
[Download](#)

Keep in mind

The series *Documentos de trabajo sobre economía regional y urbana* (only in Spanish, Working Papers on Regional and Urban Economics) is a publication of Banco de la República in Cartagena. The opinions contained in this document are the sole responsibility of the authors and do not commit Banco de la República or its Board of Directors.

AUTHORS AND/OR EDITORS

[Pérez-Valbuena, Gerson Javier](#)

[Ricciulli-Marín, Diana](#)

[Bonet-Morón, Jaime Alfredo](#)

[Barrios-Pacheco, Gisell Katerine](#)

The series [*Documentos de trabajo sobre economía regional y urbana \(only in Spanish, Working Papers on Regional and Urban Economics\)*](#) is a publication of Banco de la República in Cartagena. The opinions contained in this document are the sole responsibility of the authors and

do not commit Banco de la República or its Board of Directors.

Publication Date:

Friday, 08 November 2024

Abstract

Fiscal policy in Latin America has played a key role in the recovery of fiscal sustainability and the enhancement of the population's quality of life. The objective of this article is to conduct a descriptive analysis of the fiscal position of the region and its link with economic and social indicators. The results reveal a high prevalence of indirect taxes, especially sales tax and value-added tax (VAT). It also highlights the still limited and inefficient use of revenue collection instruments in their aim to improve the population's well-being. Despite the progress made in the search for macro-fiscal sustainability, aimed at offering greater wellbeing to the population, tax systems are still far from meeting their objectives of equity and efficiency. Some of the hypotheses mentioned in the literature as the determining factors of these discouraging results are the presence of informality, evasion, and low quality of spending.

“Despite the advances in the pursuit of macro-fiscal sustainability aimed at providing greater well-being to the population, tax systems in Latin America are still far from achieving their goals of equity and efficiency.”