# Poverty in Bolivia: Dimensions, Political Conflict and Strategies

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### Abstract

Bolivia is one of the poorest and most unequal countries in Latin America. This article discusses several dimensions of Bolivia's poverty, including income poverty and inequality, lack of access to safe water and sanitation, high infant mortality, malnutrition, and a lack of basic infrastructure. The country suffers from both urban and rural poverty, though rural poverty is prominent. After summarizing some of the relevant literature and giving some empirical background about the country, this article discusses various dimensions of poverty in Bolivia, focusing on the struggles that face the 10 million people living there today. There have been major political conflicts in the last few decades that have lasting effects on the nation. Despite the conflicts, Bolivia is showing its dedication to reduce poverty, but this is a process that will need to continue for many years in the future.

## I. Introduction

Bolivia is not only one of the poorest countries in Latin America, but it is also one of the countries with the highest income inequality in the Western hemisphere. Of the 9.8 million people living in Bolivia, almost 40 percent live in extreme poverty. Bolivia's ratio of the richest 10 percent to the poorest 10 percent is the second highest in the world (surpassed only by Namibia), with the richest 10 percent of the population obtaining 44 percent of total income, while the poorest 10 percent receive 0.5 percent. The distribution of poverty throughout Bolivia is also uneven as there are more poor people in rural than urban areas. Overall, 82 percent of the rural people are below the poverty line, compared to 54 percent in urban areas.

These numbers create an image of the income poverty prevailing in Bolivia, but there are other equally important dimensions of poverty in Bolivia. Though there is currently

<sup>&</sup>lt;sup>1</sup> See World Bank (2009).

somewhat of a division between the Bolivian people and Bolivia's national government, Bolivia's people are dedicated to trying to reduce poverty in the country and there are multiple strategies being taken to do this.

This article discusses the many dimensions of poverty in Bolivia including income poverty, high infant mortality rates, chronic malnutrition in children, and a lack of access to clean water and sanitation. It also discusses the strategies set in place to help Bolivia eliminate extreme poverty. The article is structured as follows. The next section provides a brief review of the literature. Section III provides some empirical background, while the fourth section discusses the dimensions of Bolivia's poverty. This is followed by a look into Bolivia's ongoing political conflict (Section V) and a discussion about the current strategies put in place to reduce poverty in Bolivia (Section VI). The last section, Section VII, provides some conclusions.

## II. Brief Literature Review

Though poverty in Bolivia is a critical issue, there is not a large array of literature discussing the situation. More information is available about Bolivia's plans for reducing poverty than there is about the sources of poverty. Below are summaries of the four most important contributions to understand poverty in Bolivia. Some other literature on poverty-related issues, including recent news reports, will be introduced in subsequent sections.

Even though a little bit outdated by now, the likely most comprehensive analysis of Bolivia's poverty is Bolivia's *Poverty Reduction Strategy Paper (PRSP)*.<sup>2</sup> This is a document that was prepared by the Bolivian government as a precondition to receive debt relief under the Enhanced Heavily Indebted Poor Country (HIPC) initiative. It was published less than a year before the major political crisis began between the Bolivian government and Bolivian people in 2002. The report starts by addressing some facts about poverty in Bolivia. It states (p. 32), "in 1992, 70 percent of the population had unsatisfied basic needs (UBNs) and 37 percent were in a situation of extreme poverty." This is one of the starting points the Government used for its proposed strategies. The report then outlines some causes of poverty including unemployment, low productivity in rural areas, and poor road infrastructure.

A large part of the document talks about the participation in the National Dialogue 2000. Based on this dialogue, agreements were reached on things to improve, including financial development, increased health, sanitation, and education. These are just some of the countless agreements made. Within the *PRSP*, a strategy known as the Bolivian Poverty Reduction Strategy (BPRS) is discussed and outlined. The BPRS has four elements for poverty reduction: (a) expansion of employment and income opportunities (particularly in rural areas), (b) building of capabilities, (c) increasing security and protection for the poor, and (d) promotion of integration and social participation. The BPRS includes also policies to fight against corruption in Bolivia.

There is another particularly important study done by the World Bank (2002), titled *Poverty and Nutrition in Bolivia*. The study discusses the "crippling" effect malnutrition

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<sup>&</sup>lt;sup>2</sup> See Government of Bolivia (2001).

has in Bolivia. Though the government has put a focus on this critical program, it has not been improving much. If malnutrition can be reduced, economic growth in Bolivia could rise, in effect reducing poverty. This malnutrition issue, though, is not caused mainly from income poverty or a lack of food, but instead stems from a combination of poor diet, persistent bouts of disease, and inappropriate nutrition behaviors such as insufficient breastfeeding and a lack of food during an infant's illness. Malnutrition is a poverty dimension that also relates to the lack of access to safe water. In many rural places in Bolivia, people are not able to get safe water, leading to further malnutrition issues. According to the World Bank (2002), it is possible to improve nutrition in Bolivia by implementing cost-effective nutrition programs that help families improve infant feeding and that also bring important pharmaceutical supplements and fortified foods to places where they are most needed. In Bolivia, such places are the rural areas that have extremely high levels of malnutrition.

Grootaert and Narayan (2004) combine quantitative and qualitative data to estimate the impact of social capital on household welfare in Bolivia. They measure social capital by memberships in agrarian syndicates and other associations and find that such memberships increase household welfare and reduce poverty. They also come to the conclusion that social capital matters more for the poor than the non-poor.

Oxfam International (2009) has published a detailed report entitled "Bolivia: Climate Change, Poverty and Adaptation", which even though is primarily about climate change issues in Bolivia, it also discusses poverty issues and the involvement of the country's government in this. The poverty section of this report illustrates the fact that women and the indigenous population are both more susceptible to poverty because of Bolivia's economic and cultural situation. It also discusses income poverty and shows that much of Bolivia's income poverty stems from extreme poverty in the rural areas as well as the country having a lack of secure and well-paid jobs. Finally, the Oxfam report recognizes the efforts of Bolivia's first indigenous President, Evo Morales, in reducing poverty, though (as will be shown below) the political conflict between Bolivian people and Bolivia's national government has not come to an end.

## III. Empirical Background

Bolivia is a country in South America, which currently has a population of 9.8 million people.<sup>3</sup> As mentioned above, Bolivia is one of the poorest, least developed, and most unequal countries in all of Latin America. In 1999, the Gini index was 58, rising to 60.1 in 2002, though according to the most recent available year (2007), it has fallen back to 57.2.<sup>4</sup>

High income inequality is not the only factor affecting the country. Bolivia is also scarred by economic instability. Figure 1 shows the overall increase in Gross Domestic Product (GDP) per capita in Bolivia and Latin America since 1980, but it also shows a major dip

<sup>&</sup>lt;sup>3</sup> See CIA Factbook (2010).

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<sup>&</sup>lt;sup>4</sup> See Center for Economic and Social Rights (CESR) (2008) and World Bank (2010). For the Gini index, a value of zero represents absolute equality, while a value of 100 represents absolute inequality. For purposes of comparison, the United States recorded a 40.8 Gini index in 2008, a value significantly lower than in Bolivia.

in Bolivia's GDP per capita throughout the 1980s. During this time, Bolivia suffered from a disastrous economic crisis caused primarily by fiscal deficits and an unsustainably high foreign debt of U.S. dollar (\$) 3 billion. Bolivia, a country that had relied on tin mining, suffered even further when the tin market collapsed in 1985, causing the country's inflation rates to soar. GDP per capita, measured in purchasing power parity (PPP) at constant 2005 prices, dropped from \$3,604 in 1980 to \$2,797 in 1986 because of the crisis. Despite political conflicts to be discussed further below, the economy has been on a somewhat steady increase since the late 1980s, though it took Bolivia 25 years (1980-2005) to recover in terms of GDP per capita. As of 2008, Bolivia's GDP per capita (in PPP) had (with \$3,950) only been marginally higher than it was in 1980.

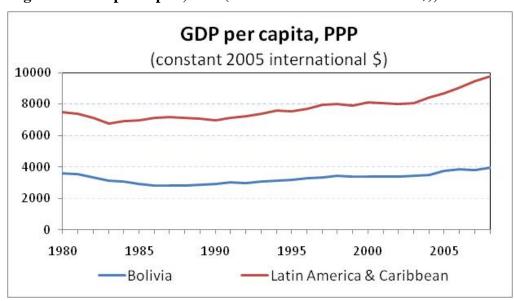


Figure 1: GDP per capita, PPP (constant 2005 international \$), 1980-2008

Source: World Bank (2010) World Development Indicators (as posted on the World Bank website; accessed on October 28, 2010).

Before going into further discussion of poverty in Bolivia, it is important to mention the changes in the distribution of both the population and poverty in the country. Urbanization is something that occurs all over the world as people move to cities looking for new opportunities. Figure 2 shows the urbanization that has occurred in Bolivia since 1960. The graph displays that the share of the urban population in increasing, while the share of the rural population is decreasing. What often results from this urbanization is a concentration of poverty in cities. In Bolivia, though, the most extreme poverty has consistently been in rural areas. This is primarily due to lack of access to safe water, sanitation, and nutrition, as well as due to lack of steady employment.

<sup>&</sup>lt;sup>5</sup> See World Bank (2010).

<sup>&</sup>lt;sup>6</sup> See World Bank (2010).

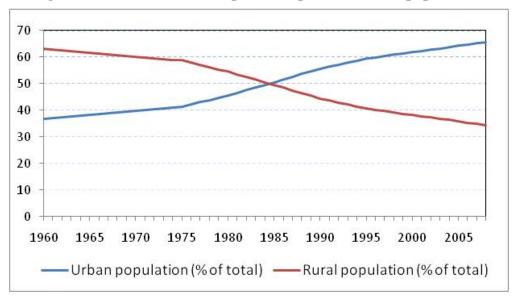


Figure 2: Urban vs. Rural Population (percent of total population)

Source: World Bank (2010) *World Development Indicators* (as posted on the World Bank website; accessed on October 28, 2010).

Figure 3 shows the poverty headcount ratio for both the urban and rural populations. The urban population has had major fluctuations in the last twenty years, while the rural population has had a consistently high headcount ratio. The rural population's poverty headcount ratio has consistently been significantly higher than that of the urban population.

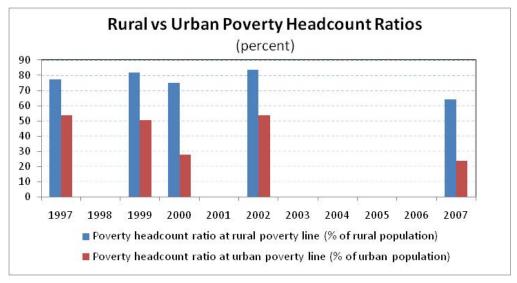


Figure 3: Poverty Headcount Ratios (for all available years)

Source: World Bank (2010) *World Development Indicators* (as posted on the World Bank website; accessed on October 28, 2010).

## IV. Dimensions of Poverty in Bolivia

## IV.1. Human Development

Poverty has many aspects and consequences, but one of the most serious of those is the impact on health. With 37.7 percent of the population below the national poverty line, Bolivia as a whole suffers from a lack of human development in many areas. According to the 2007 United Nations Development Program (UNDP) rankings, Bolivia is ranked 113<sup>th</sup> out of 177 countries in the world, with a Human Development Index of 0.729.

Bolivia has a relatively high under-five mortality rate, severe chronic malnutrition, low rates of education, and a lack of access to safe water (if any at all) and sanitation. Chronic malnutrition is a critical issue in Bolivia, especially in the rural areas. According to a Center for Economic and Social Rights (CESR) (2008) report, Bolivia has one of the highest rates of malnutrition in Latin America as 33 percent of the children under-five years old suffer from malnutrition in terms of stunted growth. Also, 6 percent of the same group suffers in terms of being severely underweight. According to CESR (2008, p. 5), poverty is a main factor leading to this malnutrition: "Poor children in Bolivia are eight times more likely to be malnourished than rich children".

Besides having high malnutrition rates, Bolivia, has also one of the worst child mortality rates in Latin America, falling only behind Haiti. In Bolivia, "poor children are more than three times more likely to die before age five than rich children": as of 2005, the underfive mortality rate (per 1,000 live births) was 105 for the poorest 20 percent of the country's population, while it was 32 for the country's richest 20 percent. <sup>10</sup> For the same year, the national average of under-five mortality stood at 65.

Education is another aspect that is greatly affected by poverty and also feeds back into poverty. The quality of education in Bolivia, for the most part, is very poor. When primary students took a standardized language test in 1997, they were ranked against students from other Latin American countries. The Bolivian students had the worst scores of all of the countries tested. This is greatly due to the lack of quality of public education in Bolivia. Poor families are not able to afford private education, so they are forced to put their children in public schools where they end up learning very little. Together, this creates a continuing cycle of generations of families remaining in poverty because they are never able to get the education to escape it. It is very difficult for an individual to overcome poverty without having a solid education.

Not only is the quality of public education poor in Bolivia, but also the distribution of education is very unequal. The level of education is significantly lower in rural areas than in urban areas, which can partly be explained by the fact that "rural teachers are twice as likely as urban teachers to lack full training" (CESR, 2008, p. 7). Figure 4 shows the inequality between the rural and urban population, as well as between men and women, in Bolivia in terms of illiteracy rates. In the chart, Bolivia's rates of illiteracy are also

<sup>&</sup>lt;sup>7</sup> See World Bank (2010)

<sup>&</sup>lt;sup>8</sup> See World Bank (2009)

<sup>&</sup>lt;sup>9</sup> See World Bank (2010).

<sup>&</sup>lt;sup>10</sup> See Center for Economic and Social Rights (CESR) (2008), p. 4.

compared to those of four other countries: a) Bolivia's rural women are more illiterate than the average person of Malawi, b) Bolivia's rural men are nearly as illiterate as the average Namibian person; c) Bolivia's urban women are slightly more illiterate than the average Ecuadorian person, and d) Bolivia's urban men are nearly as illiterate as the average Argentine person. Reducing these numbers is a step that needs to be taken in order to lower the prevalence in poverty in the country.

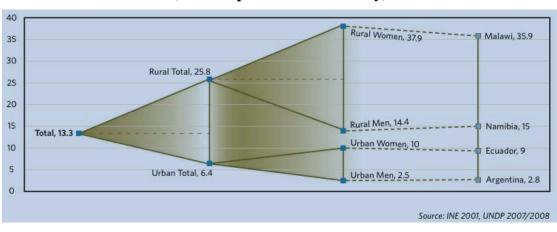


Figure 4: Illiteracy Rates in Bolivia, by Region and Gender (also compared internationally)

Source: Center for Economic and Social Rights (CESR) (2008) p. 6.

### IV.2. Lack of Infrastructure and Productivity in Rural Areas

As shown in Figure 2 above, about 30 percent of Bolivia's overall population live in rural areas (which is one of the highest percentages of the mostly urbanized South American countries). Over 80 percent of the rural population live below the poverty line, with 64 percent living in extreme poverty. Income per capita in rural areas averages to \$0.60 per day, which is 30 percent of the median urban income.<sup>11</sup>

This high level of rural poverty is largely explained by the "low productivity in the farm sector and the low prices that the farm products fetch in the marketplace". <sup>12</sup> The rural areas have low productivity because much of the production is done on using solely small-scale techniques, which does not allow for mass production of any sort. Also, the rural areas suffer from many water shortages, which cause low quality produce and few products to be sold.

Furthermore, in Bolivia, there is a problem related to the lack of ownership rights of land and natural resources. Since there is no owner of the land, there is no one making sure to take care of it in all respects. If ownership rights were put in place, the level of farming productivity could increase because people would have more respect for the land.

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<sup>&</sup>lt;sup>11</sup> See World Bank (2009).

<sup>&</sup>lt;sup>12</sup> Government of Bolivia (2001).

Another factor in the low productivity in rural areas is the lack of infrastructure. Many rural areas lack the most basic infrastructure, including water management systems and road systems, not to mention the lack of already discussed education and health care services. In particular, not having necessary road infrastructure severely limits the rural areas and makes farming extremely expensive. The transportation costs are much higher than they would be if there were roads available for use. This issue lowers the amount of money that farmers are able to get by selling their products. This also limits the ability of small farmers to sell their goods in a larger area. <sup>13</sup>

#### IV.3. Lack of Access to Water and Sanitation

Lack of access to both portable and clean water, as well as a lack of basic sanitation for many people in Bolivia adds to the health problems already discussed. In the rural areas of Bolivia in particular, many people are forced to drink contaminated water, as there are no other options available for them. Countless communities are forced to rely on contaminated rivers and lakes to drink water, and they have no technology to even make the water drinkable. This causes serious illnesses and adds to poverty. Of the many health outcomes that stem from drinking contaminated water, one of the worst is diarrhea. Diarrhea causes 36 percent of deaths in children under five in Bolivia. 14

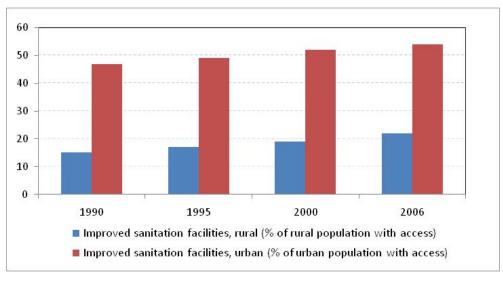


Figure 5: Rural vs. Urban Access to Improved Sanitation Facilities (all available years)

Source: World Bank (2010) *World Development Indicators* (as posted on the World Bank website; accessed on October 28, 2010).

<sup>&</sup>lt;sup>13</sup> Government of Bolivia (2001).

<sup>&</sup>lt;sup>14</sup> See Food For the Hungry International (FHI) (2006).

Since the 1990s, access to sanitation has been consistently increasing, but as with the other dimensions of Bolivia's poverty, the increase has been seen much more in the urban population than the rural population. The increase in improved sanitation in the urban population does help and is a movement in the right direction, but as discussed before, a majority of Bolivia's poor live in rural areas. Figure 5 shows the improvement in access to sanitation for both the urban and rural populations for the available years from 1990-2006. In the graph, the significant gap between the two can be seen. Until this gap begins to close, and sanitation is improved in rural areas, the relatively high access to sanitation of the urban population will not have a large impact on poverty reduction. But for now, the increasing levels for both the urban and rural populations are a step in the right direction with regards to this aspect of poverty reduction.

Figure 6 shows both the improved water access for urban and rural populations. Both have been constantly increasing since the 1990s, and the rural improvement has been increasing at a much higher rate. This is exactly the kind of improvement that is needed to reduce poverty rates and reduce health issues that stem from lack of access to safe water. Also, it should be noted that the two scales on Figures 5 and 6 are different, so the rates are even better for water improvement than they may appear at first glance. The increase for the urban population rate is much lower because it is already close to 100 percent. By 2006, the share of the rural population increased to 70 percent and continues to increase today.

100
80
40
20
1990
1995
2000
2006
Improved water source, rural (% of rural population with access)
Improved water source, urban (% of urban population with access)

Figure 6: Rural vs. Urban Access to Improved Water Source (all available years)

Source: World Bank (2010) *World Development Indicators* (as posted on the World Bank website; accessed on October 28, 2010).

## V. Political Conflicts

Bolivia is a country that has had political conflicts throughout its history. These conflicts impact everything else that goes on in the country because of the constant tension between the Bolivian people and the government. In the early 2000s, after severe economic crisis of the 1980s, political instability began to take over Bolivia. This time has been referenced now as a crisis of governance, which started with the resignation of President Hugo Banzer due to terminal illness on August 7, 2001. Within the next five years, Bolivia had four presidents, some of whom created much controversy.

The main issue that instigated the political instability in the early 2000s was the export of natural gas, which had just been discovered in Bolivia. There were violent protests against the government's plan to export these reserves to other markets, such as the United States. The relationship between the Bolivian people and the government has never recovered. Following various violent protests, a controversial hydrocarbons law was passed in 2005 that enforced higher royalties along with requiring all foreign firms to give up all production to the state energy company, receiving a pre-determined fee in return. <sup>16</sup> In the midst of this political turmoil, Evo Morales was elected as Bolivia's 80<sup>th</sup> president (on December 18, 2005), after (a) two former Presidents (Sánchez de Lozada and Carlos Mesa Gisbert) had resigned to suppress political revolts (partly led by Evo Morales), and (b) interim President, Eduardo Rodríguez, was constitutionally demanded to call for elections. Morales' election was monumental because it represented Bolivia's first president of Indian ethnicity, as well as the first majority president (receiving 53.7 percent) of the popular vote since the revolution. <sup>17</sup>

Though the higher prices for mining and hydrocarbon exports seemed to raise economic growth in the following years, it has been determined that this growth is only concentrated to a small group of people, and no growth has existed for the general population. The GDP has been growing somewhat steadily since the 1990s, but that number leaves out the above important information about the internal struggles that have occurred in the country throughout all of it. Though the election of President Morales was widely seen as the end of the crisis of governance, it has not generated an end to the conflict between Bolivians and the national government.

One of the most current examples is the revolt against poverty that started in Potosi, Bolivia on July 30, 2010. Webber (2010), in a news article entitled "Revolt Against Poverty in Bolivia: Neoliberalism and Uneven Development, The Rebellion in Potosi", shows the peoples' discontent with Bolivia's national government. The article discusses how the people of Potosi went on a complete lockdown to show their disapproval of the government's lack of dedication to poverty reduction. Many feel as though the neoliberal mining policy created by President Morales has only added to the nation's poverty, unemployment, and overall underdevelopment. The strike continued for much longer than intended because the government decided to give no response to it.

<sup>&</sup>lt;sup>15</sup> See Nations Online Project (2010).

<sup>&</sup>lt;sup>16</sup> See CIA Factbook (2010), available at: https://www.cia.gov/library/publications/the-world-factbook/.

<sup>&</sup>lt;sup>17</sup> See Nations Online Project (undated).

An important message from Webber (2010) is that though it may seem like the poverty situation is improving in Bolivia, in actuality, the income growth generated has been concentrated to a small group of people and the reconstituted neo-liberalism has done little to improve social inequality. Social inequity is still very present in Bolivia today. As the country continues to have political struggles, it makes it difficult for the people and the government to work together to reduce poverty.

## VI. Strategies for Poverty Reduction

Though the nation has been dealing with much political conflict in the last few decades, there are strategies and programs in place that are needed in order to reduce poverty in Bolivia. These strategies range from dealing with malnutrition, water and sanitation access, and road infrastructure, to many more issues that are adding to Bolivia's poverty level. Despite the revolts against poverty and the fact that Bolivians have not seen the national government's dedication to poverty, the government has stated that it is "strongly committed to poverty reduction" and is implementing many plans to help with it.<sup>18</sup>

Figure 7 is a graph included in Bolivia's (2001) *PRSP*, showing the scenario the government of Bolivia was hoping for by implementing their poverty reduction strategies. The decrease in poverty is determined by the headcount index of poverty. As of 2007, the poverty headcount ratio as a percent of the total population was 35.7 percent, down from 65.2 percent in 2002. <sup>19</sup> This number shows the improvement Bolivia has made and it lies almost directly in the middle of what the Bolivian government predicted for levels of incidence poverty and extreme poverty.

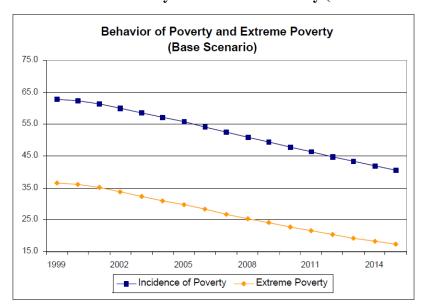


Figure 7: Trends for Poverty and Extreme Poverty (Baseline scenario)

Source: Government of Bolivia (2001), Graph 9.1, p. 196.

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<sup>&</sup>lt;sup>18</sup> See World Bank (2009).

<sup>&</sup>lt;sup>19</sup> See World Bank (2010).

Many of the current strategies to reduce poverty in Bolivia specifically target the rural areas, as that is where much of the nation's poverty lies. One proposed program is described by a World Bank (2009) project known as the *Reduction of Extreme Poverty in Rural Areas*. The basis of this project is to improve the necessary infrastructure and services, as well as to provide food to particularly disadvantaged rural communities. This project would run based on a \$20 million loan given over a five-year period in order to benefit over 1,000 rural communities. The targeted communities are in the 40 poorest cities in Bolivia. In order to implement the project in the various municipalities, each rural community would need to identify various subprojects to keep the implementation going. The three major components of the project, as stated by World Bank (2009, pp. 3-4), are capacity building and institutional support, community-driven development investments, and close monitoring and evaluation of the implementation. The creation of this program shows that poverty reduction is on the agenda of the Bolivian Government, but whether or not the project will go through and if it will reduce poverty as planned is yet to be determined.

Like the World Bank, the Inter-American Development Bank (IDB) has recently also initiated a multiphase program aiming at supporting the Bolivian government's plan to eradicate extreme poverty. <sup>20</sup> The program is expected to have a total cost of US\$21 million, of which the IDB will finance US\$20 million. The four main components of the program are (a) cash transfers for nutrition and mother-child healthcare (US\$6.31 million), (b) strengthening the supply of comprehensive healthcare services (US\$10.67 million), (c) development of social and community organizations (US\$560,000), and (d) institutional strengthening and evaluation (US\$1.97 million).

Food for the Hungry International (FHI) has a program in Bolivia to help reduce health issues stemming from malnutrition and lack of access to water and sanitation in the rural communities. It has been operating in Bolivia since 1978 and continues implementing new aspects of their program today. This program targets areas of extreme poverty. FHI's goal is to transform these communities in the long term by supplying them with education and necessary resources. In order to improve nutrition in children, FHI is supplying many communities with food rations. This is only a short-term solution, until FHI gives these communities' proper training and resources to practice their own nutritional practices and better agricultural practices.

From 2002 to 2004 alone, the FHI Health Program helped decrease child malnutrition in its targeted areas from 59 percent to 40 percent. Along with the nutrition component of the program, there is a water and sanitation component that aims to increase the quality and quantity of water access as well as improve basic sanitation conditions for those in areas of extreme poverty. FHI is implementing this by bringing water systems and running water, including showers and household bathrooms, to these poor communities. They are also setting up training on water maintenance and basic sanitation needs. Though the Bolivian government has not documented the efforts of FHI very well, their programs have had a great impact on the improvement of extreme poverty as it is related to health issues. More programs like this are needed to reduce poverty further.

<sup>&</sup>lt;sup>20</sup> See Inter-American Development Bank (IDB) (2009).

## VII. Conclusion

Poverty is a multidimensional phenomenon and there are many dimensions in Bolivia that are making it one of the poorest countries in Latin America. Lack of human development is one of the main contributing factors to Bolivia's poverty. This includes the high child mortality rate, high levels of chronic malnutrition, and a lack of equal and quality education. Lack of infrastructure and productivity, particularly in the rural communities, is another main dimension of poverty. Finally, lack of access to water and sanitation adds to Bolivia's high level of poverty. As the nation has been dealing with poverty issues for a long time, situations have been improving in many aspects, though that improvement is seen much more in the urban areas than in the rural areas. The country still needs to bridge the gap between these two populations.

Throughout the last few decades in particular, Bolivia has suffered from major political conflicts that have only made it harder to work on poverty reduction. The relationship between Bolivians and the Bolivian Government has suffered majorly since the early 2000s, not long after the country suffered from a drastic economic crisis. Though the country seems to have ended its "crisis of governance" with the election of President Evo Morales, people still do not trust that the government is fully devoted to the people and to reducing poverty.

The government is trying to show its dedication to these issues by implementing various poverty reduction programs and projects, including the World Bank-supported *Reduction* of Extreme Poverty in Rural Areas Project and the IDB-supported Multiphase Program in Support of the Plan to Eradicate Extreme Poverty.

Food for the Hungry International has also implemented programs to improve nutrition and access to water and sanitation, which are also geared towards rural communities. These programs have had a positive impact on the communities and need to continue in order for Bolivia to have an impact in reducing poverty. As reflected in most of these programs and projects, the main focus needs to be on the rural communities in order to successfully reduce poverty in Bolivia. Though there still need to be improvements in the urban population as well, the first step for Bolivia should be bridging the large gap between the urban and rural populations.

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