

Financial inclusion and poverty in Bolivia

Álvaro Céspedes T.

Javier Cossio M.

Angelica Calle S.

Abstract

This document approximates the effects of greater financial inclusion on the levels of moderate and extreme poverty in Bolivia. Both theoretical review and outcomes of empirical testing using panel data models show that lower income inequality, economic growth, and greater financial inclusion and deepening had significant impacts on reducing country's poverty. This would have been due to the policies that promoted development of financial system with a more inclusive nature and that have complemented other economic and redistributive policies implemented after 2005. Among the latter, measures aimed at promoting greater use of the domestic currency were also important.

In this sense, the orientation of these policies should be maintained, defining also a national strategy of financial inclusion to consider strengthening of financial education and massification of mobile and digital banking.

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