

# Indicator of fiscal impulse for Bolivia

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## Abstract

This paper presents the Quarterly Fiscal Impulse Indicator (IIF) built for the Bolivian economy, a tool to analyze the position of fiscal policy in the period 1990-2016. Since 2006, Bolivian economy has been characterized by stable and sustained economic growth, driven mainly by domestic demand. However, our economy is not exempt from the presence of circumstantial shocks (external and internal) that affect the fundamental price and product variables. For this reason, it is important to have a fiscal indicator exempt from the influence of the economic cycle that allows identifying the orientation that is given to fiscal policy actions. Specifically, the calculation of the IIF for Bolivia is based on the estimation of the structural primary balance, which has been estimated by adjusting the total income and expenses of each item with respect to the ratio between the potential and observed output.

**Classification JEL:** *E32, E62, O54*

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