

Landlockedness effect on economic development of Bolivia: An empirical approach

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Abstract

This study aims to estimate the landlockedness effect on Bolivia, through the empirical construction of a fictitious country called Antofagasta, which emulates the Bolivian economy with the Antofagasta region and consequently with sovereign exit to the sea. Results of landlockedness effect indicate that, on average, the Antofagasta region could have contributed an annual value of 5.566 million of 1990 bolivianos (22.027 million of bolivianos today) and an additional average growth rate of 0,24 percentage points to the Bolivian economy. If we take into account the cumulative amount since 1884, year in which Bolivia lost the region of Antofagasta, this amount represents a total value of 745.840 million of 1990 bolivianos (2.9 billion of bolivianos today); in other words, this amount constitutes the total effect of landlockedness on Bolivia, until 2017.

JEL Classification: E2, F4, N1, O4, P5

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