

Deepening remonetization process in Bolivia: policies and results

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Abstract

This paper examines the level of remonetization process reached in the Bolivian economy and its benefits. It is noted that the reorientation of exchange rate policy encouraged the change of portfolio of economic agents, increasing preference for deposits and loans in local currency. In turn, the legal reserve policy and the importance of obtaining yield differentials in favor of the *boliviano* favored greater use of domestic currency.

In short, the obtained results are due to the combined effects of the policies of the Executive Authority and the Central Bank of Bolivia, showing significant achievements in improving the effectiveness of monetary and exchange rate policy, deepening financial intermediation and reducing exchange rate risks for economic agents. In that sense, it is necessary to deepen and consolidate the process of remonetization to achieve stability in the long run.

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