

Banking and development

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ABSTRACT

In this work are examined the most outstanding features of Bolivian financial system and is revisited the role played by government in development financing. The evaluation of the characteristics that had the intermediation of long term financial resources in Bolivia, from in the functioning of State banking, including the experience of the Central Bank and its programs of refinanced credits, is unfavorable. This experience, along with that accumulated at international level, suggests the inconvenience of an eventual reestablishment of State development banking in Bolivia.

Without disregarding the importance of banking institutions, the evolution of financial markets and systems determines the surge of more efficient ways of development financing. In the case of Bolivia, a deeper stock market surges as a first order necessity for long term financing. The participation of the State in this effort of diversification must be directed to strengthening the legal framework to allow de stock market development, and to support the activities of the second-tier banking, independent from the Central Bank.

JEL Classification: E44, G10, G21

Keywords: Financial system; development banking