

Study shows nationalization added 670,000 jobs to Bolivia's economy



La Paz, October 10 (RHC)-- A new report published by the think tank CELAG says the nationalization of strategic industries in Bolivia has generated 670, 000 jobs since 2006. The figure is part of a wider study into how widespread nationalizations under President Evo Morales have affected the economy.

"Thanks to the nationalizations, there is an additional generation of revenue amounting to US\$74 billion was obtained and up to 670,000 jobs were generated," said Alfredo Serrano, Director of CELAG in an interview with Bolivian radio station Red Patria Nueva.

Before Morales' nationalization of the country's natural gas, private companies paid a tax of 18 percent on the production that they reported. Meaning that in effect they decided the amount of tax they would pay. However, now that the gas reserves are publicly owned, 80 percent of gas revenues are kept by the state, with a 20 percent going to companies who have invested in partnership with the state.

The increase in government revenue has been ploughed into ambitious infrastructure projects and agriculture, where the state provides farming equipment and public services to rural communities. Alfredo Serrano also said the redistribution of revenues from state industries are fiscal multiplier. "It is

noted that there is a reduction in poverty thanks to a wealth that is generated and redistributed [due to nationalization], in addition (...) there is the plus that people consume more, have higher levels of investment and a slightly higher level of savings", Serrano said.

According to the Ministry of Economy and Public Finance, during Morales' period in power, extreme poverty in Bolivia has been reduced from 38.2 percent in 2005 to 15.2 percent in 2018, also, in the last six years, three million (a third of the country) have been lifted out of poverty and into the middle class.

It's not only natural gas which the government has nationalized. A number of other companies, in telecoms, mining, aerospace, banking and manufacturing have also been brought under public ownership. The profits of which go to the state, allowing for an increased capacity for social spending.

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