

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

[Comercio exterior de servicios en Colombia 1994-2024: Un análisis descriptivo](#)

Sandra Isabel Salamanca-Gil, Enrique Montes-Uribe, Juan Sebastián Silva-Rodríguez

[Impacto de los cierres en la vía al llano sobre los precios de los alimentos en Colombia](#)

Jhorland Ayala-García, Yesica Tatiana Lara-Silva, Alejandro Alberto Vargas-Villamil, Lina Romero-Chaparro

[Impacto macroeconómico y fiscal del cambio demográfico](#)

Jesús Alonso Botero-García, Ligia Alba Melo-Becerra, Cristian Castrillón Gaviria, Daniela Gallo

[Otras Publicaciones](#)