

Econometric estimation for private saving in Bolivia 1970-1995

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ABSTRACT

For many years and in many papers, the Bolivian domestic save was considered very low in comparison with other similar countries. A usual first stage in the design of economic policies is to found the save determinants and one way is the econometric approach to found them. In countries like Bolivia, the public sector role is still very important so, is impossible to analyze the private save without the public save analysis. The econometric approach was the Hendry's methodology for series I(1) and the main results were as follow: The private saving function only has a power purchasing independent variables and there is no evidence about a long run link between public save and private save. The private saving function mainly depends on the external save. The fiscal effect on the private saving is only relevant in the short run.