

Determinants of Foreign Direct Investment in Bolivia (an institutional approach)

Juan Carlos Barrios Gutiérrez

Abstract

In order to analyze Foreign Direct Investment (FDI) determinants for its two periods of insertion corresponding to opposite paradigms this research is proposed. With their peculiarities, those paradigms have managed to attract significant capital flows for extractive activities. For this purpose, the approach applied to the present investigation corresponds to that of neo-institutionalist school, which allows elucidating the effect of institutions on behavior of FDI, which is located on sectors of the national economy by using panel data techniques. Results show that “market maker” type institutions have only been relevant for attracting foreign capital to exporting primary sector, while other types of institutions do play a predominant role for FDI.

Classification: *B52, C33, F21*

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