have become modern. In the words of Velasco: ‘[a] house is a personal representation of what the owner wants to show to the rest of the community [by] offering a strong identity to the building itself... [and by] showing the economic and social status of the family.’ In this environment, in a note published on 27 May 2012, the newspaper *La Razón* characterized the emergent architecture of El Alto as: ‘Chola, post-modern, Andean, emergent, dynamite, hybrid, fusion, eclectic, contemporaneous-baroque’ (own translation). In addition, the article suggested that behind these colourful structures, lies a whole set of symbols that identify a sector of the population that has created something of its own, that says this is the new commerce and transport petit bourgeoisie of El Alto.

Photograph 7.5. New architectural trends in El Alto



Source: Taken from Cárdenas et al (2010, p.97)

In terms of the frontages, the amalgamation of symbols is a noticeable trait that alludes to hybrid lifestyles: the Andean and the modernized. The shape of the windows, for instance, resembles that of the *pusi chakani*,¹⁸ whilst the reflective glass on the windows aims to reproduce the image of modern buildings. In terms of the organization of buildings such as those shown above, it is very common for the ground floor to be dedicated to diverse commercial activities, such as butchers, jewellers, *pollererías* or clothes shops, and party rooms. This might be driven by the owner's decision to move on from their own hectic commercial activities to more relaxed ones by making an income through renting out these spaces to other businesses, or by their decision to diversify and establish a variety of new businesses in the space. The middle floors are usually reserved for the owners' children, who normally move there as soon as they become 'independent'. Finally, the top floor is kept for the owners. In many constructions the top floor resembles a house or a chalet in response to the owners' desire to live in a house and not in a flat.¹⁹

Hybrid symbolism is present not just in the buildings created by the upper-middle classes – those with the resources to build such monumental buildings as seen in Photograph 7.5 – but in the homes of all middle-class levels. Here, households also use building frontages to engage with hybrid and eclectic symbolism. The next two photographs show clear examples of this eclectic combination of figures, colours, and materials. Don Adolfo Limachi, owner of the house showed in the first of the following photographs, explained the meaning behind the icons used in his home's frontage: 'the *Puerta del Sol*²⁰ [Gateway of the Sun] is [there] because my wife is from *Tiahuanaku*, the *titora* raft is [there] because I am from Lake Titicaca... The drops are [there] because every time I have a celebration a few raindrops fall.... I

¹⁸ Andean Cross in Aymara.

¹⁹ These types of constructions have been colloquially denominated as: *cholets*, a combination of the words chalet and *cholo*.

²⁰ Pre-Incan sculpture in Tiahuanacu, an archaeological site located nearby Lake Titicaca in the Department of La Paz.

think it's like a blessing. There are four diamonds ... that is because we are four, my two kids, my wife and me... the dolphin is [there] because my wife is Pisces' (Cárdenas et al., 2010, p. 119, own translation).

Photograph 7.6. Symbolism on house frontages



Source: Taken from Cárdenas et al. (2010, p.97)

In order to have a comprehensive understanding of the architectural phenomenon of El Alto, it is crucial to understand the ritual practices that make up the social representations of the buildings. An essential moment in the construction of any building is the *ch'alla*.²¹ This is a ritualized offering that is provided to *Pachamama* (Mother Earth) in exchange for permission to build and blessings for the future. A *ch'alla* usually takes place right after the concrete pillars of the house are erected and then again after the whole *obra gruesa*²² of the building is finished. Both these stages are extremely costly and labour intensive and thus demand the

²¹ In rural areas, the *ch'alla* consists of covering the earth with petals of flowers and burying a pot of boiled potatoes, cigarettes, coca leaves, and alcohol to feed *Pachamama*. This is done while drinking and offering chants and dances to Mother Earth.

²² *Obra gruesa* could be translated as 'rough work'. It refers to the completion of the first part of the construction, which involves the whole structure. From that point onwards the '*obra fina*' or 'fine work' will take place. This involves the plastering and painting of walls, laying out the floor material, etc.

collaboration of other household members – either financially or in the form of labour. One of my respondents, Doña Yolanda,²³ for example, remembered that when the foundations were being laid, her family asked for help from uncles, aunts, and cousins. While the men laid the cement for the pillars, she and the other women cooked the dishes that were later shared amongst everyone. In this way they ‘*ch'allaron* her building.’

The *ch'alla* is one of the many rituals that take place during the construction of a house. Even at the very beginning, when the land is acquired, a *qhua*²⁴ is commonly celebrated – as part of a *ch'alla*. This practice gives the owner not only the opportunity to establish a relationship with the environment (by asking permission to inhabit a space that was not his/hers), but also the chance to ascribe him/herself with a property right which, although not legal, has a strong connotation of social recognition. Following this line, Don Germán²⁵ remembers that when *loteadores* (illegal sellers of inhabited land or property) tried to sell his property, even more important than presenting legal documents to the neighbourhood board was the recognition and approval of his immediate neighbours: ‘They have been attending every *ch'alla* for the last twenty years ... they said they don't know any other owner of this property but me.’

The celebration of these rituals cuts across all people of the new urban middle class. From the upper to the lower strata of the new middle, individuals show great devotion to the *Pachamama* and appreciation for her allowing them to own their house or property. It is a gratitude that is remembered year after year just after Carnival has passed, in the Tuesday of *ch'alla*.

²³ Interview #43, May 2012.

²⁴ Also called *mesa*, a *qhua* is an altar made of offerings to the *Pachamama* that are to be burned. It is usually composed of fruit, sweets, spices, wine, alcohol, flower petals, and commonly a dissected llama foetus that will be buried as a form of sacrifice.

²⁵ Interview #23, April 2012 and February 2014.

7.4 About consumption practices, lifestyles, tastes, and social identities: the segmented middle class

The previous section had already revealed the heterogeneity within the middle class in exploring the distinct lifestyles of different middle class segments. Given that, as discussed in Chapter 2, consumption practices are based on a constant and reflexive balance between the satisfaction of utilitarian needs and the symbolic value of things, it can be inferred that the aforementioned differences in lifestyles are manifestations of differential weighting strategies. That is, depending on different economic, social, and cultural capital, individuals will give more importance to one aspect of consumption over the other. In the following, I aim to unpack the utility/symbolism dyad for the different segments of the middle class and, thus, to provide a clearer picture of the process of identity segmentation within the middle class.

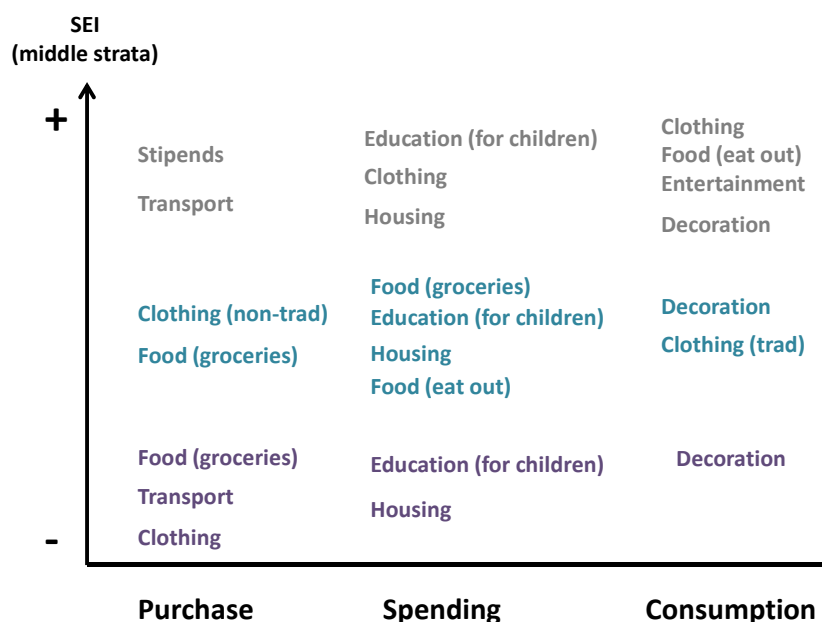
7.4.1 Symbolic consumption: marking the difference within and between

How can we differentiate between consumption's double nature? Or, put differently, how, why and when does a product transit from satisfying needs to creating group differentiation? Marinas (2001) proposes a response by characterizing a three-stage 'consumption circuit': (i) purchase, which refers to the mere satisfaction of needs and, hence, is based on the theory of utility; (ii) spending, in which squandering is explained not as an anomalous exception to the rational consumption theory, but as a community-based process oriented to maximize the benefits of goods; and (iii) consumption, which refers to sets of goods and brands that are consumed by groups of individuals. This third form is different from the previous in that relationships are constructed in terms of bonds that become apparent in the construction of lifestyles. Therefore, consumption is

seen as a set of social and cultural practices that act as a way of establishing differences between groups.

The analysis of consumption practices in terms of satisfaction of needs vis-à-vis satisfaction of personal desires (i.e. what yields more subjective well-being) for middle-class individuals living in El Alto is shown in Figure 7.1. In synthesis, the figure portrays how individuals in the middle class transit through the consumption circuit of different goods that were identified as relevant during the interviews. While there was some degree of overlap, consumption categories followed dominant patterns. The results in the figure are presented in terms of a three-tier middle-class disaggregation based on the SEI – as was done in the previous section (see footnote 9) – which has proved to be an effective tool for exposing the segmentation within the middle class.

Figure 7.1 Need vs. symbolic value – purchase, spending, and consumption in El Alto for selected items



Source: Own elaboration based on information gathered in fifty-two in-depth interviews. Following Marinas' (2001) conception of the consumption circuit.

In order to differentiate between forms of consumption that are used to satisfy a need and those used for their symbolic value to delineate group boundaries, I inquired into the importance of different products both in terms of the share of budget the households devoted to them, and in terms of the gratification they conferred to the interviewee. The former provides an account of the most important aspects of household consumption. The latter, by portraying the elements that generate more well-being²⁶ and contrasting how these differ or agree with the previous ones, provide the elements upon which the new urban middle class configures consumer and social habits. The following analysis, done for the realms of education, housing and decoration, and food, reveals the social meaning that people assign to consumption and, thus, how people transit through the consumption circuit.

Remarkably, formal schooling for children seems to be the one item on which all segments of the middle class do not mind spending large amounts of money or a large share of their budgets.²⁷ Yet, their reasons are very different. For the lower-middle class, schooling represents a way to improve their life conditions and move away from the quasi-penurious circumstances in which they live. It is their only social mobility tool and, as such, they are willing to invest in it even at the expense of other consumption. On the contrary, for the middle-middle classes and upper-middle classes, children's education is seen primarily as practical learning. For the upper-middle classes especially, education provides a way by which children will contribute to the family business in the future. Because upper-middle-class individuals yearn to make their businesses grow, the most common careers that their children pursue are business and management, commercial engineering,

²⁶ The idea of well-being was kept open and general as to allow the respondents to talk about the dimension of well-being they found most important.

²⁷ In terms of my interviews, education was the item that represented recurrent spending, and the item that gave people more personal satisfaction.

and languages (especially English and Chinese). To a lesser extent, this is the situation for people in the middle-middle class, although they also pointed to the social prestige to be gained from having a profession. Having said that, however, they do not seem to look for exclusive schools to mark their social boundaries.

The rapid increase in the demand for private schooling is apparent not only in the burgeoning of new private universities and technical institutes, but also in the change, noticed by academics, ‘in the type of students’ who have entered traditional universities. As *Lic. Terrazas*,²⁸ professor of business and management at the Bolivian Catholic University and former undergraduate of the same university, explains:

We have seen an important change in the type of people accessing higher education. When I was an undergraduate myself people came from very few social circles. The division between the state university and the *UCB*²⁹ was rigid. We only had white, familiar faces. Now it’s completely different. You see more and more dark-skinned students coming from wealthy families, especially from families of merchants. The proportions have reversed. They are the majority in my classes now.

Housing, or more specifically owning a house, is perhaps the single-most important asset against which middle-class individuals of El Alto measure their well-being and status.³⁰ This became evident throughout the interviews’ where owning a house or buying a piece of land was a generalized desire. Durán, Arias, and Rodríguez (2007) discussed this aspiration under the title ‘*Casa, aunque en la*

²⁸ *Lic.* is an abbreviation of the title *Licenciado*, which is commonly used in Bolivia to denote University Professors. Specifically, this is the title that individuals who concluded undergraduate studies receive, but in the context of university professors, it can involve people with graduate studies too. I conducted a phone-interview with *Lic. Terrazas* (a pseudonym) on April 2012.

²⁹ Spanish acronym for Bolivian Catholic University.

³⁰ For this reason it was included in the construction of the Socio-Economic Index (SEI) in Chapter 3.

punta del cerro ('A house, even at the top of the hill') in which they claim *Alteños* deliberately sacrifice other investments in order to save and eventually buy a house. Indeed, owning a house is such an important desire and life event that there is a word in the Aymara language used to qualify people according to their ownership status: *utaniwa* (already has a house).

Construction and decoration, in particular, seem to epitomize Bourdieu's conception of the development of taste and, consequently, distinction. As proposed by Bourdieu, while the ability to buy and construct a building is closely related to the amount of economic capital, cultural capital intervenes in regulating the appreciation for the symbolic values attached to the decoration. In this way, whilst construction represents a great burden on the household budget and thus represents a 'form of spending' for the lower-middle and the middle-middle classes, decorations represent a 'form of consumption' at all levels of the SEI.

In terms of the consumption circuit of food the new middle classes show an expected trend. People in the lower-middle class spend a significant share of their budgets on food and the feeling of sacrifice in providing for their children gives them much satisfaction. Quite often this contentment is associated with the idea that healthy children perform better at school, hence its importance. For the middle-middle classes, who balance quality and quantity in most of their purchases until their economy allows them to 'have a treat' or to *'tirar la casa por la ventana'* (spare no expense), food represents both a 'purchase' and a 'spending.' These practices, however, are not associated with specific brands nor do they represent a way of being noticeable or different from the rest. The situation among the upper-middle class is somewhat different. Not only will they spend a lot of money on the food they consume daily because 'they like the best', but they are also very aware that serving good food at social gatherings – however informal – is what gives them the recognition of their circle or, at the very least, allows them to maintain their position of power.

7.4.2 Segmented approach to the consumer market

Inevitably, purchase, spending, and consumption practices – within the consumption circuit framework – are associated with the way new middle classes (lower, middle, and upper) approach and behave in relation to the market. Ultimately, the methods used ‘to shop’ also display important traits of people’s social identities.

I have three kids ... I usually go very early to the *mañaneras*;³¹ [there] I can buy quarter of a dozen track suits for 12Bs.³²

Doña Carmela, 43 years old, interview #1

You can find exactly the same [product] as in the shopping centre, but at a much lower price.

Don Jaime and his wife Doña Vania, 47 and 46 years old respectively, interview #31

You can’t just buy from anyone ... vicuña shawls need to be pure. I know where they sell ‘the real thing’... I don’t go anywhere else to buy them.

Doña Lidia and her daughter Martha, 44 and 19 years old respectively, interview #50

The quotes above exemplify how *Alteños* rationalize and, therefore, act in relation to the market. Apart from the marketplaces they prefer to attend, other commonalities have to do with the criteria they prioritize in order to acquire their goods. The lower-middle class, for instance, prefer to shop at *La Ceja* in El Alto or, specifically in the case of clothing, the *Calle Tumusla* in La Paz, with specific

³¹ *Mañaneras* are the street vendors, usually women, who sell clothes from 6 to 7 in the morning in *Calle Tumusla* of La Paz. The clothes are mostly national products.

³² This represents about GBP1 (the exchange rate between Bolivian Bolivianos and GBP on the day of the interview was 1GBP=11.04 BOB).

reference to the *mañaneras*. The reasons they gave for frequenting these spaces were related directly to the price of the products. In their words, in these markets ‘you get the most for your money.’³³ In other words, they look for cheap or discounted food and clothing, not minding the inconvenience of dealing with large crowds or travelling to La Paz as early as dawn in order to save some money. This situation suggests that lower-middle-class consumption practices are dictated by austerity and thrift.³⁴

For the middle-middle classes the picture is rather different. Their market of choice is *Feria 16 de Julio*.³⁵ The decision to go shopping in this space is based on the diversity of the products they can find there or, as one of them put it, ‘there is everything for every taste.’³⁶ When making reference to the type of people who attend this market, they emphasize that shoppers come all the way from the city of La Paz, and even from the *Zona Sur*. This form of justification differentiates/distances them from individuals in lower strata or with less economic power who also attend the *Feria*. Additionally, their continuous struggle to reach a balance between quality and price becomes evident. This indicates that they understand the selection of goods based on a rational consumption logic (i.e. based on a cost/benefit analysis). Their self-perception as rational consumers legitimizes the adoption of coping strategies during adverse circumstances; strategies that they abandon as soon as their material conditions improve. This was evident when they acknowledged that they allow themselves some ‘treats’ once in a while, when their economic situation is good. On these occasions, they would purchase expensive clothes or toys for the children or treat themselves with a fancy dinner.

³³ Interview # 2, April 2012 and January 2014.

³⁴ Similarly, in a cross-comparative study of developing countries Banerjee and Duflo (2008) concluded that consumption patterns of lower-middle-class individuals are very much alike to those of the poor.

³⁵ The *Feria* is at the centre of the economic and commercial life of El Alto (Sandoval & Sostres, 1989). The Municipal Government of El Alto explains that in the weekends, the Fair concentrates about 60,000 people moving about 2 million dollars in a day (see Chapter 3 for more details).

³⁶ Interview #20, May 2012.

The logic of the upper-middle-class approach to the market is very different; they also visit the *Feria 16 de Julio* in El Alto, but also go to the *Mercado Uyustus* and *Eloy Salmon* in La Paz, and make special reference to shopping centres (as opposed to street vendors) and specific manufacturers. The reasons they give for visiting these markets relate to either having a personal relationship with the owners of the shops or having (additional) information of where the best-quality products are sold; thus implying a strong preference for quality at the moment of buying any good. They also made explicit that they choose to go to cleaner and less crowded places because they can afford to. For entertainment, for instance, they prefer travelling to La Paz, to the brand new shopping mall in the Southern District – the *Mega Centro*. This high mobility of upper-middle-class individuals between both cities and social spaces is facilitated in many cases by their La Paz-based businesses. This last reference brings us back to the opening quote in the introduction of this thesis; which, as a way of summary, tells a story of not only economic and social mobility of indigenous peoples in Bolivia, but of hybrid and segmented identities for urban middle-class individuals.

7.5 Conclusions

This chapter set out to examine the ways in which new urban middle-class individuals construct new social identities (i.e. senses of belonging to some groups and distance from others) by focusing on, first, their migrant and rural origin and, second, the unfolding of modernity in the country. For this purpose, the chapter illustrated that identity dimensions are made up of tensions, contradictions, and conflicted perceptions of social distance. By both verbally distancing themselves from the upper-middle class and the (white) traditional middle class, and perceiving a relational ‘push down’ effect of the upper classes, new middle-class individuals rely on alternative aspirational orientations to project themselves.

The lack of a homogenous and consistent middle-class identity label – partly observed in the previous Chapter – has sustained the exploration of social identities by focusing on consumption patterns and lifestyles. In this respect, the analysis demonstrates that, whilst being highly diverse, consumption practices and lifestyles follow dominant patterns that are conditioned by peoples' background (their rural and indigenous origin) and their 'public' lives. Furthermore, the study suggests that there is not a clear relationship between socio-economic positions and modernity. This means, new urban middle-class individuals in El Alto ride between the traditional codes and modern symbols that do not follow an assimilation process that is positively correlated with their socio-economic standing. Instead, they have created a new space of social recognition charged with indigenous/ rural / traditional idiosyncrasies that configure a system of recognition that breaks with historical forms of discrimination and exclusion.

To summarize, the chapter has shown that: (i) the new urban middle class is highly heterogeneous, and does not follow traditional aspirational criteria; (ii) modernity has not eliminated indigenous' traditions; instead, it has given ethnic identity complex subjectivities that are constructed in contact with urban life, which has resulted in the construction of hybrid social identities; and, finally (iii) the new middle class is segmented by the way individuals create differentiation through their consumption practices and lifestyles, and establish their social boundaries.

The empirical findings from this study provide a new understanding of a group that not only does not follow traditional canons of social aspiration, but also creates its own paradigms, values, behaviours, and taste. Without a doubt, this analysis acquires great relevance and analytical urgency for other countries in the region that have undergone similar transformations, and where new middle classes create own economic and social models based on their recent history and their involvement with modernity.

Chapter 8

Conclusions

8.1 Introduction

This thesis has considered how indigenous middle classes emerge in highly stratified societies. It has focused on Bolivia, an iconic case of low and unstable long-term economic growth, high inequality, and enduring ethnic and class cleavages (Gray-Molina & Espinoza, 2007; PNUD, 2005). Yet, Bolivia is a country that has experienced a substantial growth in the middle segments of the socio-economic distribution, which exposes high dynamism in terms of social mobility (P. Espinoza, 2008; PNUD, 2010). Departing from this apparent paradox, this study opened with three questions on the drivers and ethnic identity of the new middle class. The first question considered tracking the emergence of the middle class by focusing on the long-term, structural drivers that fostered the expansion of a middle class. The second question focused on characterizing the new middle class in ethnic terms, and based on this, assessing the extent to which it had opened opportunities for indigenous people. Finally, the third question aimed to go deeper into the ethnic characterization of the new middle class by focusing on the negotiation of ethnic identities and the construction of new social identities.

In order to address these questions, the body of this thesis has focused on: (i) developing a notion of socio-economic standing upon which the middle class was

operationally defined; (ii) exploring the factors that determined the emergence of the middle class in Bolivia; and (iii) examining the reconstruction of social identities in the middle class. This approach, I argued, pushes the focus of the study away from a purely economic approach to the analysis of the middle class and away from short-term growth spurts and inequality declines, and moves it toward multi-dimensional conceptions of class as well as toward longer run processes of institutional and demographic change. The approach also fills a void in the stratification literature concerning the way in which social stratification and mobility interact with ethnicity to create more pervasive social and economic divisions. The study exploited a unique combination of quantitative and qualitative data sources, which ranged from multiple household surveys to in-depth interviews and the life-stories of middle-class individuals, to shed light on the socio-economic transformation and reconstruction of ethnic identities going on in Bolivia.

This chapter is structured in three parts. In the next section I return to the three questions posed in the Introduction by articulating and elaborating the main themes explored in this study and summarizing my findings. I then reflect on the wider insights and on the implications that my study has for Bolivia and for current academic scholarship. Finally, the chapter ends with an acknowledgement of the shortcomings and limitations of this study and with ideas for future research.

8.2 An overview of empirical findings and their implications

In this thesis, I explored the emergence of the middle class and the reconstruction of social identities therein in Bolivia. For this purpose, I began (Chapter 2) by surveying the literature around stratification, middle classes, and social mobility in Latin America. Two key messages emerged from this review. Firstly, stratification studies in the region have followed dominant schools, either sociological or

economic, that were not entirely satisfactory for the characterization and analysis of class structures in the region, much less of the middle class. Second, stratification and mobility studies have not been properly analyzed in tandem with ethnicity, even though it represents a powerful social division factor in heterogeneous societies such as Bolivia, Peru, Ecuador, and Guatemala, among others. In view of these gaps in the literature, this thesis set out to examine the emergence of indigenous middle classes in highly stratified societies following a two-tiered approach. I first focused on analyzing the emergence of the new middle class in Bolivia by adopting a long-term view and following an alternative measure of middle class – which I discuss in detail below. Secondly, I inquired into the ethnic composition of the new middle class guided by a social identity conceptual framework that allowed me to synthesize the discussions on class, ethnicity, and modernity.

I began the examination of these topics in Chapter 3 by putting forward a multi-dimensional notion of socio-economic standing that incorporates the satisfaction of needs and material opportunities. I then operationalized this notion through the construction of a Socio-Economic Index (SEI), and defined the middle class empirically as the group located between the values of 0.3 and 0.8.¹ Adopting an *absolute* definition of middle class responded to the need to track the evolution of this segment across time; an operation that a relative approach (i.e. deciles of SEI, or ranges around the median of SEI) would not allow. Based on these limits, I showed that the middle class differs from the lower class mainly in its opportunities to access services. On the other hand, the element marking the difference between the middle and the upper class is related to the power conferred by higher economic capacity that the latter group enjoys. The wide variability that characterizes the middle class in all the elements that make socio-economic standing suggest that the group is highly heterogeneous and, thus, reporting

¹SEI values range between 0 and 1.

average values would hinder our understanding of what it means to be middle-class in Bolivia.

Having positioned the analysis in theoretical and empirical terms, I now turn to answering each of the research questions posed in the introductory chapter, and to reviewing their respective implications.

Research question #1

→ *What have been the main drivers behind the emergence of the new middle classes in Bolivia?*

This research question, explored primarily in Chapter 4, required an in-depth empirical account of the social, demographic, and institutional changes that framed well-being improvements in the country since the last quarter of the twentieth century. Based on a long-term exploration of the SEI, I showed that the emergence of the middle class was the result of a process of upward mobility driven by two distinct but interconnected processes – migration and urbanization, and policy change – which gained impetus at different times. Although the origins of rural-to-urban migration can be traced back to the reforms introduced by the National Revolution of 1952, the coming of the debt and mining sector crises in 1985 – and the consequent adoption of Structural Adjustment reforms and change to a neoliberal development model – drove migration rates sky-high in the mid-1980s. Indeed, it was in this period that Bolivia shifted from being predominantly rural to predominantly urban. The abysmal disparities in socio-economic indicators between rural and urban areas, which were the product of protracted urban-focused public policies, determined the direction of migration in the country. Thus, I argued, both the urban concentration and the geographical divide in the

provision of basic services prior to 1992 told a story of socio-economic improvement through migration.

Rural-to-urban migration trends receded in the 1990s – the decade that marked the second phase of the Structural Adjustment Programme. This was partly in response to a new institutional framework that prioritized the allocation of public resources more efficiently and equally across the country. The most notable reforms and programmes delineating this framework were: Popular Participation and Administrative Decentralization, and the Education reform. By decentralizing decision-making, granting fiscal autonomy to municipalities, and establishing local-level institutions that promoted political participation, these reforms transformed the spatial and social distribution of public funds. Thus, not only did the allocation of resources to the economic axis cities ebb away, but the increased engagement of civil society in delineating municipalities' development agendas reconfigured the pattern of public investments from productive to human capital sectors. Within the social arena, basic sanitation, water management, and education received a greater share of investment. These changes were reflected in conspicuous improvements in the socio-economic circumstances of the population in the period 1992–2011, particularly in the components related to access to services and economic capacity. In this way, I contended, while urbanization still played its part, from the 1990s and onwards a socially-focused, need-responsive institutional framework was the main driver of improvements in living conditions and the emergence of the middle class in this period.

How and in what ways did the labour market reflect and responded to the previous processes of change? I explored this question in Chapter 5, in which I focused on unearthing the occupational trajectories that allowed individuals to gain middle-class status. Drawing on a fourteen-tier occupational classification of the working population carried out at four points in time (1976, 1992, 2001, and 2011) I found that changes in the labour market structure occurred along three marked lines: (i) an increase in the number of professionals, (ii) growth in the size

of commerce-related occupations, and (iii) a decrease in the proportion of workers in agricultural activities. The latter two, I argued, suggested that rural-to-urban migration process resulted in an inter-sectorial movement motivated by both the insufficient skills of migrant agricultural workers, and the relative ease of entry into small-scale commerce which required little investment and specialized knowledge. The growing number of professionals, in turn, reflected the positive effects of an expanding education system.

Zooming in on the middle class in urban areas, I showed that it was characterized by four occupational groups operating at the different levels within the segment: semi-skilled workers, who prevail in the lower groups; routine-sales workers, who dominate the middle and upper groups; and technical employees and professionals, who dominate the upper middle class ranks. The study of inter- and intra-generational trajectories of occupational mobility and the qualitative material presented in the chapter supported my argument that activities related to commerce, construction, and transport, provided not only a shelter for urban migrants, but also a haven in which they and the next generations could thrive both socially and economically.

There are a number of implications emerging from this analysis. To begin with, in elucidating the longer-term processes that give rise to the middle class, the study proposes alternative explanations to those offered in contemporary studies of the emergence of the middle class in Latin America, which contend that the genesis lies in a surge in the pace of GDP per capita growth and the reduction of inequality since the early 2000s. Moving away from short-term, growth-induced notions of middle class emergence, moreover, adds a ‘stability factor’ to the conception of the new middle class. Featuring stability, not only proves theoretical soundness (with the concept of class) but also provides a more accurate view – and a less negative one – of what might happen to the new middle class as economic growth diminishes and inequality stagnates or even reverses – trends that are

already being observed in the region (see for instance Gray-Molina, 2014; Porter, 2014).

The second implication, which lies closer to the policy domain, relates to the possibility of creating the necessary conditions to foster the emergence of the middle class in rural areas of the country. Following the socio-economic trajectory that took place in the urban areas, we would expect a gradual movement from the expansion of service coverage to demanding better quality in services and housing, and finally to increased economic capacity – determined by more and better education and employment opportunities. While the Popular Participation and Education reforms were partially successful in advancing in the first step towards the creation of the middle class in rural areas, improvements were hindered by the poor capacity of (some) local governments to manage public resources, which left quality concerns largely unmet (Faguet, 2012; Inchauste, 2009). Future considerations should thus pursue a ‘second wave’ of rural reforms that builds on previous experience. The current economic and fiscal prosperity experienced in the Bolivia since the mid-2000s and the gradual emergence of a social contract with new middle-class individuals – which admittedly constitutes a different challenge altogether – suggest that this is a viable option in the country.

Research question #2

- ➔ *What are the characteristics of the new middle class?*
- ➔ *Has the new middle class created new opportunities for indigenous people?*

The characterization of the middle class in this thesis primarily focused on the ethnic element. The previous analyses contributed to this characterization in two important ways: not only did the new middle class in Bolivia have a rural/migrant origin, but it also made an occupational leap from agricultural to semi-skilled,

commercial, and professional activities. Following this, in Chapter 6, I began by exploring the historical relationship between ethnicity and class in Bolivia and the evolution of ethnic categories in the country. In this account, I stressed that indigeneity has for centuries been a social division that has run along class. Even when – as happened in the National Revolution of 1952 – the ethnic division discourse was repudiated in favour of a cultural homogenization view, which adopted a new terminology that re-baptized *indios* as *campesinos*, deeply engrained exclusionary and discriminatory practices survived. *Campesinos* were still regarded as second-class citizens and remained secluded from the political, economic, and cultural life of the nation. As such, they largely lingered in disadvantageous positions with little or no prospect of upward mobility (and access to the middle class).

While the National Revolution failed on this front, it was admittedly successful in giving voice to ethnic minorities who, frustrated by the unmet promises of the Revolution, sought to increase ethnic consciousness and eliminate social discrimination. This was done through the emergence of indigenous social movements in the highlands able to challenge existing ethnic relations and shift ethnic identities in the country. Later, the political parties born out of these movements pushed forward the issue of ethnicity in the political debate and were successful in transforming the understanding of ethnic identity as a political instrument and a tool for collective action. Until then, I contended, indigenous peoples had been in a disadvantaged position vis-à-vis the non-indigenous and mestizo populations, without any real opportunity to move up the stratification pyramid through formal means and join the middle class. The latter political account is important because it reveals the events that paved the way for the historic political empowerment of indigenous peoples in Bolivia that was epitomized by the election of Evo Morales in 2005. Moreover, it helps us to

understand how imaginaries of indigeneity are being challenged through new forms of self-identification.

Prevalent ethnic discourses in the country were largely reflected in the way National Censuses collected information about ethnicity. A historical review of these instruments revealed, for instance, that in line with the cultural homogenization project embraced by the National Revolution, the only information on ethnic diversity collected in the second half of the twentieth century was on spoken language. Only in 2001, with the rise of indigenous movements and the politicization of ethnicity was the question of self-ascription to indigenous groups re-introduced in the National Census. In this year, 62 per cent of Bolivians declared belonging to one of thirty-six indigenous or originary groups. More recently, however, despite the primacy of the ethnic discourse in the Morales' government, the National Census of 2012 showed that the share of population who self-identified as indigenous decreased by 20 percentage points (to 42 per cent). I dug deeper into this paradox by following self-ascription trends in the period 2001–2011 using nationally representative household surveys. Two findings emerged from this examination. First, decreasing self-ascription to indigenous groups was an ongoing and gradual process between 2001 and 2011. Second, the greatest plunge happened between 2009 and 2011 – exactly the time when the concept of indigeneity was redefined in the new State's Political Constitution.

Looking closely at this fluidity by mapping self-ascription and spoken languages onto the SEI distribution allowed me to represent the complex nature of ethnic identity in Bolivia. I showed that less self-ascription and indigenous language loss did not happen uniformly across all socio-economic levels, but rather followed a segmented pattern. More specifically, the middle class was the segment where most of the changes in ethnic identity occurred. This constitutes a key finding of this thesis: that ethnic identity acquired a different level of complexity when combined with socio-economic class.

Approaching middle-class individuals about their ethnic identity and the meaning behind displaying and reporting different and (sometimes) contradictory ethnic markers and affiliations, revealed a conflictive process of disassociation from two prevailing imaginaries of indigeneity. The first imaginary refers to indigeneity as being antithetical to modernity. Thus, middle-class individuals who originated in traditional indigenous communities but who are constructing new urban cultural values and ways of living, find it difficult to articulate their ethnic identities. The second imaginary attaches poverty and exclusion to indigeneity. While this notion was created through centuries of the exclusion and dispossession of indigenous peoples (as reflected in the historical section of Chapter 6), I claimed that it is being reinforced by the prevalent political discourse on indigeneity that the current government is pushing forward. By underlining the boundaries that define ethnic groups and, thus, making them more rigid, the new discourse has left middle-class individuals feeling excluded from indigenous groups, despite their originary heritage.

Among this fluidity and complexity, however, the new middle class is also showed to have opened up opportunities for individuals who are monolingual in indigenous languages, whether or not they self-identify as indigenous. While the numbers remain small, they point to an unprecedented picture: individuals who do not speak Spanish have managed to improve their conditions to a middle-class level. Undoubtedly, this situation poses several questions with regards to the labour market in which these individuals work, especially in urban areas. A quick examination of the occupational categories in which middle-class monolingual individuals are inserted in 2011 shows that the most prevalent are: retail commerce (23 per cent), transport-related occupations (9 per cent), construction-related activities (9 per cent), and farming (10 per cent). This finding not only resonates with my previous argument for the importance of these sectors in providing opportunities for middle-class individuals, but adds to the notion that these sectors constitute alternative/informal means by which to thrive in urban areas.

These results offer a number of contributions. Firstly, they contribute to contemporary literature on the middle classes in Latin America by integrating the ethnic factor into the analysis – a component whose absence has hindered our understanding of social stratification processes in the region (Atria, 2004; Filgueira, 2001; Franco et al., 2007). Secondly, they inform contemporary studies of ethnic issues in the region by arguing that individuals' ethnic identities become more complex when combined with class, particularly when individuals enter into the middle class. Thirdly, closely related to the previous points, the findings add empirical depth to the analysis of the complexity of ethnicity and ethnic relations in the country. More specifically, they contribute to a reconceptualization of ethnic identity in Bolivia as closely connected with socio-economic position or class and, thus, in conflict with essentialist discourses of indigeneity.

Research question #3

➔ *Can we say that the new middle class is indigenous? In what ways?*

Based on the rather fluid and complex ethnic picture that the middle class displays, I tackled the third research question by drawing on a social identity conceptual framework (developed in Chapter 2) that allowed me to bring together and discuss the topics of class, ethnic identity, and modernization. Departing from the understanding that individuals define their social identities – or senses of belonging – by drawing similarities and establishing differences in relation to others based on the lifestyles they lead, I was able to unravel what lies at the heart of middle-class identity. More specifically, I was able to focus on the interstices between traditional/ indigenous and modern/urban forms of living that shape the new middle class ethnic identity.

I began this examination by inquiring into the different ways in which middle-class individuals construct their own understanding of group formation. This allowed me to represent it in terms of an ‘equalizing-while-contrasting’ process, prompted by a recurrent auto-designation to a *clase media popular*. This was portrayed by my respondents’ use of this term to place themselves in the stratification pyramid. As I explained in the last section of Chapter 6, the term *clase media* was employed as a way of integrating and equalizing their socio-economic circumstances to an existing, yet exclusionary and discriminatory, traditional middle class. At the same time, they attached the term *popular* to establish differences and mark a break with respect to their traditional counterparts by stressing in positive terms their indigenous attributes. Inquiring into the universe of representations of lo popular prompted me to consider individuals’ *lifestyles and consumption practices* in the making of their social identities

I approached this topic by focusing on four consumption domains – food, clothing, celebrations, and housing – which came out during my interviews as the most important not only in terms of the amount of money devoted to them, but also in terms of the satisfaction and prestige conferred by them. For all these domains, I showed that the articulation of indigenous and rural forms of living into urban lifestyles created new forms of social recognition. These *hybrid* lifestyles, moreover, exposed a *socio-economic segmentation*. This means that the different SEI groups that make up the middle class not only exhibit different forms of hybridity (i.e. combinations where either urban or rural cultural practices prevail over the other), but also bestow diverse forms of appreciation on differently composed hybrid lifestyles. What is most revealing, however, is that this hybrid and segmented characterization does not necessarily follow a linear trajectory towards complete acculturation. Instead, indigenous practices seem to gain a highlighted importance at the top levels of the middle class; marking a historic cultural shift in the country.

By applying a conceptual framework that recognizes the coexistence of modern and traditional cultural practices that precede and delineate the construction of social identities in the middle class, the study adds empirical depth to a conspicuous process of change in the country. The significant feature of hybrid and segmented identities is that they transcend the indigenous/non-indigenous dichotomy under which much of the academic research has been framed nationally and internationally. Moreover, by stressing the segmented importance of indigenous idiosyncrasies in the lifestyles of middle-class individuals, this study challenges long-held assumptions of upward mobility strategies based on ethnic identity cross-over, acculturation, and more recent understandings of parallel indigenous and non-indigenous social structures.

8.3 Research limitations and avenues for future research

The analysis undertaken in this thesis – which has not only adopted a long-term view for the study of the emergence of the middle class, but has also linked social stratification and middle-class scholarship with the ethnic factor – has proved fruitful in shedding light on the possibilities for countries with low growth and high inequality and ethnic discrimination to experience the emergence of an indigenous middle class. While focusing on Bolivia allowed for an in-depth analysis of an iconic case and, thus, helped to fill an important gap in the literature, there are restrictions associated with single country studies. For one, it would be difficult to generalize the findings to the region. The specificities of the economic and political empowerment of indigenous populations in Bolivia triggered dynamics of change that differ widely from those in other counties in Latin America. For this reason, a way forward would be to expand this analysis to other countries with similar characteristics, such as Peru, Ecuador, or Guatemala.

Another shortcoming of this study is the qualitative focus on the highlands and, specifically, on the Aymara population. Thus, future research might profitably expand this analysis to the other regions and ethnic groups of the country. Aymara-origin individuals not only construct and negotiate their social identities following different logics when living in the lowlands (where white and small *Guaraní* and *Chiquitano* ethnic identities prevail), but individuals of *Quechua* and *Guaraní* origin might also expose different levels of fluidity, hybridity and segmentation. Finally, I also want to acknowledge the role of gender as an important social division component. As different studies have highlighted, the Bolivian labour market is strongly segmented along gender lines (Rivera Cusicanqui & Arnold, 1996; Salazar, 1999; Scarborough, 2012). Moreover, studies have also stressed the role of *cholas* (indigenous women) as bearers of ethnic identities (Paulson, 1996). Although this study did not focus on the gender component explicitly, the topic is indirectly analyzed in Chapter 7 related to the construction of social identities. It appears especially evident in the section related to consumption of clothing and fashion, where the *traje de chola* (chola garb) has become a symbol of prosperity and status, representing one of the most salient forms of hybridity and segmentation in the middle class. More work on gender would undoubtedly prove fruitful.

Along with the particularly important gains that a comparative study would yield, two further possibilities for future research present themselves. The first involves an **identity politics approach** that bridges the new middle class, social movements, and governance trinity. A study with such characteristics can directly capture the consequences of the indigenous discourse prevalent in the country and the way in which middle-class individuals negotiate their identities to promote change. Such an enquiry could also shed light on the relationship between an ethnically complex middle class and the current 'Indigenous State', which has recently been depicted as not only being in conflict and contradiction but also exacerbating differences between ethnic groups (Canessa, 2012).

A second line of enquiry involves an **identity economics approach** that would investigate in more depth occupational segregation in the labour market based on complex social identities. A relevant question in this domain would thus be: How will the middle class hybrid identity influence other economic outcomes? This line of research would have to pay explicit attention to the different layers of the middle class and their corresponding hybrid identities, norms and ideals, as well as the economic choices and utilities gained from them.

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Appendices

Appendix 1. List of Interviews

List of Interviews – Group IV

Interview number	Name of respondent	Sex	Age	SEI	Main occupation	Date of interview 1	Date of interview 2
<i>SEI group IV</i>							
1	Carmela	F	43	0.369	Crockery and tablecloths street vendor	03-Mar-12	
2	Cintia	F	40	0.341	Artisan - makes children's fabric toys	05-Apr-12	05-Jan-14
3	Eloy	M	46	0.343	Tailor - amends, fixes clothes	17-Mar-12	
4	Hector	M	50	0.348	Builder	01-Mar-12	
5	Victor	M	35	0.395	Office messenger	12-May-12	
6	Willy & Mariela	M /F	53/48	0.369	Automobile mechanic	28-Feb-12	

List of Interviews – Group V

Interview number	Name of respondent	Sex	Age	SEI	Main occupation	Date of interview 1	Date of interview 2
<i>SEI group V</i>							
7	Francisca	F	50	0.475	Artisan - knitter/ weaver	17-Apr-12	
8	Edwin	M	39	0.465	Coca leaves' merchant - owns a stall in Ciudad Satélite		16-Dec-13
9	Elia	F	30	0.435	Factory worker - packer in La Francesa (bread and dairy products)	15-May-12	27-Jan-14
10	Joselo & Claudia	M/F	42/43	0.401	Shoemaker and cobbler - repairs and sells shoes	05-Mar-12	
11	Milton	M	35	0.471	Heavy machinery operator - works for a construction firm		19-Dec-13
12	Pablo	M	37	0.465	Carpenter		16-Jan-14
13	Rita	F	52	0.435	Transport - owns buses and rents them for public transport	03-Mar-12	
14	Shirley	F	35	0.494	Owner of brostería (restaurant specialised in broaster chicken)	26-Apr-12	17-Jan-14
15	Teresa	F	36	0.445	Seamstress	27-Feb-12	
16	Tito	M	35	0.445	Merchant, in charge of his own business		17-Feb-14
17	Virginia	F	44	0.434	Restaurant owner - making and selling food		07-Feb-14

List of Interviews – Group VI

Interview number	Name of respondent	Sex	Age	SEI	Main occupation	Date of interview 1	Date of interview 2
<i>SEI group VI</i>							
18	Adolfo	M	43	0.514	Micro entrepreneur - Designer and tailor of coats and jackets	07-Apr-12	
19	Emilio & Luisa	M/F	39/39	0.562	Micro-enterprise owners - making and selling of doughnuts to schools		18-Jan-14
20	Evaristo	M	52	0.526	Supplier of alcoholic drinks and spirits	03-May-12	
21	Felicia	F	31	0.526	Dairy products factory worker		19-Feb-14
22	Felipe	M	46	0.589	Lorry driver (heavy load's transport) - Owns and manages his small	16-Apr-12	
23	Germán	M	55	0.559	Lawyer - Works as a teacher. President of folklorists of El Alto	06-Apr-12	03-Feb-14
24	Gloria	F	42	0.581	Food seller - own small business		12-Feb-14
25	Gonzalo	M	39	0.587	Dentist - has own dental practice	21-Mar-12	
26	Juan	M	31	0.573	Car dealer - buys and sells cars		24-Jan-14
27	Julia	F	41	0.560	Merchant, manager and owner of own business -	28-Mar-12	05-Feb-14
28	Layda	F	42	0.526	Traditional fabrics' artisan	10-May-12	
29	Remedios	F	47	0.562	Restaurant and gallery owner		28-Jan-14
30	Ruth	F	56	0.583	Owner of a grocery shop	29-Mar-12	31-Jan-14
31	Vania & Jaime	F / M	46/47	0.526	Supply of plastic containers	27-Mar-13	
32	Walter	M	49	0.589	Dentist/ works in his private surgery		19-Dec-13

List of Interviews – Group VII

Interview number	Name of respondent	Sex	Age	SEI	Main occupation	Date of interview 1	Date of interview 2
<i>SEI group VII</i>							
33	Alejandrina	F	56	0.688	Owner of company specialized in organizing events	16-Apr-12	
34	Andy	F	50	0.661	Owner of a perfume shop and bookstore	05-Mar-12	
35	Asunta	F	55	0.661	Pollera maker - merchant of fine pollera fabrics	02-Apr-12	14-Jan-14
36	Felix & Esther	M/F	39/38	0.644	Owners of liqueur store		20-Feb-14
37	Gladys	F	38	0.699	Owner of a dairy product supply company	04-May-12	
38	Martha	F	41	0.676	Dress maker - makes petticoats for traditional garments.	30-Mar-12	15-Jan-14
39	Miriam	F	35	0.657	Artisan - folk costumes embroider		18-Dec-13
40	Roger	M	47	0.657	Mechanical engineer - Owner and manager of thermodynamics		21-Jan-14
41	Raúl	M	55	0.657	Jeweller - Owns jewellery shop in feria 16 de Julio	04-Apr-12	05-Jan-14
42	Salomé	F	43	0.657	Merchant	21-Apr-12	
43	Yolanda	F	43	0.644	Owner of butcher's shop	01-May-12	

List of Interviews – Group VIII

Interview number	Name of respondent	Sex	Age	SEI	Main occupation	Date of interview 1	Date of interview 2
<i>SEI group VIII</i>							
44	Cristina	F	46	0.733	Handicraft merchant and international middleman	13-Mar-12	19-Jan-14
45	Denise	F	33	0.767	Owner and manager of electrical appliances store		05-Feb-14
46	Elsa	F	50	0.731	Biochemist/ Owner of pharmacy chain	12-Apr-12	
47	Froilán	M	39	0.720	Micro-entrepreneur –Owner of computers' store and owner of	08-May-12	27-Jan-14
48	Hilda	F	54	0.732	Real state firm owner		22-Jan-14
49	Julio & Dolores	M/F	41 / 38	0.750	Heavy equipment merchandiser	15-Mar-12	
50	Lidia and Marta	F /F	44/19	0.755	Administrator and seller of polleras' fabric	20-Apr-12	27-Dec-13
51	Saturnino	M	47	0.750	Jeweller and dental technician		13-Jan-14
52	Trinidad	F	37	0.755	Carpenter/ with many furniture display rooms in Feria 16 de Julio	19-Apr-12	

Appendix 2. List of interviews for M.Phil dissertation.

Name	Age	Occupation	Migrant status	Gender
Ernesto Tejada	50	Teacher	1st generation	M
Marta Nina	41	Nurse	1st generation	F
Francisca Quino	43	Merchant	1st generation	F
Juan Quispe	42	Agronomy Engineer	2nd generation	M
Remedios Luna	19	Student	2nd generation	F
Esteban Villegas	40	Psychologist	2nd generation	M
Gonzalo Laura	48	Technician	2nd generation	M
Paulino Méndez	57	Business administrator	1st generation	M
Esther Choquehuanca	26	Student	2nd generation	F
Angel Chávez	23	Student	2nd generation	M
Gloria Aliaga	40	Merchant	2nd generation	F
Federico Chipana	32	Teacher	2nd generation	M
Maria Villegas	23	Street seller	2nd generation	F
Elio Salinas	36	political analyst	1st generation	M
Antonio Casas	46	Sociologist	1st generation	M
Sonia Cruz	51	Nurse	2nd generation	F
Josefa Ticona	65	Guild leader	2nd generation	F
Maria Julia Paco	46	Merchant	2nd generation	F
Corminio Gómez	45	Researcher	1st generation	M
Graciela Marca	34	Street seller	2nd generation	F

Appendix 3. Interview guide

Control questions

<p>Where were you born?</p> <p>1. Here 2. Somewhere else</p> <p>a. Where? b. When did you move here? c. When did you move here?</p>	<p>Where were your parents born?</p> <p>1. Here 2. Somewhere else</p> <p>a. Where? b. Where do they live now?</p> <p>i. Same place as birth place ii. In this place - When did they move? - Reasons for moving? iii. In a different place</p>																																										
<p>Main respondent</p> <p>Occupation _____</p> <p>Position in current job/ occupation _____</p> <p>Main economic activity _____</p>																																											
<p>For each household member</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 45%;">Cond. Occupation</th> <th style="width: 50%;">Years of education</th> </tr> </thead> <tbody> <tr><td>1</td><td></td><td></td></tr> <tr><td>2</td><td></td><td></td></tr> <tr><td>3</td><td></td><td></td></tr> <tr><td>4</td><td></td><td></td></tr> <tr><td>5</td><td></td><td></td></tr> <tr><td>6</td><td></td><td></td></tr> <tr><td>7</td><td></td><td></td></tr> <tr><td>8</td><td></td><td></td></tr> <tr><td>9</td><td></td><td></td></tr> <tr><td>10</td><td></td><td></td></tr> <tr> <td></td> <td>1. Occupied</td> <td></td> </tr> <tr> <td></td> <td>2. Not occupied</td> <td></td> </tr> <tr> <td></td> <td>3. Retired</td> <td></td> </tr> </tbody> </table>			Cond. Occupation	Years of education	1			2			3			4			5			6			7			8			9			10				1. Occupied			2. Not occupied			3. Retired	
	Cond. Occupation	Years of education																																									
1																																											
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9																																											
10																																											
	1. Occupied																																										
	2. Not occupied																																										
	3. Retired																																										

<p>The dwelling is:</p> <ol style="list-style-type: none"> 1. House 2. Hut/ Pahuichi <input type="checkbox"/> 3. Flat 4. Detached/ individual rooms 5. Improvised dwelling 	<p>Main material used in floors</p> <ol style="list-style-type: none"> 1. Earth 2. Wood planks <input type="checkbox"/> 3. Parket 4. Carpet 5. Cement 6. Mosaic, tiles 7. Brick 8. Other, specify _____
<p>Is your house...</p> <ol style="list-style-type: none"> 1. Rented 2. Owned and completely paid for 3. Owned and still paying for it <input type="checkbox"/> 4. Granted in exchange for services 5. Borrowed by friends or relatives 6. Inherited 7. Other, specify: _____ 	<p>Main source of drinking water</p> <ol style="list-style-type: none"> 1. Public network 2. Public stand pipe <input type="checkbox"/> 3. Cistern 4. Tubewell - with pump 5. Tubewell - without pump 6. River 7. Lake 8. Other, specify _____
<p>How many people live in your household? <input type="checkbox"/></p>	<p>How is this water distributed?</p> <ol style="list-style-type: none"> 1. Piped inside the dwelling <input type="checkbox"/> 2. Piped outside the dwelling but inside the property 3. Piped outside the property 4. Is not distributed by pipe
<p>How many rooms are there in your house? (excluding the kitchen and the toilet) <input type="checkbox"/></p>	<p>Does the house have a toilet?</p> <ol style="list-style-type: none"> 1. Yes <input type="checkbox"/> 2. No
<p>Does your household have electricity?</p> <ol style="list-style-type: none"> 1. Yes <input type="checkbox"/> 2. No 	<p>Is this toilet...</p> <ol style="list-style-type: none"> 1. Used only by your household? <input type="checkbox"/> 2. Shared with other households
<p>Main material used in walls</p> <ol style="list-style-type: none"> 1. Brick, cement blocks, concrete 2. Adobe <input type="checkbox"/> 3. Tabique, quinche* 4. Stone 5. Wood 6. Cane, palm trees, branches 7. Other, specify _____ 	<p>Does this toilet have waste disposal to...</p> <ol style="list-style-type: none"> 1. a sewerage? 2. a septic tank? 3. a cesspit (without septic tank)? <input type="checkbox"/> 4. the surface (river/ lake/ etc)?
<p>Are the walls plastered?</p> <ol style="list-style-type: none"> 1. Yes <input type="checkbox"/> 2. No 	
<p>Main material used in roofs</p> <ol style="list-style-type: none"> 1. Corrugated iron <input type="checkbox"/> 2. Cement, tiles 3. Concrete 4. Hay, cane, palms, mud 5. Other, specify _____ 	

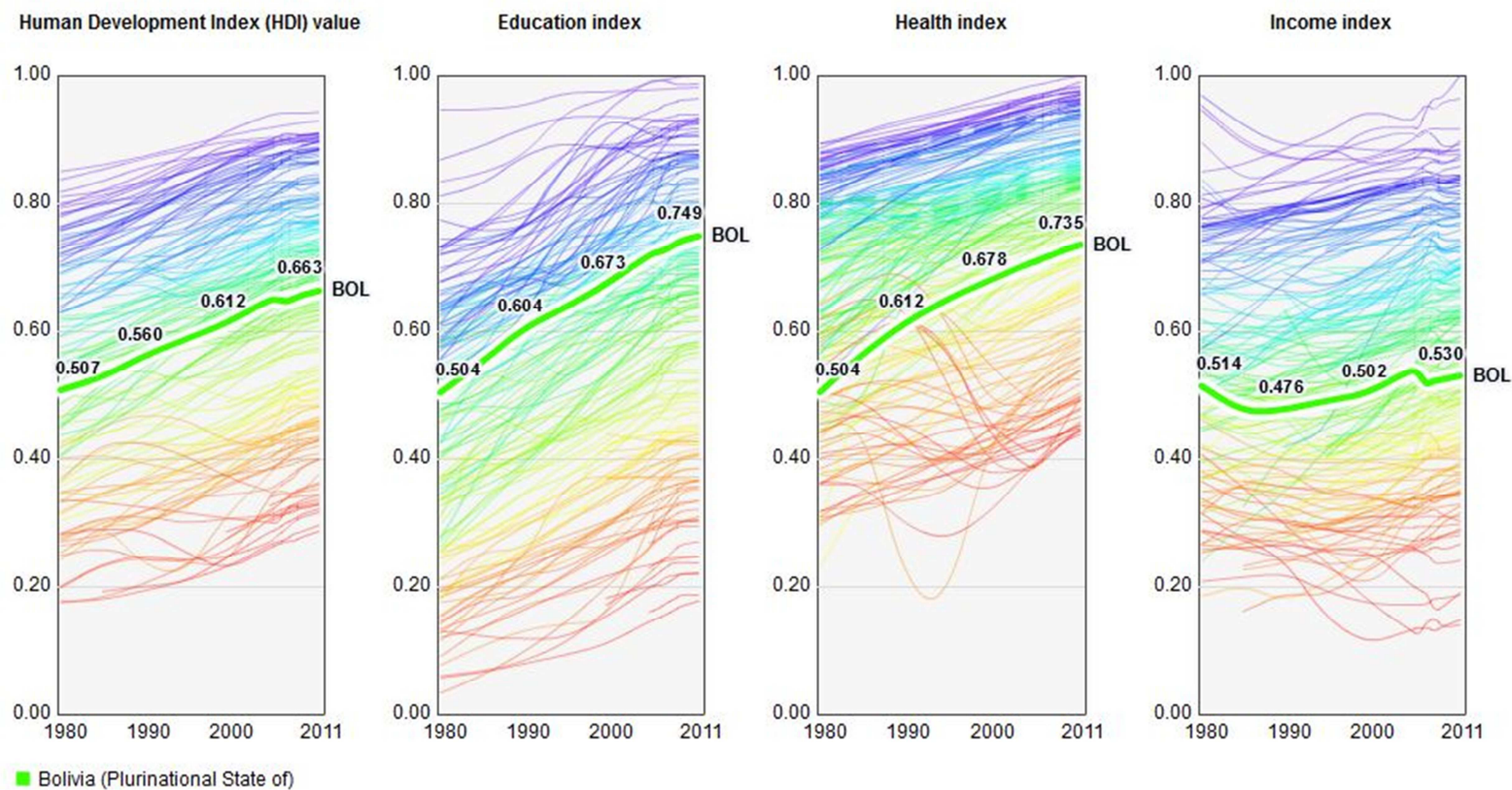
Interview topics

<p>1. How important are the following items in terms of: (a) your household's budget, and (b) personal satisfaction?</p>	<p>4. Consumption diaries</p>
<p>1. Food 2. Education 3. Clothing</p>	<p>1. Quotidian expenses 2. Weekend expenses 3. Major expenses in the last years</p>
<p>4. House decoration/ maintenance/building materials 5. Cultural products (cinema, theatre, etc) 6. Entertainment (holidays, parties, eating out, etc) 7. Any others (identified as important)</p>	<p>5. Relative well-being</p> <p>1. Changes in socio-economic situation (last few years) 2. Reasons for improving or worsening of situation 3. Situation in relation to parents, main differences</p>
<p>2. Where do you buy most of the items that you consume in terms of..... And why did you choose this place?</p>	<p>6. Celebrations and festivities</p>
<p>1. Food 2. Education 3. Clothing 4. House decoration/ maintenance/building materials 5. Cultural products (cinema, theatre, etc) 6. Entertainment (holidays, parties, eating out, etc) 7. Any others (identified as important)</p>	<p>1. Celebrations that are kept from generations</p> <p>a. Similar to those celebrated by parents b. Different from those celebrated by parents</p> <p>2. Participation in community celebrations</p> <p>a. Role b. Expenses</p> <p>3. Other important celebrations (e.g. Christmas)</p>
<p>3. Importance of personal image</p>	

7. Re-assessment of status symbols	10. Labour market
1. Goods or assets that give prestige or status	1. How did you find your current job? What were the main
2. Residence expectations - where to live in the future	obstacles and the circumstances that facilitated the access?
3. Determinants of success	
4. Ways to improve socio-economic situation and social	2. Would you like to have a different job or to be a different
status	economic activity? Which one and why?
8. Social distance and self-identification	3. What is what you like the most about working here, and
	what is what you like the least?
1. How would you describe a person of the upper/	
middle/ lower class?	4. Do you feel your job gives you the acknowledgement of
2. Self-identification with class	your community or more prestige amongst your friends?
3. Assessment of situation in a scale from 1 to 10	Why?
4. Most important characteristic shared by the closest	5. In your view, what type of occupations are prestigious?
group of friends	
9. Relative importance of money	6. What are the greatest satisfactions that your occupation/
	job has given you and your family?
1. If you find 100Bs. Right now, how would you spend	
them?	
2. If you would win the lottery right now how would	
you spend this money?	

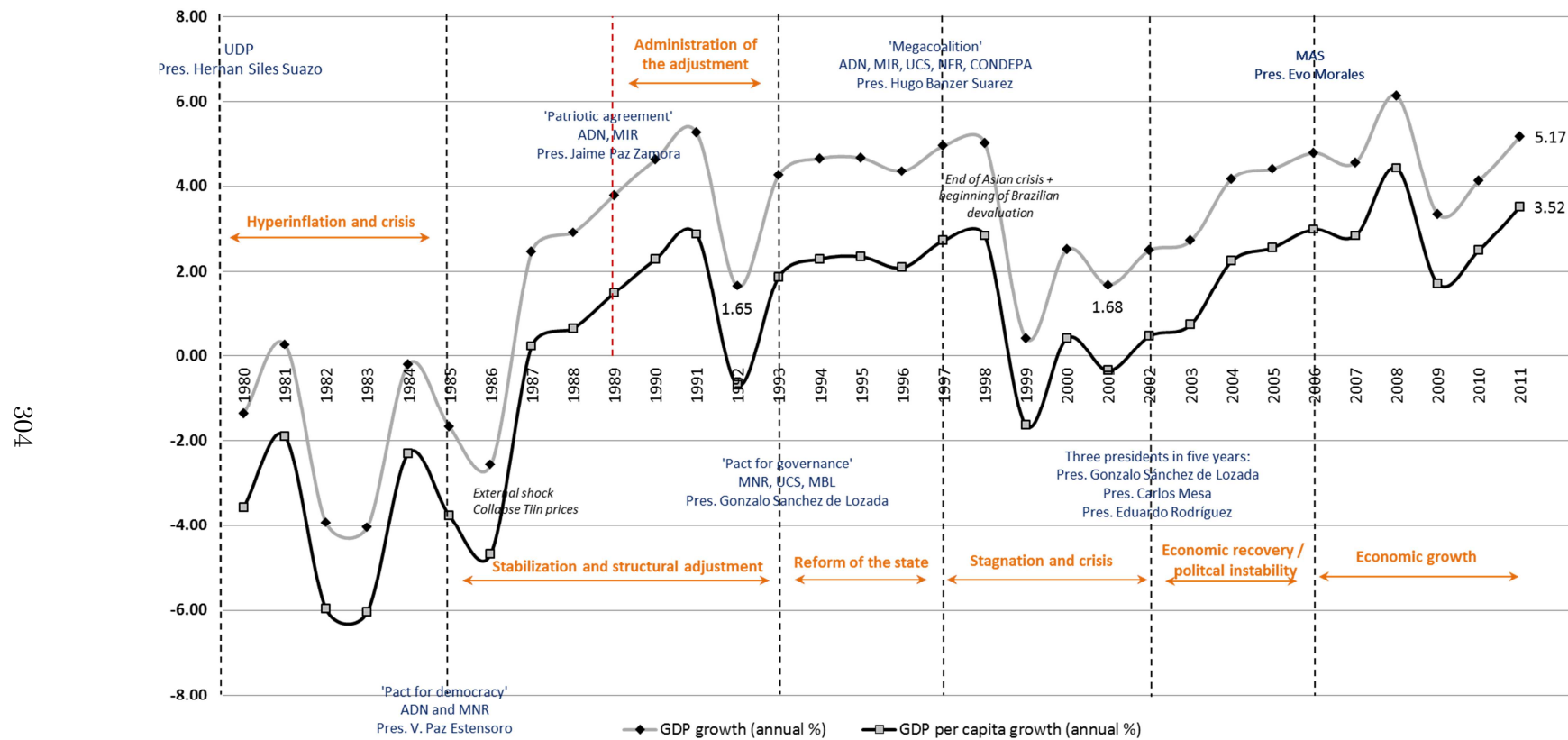
Appendix 4. Trends in Bolivia's HDI and its components 1980–2011.

303



Source: Taken from UNDP web page (<http://hdr.undp.org/en/data/trends/>)

Appendix 5. GDP and GDP per capita growth, 1980–2011



Source: Own elaboration

Appendix 6. Migration balances by departments

a) Life-time migration

Departments	1976			1992			2001		
	Immigrants	Emigrants	Migratory balance	Immigrants	Emigrants	Migratory balance	Immigrants	Emigrants	Migratory balance
Chuquisaca	21,939	58,747	-36,808	47,337	109,266	-61,929	70,786	163,945	-93,159
La Paz	89,749	47,026	42,723	138,067	138,643	-576	151,427	210,917	-59,490
Cochabamba	50,819	67,345	-16,526	207,869	124,570	83,299	274,368	185,844	88,524
Oruro	42,942	52,099	-9,157	56,689	134,184	-77,495	61,867	162,629	-100,762
Potosí	29,593	87,185	-57,592	32,086	221,796	-189,710	35,575	301,120	-265,545
Tarija	24,554	15,000	9,554	57,493	33,474	24,019	91,146	43,874	47,272
Santa Cruz	97,823	23,069	74,754	292,185	51,278	240,907	494,148	71,541	422,607
Beni	15,474	24,422	-8,948	35,710	52,856	-17,146	46,444	90,551	-44,107
Pando	7,398	5,398	2,000	7,969	9,338	-1,369	16,011	11,351	4,660
Bolivia	380,291	380,291		875,405	875,405		1,241,772	1,241,772	

b) Recent migration

Departments	1976			1992			2001		
	Immigrants	Emigrants	Migratory balance	Immigrants	Emigrants	Migratory balance	Immigrants	Emigrants	Migratory balance
Chuquisaca	10,090	19,360	-9,270	22,174	29,336	-7,162	30,292	44,704	-14,412
La Paz	27,291	29,335	-2,044	47,106	58,633	-11,527	50,919	83,082	-32,163
Cochabamba	20,946	25,055	-4,109	71,970	50,078	21,892	91,317	76,612	14,705
Oruro	16,374	18,098	-1,724	22,387	41,330	-18,943	24,021	39,700	-15,679
Potosí	13,625	27,018	-13,393	18,469	53,261	-34,792	20,720	67,413	-46,693
Tarija	10,323	6,070	4,253	19,859	12,212	7,647	30,628	18,896	11,732
Santa Cruz	40,633	12,855	27,778	80,366	38,488	41,878	146,527	55,256	91,271
Beni	7,899	10,738	-2,839	18,841	18,172	669	22,132	35,329	-13,197
Pando	3,798	2,450	1,348	3,722	3,384	338	8,115	3,679	4,436
Bolivia	150,979	150,979		304,894	304,894		424,671	424,671	

Appendix 7. SEI groups and occupational categories

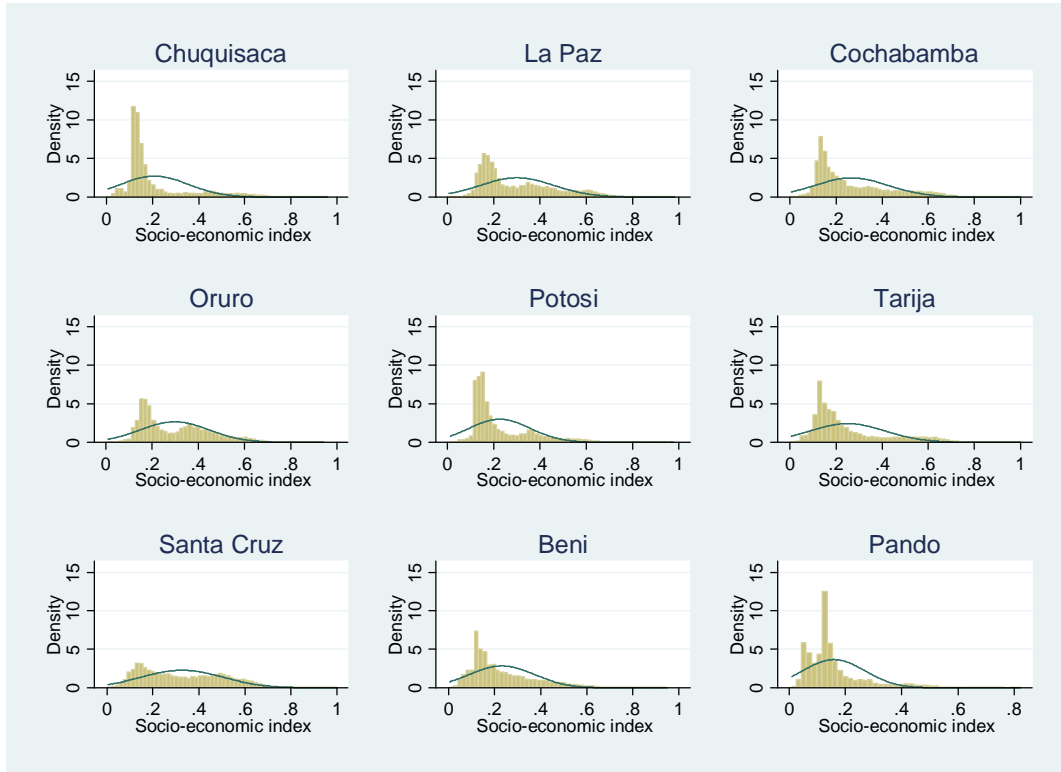
(Working population aged 25 and older)

	Profession	Admin. & managers	Technical empl.	Higher clerical empl.	Higher sales empl.	Routine clerical empl.	Routine sales workers	Skilled manual workers	Skilled service workers	Semi- skilled workers	Un- skilled service workers	Un- skilled manual workers	Farmers	Farm labourers	Total
<i>1976</i>															
I	0.1	0.1	0.9	0.2	1.8	0.1	0.2	3.3	0.1	9.9	1.7	3.1	0.3	78.4	100
II	0.1	0.1	0.8	0.1	2.1	0.0	0.1	5.3	0.1	6.7	0.9	1.3	0.3	82.1	100
III	0.4	0.2	2.9	0.8	7.0	0.3	0.7	7.0	0.7	19.5	2.9	3.6	0.6	53.2	100
IV	1.2	0.5	5.2	3.3	11.2	1.4	1.7	14.0	1.9	32.6	5.4	6.6	0.4	14.7	100
V	3.1	0.8	8.2	6.7	13.3	1.8	2.1	15.6	2.6	27.6	5.7	4.4	0.4	7.5	100
VI	9.2	2.0	12.0	12.9	12.3	2.3	2.0	13.0	3.2	18.5	6.0	2.5	0.4	3.6	100
VII	19.4	3.5	16.4	15.4	10.1	1.9	1.9	8.0	3.2	8.9	7.4	1.5	0.4	1.9	100
VIII	33.3	4.0	23.6	13.3	6.4	1.2	1.2	3.4	2.5	3.0	6.0	0.6	0.4	1.1	100
IX	44.4	4.4	25.1	11.0	4.7	0.8	1.1	1.6	2.4	1.7	1.5	0.3	0.2	0.7	100
X	51.2	4.1	29.2	7.7	2.9	1.4	0.2	0.5	1.9	0.2	0.0	0.0	0.2	0.2	100
Total	3.1	0.6	4.7	3.3	6.3	0.7	0.9	8.1	1.3	15.0	3.1	2.8	0.4	49.5	100
<i>1992</i>															
I	0.0	0.1	1.0	0.2	0.0	0.0	2.2	2.1	0.4	7.7	2.3	1.3	16.7	65.9	100
II	0.0	0.1	0.7	0.2	0.0	0.0	1.7	1.9	0.2	6.3	1.1	0.7	5.2	81.9	100
III	0.2	0.2	2.1	0.7	0.0	0.0	5.2	3.4	0.7	14.2	2.7	1.5	4.6	64.5	100
IV	0.6	0.6	4.5	2.2	0.1	0.2	13.2	7.7	2	28.5	5.6	2.7	3.4	28.7	100
V	1.7	1.2	7.7	4.2	0.3	0.5	17.3	10.2	2.7	29.6	7	2.3	2.2	13.2	100
VI	5.1	3.0	13.2	7.4	0.6	0.8	17.5	10.3	3.0	23.8	7.4	1.3	1.3	5.4	100
VII	12.1	6.6	18.5	10.5	0.9	1.0	14.9	7.7	2.2	14.1	7.5	0.5	0.8	2.4	100
VIII	21.2	10.4	21.5	11.7	1.2	1.0	10.5	4.5	1.4	6.8	7.6	0.2	0.6	1.4	100
IX	28.6	12.3	23.5	10.5	1.2	1.1	8.0	3.0	1.2	3.9	5.4	0.1	0.4	0.7	100
X	37.6	15.4	22.1	10.0	1.1	0.7	4.9	1.8	0.8	2	1.8	0.1	0.6	1.1	100
Total	3.8	2.1	7.4	3.9	0.3	0.4	10.2	6.0	1.6	17.2	4.8	1.4	3.3	37.6	100

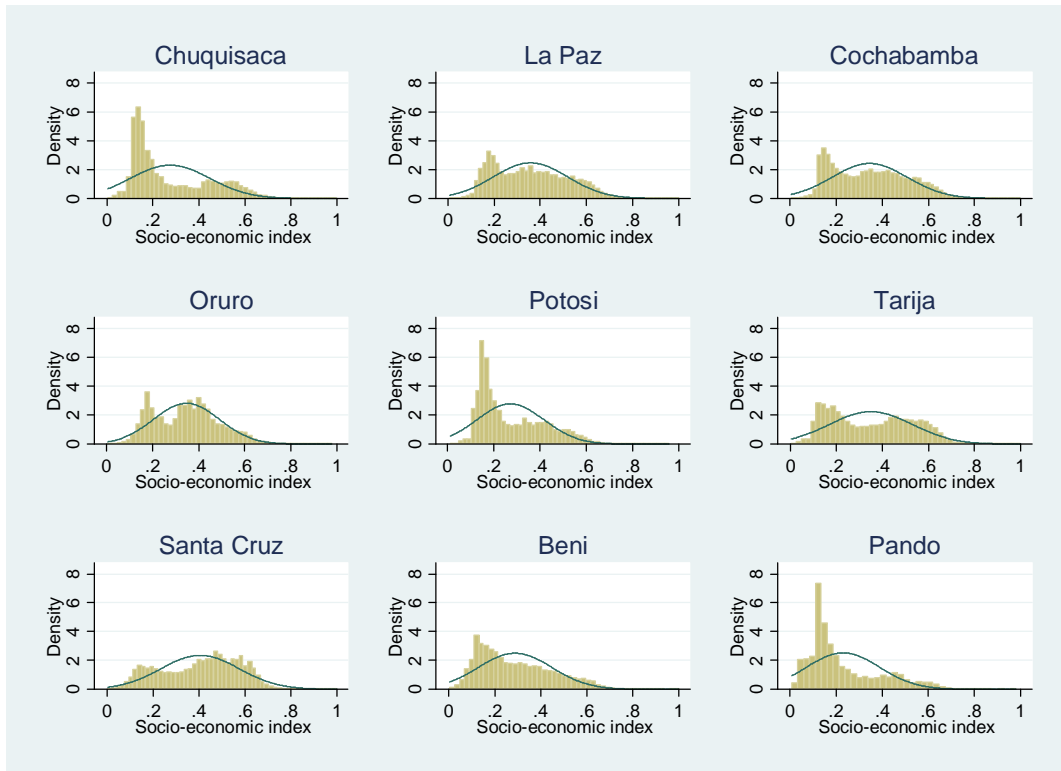
	Profession	Admin. & managers	Technical empl.	Higher clerical empl.	Higher sales empl.	Routine clerical empl.	Routine sales workers	Skilled manual workers	Skilled service workers	Semi- skilled workers	Un- skilled service workers	Un- skilled manual workers	Farmers	Farm labourers	Total
<i>2001</i>															
I	0.1	0.1	0.3	0.1	0.1	0.0	3.4	4.4	1.0	9.5	5.4	0.5	12.6	62.6	100
II	0.2	0.1	0.5	0.1	0.0	0.0	2.2	5.7	0.8	7.3	2.4	0.5	4.0	76.2	100
III	0.4	0.2	1.2	0.1	0.0	0.0	4.6	4.9	1.4	11.7	3.7	0.8	4.1	66.9	100
IV	1.0	0.3	2.6	0.5	0.1	0.1	11	6.9	3.3	21.8	6.6	1.0	3.8	40.9	100
V	2.0	0.7	4.6	1.3	0.2	0.2	16.7	9.9	5.6	26.5	9.0	0.9	2.6	19.8	100
VI	4.7	1.6	7.8	3.2	0.3	0.5	20.4	11.0	7.0	24.5	9.0	0.5	1.6	7.9	100
VII	11.6	4.0	12.5	6.0	0.7	0.7	19.4	9.3	6.4	17.1	7.8	0.3	1.0	3.2	100
VIII	21.8	8.1	15.5	8.0	1.2	0.8	15.6	6.3	4.7	9.0	6.7	0.1	0.7	1.4	100
IX	29.5	10.9	16.6	7.9	1.6	1.0	12.3	4.2	3.7	4.9	5.6	0.1	0.9	0.9	100
X	40.1	14.9	15.9	6.4	1.6	0.6	7.9	3.0	2.8	3.0	2.4	0.0	0.6	0.8	100
Total	6.2	2.2	6.5	2.7	0.4	0.3	13.3	7.8	4.3	17.4	6.6	0.6	2.5	29.0	100
<i>2011</i>															
I	0	0	0	0	0	0	0	0	0	0	33.3	0	0	66.7	100
II	0	0	0	0	0	0	1.1	0.2	0	3.9	0.6	2.8	1.1	90.3	100
III	0	0	1.5	0	0	0.1	1.2	0.5	0.1	6	2	2.2	1.2	85.3	100
IV	0.1	0.4	1	0.2	0	0.1	4.4	1.6	0.4	15.3	4.3	5	1.1	66.2	100
V	0.7	0.4	3.7	1.1	0.3	0.2	10.4	2.7	1.3	24.1	8.4	6.6	0.8	39.4	100
VI	2.6	1.5	8.4	2.2	0.5	0.7	18.2	2.9	2.4	29.6	11	5.8	1.1	12.9	100
VII	9.4	2.6	14.6	4.1	1.1	1.6	21.6	2.9	2.4	22.5	8.1	3.8	0.9	4.6	100
VIII	22.9	5.1	17.5	5.2	1.5	1.8	20.8	1.5	2.2	11.6	4.9	1.5	1.2	2.2	100
IX	36.3	6	22.3	3.8	2.5	1.5	16.5	0.3	1.3	4.5	2.8	0.5	0.8	1.3	100
X	41.3	13	32.6	0	4.3	0	2.2	0	2.2	0	0	0	0	4.3	100
Total	7.1	1.9	8.9	2.4	0.7	0.8	14.3	2.2	1.6	19.4	7	4.3	1	28.4	100

Appendix 8. Distribution of SEI at the departmental level, 1976-2011.

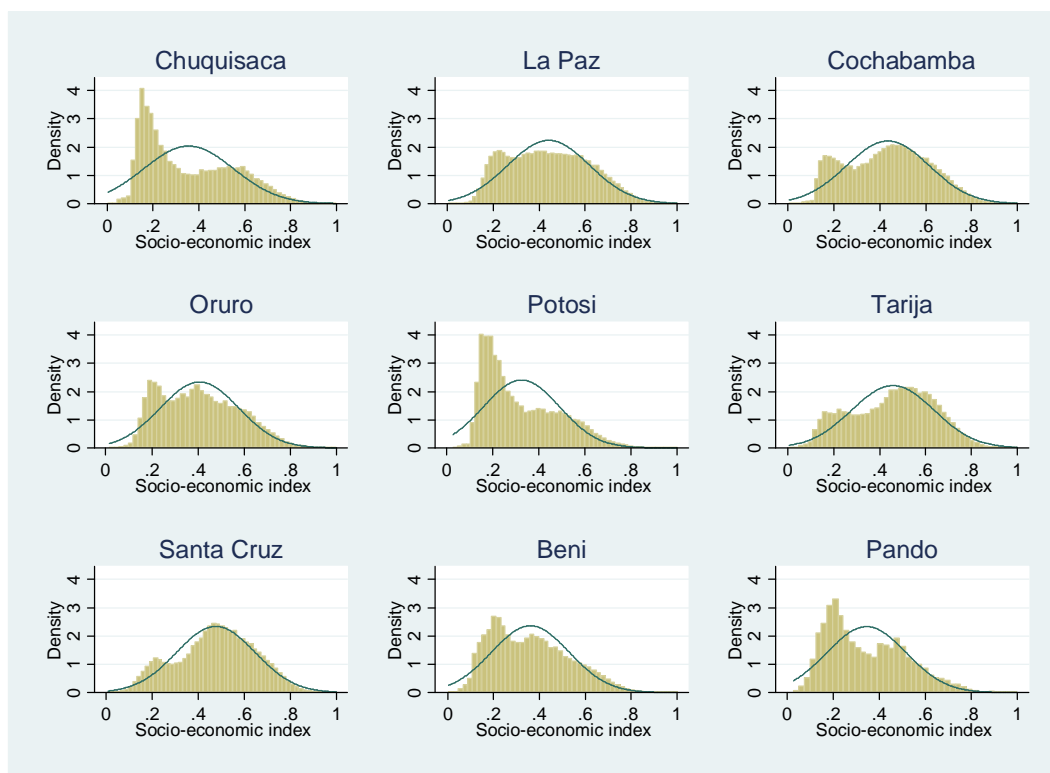
1976



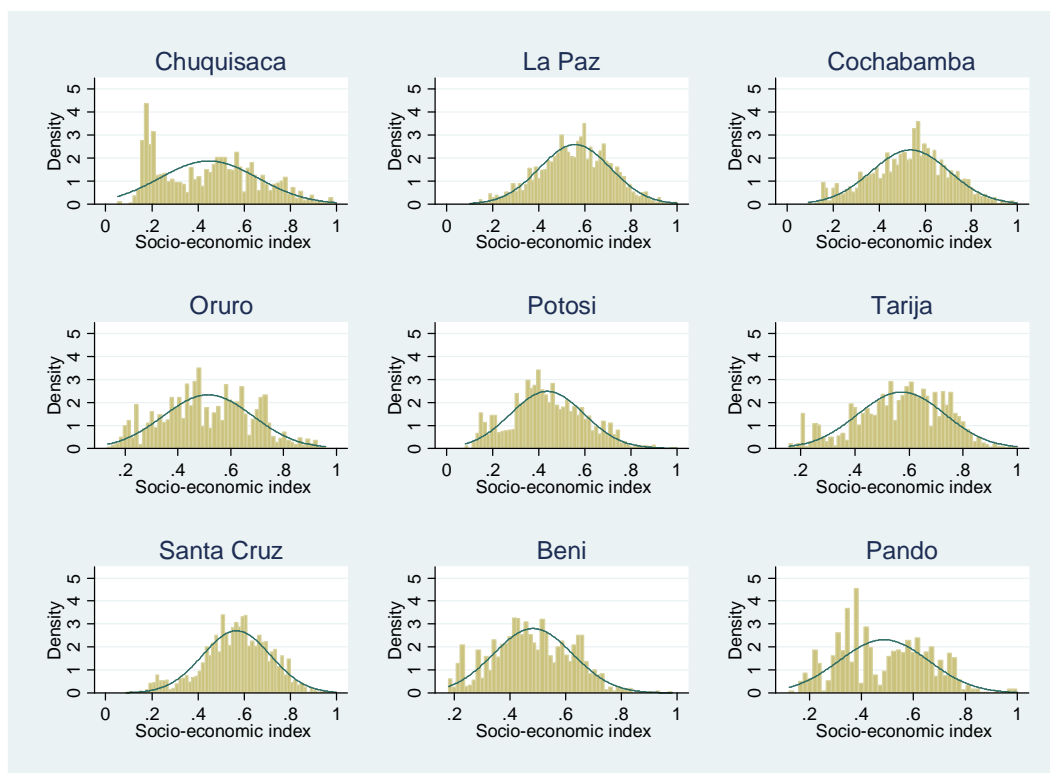
1992



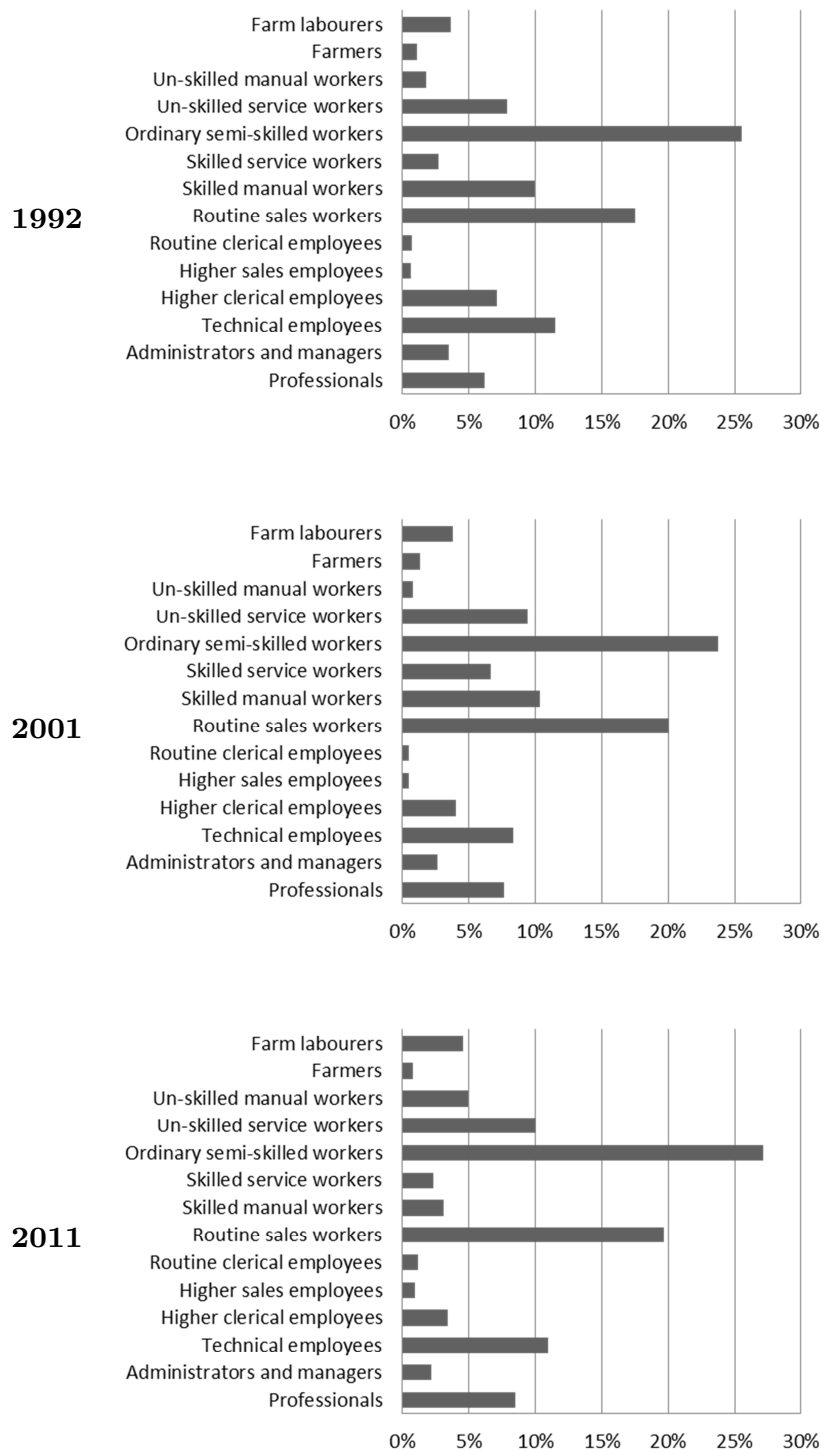
2001



2011



Appendix 9. Distribution of occupational categories in the urban middle class



Source: National Census 1992 & 2001, and Household Survey 2011

Appendix 10. Inter- and intra-generational mobility

Intergenerational mobility: frequencies distribution father-offspring

	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10	Group 11	Group 12	Group 13	Group 14	Total
Group 1	33,194	4,711	14,121	5,028	3,385	2,021	9,894	1,024	3,819	2,624	1,559	1,823	0	786	83,989
Group 2	3,562	548	1,535	2,261	2,479	256	2,292	0	1,506	2,172	0	0	0	0	16,611
Group 3	17,240	3,684	14,298	2,928	548	1,928	11,636	3,545	2,593	4,659	1,943	256	0	5,456	70,714
Group 4	1,855	512	2,046	728	0	755	1,815	0	0	2,573	0	0	0	0	10,284
Group 5	5,380	0	984	665	409	0	3,351	256	539	1,789	0	0	0	1,385	14,758
Group 6	2,207	846	1,108	256	472	620	2,616	2,751	0	1,607	472	0	0	1,284	14,239
Group 7	13,752	2,866	18,328	4,897	3,512	1,969	40,755	17,827	14,450	28,095	6,460	5,205	1,572	11,490	171,178
Group 8	24,870	2,158	15,590	6,424	1,906	1,964	21,069	22,292	5,394	25,253	5,733	4,555	786	2,770	140,764
Group 9	7,628	764	4,621	539	1,214	944	9,250	4,298	8,399	8,500	4,418	2,216	599	2,470	55,860
Group 10	43,320	2,475	51,773	19,354	2,619	11,010	74,716	36,413	18,674	118,294	33,990	14,712	2,792	22,763	452,905
Group 11	1,169	0	6,787	472	958	1,686	9,131	3,527	1,538	17,599	7,444	750	786	4,042	55,889
Group 12	4,194	0	1,744	0	958	0	9,930	3,389	4,105	12,852	5,022	4,952	786	5,411	53,343
Group 13	2,898	0	3,960	0	292	1,324	24,298	4,541	4,111	22,426	5,843	2,179	17,225	53,791	142,888
Group 14	17,193	7,581	40,665	8,061	2,575	6,904	119,897	51,492	37,080	152,969	34,967	26,100	30,415	704,201	1,240,100
Total	178,462	26,145	177,560	51,613	21,327	31,381	340,650	151,355	102,208	401,412	107,851	62,748	54,961	815,849	2,523,522

Source: Own elaboration based on EMES 2009

Occupational groups

Group 1. Higher professionals	Group 8. Skilled manual workers
Group 2. Administrators and managers	Group 9. Skilled service workers
Group 3. Technical employees	Group 10. Ordinary semi-skilled workers
Group 4. Higher clerical employees	Group 11. Unskilled service workers
Group 5. Higher sales employees	Group 12. Unskilled manual workers
Group 6. Routine clerical workers	Group 13. Farmers/ fishers/ hunters
Group 7. Routine sales workers	Group 14. Farm/ fishing/ forestry labourers

Intra-generational mobility: frequencies distribution father-offspring

	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10	Group 11	Group 12	Group 13	Group 14	Total
Group 1	115,698	5,330	5,902	1,859	1,762	1,227	2,461	0	0	0	0	0	786	554	135,579
Group 2	943	6,568	256	599	512	0	409	0	0	599	0	0	0	0	9,886
Group 3	11,674	4,271	101,119	2,092	795	1,842	10,729	1,726	3,245	695	292	0	0	0	138,480
Group 4	5,778	2,566	3,820	35,369	2,198	512	5,684	3,192	1,562	5,380	0	0	0	1,127	67,188
Group 5	256	0	958	256	3,783	840	2,863	728	0	409	0	1,298	0	0	11,391
Group 6	10,485	889	6,022	3,770	1,235	14,665	8,235	6,682	2,707	15,595	548	3,750	599	2,184	77,366
Group 7	11,651	3,443	13,145	3,832	2,978	3,897	181,433	16,023	10,360	28,021	13,937	6,448	786	5,959	301,913
Group 8	4,617	1,282	6,900	2,362	2,711	256	15,557	64,869	1,979	19,403	3,830	1,357	909	5,851	131,883
Group 9	1,821	0	0	554	0	472	5,993	1,415	37,871	0	4,224	0	786	1,673	54,809
Group 10	10,414	2,139	14,994	2,105	3,133	1,292	23,177	22,031	17,854	238,834	8,871	16,306	4,245	39,979	405,374
Group 11	2,817	1,902	15,788	2,549	1,982	4,704	66,842	20,011	29,574	28,012	72,179	8,906	2,238	26,634	284,138
Group 12	5,552	786	2,638	1,154	786	419	4,116	6,650	1,042	24,429	3,606	19,893	1,807	14,172	87,050
Group 13	0	0	1,647	0	0	0	3,577	3,122	1,093	10,818	292	1,095	32,682	10,236	64,562
Group 14	7,702	1,108	15,203	419	0	2,515	47,877	15,863	5,010	78,916	12,463	13,400	14,245	772,021	986,742
Total	189,408	30,284	188,392	56,920	21,875	32,641	378,953	162,312	112,297	451,111	120,242	72,453	59,083	880,390	2,756,361

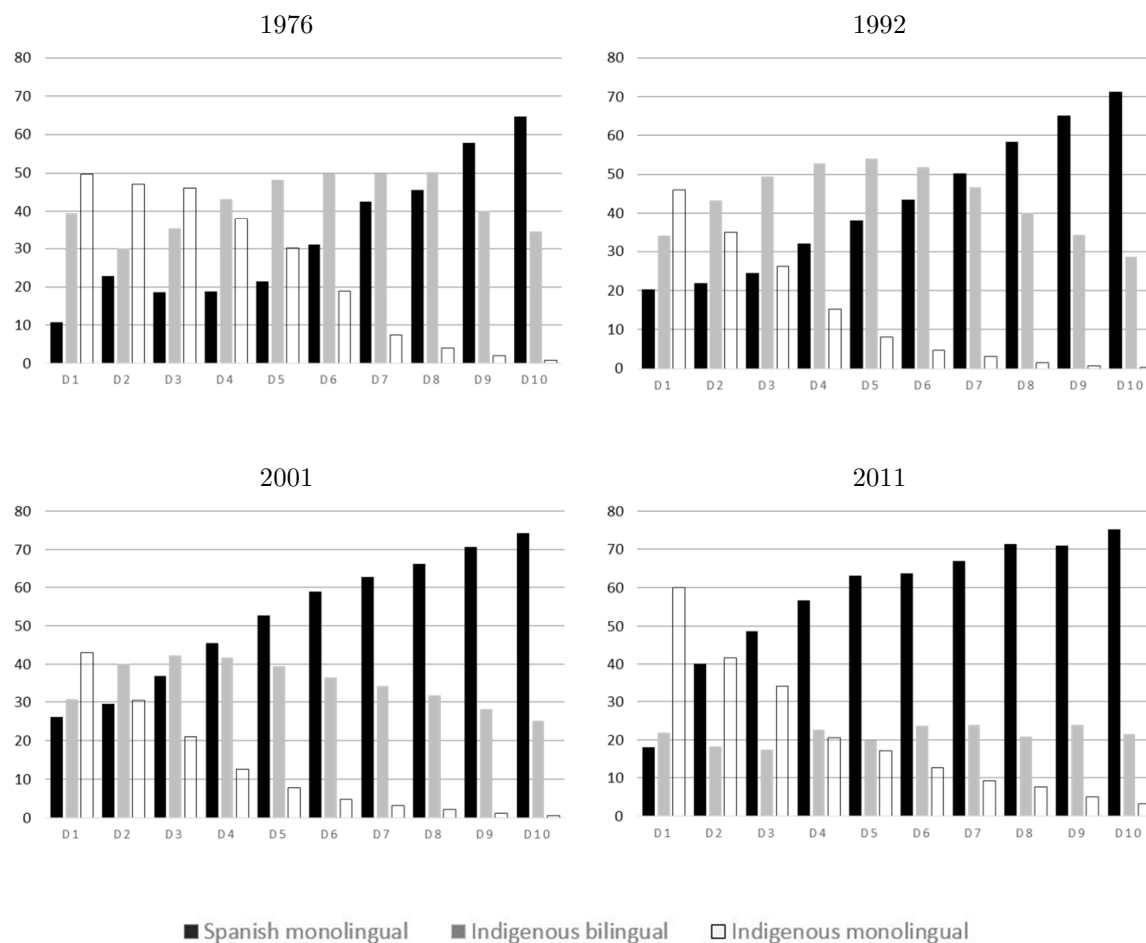
Source: Own elaboration based on EMES 2009

Occupational groups

Group 1. Higher professionals	Group 8. Skilled manual workers
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Group 6. Routine clerical workers	Group 13. Farmers/ fishers/ hunters
Group 7. Routine sales workers	Group 14. Farm/ fishing/ forestry labourers

Appendix 11. Distribution of population by language group and SEI deciles

(In percentages)



Source: Own elaboration based on Censuses 1976, 1992, 2001, and Household Survey 2011