Working Papers on Economics - Monetary policy transparency in Colombia

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Publication Date: Friday, 18 of October 2024 **Abstract**
Transparency is often emphasized as a key element for central bank independence and the effectiveness of monetary policy. Between 2018 and 2019, the Central Bank of Colombia (Banco de la República) undertook a significant overhaul of its monetary decision-making process, which led to significant changes in how the bank works to design its monetary policy and communicate its outlook on the economy and its interest rate decisions to the public. This paper assesses how these changes may have impacted monetary transparency over time. To this end, we compute the Dincer-Eichengreen-Geraats (DEG) Transparency Index (Dinçer et al., 2019) and the Central Bank Transparency-Inflation Targeting (CBT-IT) Index (Al-Mashat et al., 2018) and find that the implemented changes led to an increase in monetary policy transparency, which, to a large degree, closed the gap with respect to the leading central banks with IT regimes and highest transparency ratings.

Fuente: https://www.banrep.gov.co/en/publications-research/working-papers-economics/monetary-policy-transparency-colombia