

Government Borrowing and Crowding Out

AMERICAN ECONOMIC JOURNAL-MACROECONOMICS

Número:

1

Publicado:

Miércoles, 4 Diciembre 2024

Authors:

Yasin Kursat Onder^e,

Sara Restrepo-Tamayo^e,

María Alejandra Ruiz-Sánchez^a,

[Mauricio Villamizar-Villegas^a](#)

Ver más

^eExterno

^aBanco de la República, Colombia

[Descargar documento](#)

Lo más reciente

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

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

[Revista Ensayos Sobre Política Económica - Explorando las brechas de género en Colombia](#)

María Teresa Ramírez-Giraldo, Karina Acosta, Olga Lucía Acosta Navarro, Lucía Arango-Lozano, Fernando Arias-Rodríguez, Oscar Iván Ávila-Montealegre, Oscar Reinaldo Becerra Camargo, Leonardo Bonilla-Mejía, Grey Yuliet Ceballos-García, Luz Adriana Flórez, Juan Miguel Gallego-Acevedo, Luis Armando Galvis-Aponte, Luis M. García-Pulgarín, Andrés Felipe García-Suaza, Anderson Grajales, Daniela Gualtero-Briceño, Didier Hermida-Giraldo, Ana María Iregui-Bohórquez, Juliana Jaramillo-Echeverri, Karen Laguna-Ballesteros, Francisco Javier Lasso-Valderrama, Daniel Márquez, Carlos Alberto Medina-Durango, Ligia Alba Melo-Becerra, María Fernanda Meneses-González, Juan José Ospina-Tejeiro, Andrea Sofía Otero-Cortés, Daniel Parra-Amado, Juana Piñeros-Ruiz, Christian Manuel Posso-Suárez, Natalia Ramírez-Bustamante, Mario Andrés Ramos-Veloz, Jorge Leonardo Rodríguez-Arenas, Alejandro Sarasti-Sierra, Bibiana Taboada-Arango, Ana María Tribín-Urbe, Juanita Villaveces

[Uncertainty and monetary policy: the case of the Central Bank of Colombia](#)

Hernando Vargas-Herrera

[Otras Publicaciones](#)

We investigate the impact of fiscal expansions on firm investment by exploiting firms with multiple banking relationships. Further, we conduct a localized approach and compare the lending behavior of banks that barely met and missed the criteria of being a primary dealer, as well as barely winners and losers at government auctions. Our results indicate that a 1 percentage point increase in primary dealer banks' bonds-to-assets ratio decreases loans by 0.2 percent, which leads to declines in firm investment, profits, and wages. Our findings are grounded in a quantitative model with which we compute the cost of borrowing on the economy.