

Public investment in Bolivia and its impact on economic growth: an analysis from the spatial perspective

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ABSTRACT

Using disaggregated departmental public investment panel data for the period 1989-2008 for Bolivia, in the present investigation, it is found that the real per capita departmental gross domestic product (PIBD, *by its acronym in Spanish*) is negatively related to public investment in social and productive sectors. However, the results show that investment in infrastructure and education has a positive impact on real per capita PIBD, although the education sector is statistically insignificant. On the other hand, could not find statistical evidence that the departments of Bolivia are economically integrated, namely real per capita output of a department does not appear to be affected by the real per capita production of its neighbors. Additionally the effect of public investment seems not to exceed the boundaries of each department.

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