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The Government Budget: An Approach to Transfer and Investment

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AUTHOR OR EDITOR Ligia Alba Melo-Becerra Jorge Enrique Ramos-Forero Camilo Gómez
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Abstract
This paper presents a review of the theoretical literature on the political economy of the government budget, describes the budget process in Colombia with its problems and limitations, and explores in detail the transfer and investment components of the General Budget of the Nation, whose composition is more complex to evaluate due to the nature and variety of its items. These two components represent close to 60% of the budget and show great in exibility of public spending, especially in transfers. The in exibility stems from the diversity of appropriations with legal backing, which limits the margin of maneuver for governments when formulating the budget. The investment is made up of a wide range of social programs, subsidies and infrastructure projects, which in some cases correspond to commitments acquired in previous periods, through so-called "vigencias futuras", which also contribute to the in exibility of the budget. The rigidity of the budget deepens with the frequent approval of laws that generate additional spending on a temporary or permanent basis.

Fuente: https://www.banrep.gov.co/en/government-budget-approach-transfer-and-investment