

Budget Deficit, Money Growth and Inflation: Evidence from the Colombian case

Money Affairs

Número:

1

Publicado:

Jueves, 1 Enero 2009

Resumen:

Evidence of the causal long-term relationship between budget deficit, money growth and inflation in Colombia is analyzed in this paper, considering the standard (M1), the narrowest (M0-Base) and the broadest (M3) definitions of money supply. Using a vector error correction (VEC) model with quarterly data over the last 25 years, the study found a close relationship between inflation and money growth on the one hand, and between money growth and fiscal deficit, on the other. The size of the long-term parameters looks acceptable, particularly when compared to what is seen in other countries, using analogous or different techniques. The conclusion, supported by several statistical tests, is that the Sargent and Wallace hypothesis would be the most appropriate approach to understanding the dynamics of these variables.

[Descargar documento](#)

Lo más reciente

[Deuda Pública, Expectativas sobre el Déficit Fiscal y su Transmisión al Componente Cíclico de las Tasas de Interés de Largo Plazo](#)

José Vicente Romero-Chamorro, Hernando Vargas-Herrera

[Borradores de Economía - Corto vs mediano plazo: movimientos del tipo de cambio, inversión y la composición por monedas de las hojas de balance](#)

Juan Camilo Medellín-Martínez, Sergio Restrepo Ángel

[Oportunidades negadas: radiografía de la exclusión y el trabajo precario para la juventud en Cartagena](#)

Andrea Sofía Otero-Cortés, Karina Acosta, Jhorland Ayala-García, Oriana Álvarez Vos, Sara Rojas

[Otras Publicaciones](#)