

PRGF
(Poverty Reduction and Growth Facility)

A blind alley

a Paz, March 2003

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List of acronyms and abbreviations

BCB	Bolivian Central Bank
CEDLA	Research Center for Labor and Agrarian Development (Centro de Estudios para el Desarrollo Laboral y Agrarios)
CEPAS	Diocesan Social and Pastoral Commission (Comisión Episcopal de Pastoral Social)
CIDES	Development Sciences Postgraduate Programme (part of the Universidad Mayor de San Andres, the principal public university in La Paz)
CISE	Interinstitutional Council for Follow-up and Assessment of the EBRP
CSUTCB	Sole Union Confederation of Bolivian Peasant Labourers (Confederación Sindical Unica de Trabajadores Campesinos de Bolivia)
DFID	Department for International Development, UK
EBRP	Bolivian Poverty Reduction Strategy (Estrategia Bolivian de Reducción de la Pobreza)
ESAF	Enhanced Structural Adjustment Facility
EURODAD	European Network on Debt and Development
FDI	Foreign direct investment
GFFC	Gross formation of fixed capital
HIPC	Heavily Indebted Poor Countries
IDA	International Development Association
IMF	International Monetary Fund
INE	National Institute of Statistics (Instituto Nacional de Estadística)
JSA	Joint Staff Assessment (carried out jointly by the IMF and WB)
MCS	Social Control Mechanism (Mecanismo de Control Social)
MDCS	Social Control Mechanism at the level of the Department ¹
PRGF	Poverty Reduction and Growth Facility (dependent on the IMF)
PRSC	Poverty Reduction Support Credit (World Bank programme)
PRSP	Poverty Reduction Strategy Paper
PSIA	Poverty and Social Impact Analysis
SAP	Structural Adjustment Programme
SAPRIN	Structural Adjustment Participatory Review International Network
SIA	Social Impact Analysis
UDAPE	Economic Policy Analysis Unit, (Unidad de Anlisis de Políticas Económicas)
UNDP	United Nations Development Programme
UNITAS	National Union of Institutions Working in Social Action (Unión Nacional de Instituciones para el Trabajo de Acción Social ; a network of NGOs which work in Bolivia)
WB	World Bank

¹ The largest subnational administrative department in Bolivia; there are 9 departments in all - La Paz, Oruro, Potosi, Tarija, Chuquisaca, Cochabamba, Santa Cruz, Beni and Pando.

Preface

Seven years ago a crisis placed the architecture of international financial in the eye of a storm, and gave rise to serious questioning of one institution – the International Monetary Fund – responsible for maintaining doubtful equilibriums at the global level.

Faced with this wave of criticism, the IMF (central proponent of structural adjustment policies) and the World Bank (in charge of advising and financing national governments in the application of these programs) sought to soften their discourse, including in their agendas the fight to eliminate poverty. At the time, the Jubilee 2000 campaign of Catholic Church and hundreds of social organizations pressured G-7 governments and international financial institutions to alleviate the foreign debt of the poorest countries.

Thus, the reinforced Highly Indebted Poor Countries (HIPC II) initiative was born, and along with it the IMF's Poverty Reduction and Growth Facility (PRGF). In this way, the IMF and World Bank inaugurated – following their own logic – a new era in which, without losing sight of macroeconomic stability, they would struggle against poverty through aggressive social policies, civil society participation, and the reduction of external debt among low income countries.

A star pupil of structural adjustment, Bolivia was one of the earliest participants in the benefits of the new program. Bolivia was the first country in Latin America to receive foreign debt relief, promote a “national dialog” to arrive at agreements on a poverty reduction strategy, all under the umbrella of a three-year PRGF agreement. It was thought that a student of these characteristics could provide forceful and necessary evidence, sufficient to silence critics of the international financial organizations. Nothing was further from the truth.

With ample evidence, the present work shows there has been no significant variation in the original Washington Consensus, despite the renewed concern with poverty alleviation. After 18 years of applying structural adjustment policies – in Bolivia, it all started on 29 August 1985, with Supreme Decree 21060 – the emphases are the same, and thus, so too are the results. As proposed, the PRGF is a blind alley.

Socially, poverty – measured as unsatisfied basic needs – has not changed significantly; in absolute terms it has increased. With poverty of income, the situation is worse: high levels of unemployment and precarious working conditions have pauperized even more the quality of life for a majority of Bolivians. The economic policies of the last 18 years have increased the chasm separating rich and poor.

Economically, the growth of the Bolivian economy remains fragile, while national savings have declined, and policies to open the economy to trade and attract foreign direct investment have ended up debilitating the national productive base.

In terms of social participation, formal representative democracy has weakened social organizations, leaving the majority of the Bolivian population without influence over public policy. We are faced with a state that foments social exclusion, preoccupied more with administrative engineering than facilitating substantive participation in decision making processes.

With the information and analysis presented here, we hope to promote critical thinking around one path – not always the one chosen by those who suffer the consequences – that ought not be taken.

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Introduction

This article proposes to analyse if the Poverty Reduction and Growth Facility (PRGF) has represented a change in focus and in policy, in comparison with the Structural Adjustment Programme (SAP) and the Enhanced Structural Adjustment Facility (ESAF) which preceded it. Neoliberalism, which has been the political and conceptual support for the structural reforms promoted during the last two decades in Bolivia and in the majority of the other countries in the region, has understood poverty and actions to reduce it as a separate field of action from that of the direction of economic policies with respect to income distribution. Under this logic, macroeconomic and social policies should be based on the dominance of market forces so as to achieve not only efficiency in resource allocation, but also to achieve economic growth, seen as the only path to sustainability.

Although the emphases of social policy have varied, throughout the process the idea of 'trickle-down', which supposes that the social conditions of the population will improve as a quasi-"natural" result of economic growth, has prevailed. Taking into consideration the poor results of the ESAF with reference to poverty reduction, the World Bank and, later, the IMF, have developed in recent years the proposals of Growth and Poverty Reduction Services and Poverty Reduction Strategies.

The first part of this article demonstrates that these proposals continue to analyse poverty within the framework of the neoliberal model's own logic - thus confusing the structural causes of social phenomena with their superficial expressions - and, in consequence, will have results which are little different from those of the ESAF. The second part proves that the proposal of the International Monetary Fund and the World Bank, concerning the participation of civil society in the formulation of policies (including those in the macroeconomic field), is largely talk with little practical impact.

I The PRGF and the EBRP within the framework of the Structural Adjustment Programme

At the end of the 1990s, international financial institutions began to recognise the poor social results of their policies, and the need for better links between the economic and social programmes they promoted. Poverty reduction became a central objective in both fields, to the point that the cited institutions integrated it in their new programmes.

In September 1999, the objectives of the International Monetary Fund's concessionary loans were widened. Apart from the well known economic measures, they were to include poverty reduction as part of their growth oriented strategy. The ESAF was replaced by the PRGF, a new version of structural adjustment. In order to be eligible for this service, the interested country was required to prepare a Poverty Reduction Strategy Paper (PRSP); in Bolivia, the local version of this global initiative was the Estrategia Boliviana de Reducción de la Pobreza (EBRP, Bolivian Poverty Reduction Strategy).

According to the IMF, the support programmes linked to the PRGF had the following differences with respect to those that formed part of the ESAF². On the one hand, they integrated poverty reduction with macroeconomic strategies (and in addition, the IMF sought to ensure that spending programmes could be financed in a sustainable, non-inflationary manner); on the other, they now put additional emphasis on the concept of “good governance.” Improvements in public administration are considered fundamental for macroeconomic stability, sustained growth and poverty reduction. The primordial objectives are greater transparency and improved handling of public resources (including a general improvement in accountability).

The World Bank conditions its (new) Poverty Reduction Support Credits, or PRSC, on the existence of a PRSP; those loans are, in turn, linked to the PRGF. Countries which qualify to take part in the PRGF should have a per capita income lower than US\$85 (in 1999). The amount of the loan will depend on the situation of the balance of payments, the solidity of the adjustment programme and an outstanding use of the IMF’s loans. Bolivia complies with all the requirements to take part in this programme. On the other hand, Bolivia has negotiated the cancellation of its external debt and was accepted as a beneficiary in the HIPC (Heavily Indebted Poor Countries) initiative.

I.1 Letter of Intent and PRGF

A basic condition for participating in the PRGF and HIPC programmes is a signed Letter of Intent and a PRSP; without them, according to the IMF and the World Bank, Bolivia could not receive funds from the Interamerican Development Bank, the World Bank, or the Andean Investment Corporation (Corporación Andina de Fomento). Despite these conditions, the present Bolivian government established a new Letter of Intent with the IMF, which should have been signed in February 2003, six months before the new PRSP was ready.³ The signing of the Letter of Intent was suspended due to popular protests which led to the postponement of a proposal for income tax reform, which had been presented to Congress by the President of the Republic as part of the Budget for 2003.

In practice, the Letter of Intent defines the macroeconomic policy which the country should follow. It lays out objectives and areas of action for tax and monetary policy, foreign trade and domestic economic stimulus, structural reforms, and now, poverty reduction. The first three elements seek to maintain economic stability and create a favourable context for an adequate insertion of Bolivia in the international market. Structural reforms refer to financial administration and the norms for the use of resources (improvement of norms and regulations, consolidation of banking agreements, emission of norms for supervision and risk); tax reform programme (tax reforms, a new tax code); privatisation (completing the process); decentralisation (widening the process); and modernisation of labour laws

² Extracted from IMF (2002c).

³ Government employees in charge of preparing the new strategy indicated that the document would be finished in September 2003.

(although, with reference to this last point, only the achievement of a “consensus” concerning the benefits of a modern labour law is mentioned).

I.2 The EBRP and the HIPC initiative

In contrast to the Letter of Intent, the EBRP concentrates on social and productive policy. The strategy represents the Bolivian government’s social policy, which in practice is limited to the use of the resources made available by the HIPC II initiative. The government adopted this programme as its sole instrument in the struggle against poverty. Even the Public Finance Programming Unit of the Finance Ministry (Ministerio de Hacienda) no longer presents information on social spending in a separate section of its statistical dossier. Instead, it displays the assignment of the cited resources from the HIPC II initiative, according to their destination in different municipalities (see below). However, it does not specify whether the cited spending was carried out to increase employment, income or production, or what type of spending is concerned.

The strategy is put into practice through two routes: the municipal component, which ought to carry out 85% of the investment, and the Municipal Solidarity Fund (Fondo Municipal Solidario), which is responsible for 15%. The EBRP defines the following distribution of the resources which the central government distributes to the municipalities: 33 million dollars for the 314 municipalities of the country – shared out according to the indices of poverty in each one - should be invested in the following way : 10% in health, 20% in education, and 70% in social and productive infrastructure. Public investment has increased; however, the proportion of investment in each sector has not varied significantly over time (see Table 9).⁴

The strategy picks out four basic components which can be summarised in the following way: a) generation of employment and income; b) development of productive capacity; c) increased social, food and juridical security, and d) increased social participation and integration (making use of the opportunities opened up by the Laws of Decentralisation and of Popular Participation).

As a result, the EBRP proposes, at least at the level of discourse, an integral design, which interweaves elements of various structural reforms (decentralisation, privatisation, judicial security, regulation and flexibilisation of labour) and the focus on the satisfaction of basic needs as a component of poverty reduction. However, it maintains the logic of not interfering with the creation of favourable conditions for private enterprise, above all in those sectors where the model has supported economic growth and which, due to their productive conditions, generate very little employment; in consequence, its direct contribution to poverty reduction is minimal.

I.3 The application of neoclassical policies in Bolivia

⁴ The municipalities have been in charge of carrying this out since 1995.

The stabilisation plan and the Structural Adjustment Programme (SAP) which were introduced in Bolivia from 1985 onwards - that is to say, shock measures, liberalisation and the reactivation of the weakened economy - were designed on the basis of neoclassical economic theory. According to the suppositions of this theory, and given that the country is poor (expressed in the scarcity of capital), the first variable to be attacked is that of savings. An increase in savings should have a positive influence on investment, which in turn should generate employment, income and so on. In so far as saving increases and consumption decreases, investment increases. To this end, a series of measures are dictated, which favour the generation of savings and the capture of deposits, via the basic legal dispositions of the SAP: the Supreme Decrees 21060, 21660 and 22407, together with several other laws and, finally, diverse agreements with the IMF over the years.

Since this takes time, and internal savings are considered insufficient to finance the process of restructuring the economy, the country should at the same time have access to external savings, that is direct foreign investment and international loans, which are provided by the international financial institutions (IFIs), given the reluctance of international banking after the foreign debt crisis of 1982. In order to have access to these loans, the IFIs impose certain conditions with which debtor countries must comply, conditions which supposedly would guarantee the achievement of macroeconomic targets (re-establishment of equilibria, growth, poverty reduction) and would make possible service and even payment in full of the foreign debt, especially through export growth (bear in mind the slogan 'export or die'). The conception thus outlined has also been called 'virtuous articulation' or the 'virtuous circle'.⁵

I.4 Evolution of basic macroeconomic indicators

I.4.1 Savings

The evolution of savings at a macroeconomic level does not correspond at all with that was hoped for and aimed at (see Table 8). This important variable of the national economy, basic not only from a neoclassical point of view, followed a catastrophic course during the period of 'adjustment', during which it was considerably reduced and never came close to the levels reached at the beginning of the 1980s. Together with other factors which were not so marked, this poor performance was decisively influenced by the substantial deterioration in the terms of exchange. As an indication, savings - as part of GNP - in the emergent economies of Southeast Asia is several times higher than in Bolivia since decades ago.

For their part, public finances never ceased to show heavy deficits, both before and after 1985. Although public spending and investment was controlled in the first period after the introduction of the stabilisation policy, the deficit has continued to grow, above all during the most recent years, reaching levels which the IMF does not tolerate. Public savings during the period 1986-2001 were, on average, barely 1.9% of GNP (see Tables 10 and 11). Given that it was not possible to increase tax income to the desired levels, despite the

⁵ For descriptions of the virtuous circle, see, for example, Dorado (1993) or Aguirre, Arze, Larrazabál et al. (1992). Also consult Aguirre, Pérez and Villegas (1990).

adoption of measures aimed at including more of the population in the universe of taxpayers, the deficit had to be financed through debt (see Table 11).

As for the foreign trade deficit, it should be noted that the current account has been in the red every year except two between 1980 and 2001 (see Table 6).⁶ In recent years, the deficit has increased notably. The balance of trade has behaved in a similar way. Although it should be recognised that the composition of exports has changed in the desired direction (they include more processed products, although in terms of value their participation is limited), and that the negative terms of exchange had serious consequences both for the direction of change and for the products themselves. It should also be noted that export value has scarcely surpassed the level reached at the end of the 1970s and the beginning of the 1980s. With respect to imports, a worrying fact is that in many years between a fifth and a sixth of imports is represented by luxury goods (cars and foreign travel). Such performance continues to lead to the most sensitive form of Bolivian dependence, the dependence on external finance.

I.4.2 Investment

In the context of the SAP, private investment represents the main motor of growth ; public investment should support this, creating a favourable context for private activity. Basing ourselves on the figures, according to the predictions of the SAP, public investment has been losing ground as a fraction of total investment, although it has been recuperating somewhat since 1999. The decrease in national private investment has been much more notable: from 50% of total investment in 1986, it fell to scarcely 4% in 1999. The great winner has been direct foreign investment, which, over the same period, went from covering 2.5% to almost 63% of total investment (see Table 1). The tendencies indicate that, over the first seven years of the SAP (1986-1992), public investment was higher than the total of private investment (national and foreign), whereas over the next seven years (1993-1999) the inverse relation was the case.

On the one hand, it is important to note that Bolivian businessmen, at least since the collapse of the mining industry in 1985, have preferred to invest in trade and finance instead of taking productive risks;⁷ another fraction of their capital is directed, as commented above, to luxury consumption. On the other hand, it is worth noting that high levels of national interest rates represent an important barrier for national investors, compared with foreign investors who have access lower rates.

As a percentage of GNP, the performance of total investment has improved constantly - though with small fluctuations - since 1985 (see the averages in Table 1a, which confirm a constant increase). Moreover, the highest levels of total investment were registered during the crisis at the end of the last decade. However, with 1998 as the only exception (and, perhaps, 1997 and 1999), the coefficient was, as in the case of savings, far

⁶ This table shows the trade balance. Figures for the current account balance for all years til 1998 can be found in Delgadillo (2001).

⁷ Aguirre Badani et al. (1993) express this position.

from reaching the levels achieved by the successful countries of Southeast Asia in recent times. Since 1998, the participation of public investment has been gaining ground as a percentage of GNP, although it remained relatively stable in the period 1980-2000 (once again, see the averages in the same table). Since the middle of the 1990s, total private investment (foreign and national) has overcome public investment as a percentage of GNP, reaching levels more or less double those of the latter.

How was investment financed if savings were so low? Like the fiscal deficit, public investment was largely financed with external resources, which in fact covered half of it (an average of 51% between 1987 and 2000); this share was relatively stable over this period.⁸ If investment finance is distinguished by origin, one notes that, since the second half of the 1990s, the majority is foreign.

Despite the high levels of investment registered since the middle of the 1990s (in comparison with preceding years), the GNP has been affected mainly by diverse international economic crises and the continued worsening of the terms of exchange, among several other factors.⁹

I.4.3 Income

Although, in international terms, Bolivia showed reasonable levels of growth (see Graph 2) of GNP during the first half of the 1990s the coefficients of income concentration¹⁰ and of savings (Table 3) have worsened (although this was not the case in per capita terms). Although the fall in salaries is certainly overcome in part by the low level of internal prices, potential increases in consumption linked to this fall are put into question by the aforementioned increase in the concentration of incomes. Since 1990, the performance of final consumption in the household has been very similar to that of GNP, that is to say that it has grown at almost the same rate. As a percentage of GNP, however, final consumption in the household has not varied since 1985, even without taking into account the growth in population, which displays precisely the worsening in the distribution of GNP (Table 2 and 5). Proof of the fragile situation of labour throughout the 'adjustment' is shown by the constant *temporary* employment programmes, without offering to date any sources of permanent employment.

I.4.4 Role of the State and dependency

Considering the poor performance of national private enterprise (investment), the State has come under pressure to comply with those tasks which the Bolivian government and the IFIs assigned to it in 1985. On the other hand, given the tenacious persistence of the fiscal deficit - which increased seriously in recent years - public investment has begun to

⁸ UDAPE (1999), 322 ; UDAPE (2001a), Table 3.2.

⁹ For a graph of Gross Formation of Fixed Capital between 1960 and 2001, see Graph 1 in the Appendix.

¹⁰ Espada (2002).

grow, both as a percentage of total investment and with respect to GNP, over the last four years. Moreover, during this time private enterprise itself has constantly pressured the government to assume a central role in resolving the crisis which has overtaken Bolivia since about 1999.

The way out of these problems has come to be - as was inevitable, taking history into account - foreign debt, exactly the principal variable to which the PGRF is linked, as was the case for all the previous conditions applied by the IMF. One difference from the past is that the abundant debt assumed by the current government has been taken on in circumstances where there is less and less international commitment with respect to providing donations and even with respect to the concessionary credits themselves.

The dependence of the budget and public investment on foreign resources is too high for a country which, almost twenty years ago, proposed to gradually liberate itself from such dependence.

I.4.5 Social and economic results

Low savings during almost all the period of 'adjustment'; falling private investment (in the most recent years); permanent fiscal and foreign (trade and current account) deficits; increasing internal and foreign debt, which continues to represent an excessive load; dependence on donations, foreign investment and loans (and, linked to this, constant re-negotiations of the debt); high real interest rates (and effectively no internal process of accumulation); delay in repayment of bank loans; constant reprogramming of bank, tax and private employers' debts; unemployment; overwhelming presence of an informal sector, characterised by extremely precarious conditions of employment - could anything more be added to the fact that this is a depressing panorama after eighteen years of structural adjustment?

Bolivia grew considerably (in absolute terms) over the first half of the 1990s ; but the composition of this growth did not favour income distribution. Investment was directed to activities which were not labour intensive, with a notable lack of interest in industrial production, although this sector was emphasised in the export-orientated focus. Rather, the concentration of income and savings has increased. In other words, the 'trickle-down' effect so publicised by the promoters of the reigning orthodoxy has not materialised. With the exception of the low inflation registered during the greater part of the 'adjustment' period and the cited levels of growth in the early 1990s, all these results do not coincide with what was expected from the application of the SAP. Moreover, the statistics in the Appendix do not even support the habitual claim that, since the promulgation of Supreme Decree 21060, macroeconomic stability at least has been maintained.

Let's see, in more detail, some social and economic indicators.

In the macroeconomic context:

- Moderate economic growth, at an average rhythm of 3% in the 1990s.
- Unstable economic growth, even in the presence of high Direct Foreign Investment (DFI); since 1995, variations from 4.5% to 0.4% have been noted; these fluctuations in GNP show that there is little sustainable growth.
- Growth in GNP per capita, 1.7% on average, is lower than population growth (2.3%).
- Unresolved fiscal deficit, which remains at a level close to 4% on average and in the last year (2002) reached 8.6%.
- The levels of internal savings (14% of GNP), the lowest in Latin America; both foreign debt service and the growing decline in the terms of exchange reduce the internal savings available for investment to barely 7% of GNP.
- One notes a recurrent deficit in the balance of trade, due to openness and aggressive commercial policies which do not have as a counterweight policies directed to stimulating production; at present, Bolivia only takes advantage of 6% of the customs preferences of CAN and 4% of those of MERCOSUR.
- Worsening terms of exchange, linked to the export of raw materials with little added value and changed in demand and relative prices in their markets.
- Growing fall in internal demand and domestic consumption, due to low wages and regressive tax policies, such as Value Added Tax (IVA, Impuesto al Valor Agregado), which punishes the consumption of the poorest.

In the context of the restructuring of production :

In economies like that of Bolivia, globalisation does not offer benefits in terms of the declared stimulus to production, competitiveness and changes in the export profile, due to the opening up to foreign trade and the stimulus to foreign investment. Actual conditions are as follows :

- Productivity shows negative tendencies and the possibilities of being competitive in a global market are based on the super-exploitation of labour and natural resources.
- Access to transference of technology and technological innovation, capable of promoting the restructuring of production, the strengthening of chains of value and generating employment, has not been achieved. Bolivia continues tied to a productive structure based on a) the export of natural resources (raw materials) with little added value; b) a handful of industries producing basic consumption goods; c) a multitude of tiny economic units with low productivity, concentrated in sectors which receive the impact of open commercial policies (manufacture and agriculture), as well as commerce and personal services.

- Most of the producers in the countryside and the cities are excluded from access to productive resources (capital, technology, knowledge, land), aspects which have been abandoned to the play of the free market. Paradoxically, this takes place in the context of a poorly developed market, which leaves out in the cold those who lack political or economic power.
- Today, with the capitalisation (the Bolivian version of privatisation) of public entities and the FDI in other sectors, 65% of investment decisions have fallen into the hands of the multinational private sector, that is to say, capital intensive sectors which do not generate links with the rest of the economy.
- The concentration of a high percentage of the economic surplus in the hands of foreign capital, widely favoured by the laws promulgated in the context of adjustment concerning the repatriation of profits, free hiring and firing of labour, and the establishment of prices and tariffs outside state regulation, have created the conditions for the 'generation of surplus without internal accumulation', with serious effects for the sustainability of productive development.
- An indicator which summarises the slippery nature of the policies for restructuring production is the drastic fall in salaried employment within the economy: the index of salaried employment has fallen below 50%. This expresses the crisis of the productive apparatus due to the lack of policies for its modernisation and their substitution by aggressive trade policies, betting on the market as the motor of the transformation of production.

In the context of poverty reduction:

In contrast with the improvement in some social indicators in the fields of education and health - which, it should be said, nevertheless display strong gender inequality - the persistence of poverty levels and the increase in their intensity is just one of the most evident effects of the economic, institutional and political changes in the country which have been driven by the structural adjustment. Here are some social indicators and conditions:

- In practice, according to the measures of income, poverty continues to affect more than 60% of the population, and 92% of the rural population ; these indicators have fallen gradually in relative terms, but in absolute terms poverty has increased. More than five million Bolivians, in a population of eight million, were below the poverty line in 1999.
- Income inequality, measured by the Gini coefficient, has increased over time and today is much greater (with a level of 56%) than it was at the end of the 1970s, when a level of 49% was registered.¹¹

¹¹ Arze (2001).

- The effects of these tendencies cover different sectors, families and individuals, marking deep social and gender differences. The greater part of the population is exposed to: a) precarious employment, low salaries and a burden of unpaid work which falls more intensely upon women; b) lack of access to productive resources (land, water, capital, knowledge); c) exclusion from the provision of basic services due to their growing mercantilisation; d) a greater burden of indirect taxes, which punish consumption without differentiating basic consumption from sumptuary goods, with an evident disadvantage for the poorest.
- We are dealing with direct and indirect effects, which affect access to the principal means of life and whose incidence falls disproportionately upon women, who, in the space of the market and in the domestic sphere, face greater responsibilities linked to the reproduction of the labour force.
- In effect, women are not only pushed into the labour market in highly unfavourable conditions, but their activities - in peasant productive units, in indigenous communities or in the informal sector of the economy - also tend to pass unnoticed; that is to say, women's participation in the economy strictly linked to production and the market is not measured or considered as economic activity, because it appears as an extension of housework.
- The decline in provision of basic services and the increasing price of basic consumer goods also has an unequal effect upon women, who have to replace those goods and services access to which is systematically denied to them by the State and the market with a prolongation of their working days.

I.5 Conclusions

From 1985 onwards, a new model of development has been applied in Bolivia, based on a stabilisation plan of an orthodox nature and the gradual application of the SAP, which has been carried out with a high level of continuity. The most important instruments (of concessionary aid) in this programme are: the Structural Adjustment Programme (SAP, 1986-7) with its respective Structural Adjustment Loans (SALs) and Sectoral Loans (SELs) ; Stand By loans; the Enhanced Structural Adjustment Facility (ESAF, 1987-1999), and the Poverty Reduction and Growth Facility (PRGF, from 1999) with its corresponding Poverty Reduction Support Credit (PRSC); all of which make up an array of conditionalities and meagre results.

Bolivia has worked with the International Monetary Fund from the end of the 1940s and on very few occasions failed to comply with the mutual agreements. It always carried out in a dedicated fashion the macroeconomic policies, the stabilisation plans and the structural reforms. Now that the IMF proposes a 'new' focus, the same thing happens: it continues to reinforce the conditions for the functioning of a free market economy.

The new concessionary loan service of the IMF for low income countries demands the preparation of a poverty reduction strategy, prepared with the participation of the various sectors of actors in development, with the hope that 'fresh ideas' will arise concerning the way to achieve the objectives of growth and poverty reduction. This has given rise to the National Dialogue and the EBRP. The PRGF should be constructed on this basis. However, the strategy was constructed taking care not to affect fiscal, monetary and financial policies.

Since 1985, the moment when the country took on the neoliberal model in its totality, there has been no connection between economic and social policy; the former always took priority. Social policy at best consisted in poverty relief programmes centred on the satisfaction of basic needs (health, education, housing). With reference to employment and income levels, the programmes have generally been proposed as temporary programmes for emergencies. The structural causes of poverty and exclusion, which in Bolivia are manifested precisely in low income levels, unemployment and the precariousness and informality of work, have not been taken into consideration. Despite the fact that the EBRP has as basic components the generation of employment and income and the development of productive capacity, in the first phases of its application it has not sought to develop these components.

A fundamental limitation of the national economy is the insufficient generation of internal resources (low savings), even after the application of the SAP. This undermines the basic principle of the current economic model, which asserts that its macroeconomic policy measures - supported by the market and the private sector - and the complementary structural reforms, will make possible a greater economic growth. Bolivia is excessively dependent on foreign finance - multilateral and bilateral - of a concessionary nature, if it is to maintain macroeconomic equilibria and, above all, investment in the social area. The foreign and domestic public debt is growing. The amounts of debt which have been cancelled do not represent a large part of the total sum; the need to obtain new loans remains. In addition, very limited resources have been destined for poverty reduction. Financial precariousness thus represents a greater risk for the application of the social strategy.

According to what has been analysed, it is clear that the State cannot be isolated from the economy. The justification used is that intervention is required in those markets which function in a permanent imbalance, so as to ameliorate or correct these imbalances, and ameliorate or correct social inequalities produced by the poor functioning of the markets. It is not out of place to mention that behind the success of exports from Southeast Asian countries was the firm and directing hand of the State. When policies based on neoclassical theory are applied in economies as diverse as those of Latin America, their specific nature is ignored in favour of a few central ideas, that is to say, a given reality was treated in an excessively abstract fashion, without considering the specific determinations or the historic and structural characteristics, which are precisely that which makes some countries different from others.

Given the poor results of the SAP, and facing the fact that the International Monetary Fund and the World Bank insist that the fiscal, monetary, trade and financial policies which were the basis for these poor results should not be touched, it seems unlikely

that the PGRF and the EBRP will change the prospects of the economy and of the majority of the people of Bolivia.

II Civil society participation¹²

II.1 The participatory rhetoric of the International Monetary Fund and the World Bank

‘...there should be more public debate concerning alternative policies, logic, rationality, limits and options/decisions.’¹³

A relevant aspect of the IMF’s “new” focus - the PGRF - is its emphasis on the participation of civil society in the formulation of each country’s policies. The discourse of the international financial institutions is very clear with respect to their commitment to supporting such participation and what it could contribute to the strategies established, the desire to listen to other points of view and open up all their policies to debate among the various actors:

‘Key macroeconomic policies, including growth and inflation targets, and the trust in fiscal, monetary and foreign policies, as well as structural policies to accelerate growth, are topics to be consulted with the public.’¹⁴

II.2 The influence of civil society on the PRGF

‘It seems that the IMF does not believe that greater participation would represent a challenge to the content of the programme, i.e. this would not mean that radically different programmes would be proposed, but rather that it would simply allow civil society to be better informed as to why ‘IMF style’ reforms are necessary, and hence they would be adopted.’¹⁵

In this section, we hope to show that the participation of Bolivian civil society in the definition of macroeconomic programmes is virtually nil, above all with reference to the PGRF. In Bolivia, a structure for public debate and consultation over macroeconomic policies does not exist. Nor is there sufficient political will, recognition or ‘adoption’ of the idea of opening a debate on macroeconomic policies, or of trying to adapt these to microeconomic behaviour, which is the level on which society decides and actively participates. Despite the IFIs’ rhetoric about participation, there is no evidence that proposals of alternatives to the reigning model would influence macroeconomic policy. The IMF holds that its role in fomenting participation is limited to supporting the government in opening up its processes of policy formulation, and does not consist in directly consulting the population.

¹² This section was prepared by Cecilia Ramos and Jennie Richmond.

¹³ IMF (2002a).

¹⁴ IMF (2000).

¹⁵ Wood (2000).

The other institutionalised mechanism - apart from its representation in parliament - which is available to Bolivian civil society with the aim of influencing public policy, is the National Dialogue.¹⁶ In the course of the Dialogue in 2000, various social groups debated their proposals for the EBRP. In theory, and according to the IMF's logic, the PGRF is based on the EBRP, and hence, the proposals which society put forward in the Dialogue 2000 should form part of the PGRF. There are several problems with this opinion:

1. The dialogue was structured along social, political and economic lines, each one treated independently. The representatives of civil society were limited to the social themes - going against what the IMF itself proposes - and did not have the opportunity to debate the macroeconomic model.¹⁷
2. The dialogue did not include the largest and most vulnerable groups. 'Given these events, one observes that a basic fault of the National Dialogue 2000 was the lack of participation of rural and urban workers' unions and the limited treatment of the complaints and demands of society, above all of the impoverished sectors of the country'.¹⁸

However, the IFIs did not take note of these problems. The Joint Assessment of the IMF and the WB in May 2001 did not mention the criticisms of greater networks of Bolivian civil society, nor the huge protest demonstrations of April and September-October 2000. Nor did they mention the context in which the Dialogue was held: a state of siege,¹⁹ roadblocks, a congress of the CSUTCB (the peasants' national union), and so on, which impeded the participation of this sector and other representatives of civil society such as the national trade union organisation, the COB (Central Obrera Boliviana), the coca growers' unions, workers' unions, women and others. This means that the Dialogue cannot be called really participatory.

3. The cited problem of links between the PGRF and the EBRP means that one cannot assume that taking part in the dialogue and, eventually, in the definition of strategy will have an impact in the design of the PGRF. Moreover, many civil society groups have expressed their frustration with the links between the EBRP and the results of the dialogue. The presumed logic 'participatory dialogue = participatory EBRP =

¹⁶ It is perhaps rather optimistic to call this 'institutionalised' ; the 'Dialogue' was an initiative proposed by the Banzer-Quiroga government (1997-2002) and it is not clear if it will become a regular feature of government in Bolivia. It consisted in inviting spokespeople of various supposedly representative organisations to take part in a series of round tables, supposedly aimed at proposing solutions for diverse problems or establishing lines of action for the government to take. The 'representatives' seem to have been selected from above rather than elected or chosen by those they were said to represent, and the general population dismissed it as an official farce. (Translator's note)

¹⁷ In its assessment of the Dialogue, EURODAD holds that 'the IMF emphasised that the impact of the National Dialogue would be limited to social spending and would not impinge on the macroeconomic model' (see EURODAD 2000). 'NGOs consistently report that two parallel processes exist, 'social' aspects debated within the context of the EBRP - with a certain level of participation - and 'macro' aspects which are debated in the context of the PGRF - without participation' (see EURODAD 2001).

¹⁸ Aguirre y Espada (2001).

¹⁹ Not a literal state of siege, but rather a 'state of exception' which the government can declare in times of disturbance and which restricts the right to hold public meetings, imposes a curfew, etc. (Translator's note)

participatory PRGF' does not work; in practice, the participation in dialogue is limited, the EBRP is not participatory and participation in the PGRF is nil.

In our interviews with representatives of the World Bank, the IMF and the Bolivian government, none mentioned plans for consulting the public on macroeconomic policies.

II.3 Participation of civil society in the follow-up and control of policy

'Public accountability will be reinforced by a continual debate and by the set of indicators of results which will allow that the effectiveness and efficiency of the policies, including public spending, will be monitored.'²⁰

There is much more debate concerning the participation of civil society in controlling and imposing accountability in the EBRP than there is over the formulation of macroeconomic policies. All those interviewed, when asked which members of civil society ought to follow up and assess the strategy and the PRGF, replied that this would be carried out by the MSC or Mechanism of Social Control, created in 2002 by the Law of Dialogue. The interviews suggest that the Mechanism should be the solution to all problems of participation. Without denying the potential which this institution might possess, and much less its legitimacy (based on legality), there is the danger that it could become an excuse for other potential controlling instances to hand over their responsibilities, or for government institutions, alleging the simple existence of the MSC, to take for granted their actions as already sufficiently monitored by civil society.

According to law, the attributions of the MSC are to exercise social control over the application of the EBRP and the resources freed up by the HIPC initiative; to agree with the Executive branch which indicators should be used to assess the results, effects and impact of the EBRP; to follow up the administration and execution of programmes and projects for poverty reduction; to follow closely the operations carried out by the Dialogue 2000 Special Account; to report to the Parliament, the Exchequer and other state entities concerning possible irregularities in the handling and administration of public institutions; to name and, if necessary, remove from office of social control operatives, and to promote the strengthening of departmental and municipal instances for the adequate functioning of social control.

However, there is confusion among the actors with reference of how far the MSC really goes. In the public sector, the former Minister of the Presidency insisted in interview that the MSC would oversee the whole of the national budget and all the policies involved. On the other hand, the Resident Representative of the IMF in Bolivia believed that it would cover all macroeconomic aspects. However, CEPAS-Caritas, a Catholic organisation which has been one of the leaders in setting up the MSC, claimed that in a first stage it would cover education, health, and productive infrastructure, as well as the resources provided by HIPC.

²⁰ IMF (1999).

In fact, the MSC's capacity is limited. In its first year of life it has concentrated in establishing its institutional structure and has taken few concrete actions with respect to controlling the EBRP and the use of HIPC resources. Another questionable aspect of the MSC is its representativity: although it seeks to distance itself from the Catholic Church, the latter continues to exercise hegemony over it. On the other hand, the institution is approaching organisations which offer bilateral finance - specifically, DFID of the British government - at the same time as the CISE²¹ suggested that the MSC should be part of it. These last two links will only strengthen the MSC as an extension of the public sector while distancing it from civil society.

With relation to other civil society groups which take part in following up the EBRP and the use of HIPC resources, one notes that more and more are gathering round this activity. This has increased since the present government declared the first re-formulation of the strategy. The results of the application of the EBRP, the efficiency of the uses made of HIPC resources, the process of re-formulation, what this implies for different sectors, links to the macroeconomic programme and the process of negotiation between the government and the IMF are being introduced into the agendas of debate of various NGOs and the organisations of social sectors.

A basic problem which may arise in the attempts to carry out suitable monitoring of the EBRP and the PGRF is a significant lack of information. This occurs, in part, because such information is not produced, and on the other hand, because it is difficult to obtain regular, specific and precise reports.

II.4 The need to assess the impact of public policies

‘The directors (of the IMF) say that greater attention should be given to the social impact of the major reforms and to an analysis of their impact on the poorest (...) the PGRF documents should clearly indicate the role of that service (PGRF) in poverty reduction.’²²

In its document *Key Features of IMF Poverty Reduction and Growth Facility (PGRF) Supported Programmes* (2000), the IMF declares that its new focus tries to situate poverty reduction at the centre of all its programmes, as well as to make integral connections between anti-poverty policies and macroeconomic policies. However, various impacts of its policies are suppositions and there are no analyses - on the part of the IMF - of the hoped-for results, nor of the impact of its previous policies in the specific context of each country. The circumstances of each region, country, social group and so on, are unique, and as a result it is impossible to impose a uniform policy in different countries or regions and suppose that it would have the same impact. In consequence, there is at present much debate between the IFIs, the governments of debtor countries and civil society

²¹ Interinstitutional Council for Follow-up and Assessment of the EBRP. It is composed of representatives of the Viceministry of Popular Participation, the National Institute of Statistics (INE) and the Unit of Analysis of Social and Economic Policies (UDAPE).

²² IMF (2002a).

activists concerning the need to assess the impact of the policies and conditions of multilateral programmes, before and after their application.

In Bolivia, the CISE is in charge of following up and assessing the EBRP in the public sector. In its first report (CISE 2002) it demonstrated an application only at the institutional level; the text was limited to the quantitative description (in percentages) of the activities carried out, pending, and in process, and did not include an analysis of the directions taken by the EBRP in its first stage. It did not offer details of the type of projects and activities carried out, above all with reference to rural development. Nor did it reflect the course of activities directed at fomenting production which are trumpeted by the EBRP. Thus, the assessment carried out to date does not show if poverty reduction is on course or if it has been integrated into macroeconomic policy, as the IMF proposes.

II.4.1 The IFIs and impact assessments

‘(The directors) require that the PGRF programme documents should provide periodic descriptions of the analysis of the social impact and the impact on poverty, PSIA, which has been carried out in the country, including a qualitative description of the hoped-for impact on the poor of the major macroeconomic and structural measures and a summary of the measures which have been applied to counterbalance any adverse effect.’²³

The ‘new’ framework of development creates a growing need to know and comprehend the form and magnitude of the impact of economic and social policies on the poor. The World Bank and the International Monetary Fund admit that the assessment of the impact of their policies is fundamental, before a new PGRF or PRSP can be formulated. A social impact analysis (SIA) should assess ‘The consequences of the policy measures - before, during and after their application - on the welfare of different social groups, with special attention to vulnerable groups and the poor.’²⁴

The IFIs display a greater preference for assessments carried out *ex post*. However, the World Bank now considers that a central objective of an SIA is to include previous information on its preceding policies so as to design the new policy and anticipate its hoped-for impact before it should be formulated and applied. With this analysis, there is the hope that the government in question would be able to select policies to be applied in a more perceptive and better informed fashion.

‘(The directors of the IMF) agreed that Fund personnel need to explain more proactively and to a wider public their vision and analysis with respect to the

²³ Ibid.

²⁴ Ibid.

connections between the macroeconomic framework and the results of growth and poverty reduction in the working context of the PRGF programmes.²⁵

According to the IFIs, via this assessment a national debate concerning possible policies for a country will be set in motion. As a result of this process, civil society groups would be able to examine the plans of the IFIs and the government, considering the predicted impact on poverty. Assessment would also provide an opportunity for various social groups to contribute their experiences with previous policies. Thus, in theory, the debate on macroeconomic policy would be more flexible and open (it would consider how macroeconomic policy could be adapted to social policy). 'The participatory process will facilitate an open debate on topics related to the social impact of policy measures and the course and order of the reforms.'²⁶

The IMF and the World Bank support the idea of a social impact analysis. The Bank takes on its leadership and technical direction, while the government of the supported country is responsible for design and application. The SIAs should be firmly based in the national process of formulation of the PRSPs. At the beginning of 2001, a joint work group of the IMF and the World Bank began to develop a focus and work programme to integrate the SIA into the programmes which support the processes associated with the PRSP. The World Bank promised to develop techniques and methods for carrying out an SIA, with the aim of publishing draft guidelines in April 2002 (it is not yet obligatory to use them). In the international meeting for Comprehensive Revision of the PRSP Focus in January 2002, the President of the World Bank held that within six months SIAs would be under way and they would soon be introduced into the programmes related to the PRSP and PRGF (Townhall Meeting). However, the SIA has not even begun and the IFIs do not show much concern that it should be carried out.

II.4.2 Civil society's interest in the analysis of social impact

At present, NGOs and other groups, national and international movements and initiatives with a critical position, have shown much interest in the putting into practice of social impact analyses. This is basically a result of the controversial results thrown up by the SAP, which was largely designed without reference to the real context of application. The 'adjustments' were turned into programmes to which the respective national reality had to adjust itself, which has given rise to criticisms of the IMF for having attempted to apply a general recipe. There are many studies which demonstrate the negative effects of the 'shared' conditions on poor and vulnerable groups. The final report of the Structural Adjustment Participatory Review International Network (SAPRIN) concludes that:

1. After two decades of adjustment policies, it is sufficiently evident that these will not suddenly change and begin to reduce poverty and inequality, instead of increasing them.

²⁵ Ibid.

²⁶ IMF (1999).

2. The evidence suggests that the macroeconomic benefits are much less than those supposed by the IFIs.²⁷

Work in precarious activities has come to be the main form of insertion in the labour market for 80% of rural workers and 63% of the labour force in the cities. In addition, employment has become more unstable over time and salaries and incomes are constantly declining. A strong increase in the levels of open unemployment, from 4.4% in 1997 to more than 11% in 2001, has been registered. In 1999 - almost without variation with reference to 1993 - 63% of the population was below the poverty line and 36.8% was indigent. According to another measure, the proportion of people who live on less than two dollars a day gives an incidence of poverty of 70%, and 42% in extreme poverty. The 1990s benefited only a limited section of the population. Information on incomes shows that 20% of the population received no less than 59% of total income in 2000 (54.9% in 1992), while another 20% of the population received 4.3% in 1992 and in 2000, just 3% of the total.

NGOs and civil society would like to guarantee that the mistakes made in the application of the SAP would not be repeated in the actual poverty reduction programmes - PRSP, PRGF AND PRSC. For this reason, national and international groups are demanding that the international financial institutions incorporate impact assessments *ex ante* as soon as possible in all their programmes.

II.4.3 How is the analysis of social impact and the follow-up and monitoring of economic and social programmes progressing in Bolivia?

Despite international declarations of the importance of carrying out social impact analyses, the Bolivian government has no immediate plans to this end. The interviews carried out for this study demonstrated evident confusion with respect to the timetable for its application. According to the Resident Representative of the IMF in Bolivia, the ideal would be to have an SIA before the next PRGF, but, being realistic, this will probably not happen and, in any case, this situation would not put an end to the negotiations in this country. It should be noted that if the SIA is not carried out before the next negotiation (the next Letter of Intent), which is what is happening, there will be no possibility of including 'fresh ideas with respect to the strategies and measures needed in order to achieve the shared target of growth and poverty reduction'.²⁸

The prime responsibility for getting a social impact analysis under way rests with the government, above all with the CISE, which is developing a system, methodology and indicators for this type of assessment. However, to date, they have not gone very far in this direction. DFID is trying to introduce a method of participatory assessment which it is developing together with the CISE. CISE's plan concentrates on municipalities and departments, with the aim of facilitating participation. However, there is still a certain vacuum in the indicators of the EBRP at the municipal level²⁹ which the CISE is supposed to

²⁷ SAPRIN (2002).

²⁸ IMF (2002c).

²⁹ Pérez (2001).

develop. At the same time, national indicators (of impact, of results, and intermediate) are so general that it is difficult to tell if there has been real progress. The EBRP specifies that the measurement of poverty will be developed by the public and private sectors and civil society, jointly and for each sector. However, it does not mention monitoring of the macroeconomic programme in general, or if a poverty focus will be the mechanism.

Apart from the MSC, the Resident Representative of the IMF in Bolivia does not know of another way to facilitate the participation of civil society in the monitoring of economic and social policy, but warns that Bolivia does not possess the techniques suitable for monitoring or assessment at the level of an SIA. Finally, the Representative affirms that there is no possibility that the IMF would open up its operations to the monitoring of civil society.

II.5 Conclusions

Greater participation is a basic premise of the 'new' focus presented by the IMF. However, the established channels do not seem to be suitable. In the Bolivian case, the National Dialogue turned out to be insufficiently participatory, and in consequence the strategy against poverty which emerged from it is similarly inadequate, likewise the PRGF. So what is the legitimacy of the policies if there is no participation and the options and strategies of the population have not been taken into account? The people ought to have an active role in the debate, in identifying actions to be taken and in the definition of objectives and instruments, in economic as well as in social policy. To this end, greater efforts are needed to communicate information and to put the debate into practice. If this is not so, any novelty in the programmes - poverty reduction, greater participation and analysis of policy impact - will be no more than discourse of the international financing organisms and the respective governments which depend on them, which have shown that they follow a macroeconomic policy which is not articulated to the microeconomic structure of their countries, nor to their needs in the social context.

Both the multilateral financial organisms and the governments which follow the neoliberal model do not assess the results of their policies nor the impact these have on the population. In our view, the case is that they attempt to show and explain the logic of their proposals and policy options, although it has been shown that this development focus does not allow sustained growth and that higher growth does not in itself signify benefits for the whole of the population. The IFIs, and above all the Bolivian government, should reconsider their development policy focus, given that, instead of generating positive results, this has only generated more poverty (polarisation of the divisions in income and opportunities).

On this basis, we demand that the government make a serious assessment of the impact of its policies with respect to social conditions and poverty, which is what is proposed as a pre-condition of the new PRGF (before signing the next agreement with the IMF and before any other new agreement). The assessment should be of a multidisciplinary nature and should cover all dimensions of poverty ; it should not be limited to the provision

of basic services. The IMF and the World Bank should keep their promise to support the implementation of this analysis.

The analysis should be carried out with the participation of all the actors who take part in the development process. To this end, the International Monetary Fund and the World Bank - and above all, the government - should publicise all the necessary information at the appropriate time, and most important, the draft of the next Letter of Intent (in Spanish, and before the agreement is signed).

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List of Interviews

by Cecilia Ramos and Jennie Richmond in Mayo 2002

Public Sector

- Alberto Leytón, Minister of the Presidency
- Mónica Loayza and Juan Ramón Ramírez, Economic Policy Analysis Unit (UDAPE) and members of the CISE, the Inter-institutional Council for Follow-up and Assessment of the EBRP
- Marianela Zeballos and Marcos Castellón, Vice Ministry of Strategic Planning and Popular Participation, and members of CISE, the Inter-institutional Council for Follow-up and Assessment of the EBRP
- María Teresa Prado, Social Production Fund
- Mauricio Lea Plaza, Municipal Government of La Paz

Multilateral and Bilateral Agencies

- Gerardo Peraza, IMF Resident Representative in Bolivia
- Carlos Mollinedo, Staff economist, World Bank, Bolivia
- Armando Ortuño, Analyst, UN Development Program, Bolivia
- Hans Mauritz, International Cooperation Sections, Dutch Embassy, Bolivia
- Oscar Antezana, Functionary, Department for International Development (UK), Bolivia

Civil Society

- Juan Carlos Núñez, Director of CEPAS-Caritas
- Juan Carlos Carranza, Functionary, CEPAS-Caritas
- Hugo Fernández, Director of the NGO network, UNITAS,
- Horst Grebe, Director of Instituto Prisma
- Carlos Villegas, Researcher and Economist, CIDES
- Miguel Urioste, Director of NGO “Tierra”

Annexes

Tables and Charts

Table 1. Composition of fixed capital formation (FKF), percentages

	Public Investment (1)	FDI (2)	Private Investment (3)-(1)-(2)	FKF (3)
1980	47,22	6,18	46,60	100,00
1981	43,57	8,09	48,34	100,00
1982	74,64	3,95	21,41	100,00
1983	70,96	1,10	27,93	100,00
1984	68,30	0,68	31,02	100,00
1985	69,27	1,29	29,44	100,00
1986	47,19	2,45	50,36	100,00
1987	51,82	6,93	41,25	100,00
1988	61,79	5,14	33,07	100,00
1989	59,06	6,19	34,75	100,00
1990	51,59	10,78	37,63	100,00
1991	54,40	12,12	33,48	100,00
1992	57,80	13,06	29,14	100,00
1993	50,36	12,74	36,89	100,00
1994	57,85	14,43	27,73	100,00
1995	49,89	35,74	14,38	100,00
1996	49,28	39,51	11,22	100,00
1997 (p)	36,50	48,49	15,01	100,00
1998 (p)	25,58	48,39	26,03	100,00
1999 (p)	32,95	62,96	4,09	100,00
2000 (p)	38,76	48,54	12,70	100,00

Sources: (1) For 1980 a 1987: UDAPE, *Análisis Económico*, vol. 8
 For 1988 a 2000: Treasury Ministry, Viceministerio de Inversión Pública y Financiamiento Externo

(2) Central Bank of Bolivia (BCB), *Balanza de Pagos*

(3) National Statistics Institute (INE), *Cuentas Nacionales*

Notes: Both FDI and Private Investment have been converted to thousands of 1990 Bolivianos using implicit deflators and annual nominal exchange rates. While not perhaps the best process, it does provide a reasonable approximation. Public Investment includes all investments carried out.

p = preliminary figures.

CEDLA, Statistics Section

Table 1a. Composition of fixed capital formation (FKF), as a percentage of GNP

	Public Investment (1)	FDI (2)	Private Investment (3)-(1)-(2)	FKF (3)	GNP
1980	6,07	0,79	6,00	12,86	100,00
1981	5,47	1,02	6,07	12,56	100,00
1982	7,09	0,37	2,03	9,49	100,00
1983	6,15	0,10	2,42	8,67	100,00
1984	6,37	0,06	2,89	9,33	100,00
1985	7,50	0,14	3,19	10,83	100,00
1980-1985	6,43	0,43	3,82	10,67	100,00
1986	5,46	0,28	5,83	11,57	100,00
1987	6,17	0,82	4,91	11,90	100,00
1985-1987	6,38	0,42	4,63	11,43	100,00
1988	7,57	0,63	4,05	12,25	100,00
1989	6,83	0,72	4,02	11,56	100,00
1990	6,48	1,35	4,73	12,56	100,00
1991	7,73	1,72	4,76	14,20	100,00
1988-1991	7,15	1,13	4,40	12,69	100,00
1992	9,05	2,05	4,56	15,66	100,00
1993	7,76	1,96	5,69	15,41	100,00
1994	7,84	1,95	3,76	13,55	100,00
1992-1994	8,20	1,99	4,66	14,84	100,00
1995	7,35	5,26	2,12	14,73	100,00
1996	7,77	6,23	1,77	15,77	100,00
1997	6,95	9,23	2,86	19,04	100,00
1998 (p)	6,00	11,36	6,11	23,47	100,00
1999 (p)	6,54	12,50	0,81	19,85	100,00
2000 (p)	7,12	8,92	2,33	18,37	100,00
1995-2000	6,93	9,04	2,69	15,39	100,00

Sources and Notes: see Table 1.
CEDLA, Statistics Section

Table 2. Bolivia: foreign trade and internal expenditures (base year 1990=100)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Exports (X)	82,1	83,2	72,3	73,6	69,2	56,2	67,0	67,7	72,3	90,0	100,0
Imports (M)	73,2	79,2	59,2	51,4	63,9	77,2	84,1	90,6	90,4	90,7	100,0
Commercial	-1,21	0,00	-2,41	-4,89	-0,51	6,32	5,57	6,98	5,62	1,25	1,15
Balance (M-X) / GNP											
GNP	98,8	99,1	95,2	91,3	91,2	89,6	87,3	89,5	92,1	95,6	100,0
Internal expenditure	96,5	98,0	91,8	85,9	89,7	94,2	91,1	94,6	96,2	95,7	100,0

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000 (p)	2001 (p)
Exports (X)	107,3	108,5	114,2	131,5	143,5	149,3	146,2	155,6	135,7	155,4	162,9
Imports (M)	112,6	123,8	122,9	122,1	133,0	143,5	162,9	199,3	165,1	169,4	156,9
Commercial	2,38	4,58	3,03	-0,64	-0,71	0,26	4,25	8,70	6,09	3,55	0,30
Balance (M-X) / GNP											
GNP	105,3	107,0	111,6	116,8	122,2	127,6	133,9	140,6	141,2	144,6	146,3
Internal expenditure	106,5	110,6	113,6	114,7	120,0	126,4	138,0	151,1	148,1	148,0	145,1

Sources: Central Bank of Bolivia (BCB); National Statistics Institute (INE)

Note: p = preliminary figures

CEDLA, Statistics Section

Table 3. Deposits by amount and number of depositors

Deposits (\$US)	1989		1990		1991	
	Amount (%)	No. Depositors (%)	Amount (%)	No. Depositors (%)	Amount (%)	No. Depositors (%)
> 100.000	29,8	0,3	29,5	0,4	25,1	0,2
< 99.000	70,2	99,7	70,5	99,6	74,9	99,8
Total	100,0	100,0	100,0	100,0	100,0	100,0

Deposits (\$US)	1999		2001		2002 june	
	Amount (%)	No. Depositors (%)	Amount (%)	No. Depositors (%)	Amount (%)	No. Depositors (%)
> 100.000	48,7	0,6	48,8	0,6	48,4	0,7
< 99.000	51,3	99,4	51,2	99,4	51,6	99,3
Total	100,0	100,0	100,0	100,0	100,0	100,0

Sources: For 1989-1991: Carlos Arze, *Políticas de Estabilización y Reformas del Estado en el PAE*

For 1999-2002: Superintendencia de Bancos y Entidades Financieras

CEDLA, Statistics Section

Table 4. Resources for Investment (at fixed prices, gross internal investment (GII) 1990=100)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Internal (Ai)	108,7	98,3	93,5	102,5	96,8	72,9	43,2	46,5	58,8	75,4	90,8
External (M-X)	-9,6	0,0	-18,3	-35,7	-3,7	45,2	38,8	49,9	41,3	9,5	9,2
GII	99,1	98,3	75,2	66,8	93,1	118,1	82,0	96,4	100,1	85,0	100,0

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000 (p)	2001 (p)
Internal (Ai)	109,3	97,1	109,1	127,6	143,6	159,7	165,9	174,0	152,0	157,3	154,2
External (M-X)	20,0	39,1	26,9	-5,9	-6,9	2,6	45,4	97,6	68,6	41,0	3,5
GII	129,3	136,2	136,1	121,6	136,6	162,3	211,4	271,6	220,7	198,3	157,7

Sources: Central Bank of Bolivia (BCB); National Statistics Institute (INE)
CEDLA, Statistics Section

Table 5. Investment and consumption (indices and coefficients at constant prices)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
GII index (1990=100)	99,1	98,3	75,2	66,8	93,1	118,1	82,0	96,4	100,1	85,0	100,0
Index of final consumption (FC, 1990=100)	96,1	97,9	94,2	88,6	89,2	90,8	92,4	94,4	95,6	97,2	100,0
General Government FC (1990=100)	129,7	140,5	136,4	120,4	125,0	115,7	99,4	95,6	99,2	100,1	100,0
FC households (1990=100)	91,0	91,4	87,7	83,7	83,7	87,0	91,4	94,2	95,0	96,7	100,0
GII/GNP = i	12,6	12,4	9,9	9,2	12,8	16,5	11,8	13,5	13,6	11,1	12,5
FC/GNP = c	86,2	87,6	87,7	85,9	86,7	89,8	93,8	93,5	92,0	90,1	88,6
Public FC/GNP	15,4	16,7	16,8	15,5	16,1	15,2	13,4	12,6	12,7	12,3	11,8
Private FC/GNP	70,8	70,9	70,8	70,4	70,6	74,6	80,4	80,9	79,3	77,8	76,9

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000 (p)	2001 (p)
GII index (1990=100)	129,3	136,2	136,1	121,6	136,6	162,3	211,4	271,6	220,7	198,3	157,7
Index of final consumption (FC, 1990=100)	103,3	107,0	110,5	113,7	117,6	121,4	127,6	134,1	137,9	140,9	143,3
General Government FC (1990=100)	103,3	107,2	109,9	113,3	120,8	124,0	128,1	133,0	137,3	138,2	142,6
FC households (1990=100)	103,3	107,0	110,6	113,8	117,2	121,0	127,5	134,2	138,0	141,3	143,4
GII/GNP = i	15,4	15,9	15,3	13,1	14,0	15,9	19,8	24,2	19,6	17,2	13,5
FC/GNP = c	87,0	88,6	87,7	86,3	85,3	84,3	84,5	84,5	86,5	86,4	86,8
Public FC/GNP	11,5	11,8	11,6	11,4	11,6	11,4	11,3	11,1	11,4	11,2	11,5
Private FC/GNP	75,4	76,9	76,2	74,9	73,7	72,9	73,2	73,4	75,1	75,1	75,3

Source: Central Bank of Bolivia (BCB); National Statistics Institute (INE)

Note: GII = gross internal investment
CEDLA, Statistics Section

Table 6. Variables and coefficients of medium and long term external debt (millions \$US)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001p
1 External debt service (SD) (1)	248	210	167	239	227	228	195	206	246	293	315	338	356	415	334	349	342
2 Net disbursements o transfers (TB)	109	230	238	326	341	335	300	385	319	408	455	395	394	366	303	306	388
3 Amortization (1)	159	139	82	139	141	139	91	107	125	154	166	181	200	270	202	213	216
4 Interest and commissions (2)	89	71	85	100	86	90	104	100	121	139	149	157	156	146	132	136	126
5 Net transfers (TN)=[2-(3+4)]	-139	20	71	87	114	107	105	178	74	115	140	57	37	-49	-31	-43	46
6 Relief HIPC														27	85	80	96
7 Service after HIPC (SDH)														389	249	269	246
8 Net transfers after HIPC (TNH)=[2-(7)]														-23	53	37	142
9 Balance of public foreign debt (DE)	3.294	3.643	4.289	4.070	3.492	3.779	3.628	3.785	4.003	448	4.791	4.643	4.482	4.655	4.574	4.461	4.412
Exports of goods and services (Xbs)	749	720	653	687	893	996	949	814	894	1.183	1.237	1.317	1.413	1.355	1.311	1.470	1.521
Imports of goods and services (Mbs)	834	826	920	743	772	850	1.146	1.277	1.334	1.346	1.581	1.716	2.062	2.200	1.989	2.078	1.996
Net international reserves (RB)	269	505	414	404	373	376	393	410	494	659	790	1.107	1.190	1.193	1.223	1.160	1.129
GNP	6.421	4.656	4.949	4.422	4.716	4.868	5.337	5.637	5.726	5.975	6.707	7.385	7.919	8.490	8.269	8.343	7.957

Table 6. Variables and coefficients of medium and long term external debt (millions \$US) (continued)

COEFICIENTES OF INDEBTEDNESS (percentages) (2)	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001p
Before HIPC																	
SD/Xbs	33,1	29,2	25,6	34,8	25,4	22,9	20,6	25,3	27,5	24,7	25,5	25,6	25,3	30,7	25,5	23,7	22,5
DE/Xbs	440,1	506,0	657,1	592,1	391,0	379,3	382,4	464,7	447,8	378,5	387,3	352,5	317,2	343,4	349,0	303,4	290,1
SD/DE	7,5	5,8	3,9	5,9	6,5	6,0	5,4	5,5	6,1	6,5	6,6	7,3	8,0	8,9	7,3	7,8	7,7
TN/Mbs	-16,7	2,4	7,7	11,7	14,8	12,6	9,1	14,0	5,5	8,6	8,9	3,3	1,8	-2,2	-1,6	-2,1	2,3
TB/Mbs	13,0	27,9	25,9	43,8	44,1	39,4	26,2	30,1	23,9	30,3	28,8	23,0	19,1	16,6	15,2	14,7	19,4
SD/TB	228,2	91,3	70,2	73,4	66,4	68,1	65,1	53,7	76,9	71,7	69,2	85,6	90,5	113,5	110,3	114,1	88,2
RB/SD	108,4	240,6	247,3	169,3	164,8	164,6	201,3	198,8	201,2	225,2	250,4	327,9	333,8	287,2	366,0	332,5	330,5
DE/PIB	51,3	78,2	86,7	92,0	74,0	77,6	68,0	67,1	69,9	74,9	71,4	62,9	56,6	54,8	55,3	53,5	55,4
TB/PIB	1,7	4,9	4,8	7,4	7,2	6,9	5,6	6,8	5,6	6,8	6,8	5,3	4,9	4,3	3,7	3,7	4,9
SD/PIB	3,9	4,5	3,4	5,4	4,8	4,7	3,7	3,7	4,3	4,9	4,7	4,6	4,5	4,9	4,0	4,2	4,3
After HIPC																	
SDH/Xbs														28,7	19,0	18,3	16,2
SDH/DE														8,4	5,5	6,0	5,6
TNH/Mbs														-1,0	2,7	1,8	7,1
SDH/TB														106,2	82,4	88,1	63,4
RB/SDH														306,9	490,2	431,0	459,4
SDH/PIB														4,6	3,0	3,2	3,1

Sources: Central Bank of Bolivia (BCB), Asesoría de Política Económica, Area del Sector Externo

Notas: (1) Does not include HIPC debt relief

(2) the coefficients differ in relation to previous publications, owing to changes in GNP calculations done by the National Statistics Institute starting in 1998.

p = preliminary figures.

CEDLA, Statistics Section

Table 7. Investment and external resources (indices at constant prices, GII 1990=100)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
External savings	133,23	56,41	92,39	97,63	67,39	-16,49	-37,39	-62,41	-10,92	11,32	8,02
Exchange terms effects	173,77	144,91	145,33	152,50	98,18	53,45	58,30	30,60	23,47	25,34	0,00
Debt repayment (Sk)	-47,96	-39,10	-40,22	-50,96	-27,47	-38,83	-56,49	-44,27	-42,58	-48,09	-36,80
Transfers	8,46	4,59	4,44	13,02	6,62	8,32	18,98	20,86	29,87	27,73	28,69
(M-X) at constant prices	-9,65	-0,02	-24,31	-53,37	-4,02	38,26	47,29	51,72	41,26	11,23	9,17
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000 (p)	2001 (p)
External savings	-43,03	-63,38	-82,59	-56,12	-78,19	-65,99	-64,89	-56,45	-61,95	-73,14	-83,21
Exchange terms effects	-15,51	-25,51	-41,66	-58,25	-51,92	-48,81	-39,12	-32,20	-43,03	-52,28	-72,86
Debt repayment (Sk)	-24,63	-20,64	-21,76	-21,00	-20,87	-17,03	-12,42	-8,21	-12,42	-16,49	-20,48
Transfers	22,16	26,12	24,14	31,51	25,14	24,36	20,07	17,74	24,43	28,28	38,65
(M-X) at constant prices	15,43	28,72	19,79	-4,87	-5,07	1,61	21,50	35,94	31,10	20,68	2,22

Sources: Central Bank of Bolivia (BCB); National Statistics Institute (INE)
CEDLA, Statistics Section

Table 8. Internal savings (coefficients with respect to GNP, at 1990 prices)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
INTERNAL SAVINGS	13,78	12,44	12,31	14,06	13,31	10,19	6,21	6,52	8,00	9,89	11,38
Exchange terms effects	21,84	18,02	14,39	13,98	12,56	8,82	6,86	4,13	3,20	2,82	0,00
Net payments on productive factors	-6,03	-4,86	-3,98	-4,67	-3,52	-6,41	-6,65	-5,98	-5,80	-5,36	-4,61
Labor income	0,04	0,04	0,03	0,03	0,03	0,00	0,04	0,03	0,00	-0,04	-0,04
Direct investment income	-0,53	-0,43	-0,23	-0,67	-0,35	-0,91	-1,04	-0,29	-0,11	-0,31	-0,35
Portfolio investment income	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other investment income	-5,54	-4,47	-3,77	-4,04	-3,20	-5,50	-5,65	-5,72	-5,69	-5,01	-4,22
Transfers	1,06	0,57	0,44	1,19	0,85	1,37	2,24	2,82	4,07	3,09	3,60
NATIONAL SAVINGS	30,65	26,16	23,15	24,56	23,21	13,98	8,65	7,49	9,47	10,45	10,37
Gross National Income	116,87	113,73	110,85	110,50	109,90	103,79	102,45	100,97	101,47	100,55	98,98

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000 (p)	2001 (p)
INTERNAL SAVINGS	13,02	11,37	12,26	13,69	14,72	15,69	15,53	15,50	13,49	13,63	13,20
Exchange terms effects	-2,39	-4,07	-6,37	-7,60	-7,27	-7,78	-7,74	-7,79	-8,43	-8,99	-9,84
Net payments on productive factors	-3,79	-3,29	-3,33	-2,74	-2,92	-2,72	-2,46	-1,99	-2,43	-2,83	-2,77
Labor income	-0,04	-0,03	-0,03	-0,03	-0,03	-0,02	0,14	0,23	0,22	0,25	0,29
Direct investment income	-0,32	-0,34	-0,41	-0,31	-0,35	-0,51	-0,97	-1,27	-1,73	-1,83	-2,17
Portfolio investment income	0,00	0,00	0,00	0,00	0,00	0,65	0,99	1,56	1,62	1,38	1,19
Other investment income	-3,44	-2,92	-2,89	-2,41	-2,55	-2,83	-2,62	-2,51	-2,54	-2,64	-2,07
Transfers	3,41	4,17	3,69	4,11	3,52	3,88	3,97	4,29	4,78	4,86	5,22
NATIONAL SAVINGS	10,25	8,17	6,25	7,46	8,04	9,07	9,30	10,02	7,42	6,67	5,82
Gross National Income	97,23	96,81	94,00	93,77	93,33	93,39	93,77	94,51	93,93	93,04	92,61

Sources: Central Bank of Bolivia (BCB); National Statistics Institute (INE)
CEDLA, Statistics Section

Table 9. Effective public investment by sectors (percentages) (1)

Sector	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
									(2)	(2)	(2)	(2)	(2)	(2)	(2)
EXTRACTIVE	32,8	29,1	31,5	32,6	28,9	22,8	20,5	21,1	12,3	9,9	5,6	1,2	1,3	0,5	0,3
Mining	0,5	3,6	3,7	0,5	0,9	0,8	0,8	1,1	1,2	0,9	0,7	0,7	0,7	0,5	0,3
Gas and oil	32,3	25,6	27,8	32,1	28,0	22,0	19,7	19,9	11,0	9,1	4,9	0,5	0,5	0,0	0,0
PRODUCCION SUPPORTS	11,6	17,0	12,4	12,5	20,1	12,3	9,8	8,1	10,1	10,0	13,3	15,2	15,4	15,8	17,4
Agriculture	9,1	13,3	10,6	11,1	12,1	10,3	7,9	3,2	3,3	3,3	4,5	10,4	7,8	9,0	9,2
Industry	0,8	0,9	0,4	0,2	0,4	0,5	0,3	0,1	0,1	0,1	1,0	0,8	0,8	1,0	0,9
Multi-sector	1,8	2,5	1,2	0,3	4,4	1,4	1,6	4,8	6,6	6,6	7,9	4,0	6,7	5,8	7,3
Other activities	0,0	0,2	0,1	0,9	3,3	0,2	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
INFRASTRUCTURE	45,3	45,2	45,0	36,5	42,1	49,0	52,0	45,7	42,3	39,4	36,1	35,0	33,4	34,8	36,0
Transport	31,9	34,4	35,5	21,3	26,8	32,0	36,9	37,1	31,0	32,9	31,3	30,3	30,2	31,1	31,6
Energy	7,9	6,3	6,7	7,6	12,4	13,2	7,3	6,4	8,7	5,2	3,4	3,0	2,2	2,3	2,4
Communications	5,4	3,2	1,7	6,7	1,7	2,9	6,9	1,3	1,0	0,0	0,0	0,0	0,0	0,0	0,0
Water resources	0,2	1,4	1,1	0,9	1,2	0,9	0,9	0,9	1,5	1,3	1,3	1,7	1,0	1,4	1,9
SOCIAL	10,2	8,7	11,1	18,4	8,8	15,9	17,6	25,2	35,4	40,7	45,0	48,6	49,9	48,9	46,2
Health	2,0	0,8	1,4	4,9	2,6	4,2	4,7	4,7	5,0	5,3	6,0	6,9	7,8	10,4	7,7
Education and culture	1,8	0,7	0,4	0,1	0,5	1,4	1,6	3,0	7,1	10,8	13,9	12,7	14,4	14,3	16,8
Basic sanitation	4,0	4,0	7,6	12,1	3,2	6,4	7,3	7,0	8,8	14,3	14,6	16,3	18,6	15,6	11,7
Urbanization and housing	2,4	3,1	1,8	1,4	2,5	3,9	4,0	10,5	14,5	10,3	10,6	12,6	9,1	8,5	10,1
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

Fuente: Treasury Ministry, Viceministerio de Inversión Pública y Financiamiento Externo

Notes (1) From 1992 on Social Investment Funds (FIS) are included

(2) Execution projected by municipal governments

CEDLA, Statistics Section

Table 10. Consolidated operations of the non-financial public sector (percentage of GNP)

	Average 1980-2001	Average 1980-1985	Average 1986-2001
Total income	30,98	31,81	30,67
Recurrent income	29,67	31,51	28,98
Capital income	1,28	0,30	1,65
Total expenditures	37,24	46,41	33,80
Recurrent expenditures	28,61	35,81	25,91
Capital expenditures	7,29	5,80	7,85
Recurrent surplus/deficit	0,17	-4,30	1,85
Global surplus/deficit	-7,17	-14,60	-4,38
Net financing	7,17	14,60	4,38
External	3,14	2,73	3,30
Internal	4,03	11,88	1,08

Fuente: Treasury Ministry, Unidad de Programación Fiscal
CEDLA, Statistics Section

Cuadro 11. Consolidated operations of the non-financial public sector (percentage of GNP)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Total income	44,80	37,78	35,75	26,00	21,29	25,22	29,79	25,32	26,29	28,08	30,78
Recurrent income	44,31	37,15	35,61	25,82	21,12	25,06	28,61	25,12	25,45	25,88	28,94
Capital income	0,49	0,63	0,13	0,19	0,17	0,16	1,18	0,20	0,85	1,49	1,84
Total expenditures	53,40	45,87	51,68	45,78	46,72	35,02	32,53	32,97	32,55	33,57	35,14
Recurrent expenditures	45,23	37,98	36,60	33,43	32,95	28,70	27,16	26,89	24,27	25,16	26,88
Capital expenditures	8,16	6,54	6,66	4,94	4,47	4,05	5,37	6,08	7,79	8,38	8,27
Recurrent surplus/deficit	-0,93	-0,83	-0,98	-7,61	-11,83	-3,65	1,45	-1,77	1,18	1,35	2,06
Global surplus/deficit	-8,60	-8,09	-15,93	-19,77	-25,43	-9,80	-2,75	-7,65	-6,26	-5,49	-4,37
Net financing	8,60	8,08	15,93	19,77	25,43	9,80	2,75	7,65	6,26	5,49	4,37
External	5,87	4,19	0,73	-1,51	2,67	4,41	6,46	2,48	4,59	2,03	2,45
Internal	2,74	3,89	15,20	21,29	22,76	5,39	-3,71	5,17	1,67	3,46	1,92

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total income	32,39	33,15	31,16	33,47	32,40	30,45	29,51	31,17	31,85	33,86	31,10
Recurrent income	30,69	30,47	29,61	31,00	30,75	28,06	28,08	29,89	30,77	31,63	28,69
Capital income	1,70	2,68	1,54	2,47	1,65	2,39	1,43	1,28	1,08	2,23	2,41
Total expenditures	36,64	37,52	37,22	36,45	34,21	32,36	30,28	31,92	31,59	33,10	32,76
Recurrent expenditures	27,96	27,50	28,04	27,48	26,00	24,20	23,03	24,91	24,45	25,99	24,73
Capital expenditures	8,68	10,02	9,18	8,97	8,21	8,15	7,25	7,01	7,14	7,12	8,03
Recurrent surplus/deficit	2,73	2,97	1,57	3,52	4,75	3,85	2,54	0,98	2,20	1,14	-0,87
Global surplus/deficit	-4,25	-4,37	-6,07	-2,99	-1,81	-1,91	-3,28	-4,76	-3,86	-3,75	-6,49
Net financing	4,25	4,37	6,07	2,99	1,81	1,91	3,28	4,76	3,86	3,75	6,49
External	3,25	3,84	5,05	3,67	3,60	2,51	2,74	2,83	2,30	1,97	2,96
Internal	0,99	0,53	1,02	-0,68	-1,79	-0,60	0,54	1,92	1,55	1,78	3,54

Fuente: Treasury Ministry, Unidad de Programación Fiscal
CEDLA, Statistics Section

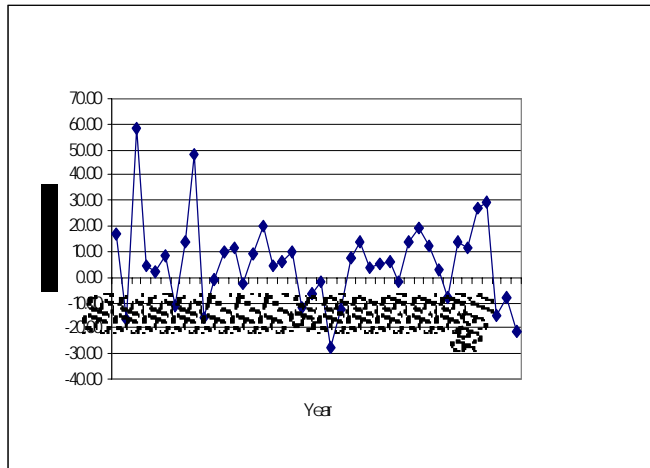
Chart 1. Growth rate of fixed capital formation, 1960-2001

Chart 2. Gross National Product growth rates, 1960-2001