Measures of Well-Being: A Case Study from Bolivia

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Missing Dimensions of Poverty Data, OPHI
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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
MDG Monitoring – Incidence of Extreme Poverty (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)
Indigenous/ non-indigenous schooling gap, average years of school, 15 & older, latest year

<table>
<thead>
<tr>
<th>Country</th>
<th>Non-Indigenous</th>
<th>Indigenous</th>
<th>Schooling Gap in Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolivia</td>
<td>9.6</td>
<td>5.9</td>
<td>3.7</td>
</tr>
<tr>
<td>Ecuador</td>
<td>6.9</td>
<td>4.3</td>
<td>2.6</td>
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<tr>
<td>Guatemala</td>
<td>5.7</td>
<td>2.5</td>
<td>3.2</td>
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<tr>
<td>Mexico</td>
<td>7.9</td>
<td>4.6</td>
<td>3.3</td>
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<tr>
<td>Peru</td>
<td>8.7</td>
<td>6.4</td>
<td>2.3</td>
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</tbody>
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Patrinos, 2006
Gap Between the Formal and Informal Economy

Average Monthly Income by Economic Activity (Current US$)

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

Egalitarianism

Colonialism

Neo liberalism

Democratic

Bolivia

Empowerment

The state as the main development actor

Social protection and ethno-development

Productive complex

Development bank

Innovations

Sociocomunitario

International relations

Sovereign

Deconolization

Well-being

A social and egalitarian state
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)
<table>
<thead>
<tr>
<th>STRATEGIC GOALS</th>
<th>INDICATORS</th>
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<tbody>
<tr>
<td>Transformation of productive sector</td>
<td>Industrial transformation</td>
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<td>Strengthen domestic markets</td>
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<td>Redistribution of income</td>
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<td>Promote traditional economic sector</td>
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<td>Economic stability</td>
<td>Redistribution of wealth</td>
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<td>State-led growth</td>
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<td>Trade surplus</td>
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<td>Economic growth</td>
<td>Increase GDP</td>
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<td>Increase productivity</td>
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<tr>
<td>Social change and ethno-development</td>
<td>Regional development plans for most vulnerable regions (ethnic, cultural and social factors)</td>
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<tr>
<td></td>
<td>Improved well-being of most vulnerable social groups</td>
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<tr>
<td>Empowerment</td>
<td>Promote “Territorialización” (communal land rights/land-reform)</td>
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<td>Towards a more egalitarian society</td>
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<td>Transparency and Participation</td>
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Strategic Goals (cont.)

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<tr>
<th>STRATEGIC GOALS</th>
<th>INDICATORS</th>
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<tbody>
<tr>
<td>Equity</td>
<td>Equity (gender, age, cultural and social)</td>
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<td>Access, development and transfer of technologies</td>
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<td>Justice</td>
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<td>Promote harmony with the environment</td>
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<td>Employment</td>
<td>Long-term employment with dignity</td>
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<td>Full employment</td>
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Thank you!