List of figures

3.1 Percentage of population living on less than two US dollars a day (PPP 1985) by region, 1998 46
3.2 Incidence of poverty by race or mother tongue, circa 2000 (two US dollars a day PPP 1985) 47
3.3A Changes in the Gini index in Latin America during the 1990s 48
3.3B Income inequality by regions (Gini index), 1990s 48
3.4 Changes in poverty and growth during the 1990s, regional, Andean and non-Andean countries 49
3.5 Changes in inequality and growth during the 1990s, regional, Andean and non-Andean countries 50
3.6 Employment rates for children by age and income level, 1998–99 53
3.7 Human poverty index in Latin America, 1999 54
3.8 Infant mortality rates, circa 2000 55
3.9 Fertility rates in the region, 1999–2000, circa 2000 (births per woman) 55
3.10 Governance indicators 57
3.11 Governance index and growth: regulation 57
3.12 Governance index and growth: rule of law 58
3.13 Governance index and growth: government effect 58
3.14A Latin America: total social public expenditures as a percentage of GDP (millions, constant 1995 US$) 61
3.14B Latin America: public social expenditures per capita, 1994–99 61
3.15 Social expenditure per capita by sector and region, 1998–99 62
4.1 Quality of institutions 82
4.2 Slowdowns and strikes 1982–2000 86
4.3 Political fragmentation: Bolivia and Latin America, 1979–97, the dynamic diversity of Latin American party systems, 95% confidence intervals 88
4.4 The impact of drug traffic (narcotraffic in millions of US$) 107
4.5 Value of natural gas exports (in millions of US$), Bolivia 1990–2000 107
4.6 Direct foreign investment 1996–2001 108
List of figures

4.7 What most worries Bolivian businessmen is corruption. Bolivia: obstacles to the growth of business 109
5.1 Long-term economic growth 118
5.2 Export growth (a) and export diversification (b) 121
5.3 Growth and domestic demand volatility 124
5.4 Private indebtedness 125
5.5 Latinobarómetro comparative results 137
5.6 Coca production area vs sprayed area 142
5.7 Murder rate 143
6.1 Political instability 161
6.2 Perception of corruption 167
6.3 Confidence in the judicial system 168
6.4 Ecuador, GDP growth 1965–2003 171
6.5 Ecuador, effects of exogenous shocks in GDP (1970.01–2001.03) 173
6.6 Ecuador, inflation (year-end) 175
6.7 Nominal exchange rates (sucre/US$) 175
6.8 Fiscal volatility and oil revenue volatility 176
6.9 Ecuador, non-financial public balance, per cent of GDP 177
6.10 Distribution of expenditures 180
6.11 Ecuador, total factor productivity (TFP) growth 1966–98 183
6.12 Ecuador, current account balance as per cent of GDP 185
6.13 Real exchange rate and imports 186
6.14 Worker remittances 186
6.15 Ecuador, poverty incidence 188
6.16 GDP growth and ministerial instability 193
7.1 Approval ratings for the President, for the political economy, and expectations for the economic situation 216
7.2 Average tariffs in 1998 (ad-valorem rates) 230
7.3 Evolution of degrees of openness (exports + imports)/GDP 1980–98, selected countries 231
7.4 Growth rate of GDP 1985–2000 (per cent) 243
7.5 Annual inflation 1985–2000 (log base) 246
7.6 Approval of the President's management of the Republic by socioeconomic segment 250
7.7 Public perception of economic issues 251
7.8 Difference in presidential approval between socioeconomic levels 252
8.1 Inflation and growth in Venezuela 277
8.2 Aggregate governance indicators for Venezuela 284
8.3 Voice and participation 285
8.4 Political instability and violence 287
Political crises, social conflict and economic development

8.5 Government effectiveness 289
8.6 Regulatory burden 291
8.7 Rule of law 292
8.8 Oil prices and GDP growth 295
8.9 Real effective exchange rate 298
8.10 Current account balance 301
8.11 Central government fiscal balance 304
8.12 Government expenditure 305
8.13 Public debt 307
8.14 Poverty in Venezuela (per cent of population) 308
8.15 President Chávez’ approval rating 325