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June 5, 2000

Subject: **Educational Choices and Educational Constraints: Evidence from Bolivia**

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CORRIGENDUM

The attached cover page and pages 1 and 2 of WP/00/42 (March 2000) are reissued to correct a few typographical errors.

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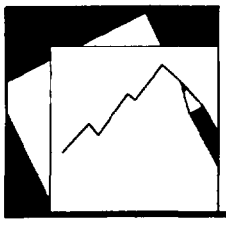

IMF Working Paper

Educational Choices and Educational Constraints: Evidence from Bolivia

Gabriela Inchauste

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IMF Working Paper

Fiscal Affairs Department

Educational Choices and Educational Constraints: Evidence from Bolivia

Prepared by Gabriela Inchauste[1]

Authorized for distribution by Sanjeev Gupta

March 2000

Abstract

The views expressed in this Working Paper are those of the author(s) and do not necessarily represent those of the IMF or IMF policy. Working Papers describe research in progress by the author(s) and are published to elicit comments and to further debate.

Recent efforts at poverty alleviation emphasize increasing government spending on education. However, even if spending were perfectly targeted, it is not evident that spending by itself will lead to higher educational attainment. Bolivian household data is used in this paper to ascertain the probability of an individual quitting school due to financial or other reasons. Simulations show that government cash transfers can help to improve educational attainment somewhat. However, nonmonetary limitations must also be addressed if educational attainment is to improve significantly, in particular, for indigenous women who have the lowest levels of education in the country.

JEL Classification Numbers: I20, H52

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Author's E-Mail Address: minchauste@imf.org

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