



Measures of Well-Being: A Case Study from Bolivia

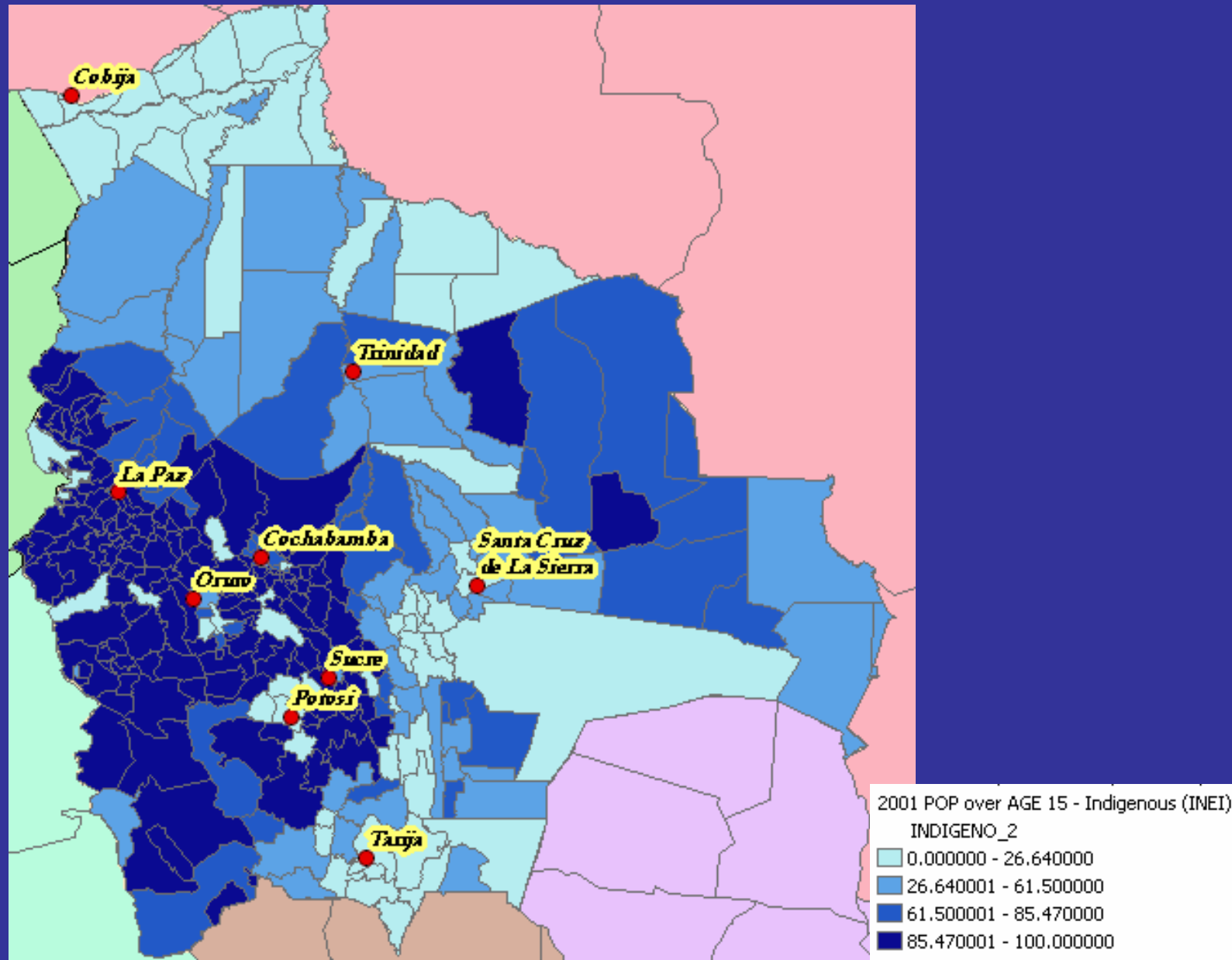
Björn-Sören Gigler,
Missing Dimensions of Poverty Data, OPHI
May 29, 2007
bgigler@worldbank.org



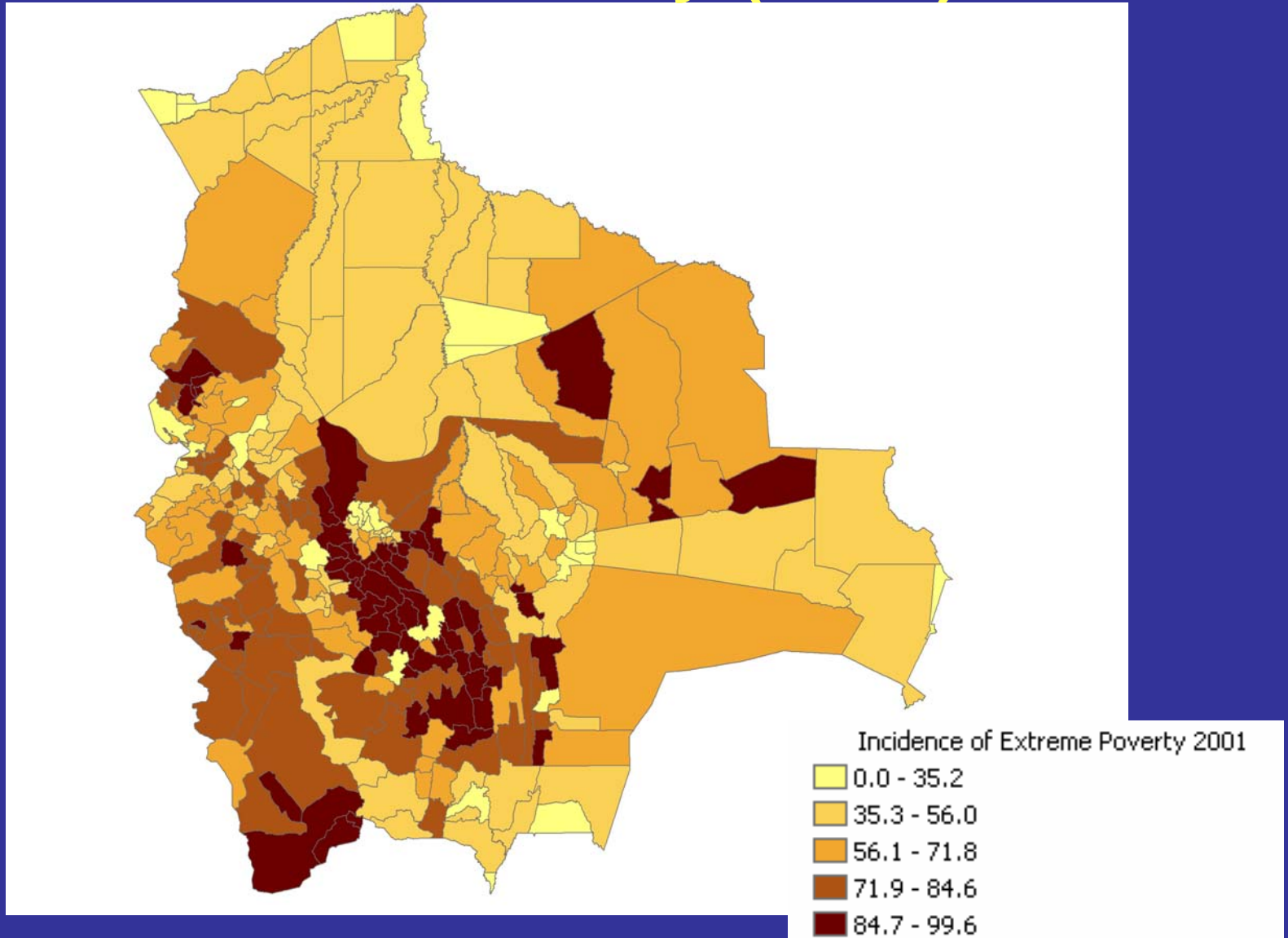
Bolivia: Background

- Multi-cultural society: 36 different ethnic groups
- 65% of population is indigenous (2001 Census)
- Richness in cultural and social dimensions
- Strong social networks & institutions (social capital)
- Lack of economic opportunities in rural areas => large scale migration to urban centers
- Persistent social, political and economic exclusion
- Lack of access to basic social services (education, health, energy)
- Continued discrimination and stereotyping of IP
- WB poverty assessment: poverty rates reduced however indigenous poverty increased between 1999-2002

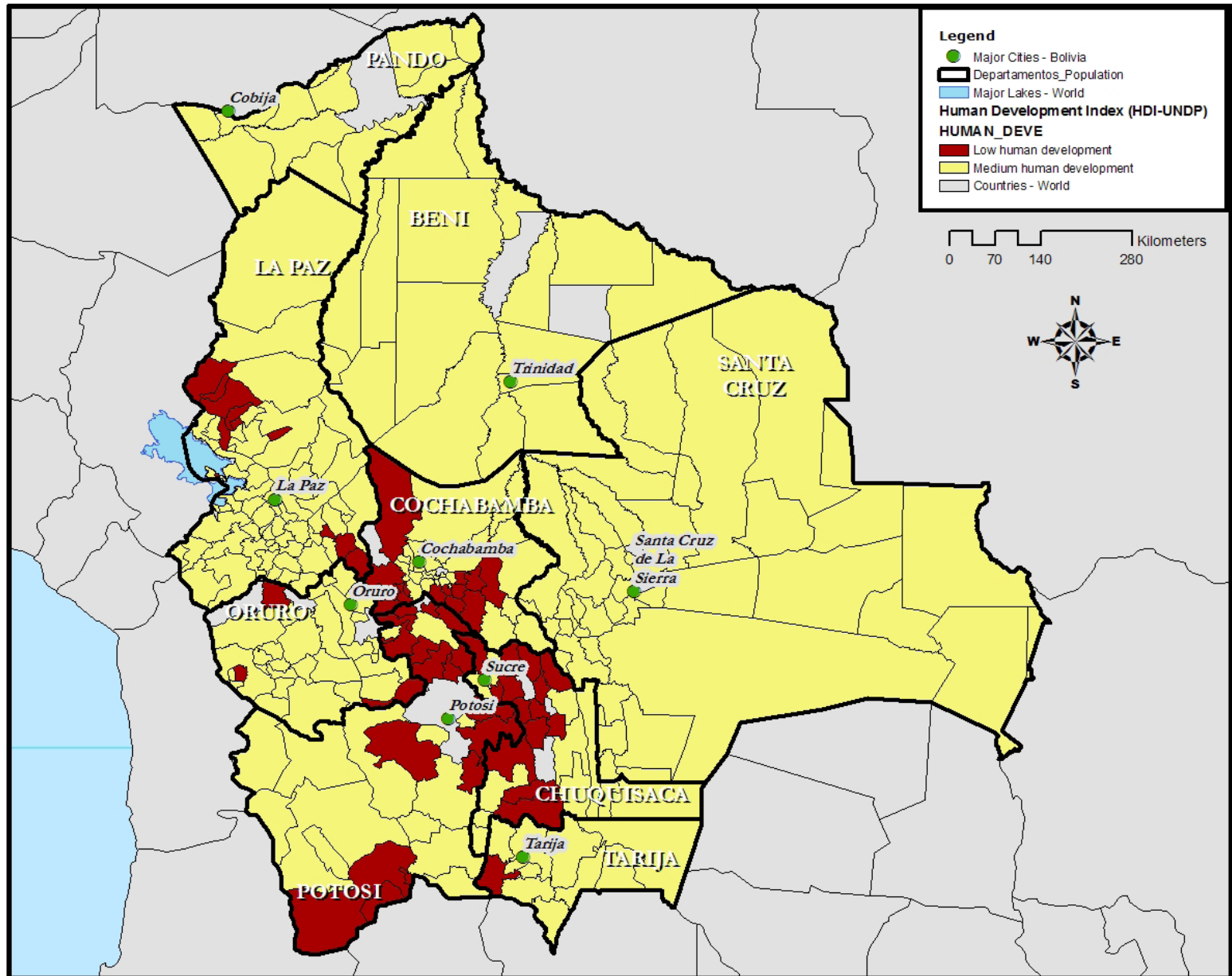
Indigenous Peoples (2001)



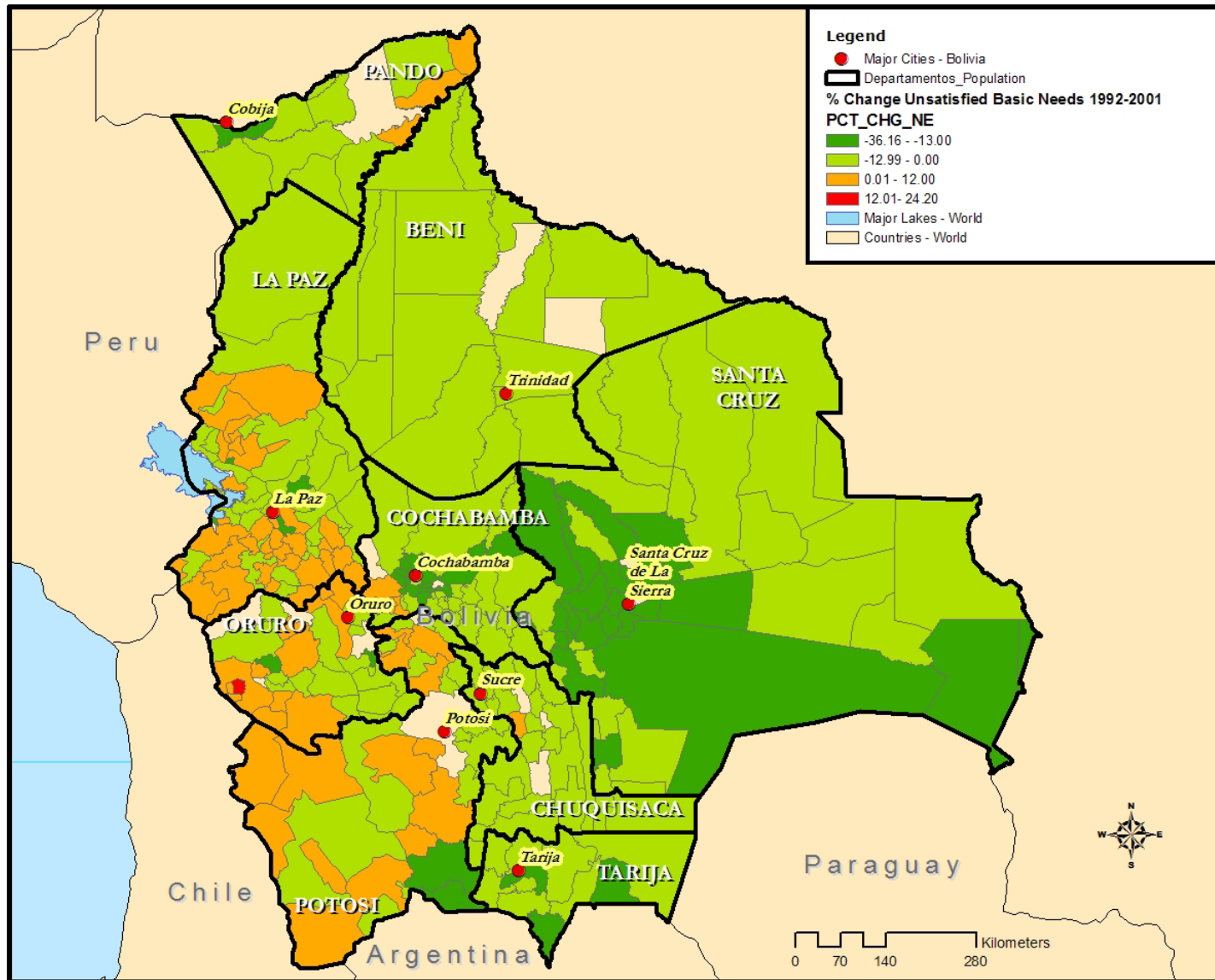
MDG Monitoring – Incidence of Extreme Poverty (2001)



Human Development Index UNDP



Percentage Change - Unsatisfied Basic Needs 1992-2001



Key Findings

- Important advances in political terms and the recognition of indigenous rights
- Continued 'economic' and 'social exclusion'
- Lack of Access to Basic Social Services (Education)
- Continuous Lack of Access to Land
- Reduction of poverty at national level however not in indigenous communities (1992 to 2001)
- Socio-Economic Inequalities increased within Bolivia
- Regional Disparities between lowlands and highlands have increased
- IP are much more vulnerable to & recover much slower from economic shocks (1999-2002)
- High Adjustment Costs for IP of the economic reforms of the 90s

Key Findings

Partial inclusion in market economy

- i) Continuous discrimination in the labor market (servant, temporary employment)
- ii) High percentage of IP are employed in the informal sector

Commodity markets

- (i) IP gain access to market niches (i.e. fair trade, organic products)
- (ii) Continuous exploitation by middlemen (transport)

Financial markets

- (i) Important progress in access to microfinance
- (ii) IP more vulnerable to external shocks (Ecuador)

Causes: Continued Education Gap

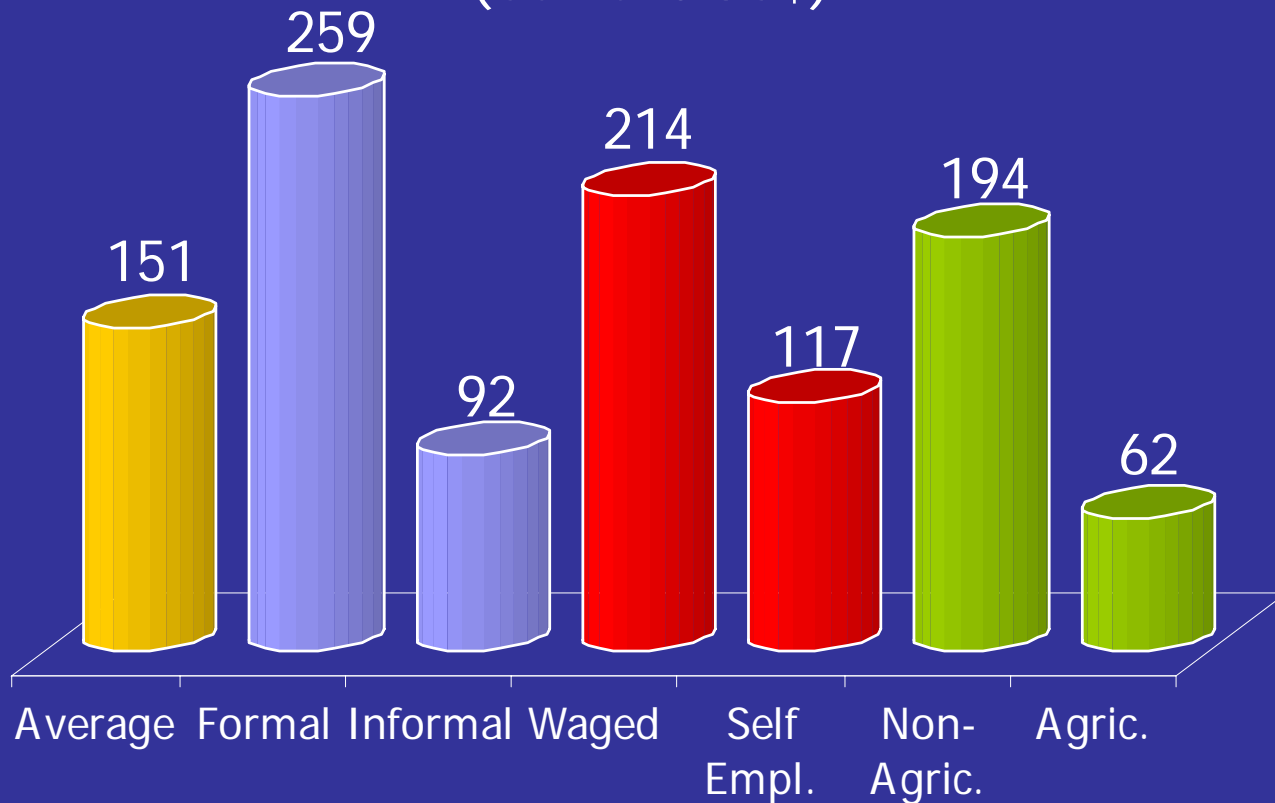
Indigenous/non-indigenous schooling gap, average years of school, 15 & older, latest year

Country	Non-Indigenous	Indigenous	Schooling Gap in Years
Bolivia	9.6	5.9	3.7
Ecuador	6.9	4.3	2.6
Guatemala	5.7	2.5	3.2
Mexico	7.9	4.6	3.3
Peru	8.7	6.4	2.3

Patrinos, 2006

Gap Between the Formal and Informal Economy

Average Monthly Income by Economic Activity
(Current US\$)



NATIONAL DEVELOPMENT PLAN

DEMOCRATIC BOLIVIA

BOLIVIA WITH DIGNITY
Socio-cultural factors

PRODUCTIVE BOLIVIA
Productive factors

HUMAN CAPABILITIES

STRATEGIC FACTORS

ENABLING ENVIRONMENT

	EDUCATION	HEALTH	HOUSING	WATER AND SANITATIONS	ENERGY
CULTURE					
JUSTICE					
DEFENSE					
SECURITY					

SOCIAL PROTECTION AND ETHNO-DEVELOPMENT

SECTOR INCOME AND EMPLOYMENT

	HYDRO CARBONS	MINING	ENERGY	NATURAL RESOURCES
AGRICULTUE				
TOURISM				
INDUSTRY MANUFACTURING				
ARTESEAN				
HOUSING				

PRODUCTIVE SECTORS DEVELOPMENT BANK INNOVATIONS

SOVEREIGN BOLIVIA

Bolivia with Dignity

- Eradicate poverty and all forms of social exclusion, discrimination and marginalization
- Improve access to basic social services
- Culturally appropriate local economic development

Productive Bolivia

- Shift from a sole natural resource- based economy to enhance the capacity of local industries to process natural resources
- More equal distribution of generated economic wealth

Democratic Bolivia

- Consolidate the multi-ethnic society by strengthening the participation and role of local communities and social organizations in the decision-making process

Sovereign Bolivia

- Strengthen the States ability to take independent foreign policy decisions based on it new economic and social policies

Reconstructing the State

INTERCULTURALISM

**A SOCIAL
AND
EGALITARIAN
STATE**

EGALITARIANISM

**WELL-
BEING**

**SOCIAL PROTECTION
AND
ETHNO-DEVELOPMENT
PRODUCTIVE COMPLEX
DEVELOPMENT BANK
INNOVATIONS**

**PROD
BOL**

**IA
GNITY
Sociocomunitario**

COLONIALISM

**THE STATE AS
THE MAIN
DEVELOPMENT
ACTOR**

NEO-LIBERALISM

Deconolization

Key Concepts of National Development Plan

1) Multidimensional character of poverty

- Goes beyond traditional poverty measures--Well-being central to the NDP
- Holistic approach to development- economic, social, cultural, political and spiritual factors = worldview of indigenous peoples

2) Employment and Productive Sector

- Address existing labor market discrimination based on ethnicity, gender and culture
- Promote labour-intensive sectors & domestic markets
- Improved Access to Finances- (Microfinance)
- Address issue of informal employment

Key Concepts of National Development Plan

3) Empowerment and Agency

- Improved human and social capabilities
- Political Empowerment— Communal Land Rights, Improved Access to Justice
- Strengthen social & indigenous organizations
- Communities are best suited to define their own development priorities (Ethno-development)
- Improved Transparency and Accountability of the State

4) Dignity- To Go About without Shame

- Improve access to basic services (i.e. housing, electricity, water, education, health)
- Reduce social exclusion, discrimination and marginalization
- Decolonization of society and government institutions

Key Concepts of National Development Plan

5) Psychological and Subjective Well-being

- Includes cultural and spiritual dimensions of well-being
- Harmony between individual and collective well-being
- Promote harmony with the environment
- Improve relationship between the State and its citizens (reduce humiliation)

Strategic Goals

STRATEGIC GOALS	INDICATORS
Transformation of productive sector	Industrial transformation
	Strengthen domestic markets
	Redistribution of income
	Promote traditional economic sector
Economic stability	Redistribution of wealth
	State-led growth
	Trade surplus
Economic growth	Increase GDP
	Increase productivity
Social change and ethno-development	Regional development plans for most vulnerable regions (ethnic, cultural and social factors)
	Improved well-being of most vulnerable social groups
Empowerment	Promote "Territorialización" (communal land rights/land-reform)
	Towards a more egalitarian society
	Transparency and Participation

Strategic Goals (cont.)

STRATEGIC GOALS	INDICATORS
Equity	Equity (gender, age, cultural and social)
	Access, development and transfer of technologies
	Justice
	Promote harmony with the environment
Employment	Long-term employment with dignity
	Full employment

Thank you!