



# Essays on Economic Policy (ESPE in Spanish) - Non-Linear Fiscal Multipliers for Public Expenditure and Tax Revenue in Colombia

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## Abstract

This paper analyzes the non-linear and asymmetric effects of fiscal multipliers for expenditure and tax revenue for the Colombian economy. For this purpose, we use autoregressive vector models with smooth transition estimated with Bayesian methods between 1995-Q1 and 2015-Q4. The results show evidence of the existence of dependence on the impact (non-linearity) and none-asymmetry of fiscal multipliers. We found that expenditure and tax revenue multipliers are higher when the economy is in periods of a negative output gap than when it is positive. Also, the expenditure multipliers are slightly lower than the tax revenue multipliers regardless of the state of the economy.