

Evaluation of public investment in Bolivia: An analysis through efficiency Frontiers

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Abstract

Public investment in Bolivia has increased substantially in the last decade, being one of the most important components of fiscal spending and, in turn, of domestic demand. However, researches carried out to date have not delved into aspects related to the efficiency of this kind of investment. This paper evaluates the relative efficiency of Bolivian General Government public investment in education, health, road infrastructure and services sectors for the 2000-2015 period, by calculating efficiency frontiers through Data Envelopment Analysis methodology. This methodology allows to show improvements of Bolivia's public investment efficiency compared to both Latin American and lower middle income countries, through input and output variables relationship. However, there is still an important space to improve the efficient allocation of public capital expenditures.

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