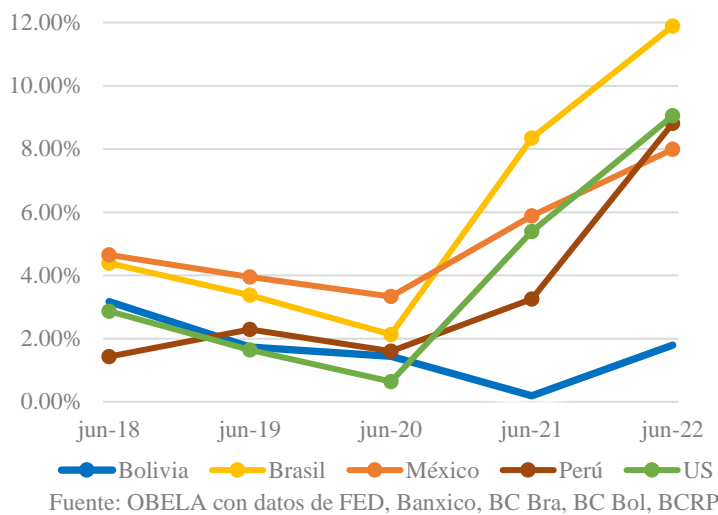


BOLIVIA FACING THE POST-COVID-19 FOOD CRISIS

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Bolivia has structural and political conditions that allow it to be more resilient in the face of the world's food crisis in 2022. Bolivia's economic policy has allowed it to have an inflation rate of 1.79% and growth prospects of 3.9% as of June 2022, a scenario much different from that of its neighbours suffering from high inflation and stagnation. The basis of Bolivian growth is heterodox policies. Food sovereignty is its political positioning for facing the food crisis; it has been successful in Bolivia but is challenging to replicate in other countries.

Inflation YoY 2018-2022



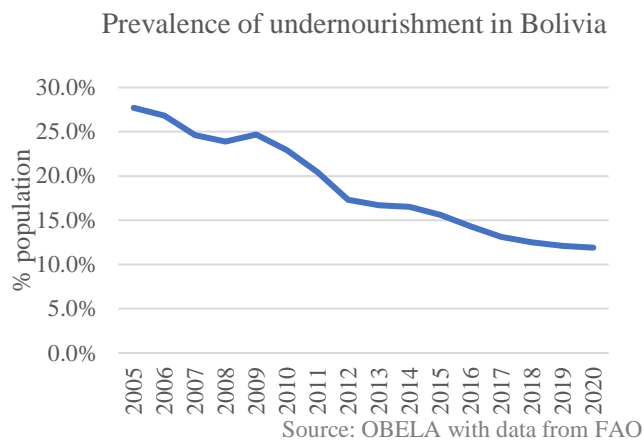
The current Western food crisis is not only conjunctural but structural. Although the Covid-19 pandemic exacerbated this problem and the Russian-Ukrainian conflict brought it to the forefront of the press, the causes lie in the structure of food systems. The FAO

pointed out in 2020 that the problem of hunger in underdeveloped countries has to do with economic access to food, i.e. personal income.

Food insecurity in Latin America and the Caribbean is related to economic inequality, dependency, political economy and climate change problems. Neoliberal economic policies brought about the liberalization and financialization of agriculture. With the market economy, Latin American governments abandoned transfers to the countryside, and the technification of the country passed into the hands of the agroindustry. It made the region more vulnerable to externalities such as imported inflation, depreciation of national currencies and changes in international prices of agrifood products.

Bolivia drastically changed its economic policy with the Movimiento Al Socialismo (MAS) coming to power in 2005 and a new constitution in 2009. The Central Bank controls the exchange rate; since 2011, one USD has been equivalent to 6.86 bolivianos. As a result, the Bolivian economy has been de-dollarized, the national currency has gained confidence, and it keeps a low level of external indebtedness. The problems are the level of reserves due to high imported consumption and the accumulation of inflation.

The nationalization of hydrocarbons in 2006 and the fixed exchange rate increased Bolivia's income, mainly from the sale of natural gas to Argentina and Brazil; its GDP between 2005 and 2019 doubled from 19,355 million dollars to 37,365 million dollars. The redistributive and transfer policies promoted by MAS reduced extreme poverty from 37% of the population in 2005 to 13.5% in 2020. It was decisive in improving food security conditions in the country.



In Bolivia, food security policies go hand in hand with food sovereignty. The substantial difference between one category and the other is the right claimed by indigenous-peasant peoples to define their food production, distribution and consumption strategies. Food security with sovereignty (FSS) implies

privileging small farm ownership and production for the domestic market. The Bolivian government established a trade policy that, together with the country's geography, limits the import of agrifood products and, at the same time, produces a small volume of exports to neighbouring countries.

Under the guidance of the FSS policies, the prevalence of undernourishment went from 28% in 2005 to 12% in 2020. Undernourishment is an indicator used by FAO to measure hunger. Although Bolivia is still far from eradicating it, progress is significant in this period.

FSS is a political stance against agroindustry production under neoliberalism, and they actively promote it at the regional level. In the OAS, the United States and Canada label

food sovereignty as protectionism. In contrast, in the Bolivarian Alliance for the Peoples of Our America (ALBA), FSS is seen as a tool for achieving greater autonomy from Washington and the international food markets.

In the growing context of bipolar multilateralism and the crisis of U.S. hegemony, FSS is politically relevant for the region's countries. It implies an explicit antagonism to the Western international organisation's vision of how to deal with the food crisis; however, the Bolivian case is hardly replicable in other LAC states.

The geography, economic policy and socio-cultural characteristics of the Andean country made it possible to establish FSS in its public policies. In addition, its capital account management and fixed exchange rate reduce vulnerability to externalities that could impact inflation and, therefore, access to food. The Bolivian economy faces two substantial challenges from 2022 onwards: increasing its levels of international reserves and reducing its excessive dependence on the primary sector.