Building Analytic Capacity in Bolivia: 
The Social Policy Analysis Unit (UDAPSO)

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BUILDING ANALYTIC CAPACITY IN BOLIVIA:
THE SOCIAL POLICY ANALYSIS UNIT (UDAPSO)

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Introduction

Bolivia's experience with the Social Policy Analysis Unit (UDAPSO) shows that it is possible to improve the public sector's analytic capacity to formulate social policy, provided that at least the four following conditions are met: (i) adequate political support and concrete mission and focus for such an institution; (ii) strong management and leadership; (iii) favorable external and internal incentives to hire and maintain the best people available; and (iv) access to financial resources and first-class technical assistance. Moreover, UDAPSO's experience illustrates the complexities of developing a policy research institution in a developing country with a low human capital base and a weak social sector research tradition. It provides a case study of the issues of managing and developing research institutions under four interdependent dimensions: strategic management; collaborative institutional arrangements; internal management, administration and supervision; and research operations, and confirms that "it is the acquisition, retention and effective utilization of this skills mix operating within a scientifically driven value system that makes for effective research institutions."\(^1\)

This paper reflects on the experience of the author in setting up and running UDAPSO in the Bolivian government between 1992 and 1994. It only briefly considers the changes since the end of my tenure as Executive Director in April 1994 and the present. It endeavors to provide an account of a capacity building experience—from conceptualization to implementation—from the point of view of the practitioner. I intend to share with policy makers the lessons learned and that can now be distilled with the benefit of short-term hindsight. In the process, I highlight the wider impact and externalities that capacity building projects have, particularly in personnel development, and in the local research community.

Although the literature on policy research institutes in developed countries is growing, it is still sparse.\(^2\) In developing countries, there has been no methodic study of the

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evolution of these institutions and so documenting this process is one of the objectives of this paper to contribute to comparative studies of social policy think-tanks. This is increasingly pertinent given the growing awareness of the importance of information and analysis in social policymaking, and the recognition that "social policy brokers" ... help to develop shared meaning and to build consensus on the formulation and implementation of social policy ... and have begun to play an interesting role in the development of integrated social policy agendas.4

Thus, the creation of UDAPSO in 1992 marked a transition in the way the Bolivian government proposed to address social development. It was a move away from the short-term project approach—as embodied in the Emergency Social Fund (ESF) (1985-1990) and its successor the Social Investment Fund (SIF) (1990 to date)—toward long-term local capacity-building that recognized the need to develop domestic capacity in problem identification and policy formulation within the public sector.5 Its creation was a "distinctive development in public enquiry"6 in social sector policy development and the start of multidisciplinary policy-oriented research which is key for social policy formulation, as will be shown in this paper.

The external environment

The Paz Zamora administration's (1989-1993) desire to institutionalize social policy research and analysis and strengthen its policy formulation capacity was due to its decision that social policy was going to be the main priority in its last two years in office. The economy was stabilized, there were positive macroeconomic indicators, and there was modest economic growth. There was consensus amongst the main political parties, opinion-makers and policy-


5These experiences have been documented and analyzed by the actors themselves and World Bank staff, see Gerardo Avila, Fernando Campero and Jorge Patiño, Un puente sobre la crisis. El Fondo Social de Emergencia, (La Paz: Fondo de Inversión Social, 1992), and Steve Jorgensen, Margaret Grosh and Mark Schacter, Bolivia's Answer to Poverty, Economic Crisis, and Adjustment. World Bank Regional and Sectoral Studies (Washington, D.C.: The World Bank, 1992).

6Quote from Evert A. Lindquist, "Think tanks or clubs?"
makers that the challenge ahead was to increase growth rates, and get the benefits of a stabilized economy to the majority of the people. Investment in human capital was seen as being key in achieving this. This view was promulgated in the Social Strategy issued in September 1991. That document defined the government's priorities in the social sectors and established the guidelines for action. Human capital development was the strategy's cornerstone, along with efforts to improve the efficiency of social expenditures, and to target social interventions toward the poor. The Ministry of Planning and Coordination, the Senior Ministry in Bolivia, set up UDAPSO based on the successful UDAPE model (the economic think-tank established with USAID support in 1984).

UDAPE gathered, analyzed and disseminated data on macroeconomic issues. With Harvard Institute for International Development (HIID) assistance between 1987 and 1992, it monitored Bolivia's macroeconomic indicators. HIID helped develop the analytical skills of UDAPE's staff in general equilibrium models and sophisticated economic analysis that enabled UDAPE to be a key player in negotiations with the IMF. Indeed, with macroeconomic stability, "UDAPE became the watchdog of the nation's economy."7 By 1990, UDAPE had done important sector work with various line ministries. Within this context, it developed the government's September 1991 Social Strategy document.

To a large degree, the government created UDAPSO under the Ministry of Planning to pursue further and implement this strategy. UDAPSO followed closely the internal organization of UDAPE. The fact that both institutions were in the same ministry and had regular and direct contact with the Minister facilitated close coordination between them.

The development of UDAPSO starting in 1992 must be seen in the context of a series of favorable external conditions. At the macro level there was a strong perception in top government circles and in public opinion that an explicit social policy was necessary. On the one hand, the government realized it had to show more actions and results in the social sector, both to maintain popular support for its economic reform program and to assure success in the general elections in 1993. Simultaneously, there was a genuine belief amongst the more enlightened members of the government and key policy-makers that it was necessary to move along the reform process and concentrate on human development to make the adjustment process more viable, and to increase sustained economic growth. Moreover, multilateral and bilateral international aid agencies also were proposing that once countries stabilized their economies, it was imperative that they address social development in a climate of structural

7On UDAPE's development see Ricardo Godoy and Manuel E. Contreras, "Bolivia" chapter presented in HIID Conference on Capacity Building, Bermuda, April, 1995.
reform. Thus, any move towards promoting social development was well received, and the creation of UDAPSO gave rise to positive expectations and was supported by the donor community, the press, and institutions such as the German-funded Instituto Latinamericano de Investigaciones Sociales (ILDIS), which had established itself as a non-partisan discussion forum since 1985. Similarly, key World Bank staff associated with Bolivia were interested in UDAPSO from the start and helped in every way possible by providing access to documents, financing research, and advocating the work UDAPSO was doing.

There was a well-founded perception that information on Bolivia's social sector was sparse and that, despite the existence of the Living Standard Measurement Surveys (LSMS) since 1989, there was inadequate social policy analysis. Bolivian universities were not strong in policy oriented research and there was very little analytical work in the different social sector ministries. There were mostly sector reports which were general diagnostics with anecdotal narrative characteristics. A possible exception were the studies on population and reproductive health carried out by the Unidad de Políticas de Población (UPP) of the Ministry of Planning. The National Statistics Institute (INE) also carried out some studies, but these did not have wide dissemination. Most studies using household survey data were carried out by external consultants, as is pointed out below.

In this context, the strong commitment to UDAPSO shown by the Minister of Planning, Samuel Doria Medina, was critical. He had led the formulation of the Social Strategy, which emphasized the need for a pragmatic social policy think tank to address social policy issues. The Minister's strong personal commitment was compounded by his trust and support of me as Director. Although Doria Medina and I had not worked together before, we shared a common academic background (postgraduate studies in the London School of Economics) and a belief that good ideas and political support were what was needed to get social policy going in Bolivia. Thus, I virtually was given a free hand in running UDAPSO and all the political support I needed to get things done, from trivial administrative pursuits to critical backing in front of other Ministries, and a strong endorsement in the eyes of the donor community. The Minister had a clear understanding that a technical analysis unit was what was required, and he therefore did not interfere in the appointment of technical staff which was my sole responsibility as Director.

The Ministry of Planning's endorsement was key for obtaining donor support, such as USAID's financing for operations. Initially, UDAPSO started as a unit of UDAPE (with a staff of six) and benefited from that unit's financial, infrastructure and human resource base. The close relationship to UDAPE also helped UDAPSO to develop a keen sense of the overall macroeconomic constraints when analyzing social policy alternatives. Once the assistance
contract with USAID was signed, UDAPSO was able to expand (to twelve analysts) and acquire adequate office infrastructure. This group of favorable external factors had a positive influence on the institutional development of UDAPSO, which took on innovative organizational characteristics.

Institutional and organizational innovation

UDAPSO's work originally concentrated on education, health, poverty and income distribution, micro enterprise development issues, gender studies, and the tracking of social sector expenditures. In the second year, gender and micro enterprise development studies were abandoned. In the first case, because another government unit took charge, and in the second because there was not sufficient government interest in this area. Instead, rural development and employment analyses were introduced, in part as a response to greater government interest in these areas. In all areas, UDAPSO adopted three broad strategic orientations: **convocation-centered**, "seeking to bring people together to explore issues and exchange views;" **information-centered**, "generating information primarily for publications"; and **consociational**, that is a balance between convocation and information activities.8 Thus, UDAPSO promoted seminars and meetings with other researchers in these areas as well as with stake holders to discuss research proposals as well as research results. UDAPSO, therefore, had a wide span of influence on the way social issues were addressed in the government after its creation. I will highlight two of the most important ones.

First, with UDAPSO's creation, analysis of social sector policy issues was concentrated within a single institution of the Ministry of Planning, which until then had been mainly concerned with economic development. This allowed UDAPSO to become a critically placed spokescenter for social policy. NGOs and the donor community could participate in policy dialogues with UDAPSO on social policy and refer to it when needed, instead of having to speak with each and everyone of the multitude of institutional actors in the social sector.

Second, by establishing an analysis unit in the public sector with a cadre of senior and junior specialists, gradually the line ministries and institutions started to avail themselves of the services of UDAPSO in a variety of instances. The **Junta Nacional de Solidaridad y Acción Social** (Junta), in charge of homeless children, the elderly and women, was the first institution to demand UDAPSO's help. It first requested help in developing project proposals

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and then—under World Bank auspices—in the design of an evaluation of the impact of a Child Health Care and Nutrition Program (PIDI). This example illustrates well the importance of having a sound technical unit in the public sector, not involved in daily operations, that could serve as an objective, apolitical, external evaluator using data collected by another public institution, the National Statistics Institute (INE). Other ministries were slower in accepting UDAPSO. The Ministry of Health, for example, required a few years of gradual collaboration in specific tasks—such as the joint preparation of Bolivia's report to the Pan American Health Organization, before they realized that UDAPSO had health economists that could play an important role in health reform. The initial contacts were developed by a senior analyst (sociologist) who had much experience and personal contacts in the sector and it was she who introduced a junior analyst (an economist) who is now a senior UDAPSO analyst in charge of health finance and cost effectiveness studies that proved to be important inputs to the health reform effort.9

UDAPSO's relationship with the education sector was different. The government had set up an Education Reform Task Force (ETARE) six months before UDAPSO in the Ministry of Planning which had produced no visible results. At the request of the Minister of Planning, I assumed the mission of finding a new Director and helping this Director to re-start ETARE and to focus better the design of the Education Reform in light of the Social Strategy. Although UDAPSO formally assumed oversight of ETARE for a few months, it was more of a personal endeavour to provide ETARE with the necessary technical, administrative, and moral support until it gained its own momentum and new personality. Some UDAPSO analysts did participate, however, in ETARE projects, particularly those involving the financing of the education reform proposal. Thus, it was ETARE who had the principal role in assisting the Ministry of Planning to move forward education policy analyses, except for higher education as will be discussed below.

Admittedly, UDAPSO's slow acceptance by the sector ministries was caused by their fear of competition. Suddenly, a new public institution from the Ministry of Planning was working in social policy issues and developing policy proposals, and—what was worse—economists and other social scientist were speaking of health issues (without being doctors) and on education (without being teachers). Once UDAPSO proved itself in the field, and the social sector institutions saw that they could benefit from working with it, collaborative relations developed.

9Personal communication with Guillermo Seoane, former Under Secretary for Health, September 1995.
UDAPSO also had a significant impact on a variety of private institutions, as well as on the international aid agencies. In UDAPSO, the government now counted on an institution which was technically competent and had the backing of the Minister of Planning that could coordinate projects that involved many public sector agencies, and multidisciplinary studies. Thus, UDAPSO was involved in the design of an integrated system of social statistics (with INE, all the sectors, and agencies such as UNICEF), and in developing a multidisciplinary and multisectoral action plans.

Information and statistics on the social sectors in Bolivia was out-of-date, it was sparse, and fragmented, with each government institution producing its own data. Moreover, much of the data that existed was collected for bureaucratic purposes and had very little policy relevance. Thus, UDAPSO developed a series of tables which we found relevant for our work. We compiled these in a dossier and distributed them throughout the public sector. There was a very favorable reception to these reports, UDAPSO then decided to publish a small booklet on social statistics which reproduced many of the tables in the working papers and synthesized information from the LSMS. Unfortunately, these statistics have not been updated and recently a research NGO, CEDLA, and ILDIS have produced their own social statistics publication.\(^\text{10}\) This has been clearly an area where UDAPSO was unable to consolidate its initial leadership, despite the fact the setting up a database of social statistics in Bolivia was one of it original mandates.

A good example of UDAPSO's role in policy coordination, was the preparation of the social sector papers for the Consultative Group in 1992. UDAPSO staff prepared the Minister of Planning's presentation and the Director delivered a paper which highlighted the social policy challenges facing Bolivia that was favorably received by the donor community.\(^\text{11}\) This illustrates the trust that UDAPSO enjoyed from the Minister of Planning, the role it played in setting policy in such an international forum, and the competence it had achieved.

Similarly, NGOs and other social sector actors could engage in a policy dialogue with UDAPSO and know that they were dealing with a semi-autonomous, technical unit of one of the most powerful ministries in the government. To the extent that it was done at all, this was

\(^{10}\)For UDAPSO publications see Annex 1. The CEDLA-ILDIS publication is Informe social de Bolivia 1 (La Paz: ILDIS, 1994).

a role that previously had been carried out by some temporary national consultants in a department of the Ministry of Planning. With UDAPSO's creation, such assignments could be carried out regularly by a permanent institution within the public sector. A case in point was the production of the Poverty Map based on the national census of 1992.

The previous poverty map had been carried out under a UNDP project by national consultants working in the Ministry of Planning for that specific task, under the leadership of a foreign consultant in 1988. In contrast, the Poverty Map produced by UDAPSO was an interinstitutional effort of the UPP (the Population Unit of the Ministry of Planning), the INE, and UDAPE. Although a foreign consultant helped develop the methodology, it was a Bolivian effort and the first major project to utilize Census data in a comprehensive manner. The Poverty Map was well received by public and private agencies, as well as by the donor community. It is currently in its third edition and the experience gained in this effort has remained within the public sector. The Map can be updated, improved, or made more detailed and specific studies carried out at the request of policy makers because the capacity of the public sector had been developed. Currently, UDAPSO is developing social statistics and poverty data at the municipal level to address the demands arising from the new Popular Participation Law that creates a municipal structure to administer health and education infrastructure.12

Multi-institutional work provided the opportunity to build important collaborative operational alliances13 both within the public sector and with other actors, and helped UDAPSO gain a prominent place amongst the various domestic and international stake holders and actors in the Bolivian social policy arena. Indeed, building these relationships were a central part of my responsibility. In this process, having well respected senior analysts on the staff was an essential asset.

The development of a single technical unit, within the public sector, which was dedicated to apolitically studying and analyzing social issues, in itself was an important institutional innovation. The government now has a research center which could be tapped for information, data analysis, and advice. Similarly, the donor community saw in UDAPSO a serious technical institution, well placed to influence Bolivian policymakers, with which to consult and visit to obtain data or studies or to discuss policy issues. NGOs and the academic community were also able to benefit from UDAPSO publications or to invite UDAPSO to

12See Working Papers 32/94, 33/95, 34/95 and 36/95, Appendix 1.

13I follow Kiggundu, "Managing research institutions," on this point.
seminars or meeting where social science research was being discussed. Suddenly the Government was producing social research and participating in an ample and diverse policy dialogue with many institutional and social sector actors. This was possible thanks to the type of people UDAPSO recruited—which brought with them their personal networks—and UDAPSO's non-bureaucratic, apolitical, and technical management style that allowed for individual initiative within the institution. These characteristics that differentiated UDAPSO from other public institutions, were possible to develop because it had the personal support of the government's most influential minister and because it did not have political staff.

Organizational structure

USAID finance for UDAPSO was part of its Technical Support for Policy Reform Project (511-0616) whose goal was to "improve ability to formulate, coordinate and implement economic and social policy in Bolivia" and it therefore sought to "provide technical assistance, training, and commodities for studies, assessments, administrative and managerial improvements, and other actions required to advance policy reform in Bolivia." The total foreign currency contribution of the project was $8 million, of which $1.66 million were for UDAPSO over a two year period. The remainder was support for UDAPE and for a newly created Policy Reform Fund. UDAPSO was established to "ensure that full-fledged analytic efforts are brought to bear on the understanding of social issues" and to "improve the social policy framework to build human capital for development in a way that is coherent with macroeconomic constraint." Thus, the Project reflected the main principles of Bolivia's Social Strategy.

With this funding UDAPSO acquired personal computers and the appropriate software. By 1994, it had four 486/50 personal computers and 16 386/33 computers linked in a LAN with Novell 3.11, and two laser printers. It also was able to have access to recent publications and journal literature and participate in national and international seminars (see the breakdown of the budget in table 1). I was fully aware that it was essential that UDAPSO keep abreast of the current literature and make the most of all training opportunities to qualify our staff if we were to develop into a quality research center. The contract with USAID was key to providing UDAPSO with long-term high quality technical assistance through a contract with HIID, whose contribution I analyze below.

In addition to funding in foreign currency UDAPSO covered its operating expenses with Bolivian currency generated under other USAID supported programs. The annual
operating budget was around $US 400,000. Table 2 provides an breakdown of the 1992 and 1993 budget and shows that salaries made up 70% of the 1993 budget, although the 1992 budget included a large purchase of office equipment and telephone lines, salaries still accounted for 49% of the budget.

UDAPSO responded directly to the Minister of Planning and was organized in three departments composed of senior and junior analysts (see figure 1). There was a professional staff of twelve analysts, four of which had masters level training. Only four of the staff were non-economists. We had close contact with the Minister of Planning with whom I had a weekly formal meeting which included his undersecretaries and the Directors of INE and UDAPE.

The management style in UDAPSO was team-based, that is to say we were "a small number of people with complementary skills ... committed to a common purpose, performance goals, and approach for which [we held ourselves] mutually accountable." It had a flexible formal structure and was fundamentally based on the formation of taskforces for specific endeavours. These groups were formed by a senior analysts with a few junior analysts, although sometimes more experienced junior analysts could lead taskforces. The work was product driven and the staff was stimulated toward meeting deadlines and presenting specific products (reports, analyses or papers) rather than on timely and constant presence in the office. Contrary to what is the norm in most public institutions (including UDAPE) there was no entry and exit book to record and control staff working hours. The working environment was results-oriented and employees were judged and rewarded according to their performance, and not on their compliance with time schedules.

Therefore, the incentive structure was founded on the presentation of working papers, taskforce leadership roles and peer evaluation. At the annual salary review, senior analysts evaluated all the staff and their recommendations were then discussed with the Director. Thus, by broadening job definitions, increasing personal discretion and responsibility, and developing a merit-oriented process of staff selection, task assignment, and evaluation UDAPSO was able to develop an "aura of mission." This is similar to what Hilderbrand and Grindle, and Tendler and Freedheim, found on the effect of non-monetary incentives on performance in other

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developing countries. In UDAPSO’s case, this sense of mission was further enhanced by the influence the staff perceived we had on key government officials and the political support we enjoyed.

Much of the above was possible because we were able to establish a homogeneous group of young motivated professionals, which shared a series of common characteristics such as age (between 25 and 40, with most in the thirties), education (all from private and foreign universities), training (a majority of economists), and a strong sense that what we were doing was important. Amongst the staff, we enjoyed a high representation of women, both at the senior and junior level.

The salary structure at UDAPSO was higher than in most public sector institutions, but by no means was it the highest paying organization. Salaries at UDAPE and at many projects with time specific contracts in the Ministry of Planning were higher. So, salary was not the main incentive of working in UDAPSO. The most important incentive was being able to work on macro issues of the social sector. Many of the more experienced staff had worked in specific areas (micro enterprise development, health in NGOs or nonformal education project evaluation) but had never been able to see other areas or their particular area of expertise from a country wide and policy perspective. For junior staff, there was the added incentive of training in specific analytic techniques, in working in multidisciplinary teams, and improving their report and paper writing skills. Another incentive was the possibility of keeping abreast of up-to-date literature and interacting with good external consultants who worked for UDAPSO or were hired by other government institutions or aid agencies that came to work in UDAPSO.

Staff recruitment, with one important exception, was done through informal channels. In a country such as Bolivia, with a small population and few good professionals, it proved best to hire people on personal recommendations for specific technical positions that required a strong mixture of technical competencies and interpersonal skills to become team-players in an institution that was just starting and therefore could not rely strictly on rigid terms of reference. The first group of staff was recruited by me from men and women who worked with me before

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16 These characteristics were also found to be important in the evaluation of the high level of performance in the ESF, see Avila, et. al, Un puentes sobre la crisis and Jorgensen, et. al, Bolivia’s Answer to Poverty.
or were recommended by acquaintances and composed the core group of senior analysts. The second group of economists were hired after a more formal screening process but still through the recommendation of personnel already working at UDAPSO or UDAPE. Only one main analyst was hired through an advertisement in the newspaper.

Finding adequate personnel was difficult. I required people who had experience on the sector, but who were willing to work on a multidisciplinary environment, and from a policy perspective. Thus, despite the fact that health was one of UDAPSO's priorities I was with out a health analyst for months, and under the uncertainty of hiring a medical doctor or somebody with a social science profile. Similarly, one of the reasons for having started with rural studies after 1993 was the impossibility of finding an appropriate senior analyst—despite many newspaper searches. Here too, it was not easy to determine what exactly the professional background should be: an agricultural economist, an agricultural engineer or a rural sociologist? I finally decided on the latter influenced by the fact I had worked with the person before in the Social Investment Fund.

Staff turnover was low (three out of fifteen) and working relations were good. There was a healthy competition amongst the staff based both on technical expertise and on what became to be the "dominant" view of social policy, namely a targeted, poverty alleviation approach with a strong emphasis on human resource development as the corner stone, the need to develop policy within the context of a market economy, and a vehement belief that efficiency in the social sectors was as important as equity. We were able to develop a strong sense of commitment and mutual accountability for the work we did, both of which are key elements for developing a high-performance-team. Since 1995 UDAPSO also has Civil Service staff and therefore there is less scope for "informal" hiring and promotion procedures, and salary structures are more rigid.

My experience corroborates the model put forward by Kiggundu regarding the importance of strategic management. As Director, my main responsibility was to provide internal leadership and manage the external interfaces with our clients, stake holders and potential threats. In this process, I strove to create UDAPSO's character and mission "giving it the image, values and uniqueness that distinguishes it from others." Among the aspects developed to pursue this was a key strategic collaborative agreement with HIID.

The organizational development of UDAPSO was influenced by the relationship with HIID. Initially, this relationship developed from former ties of HIID with UDAPE and my

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18Kiggundu, "Managing research institutions," pp. 203-204.
personal relationship with HIID staff. Once UDAPSO was able to hire the services of HIID, after competitive bidding under USAID funding, there eventually was a resident advisor who played a key role in a series of issues outlined below.

The technical assistance role of HIID was crucial for the way UDAPSO developed from the start. The association with Harvard that HIID brought was a source of prestige with other institutions in Bolivia and gave pride and inspiration to the staff. HIID was an excellent source of consultants and of up to date and pertinent publications. It was UDAPSO's window to the complex web of institutional interdependencies to which a research institution should be linked. Additionally, HIID support was very important for me because HIID staff provided a select group of people with diverse experiences to interchange ideas and evaluate the evolution of technical work in UDAPSO. Senior consultants and the resident advisor supplied much needed guidance in prioritizing the research agenda and help in focusing the work toward a more policy relevant perspective.

Foreign consultants were necessary for at least three reasons. First, they trained staff in particular skills and transferred experience, expertise and knowledge in the various assignments. Second, they advised on best practices and gave recommendations on how to pursue future work or how best to interpret results. Third, they served as a "quality control" mechanism and gave the individual analysts, especially the Director—who was not an expert on econometrics—feedback on the quality of the work and the relevance on the research pursued. In addition to providing an important incentive for the staff, working with quality foreign consultants provided "peers" who could be consulted on a wide variety of research issues. This was very valuable in a setting where there were was not a critical mass of colleagues with whom to interchange ideas. Through contacts in the World Bank and with the help of HIID, we were able to identify both very senior consultants (such as Jere Behrman or Jose Joaquín Brunner) who served as mentors, and also a group of younger consultants many of whom had done their doctoral work on Bolivia, using LSMS data sets, who had a strong self interest in the work they did and were more like peers to UDAPSO analysts. Table 3 summarizes the technical assistance support that UDAPSO used from 1992 to the mid-1995.

The scarcity of highly qualified professionals in Bolivia, specially in analytical studies dealing with the social sectors, suggests foreign consultants will continue to be needed; probably less so for transferring skills and techniques, the first point raised above, but definitely for the second and third aspects. Foreign consultants have a great advantage in being able to draw on their broader comparative experience and to provide an "external," non-partisan and therefore possibly more objective point of view. Moreover, senior consultants with strong academic backgrounds served as role models for analysts and researchers. This is
particularly important in a society with weak universities and research institutions, where there are few such role models.

Thus, the organizational structure was well suited for the formation of good analysts, a top priority, because human capital was UDAPSO's prime asset. How this was achieved is discussed below.

**Human resource development**

Personnel training was an important aspect of UDAPSO's activities and probably one of its most significant and self-sustaining contributions to the evolution of social policy analysis in Bolivia. Specific efforts were made to provide formal training by setting up seminars and workshops in Bolivia and by sending analysts abroad to participate in training activities. In-house training seminars in handling large data sets and using statistical software; in basic and intermediate statistics, econometrics; and in specific analytical tools, such as LOGIT/PROBIT techniques, were key to prepare analysts for future work on household surveys. In 1993 there were two two-week-long seminars in handling large data sets and using specific software packages and another on the use of qualitative dependent variables in econometrics and the use of discrete choice models in education, health and employment with LSMS data.

Yet, for some analysts, it was the demand to write papers and having to discuss them with colleagues that proved to be the main source of training as both analyst-researchers and later on as analyst-policy advisors.

Similarly, training abroad in week or month-long workshops in more general areas such as poverty measurement, education planning and health projects (at Harvard) allowed junior analysts to gain the skills and confidence to assume greater responsibilities in their respective teams and even become senior analysts. Both in-house training and courses abroad proved to be of great use and were a significant stimulus to staff. In both cases, analysts became acquainted with and worked with the most up-to-date literature. Study tours also played a role in training staff. They provided the opportunity to learn by seeing other experiences. A particularly useful example was the tour that education analysts took to Chile to learn how the higher education system was organized and what role the Ministry of Education played, before UDAPSO had to negotiate the budget for public universities the second time.

There also was an implicit on-the-job training by making staff work as counterparts to consultants and encouraging their participation in multidisciplinary teams within and outside
UDAPSO, as members of multiinstitutional working groups in the public sector. This exposed analysts to new theoretical, conceptual and practical issues, and made them interact with a wide array of real life problems in the social sectors and with line ministries which were our main clients. Working in multidisciplinary teams is one of the positive aspects of their work experience most stressed by ex-UDAPSO staff. For example, senior sociologists had never worked in such close contact with economists before, and, for most young economists, it was the first time they worked with sociologists, urban planners, physicians and pedagogues. In both cases these were positive interactions.

Field work was an activity which was not stressed sufficiently. As in most technocratic research institutions, academic knowledge was valued more than empirical knowhow. Although field work was encouraged, there was a greater emphasis on desk work, and therefore, for example, junior analysts working on extreme poverty in the department of Potosí based on census data had never even been there to have a better grasp of the multidimensional characteristics of poverty and never experienced the harsh human dimension of this reality. Similarly, the higher education taskforce in charge of negotiating with public universities had been trained in private universities and abroad, and therefore had no first hand experience of public higher education in Bolivia. Often, however, analysts were sent on field trips that improved their understanding of the problem and awareness of the local importance of universities in the different cities of the interior. In part, these were shortcomings of the small staff numbers and their youth. Senior analysts did have ample field experience and in part complemented the shortcomings of junior analysts. Eventually, however, as staff was encouraged to visit the institutions and projects under analysis, field work was valued more.

Staff training and the good reception of the new type of social research started by UDAPSO had positive externalities on the whole spectrum of social policy dialogue and practice in Bolivia. In the words of Rodney Pereira, a senior analyst of UDAPE, the "status" of social policy was improved. Indeed, according to an ex-UDAPSO analyst, currently pursuing a Ph.D. in economics in Berkeley, "UDAPSO showed [him] why economics is important ... also in areas where people are the main concern." A clear indication of this is the interest generated in economics students in the Catholic University of Bolivia to pursue their thesis in social policy issues. Eight thesis projects are being pursued in many aspects of social policy, many projects are under the guidance of UDAPSO-trained staff and, for example, the first thesis on health economics using a LOGIT model was recently defended by a current UDAPSO analyst who, in turn, is now supervising another thesis on health economics.

\[^{19}\text{Correspondence with Miguel Urquiola, July 1995.}\]
UDAPSO proved to be a "second graduate school" even for those analysts with graduate training. Working in UDAPSO not only taught them new skills, but it also provided policy relevant multidisciplinary training not generally found in graduate schools. The influence of this contribution is discussed below.

Research contribution

UDAPSO's research agenda was set broadly by the Social Strategy which established the priority of human capital development, poverty alleviation and a more efficient use of financial resources. Thus, UDAPSO had a long-term research plan in these areas, but also had to respond to specific demands on short notice from the Ministry of Planning.

UDAPSO was able to concentrate a small but important group of researchers who, probably for the first time—looked into the household, demand-side of social issues in Bolivia from a quantitative and analytical perspective. Although urban household surveys had been carried out previously, very little research was done with this information in Bolivia. What work had been carried out was mostly on the employment module and had been pursued by international aid agency personnel or private consultants. UDAPSO was the first government institution that was able to obtain a complete data set from the INE—thanks in part to collaboration of the Minister of Planning and the directors of INE—, and that had the necessary hardware, software and technical assistance to work on this data, and, more importantly, had an outlet and use for its final product. This was best illustrated by the studies on poverty and higher education. In both instances, the Ministry of Planning was provided with objective up-to-date quantitative information that enabled it to make its case in the public policy debate and, in higher education, it gave the media hard data that allowed for a better apolitical public discussion of higher education issues.

UDAPSO also carried out innovative research using the only available rural household survey, one of the Department of Cochabamba, funded by USAID. UDAPSO presented the results in a local ILDIS policy discussion forum in Cochabamba with positive

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20A good example is the study of the impact of the ESF on employment based on household survey data, see John Newman, Steen Jorgensen, and Menno Pradhan, "How Did Workers Benefit from Bolivia's Emergency Social Fund," *The World Bank Economic Review*, Vol. 5 (1991), no. 2: 367-393. In Bolivia, the private research Centro de Estudios Laborales (CEDLA) uses the employment module and the private consultant firm CIESS-Econométrica, is probably the main user of the social data sets.
comments. Recently, a second study on the employment profile of rural areas, based on this survey, was presented in an ILDIS forum in La Paz. UDAPSO was a strong advocate for having a national rural household survey and showed the benefits of using this type of data for policy analysis, but was unable to get its proposal accepted by INE. To date, Bolivia only has urban household surveys.

The extensive use of LSMS data for health, education and poverty studies enabled UDAPSO staff to provide INE personnel with feedback on the structure of the questionnaires and the data. UDAPSO was therefore, able to influence the data collection process to make it more appropriate for the policy analyst, thereby ensuring greater and better use of the information. Household survey data was looked at in different light after the UDAPSO studies showed the usefulness of this data set for social policy issues. There was a relatively good reception by INE of UDAPSO’s suggestions and a reasonable working relationship developed between UDAPSO analysts and INE staff, which accounts for the help we were able to obtain. There is consensus amongst UDAPSO’s analysts that it was these personal contacts that made possible the help we obtained from INE, rather than a customer service policy in the institute. The importance of health and education data, however, has not fully been internalized in INE, and their strong bias for the labor module, almost determined that the next round of the LSMS concentrate only on labor. UDAPSO was the sole voice that complained and advocated the multi-thematic characteristics of the survey, which is one of its strengths.21

UDAPSO’s work on LSMS data started an unprecedented trend in applied research in Bolivia, introducing characteristics of empirical and quantitative techniques new to a research tradition based mainly on essay type qualitative papers. Another important contribution, albeit still at an initial stage, was the start of a greater policy orientation in the research. This emphasis was new to the traditional reports written in the public sector and the research carried out in private and public institutions, which had a strong emphasis on diagnosis. Considering it’s mandate, policy was stressed and analysts were forced to think through the policy relevance of their research from the outset, thereby helping to develop a greater analytical capacity in the staff. This must be seen in a context where there is no university training in policy analysis.

UDAPSO working papers (Annex 1)—which were the main form of research dissemination—had a good reception amongst other public sector institutions such as line ministries and the Education Reform Taskforce (ETARE), research NGOs, as well as

21Personal communication with Marina Cárdenas, UDAPSO Health Analyst, September 1995.
multilateral and bilateral aid institutions. Although working papers were not externally peer-reviewed, they were discussed internally and formally revised internally before they were mimeographed. They were cited in studies by the World Bank, ECLAC, ILO and the Swiss, U.S., and Netherlands government cooperation agencies in Bolivia. UDAPSO's research was also well received and stood out in the reports on the state of social science research in Bolivia commissioned by the Netherlands Technical Cooperation Agency. Indeed, the poverty work done by UDAPSO, based on income distribution in urban areas, received a strong backing in the Consultative Group in 1993, where the Netherlands delegation expressed that they would continue to support "the excellent analytical work of institutions such as UDAPSO on poverty."*

Research dissemination was also an important part of UDAPSO's networking and allowed it to develop additional strategic collaborative alliances with multilateral organizations to pursue joint research projects. The quality of UDAPSO research publications extended beyond the local academic environment and the international development community. Two publications—one on economic growth and urban poverty, and another in higher education—were favorably reviewed in international academic journals. What remains to be done is for working papers to be submitted to formal external peer review, in particular by sector specialists, and for UDAPSO staff to strive to publish their findings in international journals.

Strengthening research requires academic leadership and being able to build on previous research and researchers. The departure of senior researchers in areas such as poverty and education have weakened UDAPSO's relative comparative advantage in these areas and there seems to be a greater drive towards operational studies than to analytical pieces. Similarly, the current administration appears less interested in disseminating research, and UDAPSO has had no new publications since 1993. On the other hand, research in an institution such as UDAPSO is always competing against "fire fighting" which ranges all the way from analyzing a specific project or budget for tomorrow or writing "position papers" or even speeches for the Minister on a wide array of social sector topics. It is striking the right balance between being able to satisfy such random and short term needs, and defining strategic

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research lines that will provide important policy recommendations in the future, that is the key. This implies being able to say no to some requests, and to have clear research priorities, "with relevant research questions and to understand how these might be addressed using systematic analytic techniques."²⁴ It also implies being able to draw policy implications from the research, which was probably the one of most difficult tasks I had to face in UDAPSO, and one for which I had no formal training.

Although the use of the research findings for policy formulation was not widespread, the most successful example was the data and analysis carried out in higher education that served the policy maker and helped raise public awareness of the inefficiency and inequity of public universities. This was only possible, however, when staff were willing to translate some results and policy recommendations into readable newspaper articles and to participate in public debates on these issues.²⁵ In other words, highly technical academic working papers were not appropriate for widespread public dissemination, but did provide the base for preparing such interventions.

Policy formulation

Institutional innovation, staff training, the policy research documents produced, and HIID assistance were all supposed to enable UDAPSO to accomplish its mission: formulate policy and provide the government with concrete guidelines to accomplish its social sector agenda. I will evaluate how well UDAPSO achieved this important objective by providing specific examples. First, however, I must stress that the time period in question—just over two


years—is very short to be able to confirm long-term impact. Despite this, there were important advances in this area, which is a complex affair and is in its infant stage in Latin America.  

Staff training and the research papers produced were an important initial investment to be able to provide sound policy advice and formulation. They must be seen as a crucial start up cost, particularly considering the scarcity of a qualified senior personnel, the young age of most analysts and the innovative nature of many of the jobs pursued.

A major contribution of UDAPSO research in policy formulation, was in higher education. This experience illustrates the importance of going beyond research to public deliberation, persuasion, and advocacy in order to develop policy formulation and help its implementation.  

Traditionally, the higher education budget was set on historical trends by the Ministry of Finance. Under pressure from the universities, the higher education budget had increased by 43 percent in nominal terms between 1990 and 1991 and represented 25% of the education budget for 110,000 students. In the light of the government's efforts to devote greater resources to primary education—which was the priority sector under the Social Strategy—and to comply with agreements with the World Bank that was funding the task force in charge of Education Reform, it was key to stop the indiscriminate growth of the public university budget. In these circumstances, the Ministry of Planning took it upon himself to address the university budget. To carry out this political decision he requested UDAPSO to develop a strategy and supply guidelines to distribute the university budget amongst the nine public universities.

UDPASO's first proposal was to stop all negotiations with universities until they provided the information necessary to analyze their academic and financial situation. Until then, only financial issues had been discussed between the government and the public universities, and negotiations usually took place in the Ministry of Finance. Once UDAPSO drew up a list of academic, administrative and financial data that universities should submit, and they grudgingly complied, it became obvious there was no department in the Ministry of

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Planning which could assume responsibility for evaluating the data received and lead the negotiations. The same was true for the Ministry of Education, which lacked the confidence of the Minister of Planning, because of its institutional weakness. So, UDAPSO ended up being assigned responsibility for reviewing the data, and proposing a negotiation strategy with each university. Originally, it was the Minister of Planning who was going to carry out the negotiations, but his over extended agenda gradually shifted the responsibility for the initial round of negotiations to UDAPSO. Suddenly the UDAPSO Director and his staff became the coordinator and technical counterpart for negotiations with public universities.

Analyzing the data from the public universities and presenting it in working papers, publications and a variety of charts and graphs, enabled UDAPSO to show the internal inefficiencies, pointing out there was an inappropriate use of funds, rather than a scarcity of resources. The data and analysis were used mostly by the Minister for both the actual negotiations and in his contact with the press, which reproduced some of the more alarming figures. Thus, UDAPSO, got considerable public exposure. After a round of strenuous negotiations, the final budget figures for the nine universities were increased by 17 percent. In the process they had been under public scrutiny and questions regarding their internal efficiency had surfaced and been discussed both in the negotiation table and in the press.

Much experience was gained in the first year that UDAPSO was charged with negotiating the university budget. The following year UDAPSO prepared a strategy to be able to have differentiated budget increases tied to performance criteria. In view of the expertise gained the year before, a more careful scheme was started which built on the previous year’s research papers. In addition to greater proficiency in data collection and analysis, the staff assigned to the higher education task force had gained negotiation-ability and knew more about the internal workings of the different universities. Moreover, this time round, UDAPSO was aware that a more aggressive public relations strategy was necessary. So, based on a UDAPSO publication that analyzed the internal and external inefficiencies of public universities, and the inequitable situation of public resources going to this sector, a series of articles were written by UDAPSO staff, in reply to criticisms raised to the publication. The debate lasted three months with articles being written every weekend. This was probably a first in the Bolivian press and has subsequently been referred to as “the most far reaching and appealing public debate of the last two decades,” by a well respected higher education analyst.28 I also participated in three television debates on higher education and debated on

28Gustavo Rodríguez Ostría, "Políticas públicas y modernización de la universidad boliviana," in Fundación Milenio, Diálogos de Milenio, no. 15, Educación Superior en Bolivia (La Paz, 12 April 1995).
higher education issues in the universities of La Paz and Oruro. As a result, the government was able to sign performance contract with each of the public universities that provided for an initial 10 percent increase in their budgets, with a premium on the basis on specific reforms, which provided additional resources of up to 8 percent. This was a significant breakthrough in the government-public university relations in Bolivia.

In addition to the concrete budgetary results and the papers written on issues of higher education, UDAPSO decided to concentrate on higher education. It organized an international conference in Cochabamba, where international scholars and consultants presented papers on higher education finance, efficiency, administration and private universities. The conference had a good reception from both public and private universities, and provided a forum in which many of the issues raised in the heat of the budgetary negotiations could be discussed in a more reflective academic manner. Again, probably for the first time, the government was addressing issues of equity and efficiency in higher education technically, and was starting a policy dialogue with public and private universities. The publication that resulted from this meeting was well received by the international academic community.29

The public exposure UDAPSO received and the dissemination its policy advice and studies got in the media, allowed it to be identified as the unit within the government that specialized in higher education and the one that could and should provide policy guidelines for university reform. This is one of the best tributes to the social policy formulation role played by UDAPSO in this area. The need to address higher education issues on a permanent and institutionalized basis was so clearly made by UDAPSO'S experience with the public universities that the current administration has set up an Under Secretary for Higher Education in the new Ministry for Human Development. Yet, ironically, UDAPSO has lost its leadership in higher education and the government has set up a new unit to advice the Minister of Human Development on accreditation, which was included in the Education Reform passed in 1994.

UDAPSO'S experience with higher education policy illustrates the importance of producing solid analysis, while also being willing to assume a more operative role—such as actually negotiating—that an advisory unit is generally expected to perform and to engage in public debate, which is often overlooked. With hindsight, the risk was worth taking as it allowed UDAPSO to learn from the process and have immediate and significant policy impact. It portrays well the importance of process in policy formulation and confirms Majone's point that "... objective analysis, unassisted by advocacy and persuasion, is seldom sufficient to

29See note 23.
achieve a major policy breakthrough ... [t]o be effective, then, an analyst must often be an advocate. "30"

Advocacy also proved useful in another successful policy formulation: gender issues. In this case, a major UDAPSO study on the situation of women with concrete policy recommendations led to establishing a Program for Women in the previous administration that this government has turned into full fledged Under Secretary of Gender in the Secretary of Gender, Ethnic and Generational Affairs in the Ministry of Human Development. What UDAPSO accomplished with its study was to bring gender issues to consideration in government circles. Although many studies had been carried out with the auspices of NGOs before, and UDAPSO's study built on this work, UDAPSO's involvement provided gender studies with an institutional legitimacy, and its position within the government assured gender issues were considered. The support of Rosario Paz Zamora (the President's sister), on the other hand, provided significant political support. This support was lacking in another UDAPSO project and policy proposal—microenterprise development—and despite the advocacy and convocation activities that UDAPSO sponsored, there were no policy results. 31

Conclusions

The creation of UDAPSO developed the government's capacity to analyze and formulate public social sector policy. From this point of view, UDAPSO was an effective institution. A good example of this was the experience in higher education where policy was formulated and implemented. The policy recommendations had concrete percussions in the behavior of the government.

There were important institutional, personnel development and research impacts in setting up and developing UDAPSO. It managed to concentrate all social sector policy issues and become a competent technical counterpart for both public and private institutions. Once initial fears about competition were over come and UDAPSO proved itself, public sector institutions accepted its technical advice. It also proved capable of coordinating certain actions in the social sector.


UDAPSO trained a small cadre of young social scientists in analytical techniques to work on social sector issue from a new perspective: household demand characteristics. Senior analysts were exposed to this type of outlook on the social sector and were able to both learn from economists, as well as teach them from their own experience and professional skills. All analysts benefited from working in multidisciplinary teams. The quality of the staff training is borne out by the successful careers of analysts once they left the institution. Some have become Directors in public agencies and NGOs, and others have pursued academic careers: from developing postgraduate courses in Bolivia to becoming doctoral students in economics in U.S. universities. This type of effect is the most sustainable because the individuals trained will continue to interact with other people and to have an impact on the evolution of social policy in Bolivia.

UDAPSO's research was innovative and influenced the way social policy research is currently being carried out. It introduced a more empirical and analytical vein, and developed a greater quantitative component that made social policy research more rigorous. In sum, UDAPSO made research on social policy attractive and "respectable," even for economists. This effect should not be understated, and it is the kind of impact that was not expected when the institution was being conceived, and may be the type of effect that must be actively sought in projects of this type. This was possible because an intelligent group of men and women were given the means (and support) to pursue objective apolitical research in collaboration with established researchers in the field. Thus, a sort of graduate seminar was developed. In a country without good graduate studies, these externalities must be considered to be favorable outcomes.

UDAPSO helped the government solve short and medium term policy issues. The competence and credibility that UDAPSO developed, allowed the government to engage in a more technical policy dialogue with different social sector actors in Bolivia and with the international community, than had ever occurred before. Moreover, in a relatively short time span, UDAPSO provided a focussed long-term view of social policy, and with its discourse developed an ideology of social policy in Bolivia. This is in line with the characterization of policy research institutions which are not supposed to "create new knowledge, but rather to articulate a vision of the world."32

What explains UDAPSO's relative success? There are important demand and supply considerations. From the demand side, there was a need for social policy advice that this type of institution was particularly well suited to provide. At the government level, there was a

32L. Dubozinkis, quoted in Lindquist, "Think tanks or clubs?", p. 552.
political commitment toward social development and the need to formulate policy. Creating a social policy analysis unit allowed the government to move forward and comply with its own agenda, and to show its constituents and multilateral organizations that it was mainstream. Agencies such as the World Bank and bilateral donors, on the other hand, also had a demand for social sector data gathering, analysis and project evaluations that could now be carried out by an objective, apolitical, technical government institution and not by ad-hoc consultants. Moreover, there was a growing demand in all development agencies for the type of research that UDAPSO was doing.

From the supply side, there was an adequate institutional framework in which UDAPSO could fit in the Ministry of Planning. Moreover, the Ministry already had experience in lodging UDAPE, and therefore the risks and costs of setting up UDAPSO were considerably lower because of the prior experience with UDAPE. Indeed, UDAPSO reproduced the UDAPE model in its relationship with its main donor (USAID) and in its working with HIID. USAID also had familiarity in working with a policy analysis unit, was sensitive to developing management potential in UDAPSO and supportive of the personnel training emphasis. HIID, on the other hand, had expertise elsewhere and in Bolivia, was able to provide sound technical assistance, and also had goodwill toward UDAPSO. A good rapport developed between UDAPSO and HIID staff and consultants. Finally, although scarce, UDAPSO was able to attract a small group of young well trained analysts, train them further, and reinsert them in an institution with a strong sense of mission and a results-oriented research set of values. Developing a strong esprit de corps is a key ingredient for the successful start up of any organization. UDAPSO's experience confirms that in research institutions it is fundamental to have a strong strategic management capacity and leadership in the person in charge of the institution.

What remains to be seen is how sustainable UDAPSO is. The institutions is far from consolidated and it has managed to accommodate to the change of government and survive. It has yet to find its place in the new government structure and the new social policy emphasis of the present administration which is more on the implementation of Popular Participation (the decentralization of public resources and basic services to rural areas through municipalities) and Education Reform, than in the determinants of poverty levels, for example. Moreover, its heavy reliance on a single major donor and a single major client is probably its main risk for long-term sustainability. The strategy of diversifying its financial resource base will no doubt reduce this risk. Joint research projects were started with multilateral and bilateral agencies with that purpose in mind. And, if the quality of the work remains adequate, it will not be difficult for UDAPSO to pursue this strategy further. Another source of threat to long-term
stability is the changing nature of the Bolivian public sector and the politicization of the institution. This can be reduced somewhat by diversifying the client base and strengthening the internal structure of the institution and its relationship to the various dependencies of the Ministry of Human Development. Ultimately, however, it is maintaining objective, practically oriented social policy analysis and recommendations (and UDAPSO's skills mix and the value system) that will enable UDAPSO to survive. This is probably the most general lesson that this experience has to offer.

With the change of government, some key senior people left UDAPSO and the role that the present administration has given the institution is somewhat different. UDAPSO no longer answers to the senior Ministry, but to a Secretary within the Ministry of Human Development. Although social research and analysis has continued, UDAPSO's role in formulating social policy proposals and in advocacy is less visible and therefore the social sector has lost an important center for policy dialogue and debate which, as I argued elsewhere, has limited the visibility of social policy analysis in the current government's agenda.

From the above experience there are four key "lessons."

First, for a policy research institute to be effective it must be within the government structure and answer to the highest authority in the area (in Bolivia's case the Minister of Human Development). It must be above line ministries or secretaries, although it should work with them and not around them. Although the analysis unit responds to the Minister, it should be able to set its own research agenda. The final agenda will no doubt be influenced by government policy, but the ultimate decision should be on the Director or an external board of trustees. This idea was discussed in UDAPSO, but was never implemented.

Second, the quality of the research should be as high as possible. This requires academic leadership in the head, and access to resources that can hire the best people available and have access to quality technical assistance. High quality research must not sacrifice policy relevant research, and so there should be a clear demand for practical papers and for policy proposals. Policy relevant research must be useful for line ministries, secretaries, local governments, and municipalities. Research dissemination and advocacy of the policy proposals is key. The institution should synthesize government thinking on social policy and be a reference point. The technical and apolitical nature of the institution should be stressed.

33See my "Desafíos para la inserción de la política social en la agenda gubernamental" in Diálogos de Milenio, no. 19, La situación social en Bolivia, La Paz, July 1995.
Third, initial funding for UDAPSO comes from external donors, and is not sustainable. Thus, the institution should be able to develop proposals to obtain external funds and the government should provide for local resources to replace external ones. The active participation in fund raising and in obtaining funds through competitive bidding should be encouraged.

Fourth, people make institutions. Hiring and working conditions should be attractive and a task-oriented, problem solving, and product driven environment must be developed to obtain best results. Building analytic capacity is a slow and costly process and policy research centers like UDAPSO have great potential to train people, that become its main asset. There must therefore be a clear policy to train and to promote people to make sure they stay in the institution and help up-grade the human resource base.

Social Policy Analysis Unit (UDAPSO)
Table 1

USAID Resources for UDAPSO Technical Assistance in Bolivia
(In 000 US Dollars)

<table>
<thead>
<tr>
<th>BUDGET</th>
<th>1993-94*</th>
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<tr>
<td>Technical Ass.</td>
<td>1.350</td>
</tr>
<tr>
<td>Training</td>
<td>160</td>
</tr>
<tr>
<td>Equipment</td>
<td>130</td>
</tr>
<tr>
<td>Publications/Workshops</td>
<td>15</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1.655</td>
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</table>

*Does not include HIID Technical Assistance. Execution until April 1994.

Table 2

Local Currency Actual Expenses, 1992-93
(In 000 US Dollars)

<table>
<thead>
<tr>
<th></th>
<th>1992</th>
<th>%</th>
<th>1993</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>118</td>
<td>49</td>
<td>273</td>
<td>70</td>
</tr>
<tr>
<td>Services</td>
<td>70</td>
<td>29</td>
<td>96</td>
<td>25</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>13</td>
<td>6</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>40</td>
<td>17</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>242</td>
<td>101</td>
<td>392</td>
<td>101</td>
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Table 3

Technical Assistance Received by UDAPSO from HIID  
(Person months, person days and 000 US Dollars)

<table>
<thead>
<tr>
<th></th>
<th>1993</th>
<th>1994</th>
<th>1995</th>
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<tbody>
<tr>
<td>Long-Term Consultant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Person months)</td>
<td></td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Short-Term Consultants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Person days)</td>
<td>34</td>
<td>286</td>
<td>558</td>
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<tr>
<td>Estimated Cost</td>
<td>21</td>
<td>352</td>
<td>348</td>
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APPENDIX 1

UDAPSO WORKING PAPERS AND PUBLICATIONS

Books

1. The Social Strategy and its Implementation, 250 pp., 1992


4. Social Indicators, 99 pp., 1993


Research monographs

1. Rodrigo Villarreal C., Crisis in Bolivian Universities, 51 pp., 1993


Working Documents

00/92 Tito Velasco y Juana Albarracín. "Methodology for the construction of the basic food basket." October 1992.


24/94 Various authors, "Evaluation of the Policy to Provide Free Services to Children Under 5 years of Age." July 1994.


<table>
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<tr>
<th>Working Paper Number</th>
<th>Title</th>
<th>Author(s)</th>
<th>Date</th>
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<tr>
<td>No. 1</td>
<td>Building Analytic Capacity in Conjunction with LSMS Surveys: The Jamaica Story</td>
<td>Lorraine Blank, Margaret E. Grosh, Pauline Knight</td>
<td>March 1996</td>
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<tr>
<td>No. 4</td>
<td>Building Analytic Capacity in Conjunction with LSMS Surveys: The Kyrgyz Republic</td>
<td>Raylynn Oliver</td>
<td>November 1995</td>
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<tr>
<td>No. 5</td>
<td>Lessons from the Project for Statistics on Living Standards and Development: The South African Story</td>
<td>Francis Wilson, Dudley Horner</td>
<td>September 1995</td>
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<td>No. 6</td>
<td>The Sensitivity of Consumption Aggregates to Questionnaire Formulation: Some Preliminary Evidence from the Jamaican and Ghanaian LSMS Survey</td>
<td>Margaret E. Grosh, Qing-hua Zhao, Henri-Pierre Jeancard</td>
<td>January 1995</td>
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<tr>
<td>No. 7</td>
<td>Review of the Agricultural Activities Module from the Living Standards Measurement Study (LSMS) Survey</td>
<td>Dean Jolliffe</td>
<td>July 1995</td>
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