El peligro del populismo
Populismo macroeconómico en América Latina
¿Es Colombia la excepción?

The danger of populism
Macroeconomic populism in Latin America
Is Colombia the exception?*

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Resumen

En las últimas décadas, el populismo ha vuelto a cobrar importancia en América Latina. Se expresa en las formas de gobierno de izquierda o derecha, como ocurre en Venezuela con Hugo Chávez y Álvaro Uribe en Colombia, así como en expresiones de movilizaciones en sectores rebeldes de la población.

Este concepto ambiguo adquiere diferentes significados. Desde el punto de vista económico, el populismo macroeconómico hace hincapié en el crecimiento a través de políticas redistributivas en el corto plazo para aumentar el consumo, dejando de lado el equilibrio macroeconómico, especialmente en lo que respecta a la inflación y el déficit fiscal.

Este documento sostiene que el populismo macroeconómico no es nuevo y se ha aplicado en América Latina en varias ocasiones. Con algunas diferencias y en diferentes momentos de la historia económica, los gobiernos de Argentina, Chile, Perú y Venezuela, han recurrido al uso de las políticas de expansión fiscal, monetaria y de crédito y la sobrevaloración de la moneda para acelerar el crecimiento y redistribuir el ingreso. Cuando se aplica existe la preocupación acerca de las restricciones fiscales y cambiarias. El resultado es una inflación galopante y una crisis económica, lo que puede explicar la inestabilidad y la hiperinflación que América Latina ha experimentado.

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Colombia, curiosamente, a lo largo de su historia, es una excepción a esta regla, debido a la independencia de las instituciones que gestionan la política monetaria y las barreras que implica para el ejecutivo.

Palabras clave

El populismo, populismo macroeconómico, fiscal, política monetaria, la política económica, la hiperinflación, la hiperinflación clásica, la inflación, las fases de populismo macroeconómico, la estabilidad, América Latina, Argentina, Chile, Perú, Venezuela, Colombia.

Abstract

In recent decades, populism has regained prominence in Latin America. It is expressed in forms of government from left or right as it happens in Venezuela with Hugo Chavez and Alvaro Uribe in Colombia, as well as from mobilizations expressions rebellious sectors of the population.

This ambiguous concept takes on different meanings. From the economic point of view, macroeconomic populism emphasizes growth through redistributive policies in the short term to increase consumption, neglecting macroeconomic balance, especially with regard to inflation and fiscal deficit.

This paper argues that macroeconomic populism is not new and has been applied in Latin America repeatedly. With some differences and at different times of economic history, the governments of Argentina, Chile, Peru and Venezuela, have resorted to the use of fiscal, monetary and credit expansive policies and overvaluation of the currency to accelerate growth and redistribute income. When applied there are concerns about fiscal and exchange restrictions.

The result is a galloping inflation and an economic crisis, which may explain the instability and hyperinflation that Latin America has experienced. Colombia, curiously, throughout its history, is an exception to this rule, due to the independence of the institutions that manage monetary policy and the barriers that implies for the executive.

Keywords

Populism, macroeconomic populist fiscal policy, monetary policy, economic policy, hyperinflation, classic hyperinflation, inflation, macroeconomic populism phases, stability, Latin America, Argentina, Chile, Peru, Venezuela, Colombia.

Introduction

During the last decade populism has once again come to the center of the political scene in Latin America. It is expressed in two different ways. The first, is the tra-

ditional style expressed by the government, as in Venezuela with president Hugo Chávez. The second way has origin in mobilization of the population where might be a "latent populism" which could become evident when this population reach power. Two examples of this type of populism are the cases of "Piqueteros" in Argentina and "Cocaleros" in Bolivia (Pinto, 2004).

When we talk about populism we are faced with a very "ambigous concept" which can be wide and inclusive (Panizza, 2009). It depends on what we want to emphasise. Then, from the point of view of the economy of a country- which is the subject of this article- populism males emphasis on the growth by short term public policies of redistribution in order to growth the consumption. These effect the macroeconomics equilibrium, especially inflation and fiscal deficit. In this case we talk about macroeconomic populism (Dornbusch, 1997).

There are some cases where the classic populism regimen can apply economic decisions which benefit some people. There is a kind of "distributive microeconomic" which can be compatible with a "stable macroeconomic". It could be the case of Menem in Argentina or Fujimori in Peru (Degregori, 2001). But macroeconomic populism is not a new situation; it has been applied in Latin America in different periods (Edwards, 2009, 33 y ss). Macroeconomic populism uses fiscal, monetary and credit expansive policies and strong valuation of the currency in order to accelerate the growth of the economic and redistribute the income. These policies applied without fiscal and monetary restrictions and the result is high inflation and economic crises as has occurred in the next cases we are going to analyze in this article (Argentina, Chile and Peru). These cases prove that the populism is the cause of the hyperinflation rule and it can be seen as a cause of the hyperinflation and the macroeconomic instability in Latin America (Edwards, 2009). Colombia, curiously some years ago was the exception to this rule.

1. The research problem

The term populism was originally used in the United States in the mid-1890s, referring to the People's Party, but since almost no movement or leader has acknowledged being "populist." In current political parlance, the term has a negative connotation, being closely associated with terms like "demagogia", economic bounty, which indicate economic or political irresponsibility (Panizza, 2009, 9).

Populism is a controversial concept, and agreements about what it means and who qualifies as a populist is more difficult because this analytical category is not want with politicians which to identify themselves (Panizza, 2009, 9). With the economic crisis of the late twentieth century, characterized by external shocks, among which are included the effects of the Asian crisis and the Swiss bankruptcy (Paramio, 65), the dynamism that characterized the economies of Latin America in the early years of the nineties (except for Mexico, Argentina and Uruguay in 1995) led to a stalemate. This period was called the "five years lost" by ECLAC (Ocampo, 2000).

Therefore, it rediscovered the importance of institutions as a essential framework for the proper functioning of markets (Paramio, 66). Above, it said to be the reason for the failure of the Washington consensus led to discussion on the idea of a shift to the left in Latin America.

However, there was a divergence between political discourse, the position on globalization and the interpretation of democratic reforms and the role of institutions (Paramio, 66). The only coincidence is the emphasis on social policy and the pursuit of a focused economic model, not only in growth, but social outcomes, which has slowly degenerated into populism.

2. Metodologhy

For this article, there will be a comparative exercise of economic policy management, fiscal and monetary policy by the various governments in Latin America in order to identify the use of economic tools for populist purposes. The selection of countries is done arbitrarily and corresponds to the accessibility of information on economic variables on the behavior of fiscal and monetary policy. Similarly, we use simple graphic variables such as inflation, unemployment, gross domestic product, credit, etc, when available and at different times depending on the country for analysis (See Graph 1,2,3,4,5,6).

The idea is to study at the end the Colombian case and draw lessons that allow us to explain, first, the dangers of macroeconomic populism; second, the relative economic stability experienced by Colombia in recent decades, in relation to neighboring countries.

3. Theoretical approximation to macroeconomic populism

3.1 Traditional european hyperinflation and populism hyperinflations in Latin America

3.1.1 Traditional European Hyperinflation

The European economies had a hyperinflation process during the twenties in different countries (Austria, Germany, Hungary, Poland and Russia). The causes and consequences of this phenomenon receive the name of "traditional hyperinflation". (Dornbusch, 1997). The same phenomenon occurred in Latin America during the eighties in countries such as Bolivia, Argentina, Brazil and Peru; but exempting Bolivia in these countries the causes had a different nature to traditional hyperinflation (Dornbusch, 1997).

After the experience of the European countries, economists discussed different theories about the characteristics and effects of traditional hyperinflation and the effective policies which where applied but resulted in being very expensive for the society. Some years later some Latin – America countries were in the same

situation as Europe had been, but the same policies did not function because they were applied in a very different context (Krugman, 1997).

The origin of traditional European hyperinflation obeyed external factors. After the First World War, the European economies presented high budgets deficits which where financed by means of the creation of currency. In order to stop the hyperinflation, there was realized an orthodox program or global plan of stabilisation, which generated credibility with the public and certainty that the Central Bank would not finance the budget deficit by issuing currency.

The European countries that faced hyperinflation, the incomes only covered a small fraction of the total expenses of the country and the collapse in the public incomes coincided with the increase of inflation (Olivera Tanzi Effect). (Krugman, 1997). In addition, the hyperinflation phenomenon was preceded by an excessive level inflation tax (Señoraje). Undoubtedly, the key components of the integral programs of orthodox policies were:

– The policies of stabilisation that were adopted.
– The exchange rate which restored the convertibility of the domestic currency in terms of the dollar or of the gold and the reduction of the budget deficit.
– The credibility of the Central Bank in the public eye when it promised to reject the demands of the internal unsecured credits and not to grant any mores internal credit to the government (Krugman. 1997).

3.1.2 Classical populism as a cause of hyperinflation and macroeconomic instability in Latin America.

Hyperinflation in Latin America, with the exception of the Bolivian hyperinflation, -which presented traditional characteristics-, occurred in a very particular context. The characteristics of the economies of countries like Peru, Brazil and Argentina were economies following a tradition of high inflation as a result of macroeconomic populism. (Edwards, 2010). The application of populism policies creates high budget deficits due to increase in public spending (by the expansion of government and state enterprises), as discussed below. It has been demonstrated that Latin America generally uses these policies: expansionary fiscal and expansionary credit policies and overvaluation of the currency, in order to accelerate growth and redistribute income (macroeconomic populism). When the government applies them, there is concern about fiscal and exchange restrictions. After a while, decreasing real wages and an imbalance in the balance of payments, leading to hyperinflation (Dornbush, 1997).

Moreover, in each country the new anti-inflationary programs coincided with the end of a government and the beginning of another. For this reason it is a new opportunity for macroeconomic populism to promise at the same time to reduce unemployment and to control inflation. As we know –"Phillips's Curve" teaches that it is not possible to achieve both aims in the short term (Mankiw, 2003, 474).

This is an example of application of the Theory of the "Economic - political Cycle" which shows how the government does everything necessary to grow and to increase employment and the production of the country in the short term by means of increasing public spending, the external debt and the fiscal deficit (Mankiw, 2003, 493). These policies cause hyperinflations which could be handle by orthodox or heterodox policies which it will apply, on having finished its electoral period, or will remained a problem to resolve for the following government. This is an example of the macroeconomic populism as an importantly cause the big hyperinflations and of the macroeconomic instability in Latin America.

3.1.3 Phases of macroeconomic populism

Rudiger Dornbush says a populism policy progresses through these phases:

Chart 1. Phases of populism.

Phase I	Phase II	Phase III	Phase IV
Gross domestic product increased Real wage growth Employment growth Inflation rate controlled Import relieves the scarcity	Bottlenecks by: - Strong demand growth - Little foreign exchange (To pay for imports) -Inflation Increases -Wages unchanged -Increased subsidies - Increased deficit	Causes: - Capital flight -Demonetization economic (barter) - Fiscal deficit increase -Subsidies decrease -Inflation increase -Real wages fall drastically	Government starts stabilization IMF Aid and BM declining real wages Control of inflation rate Break companies The capital flight following the violent overthrow of the government

Source: Doornbush, Rudiger. La macroeconomía del populismo. Fondo de Cultura Económica, 1997.

Then we are going to study each of the proposed cases.

4. Results

4.1 Cases of macroeconomic populism in Latin America

Chart 2. Cases of macroeconomic populism in Latin America

Country Model	Argentina	Chile	Perú	Venezuela
Liberal Primary Exporter	19th – 1929 Constitutional governments	19th – 1929 Constitutional governments	19th – 1962 Militar governments	19th – 1958 Autoritation Governments
Industrialization for Substitution of Import ISI	1930-1990 José Félix Uriburu (1932)	1930-1970 Arturo Alessandri (1932)	1963-1985 Fernando Belaúnde Gral. Juan Velasco Gral. Francisco Morales	1958-974 Rómulo Betancour Raúl Leoni Luis Herrera Campins
Macroeconomic Populism	Peron (1946-1955) Peron II (1973-1976) Military gobernment (until 1983) Raúl Alfonsín (Austral Plan)	Eduardo Frei Montalva (194-1970) Salvador Allende (1970-1973)	Fernanado Belaúnde II Alan García (1985-1990)	Jaime Lusinchi (1984-1989) Hugo Chávez Frías (1999-present)
Orthodoxy and Market economy	1991-2010 Carlos Menem Fernando de la Rúa Eduardo Duhalde Nestor Kirchner Cristina Kirchner	1973-2004 Pinochet Patricio Aylwin Eduardo Frei Montalva Ricardo Lagos Michelle Bachelet	1990-2004 Fujimori Valentín (interim) Alejandro Toledo Alan García	1974-1979 Carlos Andrés Pérez 1994-1999 Rafael Caldera

Source: Marchesi, Giancarlo. The Evolution of Economic and Social Policy in Latin America: A Comparative View. The University of Texas at Austin, Institute of Latin American Studies, Center for Latin American Social Policy (CLASPO). Researcher Visiting. Perú, February, 2004, p. 12.

*This chart has been completed by the author of this article.

4. 1.1 Argentina

In the early twentieth century, Argentina was considered one of the world's most developed countries. In 1890 its income per capita was the sixth highest in the world and continued among the top ten until 1920. From 1870-1930 it experienced an average growth rate above 5%, higher than almost all nations of the world. During this period the country received several waves of European immigration, mainly from Italy, attracted by the good living conditions (Mora and Araujo, 1995). This period was characterised by free trade, openness of the economy to foreign, monetary and fiscal management well ordered and orderly succession of constitutional government until the Coup d'etat of September 6, 1930 by José Félix Uriburu.

The effects of the First World War and the Great Depression of 1929 led to a shift in development strategy. It began the era of import substitution industrialisation (ISI), which was applied during the twentieth century. In 1943, deposed President Ramon Castillo, began a turbulent period in the political history of Argentina. Since then, the country has had over 28 presidents. The election of Coronel Juan Domingo Peron in 1946, consolidated the model of state intervention in the economy, ushering in a period of macroeconomic populism. Peron tried to solve the problems of income inequality, through price controls and expansionary policies in state spending. These were financed through the inorganic issuance, which generated a problem of inflation, that would remain in Argentina for over thirty years

Also Peron nationalized many businesses, passed legislation that favored labor unions and used public funds for the work benefactors of the Foundation Eva Peron, led by his wife. Peron was deposed in 1955 and exiled during 18 years until 1973, and his party, the Justicialista Party, was forbidden to participate in the electoral process (Mora and Araujo, 1995).

After a tumultuous period in which democratic governments alternated, Peron was re-elected and he took power in October 1973. He died in July of following year. His second wife while vice president, Maria Estela "Isabel" Martinez de Peron, succeeded him. Peron's second government again used price controls and increased government spending as their tools of social policy, as had happened almost twenty years before. As a result of unbalanced economy.

In 1976 the Chief of the Army Commander, Jorge Rafael Videla led a new coup d´état. The military government remained in power until 1983 and opted for a policy opposed to Peron´s policy. They developed a more liberal economic policy, opting for the opening of the economy to foreign trade, price liberalization and fiscal austerity in social spending. After the populist government of Juan and Isabel Peron, inflation edged 350% annually. The military government did nothing about it and contributed to the process with excessive spending during the Malvinas War (Marchesi, 2004).

In 1983, inflation edged the 430% and assumed power after free elections, Raul Alfonsin, he belonged to Radical Civic Union (UCR), the Peronist opposition party. The main problem for the government was to fight inflation and ran the Austral

Plan, which required an austere fiscal and monetary performance, plus a tax reform to improve the financing of expenditure. The plan ordered the freezing of prices and utility rates and the regulation of interest rates and the exchange rates. After a year of implementation, the monetary policy and price controls were relaxed. The latter attempt to control inflation was the Spring Plan, which was also unsuccessful: inflation marked a record 4923% in 1989 (Mora and Araujo, 1995).

In this situation of economic chaos, Carlos Saul Menem, took over the government in 1989. He was the Peronist and former governor of La Rioja. His Peronist tradition was not in favor of a heterodox shock policies needed to combat inflation and he spent a year without a fixed course. In 1990 inflation reached 1343% and the economy had remain stagnant from two decades ago, as the average annual growth during that period was less than 1% (Mora and Araujo, 1995).

These facts forced the Argentine government to take drastic measures: after nearly twenty years of inflation, it was thought that the only way to give confidence to staff was through the "Austral Convertibility", in relation to 1-1 of Argentina currency against the U.S. dollar. The only inflation in the economy would be imported from the United States.

The plan achieved the goal of ending inflation. In 1992, it was only 17% in 1993 was 7.4%, after 3.9% in 1994, and every year after that was below 2% 2002 until. (Edwards, 2009). However, a system of fixed exchange rate brought some economic challenges for Argentina. To maintain equivalence, its competitiveness should have evolved like the U.S., but this did not happen: the dollar rose against other leading currencies in the world and the peso came up, making the costs of production in Argentina would higher than in other countries, so that the country lost competitiveness (Edwards, 2009).

Additionally, since amount of resources issued depended only on the flow of dollars, the country's capital outflow caused interest rates to rise. This mechanism should again attract capital, but in the contexts of Tequila and the Russian crisis (Paramio), they turned away from emerging markets fearing a repetition of similar scenarios in other countries. These last two required immediate treatment, but the government sought reelection and did not allow it. Once again the populist strategies of the leaders are used to keep them in power.

Added to this was the lack of flexibility in domestic prices. The syndicalist tradition and a very regulated labor market hampered the flexibility of wages to adjust the delay in competitiveness (real wages increased by 42% between 1990 and 1998).

But the biggest problem for the economy was Argentina's external debt, correlated with the maintenance of a high fiscal deficit throughout the nineties and the early years of the new millennium. In 2001 the debt approached 150 billion U.S. $. This figure corresponded to nearly 50% of its GDP (Edwards, 2009).

In 1999 the problem of convertibility needed to be resolved. The Washington Consensus reforms suggested maintaining a competitive exchange rate and trade liberalization. Argentina was in an impasse. If devalued, would bankrupt many com-

panies and would probably have to declare a moratorium on its debt. If Argentina did not devaluate, Its debt would become more expensive. President Menem chose not to devalue, perhaps with the illusory hope of getting re-elected a second time.

In late 1999, the government of Fernando de la Rua (UCR-Alliance Frepaso) started. This government opted to keep the convertible model, adjusting the fiscal situation and avoid new borrowing. It tried to give the necessary credibility to the government to encourage foreign capital coming to Argentina would return to the path of growth.

After months of marches and counter marches, street protests, strikes, several letters of intent signed with the International Monetary Fund (IMF) and finally the straw that broke the camel´s back was the announcement of the withdrawal limit for bank deposits to $ 250 per week (corralito). Fernando de la Rua was forced to resign (Edwards, 2010). After three interim presidents that lasted just a few days in to government comes, allowing it to Eduardo Duhalde, who finally devalues the peso float freely against the dollar, plunging the country into a serious crisis, but necessary measure to stabilize at levels close to 3 pesos dollar in late 2003.

In 1999 De la Rua inherited a country with a delicate economic situation, a combination of high and rising public debt, a persistent fiscal deficit, high unemployment and rigidity in the exchange rate and monetary policy (Gervassonni, 2010).

Between 1999 and 2001, the crisis in Argentina was unsustainable. This triggered the largest financial collapse in recent history in Argentina, which led, inter alia, to the peso devaluation and a deflation (Gervasonni, 2010). To counter the crisis, President Fernando de la Rua, asked the International Monetary Fund resources and increased its domestic debt. The result of this policy was fatal for Argentinean debt, ie bankruptcy caused the state at the end of 2001, to declare the public debt default.

The political and economic crisis of Argentina during the period 1999-2001, did not give the possibility to President Fernando de la Rua to implement economic policies that would allow him to improve his image, making it clear that macroeconomic populism was not present in this government.

De la Rua resigned on 20 December. There were three interim presidents Ramón Puerta, Adolfo Rodriguez Saa and Eduardo Camano between 20 December to 1 January. A moratorium on payment of external debt was declared on December 23, in an environment that was viewed internally and externally as a strong motivating populism.

On January 1, Congress elected Eduardo Duhalde, to complete the term of de la Rua. The first days of January 2002, the system finished collapsing with the Emergency Law and leaving the Convertibility law, establishing new restrictions on the removal of deposits and the pesification of dollar bank deposits. (Gutierrez, 2003)

From 2003 to 2007, Argentina experienced a phase of economic growth with rates ranging around 9% in part due to a high dollar economic policy designed to encourage import substitution, which increased the competitiveness of industry in Argentina, This ended the crisis. Some economists argue that argentine inflation presented during the government of Nestor Kirchner and Cristina Kirchner, is due

to several factors, including growth in public spending, lower investment, expansion of the monetary base by issuing pesos to finance public expenditure increases, among others (Jueguen, 2010).

In the government of Cristina Kirchner the global crisis affected the local economy. The costs could be contained by timely monetary expansion policy and public spending. Less income and more spending, a strategy to avoid higher social costs, resulted in a loss of fiscal surplus. That surplus, which reached nearly 3.0 points of GDP in 2008, fell to a deficit of 0.4 in 2009, according to private estimates (Edwards, 2009).

Again, during the governments of Nestor Kirchner and Cristina de Kirchner macroeconomic populism was evident, as it used to appear. Expansive growth policies endangered economic stability, to the point of hiding their effects through the manipulation of inflation.

4.1.2 Chile

Historically, Chile has been characterized as one of the countries of greater political stability and democratic development in Latin America. During the twentieth century, in contrast with Peru and Argentina, Chile only suffered two military coups. The first was in 1932, but did not establish a military government, but elections were held. The winner was Victor Arturo Alessandri Palma. The second coup d´état was by Augusto Pinochet in 1973, deposing the then constitutional president Salvador Allende (Marchesi, 2004).

After First World War, Chile was in a good economic situation. Developing a liberal model exporting mainly primary products generating the effect of linkage with other sectors of the economy. The Great Depression hit hard in Chile. The export sector collapsed with a crash and the Chilean economy was one of the hardest hit in the world. After this experience, Chile's development policy was oriented towards industrialization, the ISI and increased state intervention. By the forties, both the State and the private sector played a business role.

However, in the fifties began economists began to notice some of the shortcomings in the import substitution model (ISI). Non-industrial sectors such as agriculture stagnated. It discourages the development of new export products. The populist guidance of some governments during this period fostered macroeconomic imbalances and started for the first time an inflationary process in 1955 (Marchesi, 2004).

In 1964 the government of Eduardo Frei Montalvo of the Christian Democrats began. This government sought to stabilize inflation, industrial modernization with the state as a source of investment and establish social structural reforms such as land reform, nationalization of the copper and the development of grassroots organizations to promote citizen participation.

However, the antagonism of the political parties prevented the formation of a strong government and after six years of government failed to meet the expectations, of political and economic transformation generated in the population.

Therefore, in 1970, the Chilean people opted for the socialist candidate of Popular Unity (UP), Salvador Allende. This government was proclaimed anti-imperialist, anti-oligarchic and antitrust Its main objective was to strengthen the structural changes in the distribution of property. To achieve this should nationalize the means of production and encourage greater participation (Edwards, 2009, 124). Its main reforms were the nationalization of the country's mineral resources, the nationalization of large industrial enterprises, nationalization of banks and the deepening of land reform.

From the macroeconomic point of view, this government applied an expansionary fiscal policy by raising the salaries of state employees, increasing the state apparatus and over-spending, and price controls. This policy can be categorized as populist and as such had no regard for macroeconomic balances.

This experiment ended as the other populist experiences in Latin America: fiscal deficit financed by Central Bank issues, hyperinflation and falling real wages, hurting the very people it tries to help. By 1972, inflation was already out of control, reaching 206.5%, while for 1973 reached 605.1%. Successive strikes destabilized the government and the general chaos culminated in the coup led by General Augusto Pinochet (Edwards, 2009, 125)

The first two years of the Pinochet government turned to control the macroeconomic imbalances left by Allende. In parallel, established a market economic policy, a fairly pure neoliberal model, with a sui generis property in Latin America: total autonomy to implement the policies it wishes. It eliminated price controls, tariffs were lowered dramatically to encourage imports, financial markets were liberalized and international capital flows were restructured and reduced public sector spending, Land reform was reversed and they began an aggressive privatization process of public enterprises.

Chile suffered terribly both economically and socially after the debt crisis of 1982. However. In 1984 Chile began a phase of high economic growth which would largely reverse the ravages of the crisis of the early decade. In 1989, after losing the referendum to stay in power, Pinochet calls for free elections in March 1990 the "Government of the Coalition of Parties for Democracy" begins chaired by Patricio Aylwin of the Christian Democrats, who took the decision not to change the historical direction of economic policy and gave priority to reducing poverty and improving income distribution through active social policies. (Edwards, 2009, 124).

This strategy was consolidating long-term development and supported by the growth and diversification of exports, while reaffirming the importance of maintaining macroeconomic balance through fiscal austerity.

This approach was vital for generating a climate of institutional stability needed to generate private investment. This policy was followed by the governments of Eduardo Frei Ruiz-Tegla (1994-1999) and Ricardo Lagos (2000 - 2006). During the nineties, Chile grew at an average rate of 7% annually. This prosperity was reflected in the improvement in real wages, increased employment levels and falling poverty and destitution.

The government of Michelle Bachelet was characterized by the high value of copper resources. Chile decided to save these resources and was able to successfully address the systemic crisis that hit credit markets in developed countries. (Cepal, 2009).

For this reason, Chile was less affected, in conjunction with other Latin American countries. Generating a fiscal surplus in 2008, allowed the State succeeds in accumulating financial resources which prevented the internal or external borrowing (Garretón, 2010).

The economic measures taken in the handling of the crisis for the government of Michelle Bachelet, consisted of adjustments to monetary and financial, fiscal and exchange rate policies and foreign trade (Garretón, 2010).

In relation to monetary and financial policies there were more facilities for the area of foreign investment and the business sector, among other measures. Fiscal policy promoted measures investment and consumption. Exchange rate policy, foreign trade and foreign currency liquidity provided and improve coverage program of bank loans to exporters (Cepal, 2009).

In 2009, Chile's risk rating by a rating agency changed from A2 to A1, placing it in the most favorable in the region (Garreton, 2010).

As a result of good macroeconomic performance, assessment and policy, in January 2010, Chile became a member state of the Organization for Economic Cooperation and Development (OECD).

The economic policies implemented in the Bachelet government have been commensurate to the situation and have sought to generate sustainable economic stability, so there is no evidence of macroeconomic populism in this government.

4.1.3 Peru

Peru has been characterized by political instability. During the twentieth century occurred 8 coup d´etat and ran 15 different military presidencies. The transition of democratic government in Peru is more the exception than the rule. The prevailing model of economic development until 1962 was a liberal and export model with mainly agricultural products (rice, sugar and cotton) and agribusiness (Marchesi, 2004).

However, the export sector is not articulated with the national industry to produce value-added products, making the economy vulnerable to price changes. The high profitability in the export of primary products was adisincentive to investment in the industrial sector, while maintaining low tariffs and competitive prices for imported goods. Under this system, the input of capital and profit repatriation were virtually unrestricted and state involvement and participation were minimal.

Between 1950 and 1962 the annual average fiscal deficit was -0.2% of GDP, inflation was 7.0% per year, GDP grew annually at a rate of 5.3% and foreign debt amounted to U.S. $ 158 million. However, the social situation was bad and was characterized by high concentration of income.

In 1962, more than 30 years after the start of the ISI in Argentina and Chile, the elected President Fernando Belaúnde's Popular Action party, began to implement this model. In this period were applied policies such as tariff increase for finished goods, fixed exchange rate, price controls, increased government investment in infrastructure, increased public spending, increasing foreign debt (which is necessary because of a lack of foreign exchange generated by the exchange rate appreciation) and the process began with land reform. However, these reforms did not have political consensus, especially from export sector which was directly affected.

The reforms were not considered radical. In October 1968, General Juan Velasco led a coup d´état. His model was an extreme version of the ISI and state intervention. He nationalized most international companies, maintained high tariffs on finish goods continued to increase fiscal expenditures through investment in infrastructure (Edwards, 2009).

As a result, the fiscal deficit continued to increase, which was covered by foreign debt, also intensified the process of agricultural reform, as farm ownership was highly concentrated. It is important to point out how. It was wrong for Peru land reform to be combined with the ISI, when much to these two incompatible policies dismantled the national productive apparatus. Agriculture went from 23% of GDP in 1950 to only 15% in 1968. Paradoxically, Peru began to import food (Marchessi, 2004).

Velasco was in a precarious state of health, while the nationalist model went into crisis. Popular discontent, manifested through several strikes and riots, were evident. Thus, in August 1975, General Francisco Morales Bermudez was proclaimed President of the Republic.

During the period 1975-1980 he attempted to reverse some of the measures of Velasco, but not the reform or nationalization private enterprises. On the one hand, the government encouraged non-traditional exports through successive devaluations of the currency (that generated inflation). The government tried, without success, repeated adjustments of the fiscal and external debt, but they continued to increase. This period benefited from a rise in export prices of metals.

In 1980, democracy returned to Peru and Fernando Belaúnde, leader of Popular Action, was elected. He organized a co-government with the Popular Party's center-right Christian. The government applied a weird combination of liberal politics to commerce populist in the macroeconomic. He continued external borrowing, which conditioned the rhetoric of economic policy.

To get the credits of International Monetary Fund (IMF) and the World Bank (WB), the government spoke of reducing inflation and opening the economy, but in practice implemented an expansionary fiscal policy, increasing public investment beyond its means. This measure, coupled with small devaluations of the exchange rate, meant that inflation remained above 70% during those years, reaching 158% in 1985 (American Bureau, 1985).

Income inequality, inherent since the inception of the republic, had not been resolved. Thus, in the early eighties, subversive movements Sendero Luminoso and Tupac Amaru Revolutionary Movement (MRTA) were born and the government failed to articulate a coherent strategy to overcome in its infancy.

In 1985, Alan Garcia was elected. He represented APRA, the oldest party in Peru. APRA was a socialist, anti-imperialist and revolutionary. This party decides to unilaterally declare a moratorium on foreign debt, a move that immediately isolated Peru from the international financial community.

Garcia returned to the ISI and state intervention through expansionary fiscal and monetary policies. Again applied price controls, increased tariffs on imports, prohibited a large number of commodities that could be manufactured in Peru. Alan Garcia tried to control inflation by fixing the basic price of the economy (such as gasoline and light), as the state owned production companies).

During the implementation of populist model of Alan Garcia, the economy grew by 12.1% in 1986 (due to expansionary fiscal and monetary policies). The next year the economy heated up leading to the attempted nationalization of banking, in which entrepreneurs and investors lost confidence in the country (Marchessi, 2004).

By 1988, the fiscal deficit had reached 9.7% of GDP, while the product shrank by 9.4%. Alan Garcia never considered the possibility of pursuing a policy shock like orthodox prices. If the government had taken corrective measures in 1987, when inflation was only 1145%, it could have avoided three years of additional suffering for the people of Peru. By 1988, inflation had climbed to 1722% and for 1989 was 2775% (Edwards, 2009).

Phenomenon of terrorism continued to rise, transforming a rural phenomenon to become urban. The long queues for food, strikes, and terrorist violence led to the Peruvian people to seek an alternative to the traditional parties.

At first, that alternative Mario Vargas Llosa represented the Libertad Movement, which is allied with the Popular Cristian Party Acción Popular, two traditional parties which join to form the Frente Democrático (FREDEMO). Vargas Llosa government pursued a policy of "redistribution freezing" by decree the prices of essential nutrients. When prices were devalued traders kept the food and black markets emerged.

In 1990, the country welcomes Alberto Fujimori as a new President of the Republic. He decided to pursue a policy of shock, as the only sensible measure. First, the prices rose dramatically to their estimated real level and were then released from government control.

At the same time, Fujimory applied a tight monetary policy, issuing only the essentials. The policy worked, as inflation went from a disastrous 7649% in 1990 to 139% in 1991. In 1994, inflation was only 15%, and since 1997, Peru has had single digit inflation. (Edwards, 2009).

During the period 1990-1995, the government initiated a series of reforms to transform the Peruvian economy into a market economy. It began an intensive process of privatization, which favored an accumulated economic growth of 43% in the first seven years, the government liberalized trade and foreign capital investment and more flexible industrial relations.

After the coup d'état of 1992, Abimael Guzman, Shining Path leader was captured, and in 1993 Peru promulgated a new Constitution which allowed presidential reelection. Fujimori was re-elected, was to become a progressively authoritarian and corrupt leader. His third term lasted only three months because he had to flee to Japan, after the scandal of the first video of Montesinos's corruption network.

There followed a transitional government led by Valentin Paniagua, interim President elected by the Congress, who called elections, but the winner was Alejandro Toledo. Toledo assumes power in July 2001 and he continued the focus of economy policy on the free market.

The macroeconomic policy regime changed during the years 2000-2006. Adopting a monetary policy framework based on inflation targeting reduced the cost of money and improve the international competitiveness of Peruvian products (Jiménez, 2007).

The main problem faced by the Government of Toledo was an excessively low inflation. In late 2001, core inflation was below 1.5%, while in the first quarter of 2002, inflation reached a record negative rate (Cuba, 2010).

In the last of the Fujimori administration, the fiscal deficit was above the 3% of GDP. The economic administration of President Toledo strengthened the control over public finances, thus reducing the fiscal deficit to 2.5% of GDP in 2001, for which it including launched a package of tax policies and administration, increasing the rate of general sales tax. In the same period the public debt as a percentage of GDP fell from 46.1% to 38.0%. (CIES, 2010).

The government of Alan Garcia implemented expansionary fiscal and monetary policies that explain the strong growth of domestic demand in 2007. Increased demand led to an economic expansion and an increase in imports. This generated a trade deficit and an increase in inflation, to increasing the financial vulnerability of the economy and loss of credibility for the Central Bank. Garcia used policies that show an apparent expansionary economic growth which was not sustainable, and ended up weakening and loosening the Peruvian economy. (CIES, 2010).

4.1.4 Venezuela

In 1998, six years after realizing an unsuccessful rebellious attempt against Carlos Andres Perez, the colonel Hugo Chavez Frias was elected as President of Venezuela. Since then his presidency has been defined as populist due to the different measures that including the following: very strong critic of the government of United States, of globalization and the market economy. During these years, the president has nationalized foreign companies, he has named his supporters in the Supreme Court, and he has implemented several programs directed to attending

to the health of population while attacking the illiteracy of the poorest population of the country (Edwards, 2009).

Equally, he has changed the constitution to allow his perpetual reelection. Chavez defines himself as the standard-bearer of the "Bolivariana Revolution". (Rodriguez, 2008). Nevertheless, before Chavez, Venezuela had experienced already the characteristics of populism. The populist history of Venezuela, began in the middle of the eighties, in Jaime Lusinchi's Presidency, when the fiscal deficit, the foreign debt, and the inflation increased in a substantial way.

Between 1989 and 1993, the president Carlos Andres Perez tried to restore the economic order, to reduce the inflation, and to adopt modern measures but they were weak. When Perez assumed power, the foreign debt was enormous and out of control, there was a shortage of food and credit had disappeared (Haussman, 1995, p. 261). One of the measures of stronger shock implemented by Perez was a strong devaluation, which reduced the value of the bolivar by two thirds (Haussman, 1995). In three months, the price of the public transport increased thirty per cent.

As consequence of the multiple disturbances caused by the dissatisfaction of the population, this sad episode of the Venezuelan history was known as the caracazo (Lopez, 2003) and resulted in the deaths of more than 300 people in less than 5 days (Lopez, 2003).

One of the major consequences of the Caracazo, is the failed coup by Hugo Chavez in February 1992 against the government of Carlos Andres Perez, Though unsuccessful, Chavez was popular among the population, which then lead to the power. The Venezuelan people were convinced that corruption was the most serious problem facing the country and Chavez was seen at the time as a hero.

In 1993, Perez was accused of corruption and removed from his post by the Congress. In 1994, Rafael Caldera, who had been President between 1969 and 1974 came to power thanks to a populist platform that was opposed to the reforms and to the globalization.

His administration undid most of the shy reforms implemented during the second period of Carlos Andrés Perez, realized in the frame of the consensus of Washington. In the first two years of Caldera´s presidency, his administration was characterized by rapid inflation, control of prices, fall of the bolivar, bank crises and economic stagnation.

In 1994 the government liberated Colonel Hugo Chavez from prison and signed an agreement with the International Monetary Found (IMF). In exchange for 1600 million dollars the government promised to reduce inflation and to reactivate growth, by a program of the modernization of the state and liberalization of the economy (Naím, 2006).

When Chavez assumed the power in 1998, Venezuela was the country of Latin America, which had implemented the least neoliberal reforms. For this reason is possible to affirm that Chavez is not a product of the Consensus of Washington.

Chávez is a product of the corruption, the economic stagnation and the complacency of the Venezuelan elite (Edwards, 2009, 261).

During the first months of his presidency, Hugo Chavez had taken important decisions to change the political and economic system in Venezuela. In July 1999 he had established a Constituent Assembly. This Assembly approved a new constitution in December 1999. The new constitution made important changes: It changed the official name of the country to the Bolivarian Republic of Venezuela, replaced the bicameral Congress by a single chamber, which increased the power of the executive. Chavez also introduced changes in the system of electing judges and promised free education and health and quality for Venezuelans. (Corrales, 2006).

Chavez's economic policy had three objectives from the beginning: accelerate the rate of economic growth, provide social services and nationalize strategic companies (Edwards, 2009, p. 262.) Chavez removed the centralized Ministry of family and social assistance in the Single Social Fund (FUS), administered by the military. Also Chavez´s government created various social programs called "missions" aimed at providing medical services to the poorest Venezuelans. The government also implemented literacy campaigns and changes to improve the coverage and quality of education (Corrales, 2006).

The use of these social programs for political purposes, "that since the political theory called the patronage" (Walker, 2008), have been considered a favorite tools of populist politicians (Edwards, 2009).

From 2002, public spending rose sharply and the central bank issued currency more easily. Accordingly, the official inflation rate was over 30%, there was a price control and commodities became scarce. (Edwards, 2009).

Despite these social policies, growth in Venezuela has not been particularly significant in relation to the rest of Latin American countries (3.5% on average between 1999 and 2007). In fact, some analysts attribute the entire Venezuelan economic growth in this period to the increase in oil prices and the control exerted on the government oil sector by the government (Rodriguez, 2008) but not to the success of the social policies of the Chavez government.

4.2 Colombia: why was not macroeconomic populism in our country?

As we have seen the countries of Latin America went through this phase of populism, with disastrous effects for the economy and welfare of its inhabitants. We note how the countries have some economic and political memory, enabling them to learn from their mistakes. We should ask ourselves if the populist political knowledge is absolutely untenable, or whether it can succeed. Colombia has hadn´t absence a populist policy in the last four decades.

Colombia has been perhaps the exception to the rule of Latin American hyperinflation. In the last decades and until early 1990, Colombia has been characterized by

macroeconomic stability, in contrast to the enormous volatility that other countries had in Latin America.

This stability without doubt is given by economic and political factors. On the one hand, economic stability generated by the coffee chains, led to unfavorable conditions for the emergence of populist movements.

Furthermore, the existence of a consolidated system of two political parties, contributed to an ideological convergence that has enabled the design and discussion of economic policies in a non-ideologically polarized, This situation has hampered the introduction of macroeconomic populism. This led in the twentieth century the Colombian economy was one of the few in Latin America that never had hyperinflation.

The Evolution of the Central Bank in Colombia has also been identified as one of the key elements of macroeconomic stability (Banco de la Republica, 1998)

In 1923 Colombian created the Bank of the Republic, because the country needed an institution to put order to the issuance process, following the crisis of 1922. With the help of the Kemmerer mission was established by Act 25 of 1923, the Organic Statute of the Bank of the Republic, which gave exclusive authority to issue legal tender, managing foreign reserves and acting as lender to the government, but only when necessary. In 1951 Kemmerer mission designed the monetary, credit and exchange policies. (Banco de la República, 1998, 164).

1963 marked another important point in the evolution of the Colombian Central Bank, because government created the Monetary Board, which became independent come the conduct of monetary policy, credit and exchange policies of private actors (which previously were part of the Board Directors of the Bank of the Republic). It also consolidated the Banking Superintendency how the financial system watchdog. (Banco de la República, 1998, 171).

In 1973, the Bank of the Republic became a financial public entity and in 1982 became an economic public entity, unique in nature, with special administrative arrangements, legal and independent assets. With the Issue of the Constitution of 1991, the Bank of the Republic rose to constitutional status and also to over the management of monetary policy and the inflation control. (Gomez Arrubla, 1983).

This independence of the Central Bank has encouraged the control of inflation, even at the expense of jobs and demand, and according to some of democracy itself.

Regarding the latter argument, it should be noted that the independence of central banks, driving away the temptation of populist as a tool as powerful as monetary policy, as submitted to the control of the Congress, academia, local financial markets and international public opinion.

In Colombia, during the government of Alvaro Uribe Velez, the Democratic Security policy proposed by his government (Source, 2010), resulted in feelings of security and confidence for the majority of Colombians, increasing the president's popularity ratings.

However, in his management of economic policy, it is possible to observe some features of populism. With the aim of increasing the fighting forces, the Democratic Security Tax was established in 2001, which raised 2.5 billion pesos in order to close the budget gap for 2002 law enforcement and fund the so-called "Emergency Plan" in 2003 (Vargas y García, 2008), which consisted in increasing the forces manpower both rural and urban.

Some of the fiscal policy measures implemented during the government of President Uribe were: in 2002 he established the transitional tax assets through the law of internal disturbance. The government proposed a process of adjustment and austerity by announcing cut public spending by 1.5 billion pesos, as a result of the fiscal deficit of 3.3 percent of GDP in 2008.

Similarly, and in order to obtain more resources major state enterprises were privatized. (Vargas y García, 2008). Despite the announced austerity, the government increased its social spending programs such as investing in families in action, the expansion of subsidized health system, the new target population of the ICBF, breakfasts for children, protection for the elderly, increased training of the Seine, reducing unemployment, promoting micro-credit, the impetus to housing for the poor and increasing social investment (Website Presidency of the Republic, 2005), indicating that despite the high fiscal deficit, government spending continued to increase in military manpower and welfare policies without much impact on the welfare of society.

Unemployment had a small reduction from 2002 to 2007. However it increased from 2008 (see Graph 6). This increase may be associated with the effect of the global crisis on our country, taking into account the high degree of dependence of the Colombian economy on the U.S. economy.

Monetary policy during the government of President Uribe led by the Bank of the Republic, was focused on continuing the system of inflation targeting. To this end, the Bank of the Republic used measures such as increasing the base rate and increases in bank reserves, amongst others. The reduction of inflation has significantly increased confidence the Colombian economy. (See Graph 7).

It is possible to conclude that some features of the phenomenon called macroeconomic populism were present during the administration of President Uribe. He made use of economic policy to develop programs that allowed him to have a good national image, especially with the most vulnerable population, thus hiding the poor economic performance and serious problems of corruption within their government.

However, Colombia did not experience, like other Latin American countries at the time, the terrible consequences of macroeconomic populism. The strength of the institutions to which the Constitution had assigned the management of economic and fiscal policy and the control to prevent to use these tools in an irresponsible manner by the executive, coupled with the traditional central bank independence, explains this situation.

In conclusion, all these factors led to the Colombian economy being free of populist management. It never had hyperinflation, and the country experienced the greatest macroeconomic stability in Latin America in the last sixty years.

5. Conclusions

Four of the five economies studied: Argentina, Chile, Peru and Venezuela have suffered the delay of the import substitution model and the inflationary problems of populist policies. The exception is that Belaúnde and Velasco did twenty years after knowing that it had not worked in Peron's Argentina.

Velasquismo inspired socialist Allende and allendisminspired Garcia, 12 years after learning that this model had failed in Chile. It is hard to understand the logic of repeating failed experiences in dogmatic convictions.

We should, in light of what has been studied in the five cases presented, reflect on some lessons that I think are important: The first lesson is the importance of having a good economy policy to allow a strong social policy. Improving the quality of life of people, it is almost impossible in a context of recession or negative growth.

The time needed to generate revenue and quality jobs in an economy is more than the speed with which these jobs are lost in times of crisis. That is, the impact of the crisis is always greater than the impact of the expansions. Therefore, generating a long-term sustained growth is a necessary but not insufficient to improve the quality of life of the population.

The second lesson is that one should not avoid a necessary and inevitable adjustment for political reasons, because if the adjustment is postponed, the treatment will end up being worse than the disease. Postponing the devaluation caused three years of additional suffering to the people of Argentina, and likewise for the Peruvians, who watched as little by little the quality of life was deteriorating.

Colombia is the exception to the rule of macroeconomic populism in Latin America. Different factors set out below (coffee stability bipartisan consensus macroeconomic policies, central bank independence, etc.) have never contributed to hyperinflation, and to maintained macroeconomic stability.

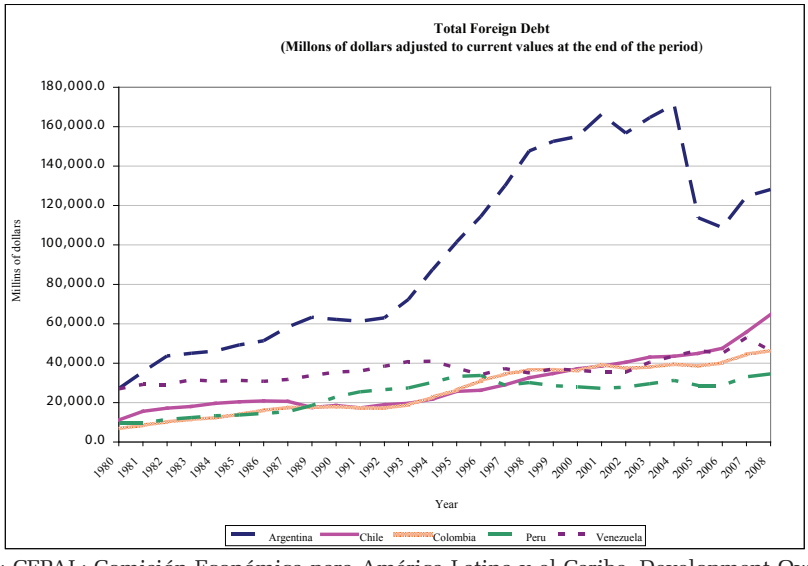
However, the absence of populism does not imply that there were always chosen to sound policies, at least on social issues on the poverty levels. In conclusion, macroeconomic populism was extremely harmful to the welfare of the countries studied and Colombia was the exception to the rule.

Chart 3. Presidents and presidential terms since 1950

ARGENTINA	ARGENTINA	CHILE	COLOMBIA	PERÚ	VENEZUELA
1946 - 1951 Peron, Juan Domingo	1976 - 1981 Videla, Jorge Rafael	1946 - 1952 Gabriel González Videla	1950-1951 Laureano Gómez Castro	1948-1950 General Manuel A. Odria Amoretti	1950-1952. Germán Suárez Flamerich
1951 - 1955 Perón, Juan Domingo	1981 - 1981 Viola, Roberto Eduardo	1952 - 1958 Carlos Ibáñez del Campo	1951-1953 Roberto Urdaneta Arbeláez	1950 General Zenón Noriega	1952-1958 Marcos Pérez Jiménez
1955 - 1955 Lonardi, Eduardo	1981 - 1982 Galtieri, Leopoldo Fortunato	1958 - 1964 Jorge Alessandri Rodríguez	1953-1957 Teniente General Gustavo Rojas Pinilla	1950-1956 General Manuel A. Odría Amoretti	1958-1959 Wolfgang Larrazábal
1955 - 1958 Aramburu, Pedro Eugenio	1982 - 1983 Bignone, Reynaldo Benito	1964 - 1970 Eduardo Frei Montalva	1957-1958 Junta Militar de Gobierno	1956-1962 Manuel Prado Ugarteche	1959-1959 Edgar Sanabria
1958 - 1962 Frondizi, Arturo	1983 - 1989 Alfonsín, Raúl Ricardo	1970 - 1973 Salvador Allende Gossens	1962-1966 Guillermo León Valencia	1962-1963 General Ricardo Pérez Godoy y General Nicolás Lindley	1959-1964 Rómulo Betancourt
1962 - 1963 Guido, José María	1989 - 1995 Menem, Carlos Saúl	1973 - 1990 Augusto Pinochet Ugarte	1966-1970 Carlos Lleras Restrepo	1964-1968 Fernando Belaúnde Terry	1964-1969 Raúl Leoni
1963 - 1966 Illia, Arturo Humberto	1995 - 1999 Menem, Carlos Saúl	1990 - 1994 Patricio Aylwin Azócar	1970-1974 Misael Pastrana Borrero	1968-1975 General Juan Velasco Alvarado	1969-1974 Rafael Caldera
1966 - 1970 Onganía, Juan Carlos	1999 - 2001 De la Rúa, Fernando	1994 - 2000 Eduardo Frei Ruiz-Montalva	1974-1978 Alfonso López Michelsen	1975-1980 General Francisco Morales Bermúdez Cerruti	1974-1979 Carlos Andrés Pérez
1970 - 1971 Levingston, Roberto Marcelo	2001 - 2001 Puerta, Ramón	2000 - 2006 Ricardo Lagos	1978-1982 Julio César Turbay Ayala	1980-1985 Fernando Belaúnde Terry	1979-1984 Luis Herrera Campins

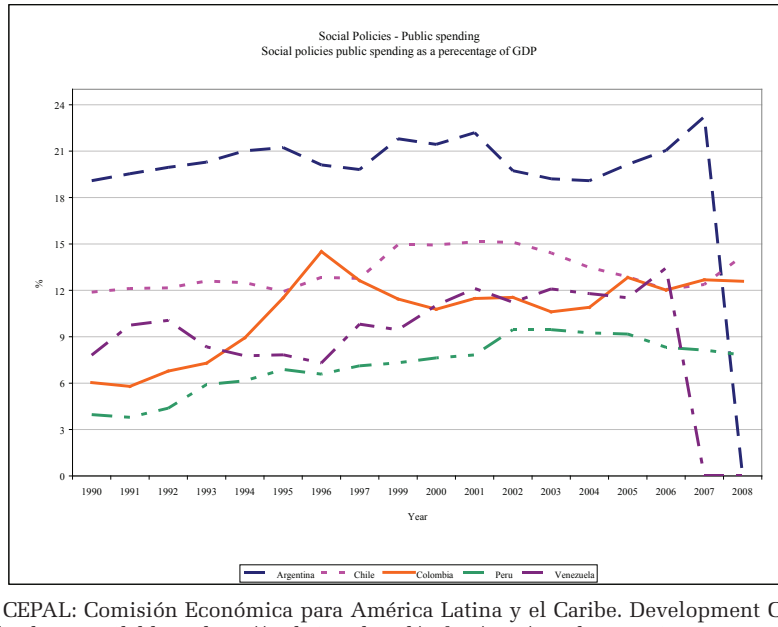
ARGENTINA	ARGENTINA	CHILE	COLOMBIA	PERÚ	VENEZUELA
1971 - 1973 Lanusse, Alejandro Agustín	2001 - 2001 Rodríguez Saá, Adolfo	2006 - present Michelle Bachelet Jeria	1982-1986 Belisario Betancur Cuartas	1985-1990 Alan García Pérez	1984-1989 Jaime Lusinchi
1973 - 1973 Cámpora, Héctor José	2001 - 2002 Camaño, Eduardo		1986-1990 Virgilio Barco Vargas	1990-1995 Alberto Kenya Fujimori Fujimori	1989-1993 Carlos A. Pérez
1973 - 1973 Lastiri, Raúl Alberto	2002 - 2003 Duhalde, Eduardo Alberto		1990-1994 César Gaviria Trujillo	1995-2000 Alberto Kenya Fujimori Fujimori	1993-1994 R.J. Velásquez
1973 - 1974 Perón, Juan Domingo	2003 - 2007 Kirchner, Néstor Carlos		1994-1998 Ernesto Samper Pizano	2000 Alberto Kenya Fujimori Fujimori	1994-1999 Rafael Caldera
1974 - 1976 Martínez de Peron, María E	Kirchner, Cristina 2007- present		1998-2002 Andrés Pastrana Arango	2000-2001 Valentín Paniagua Corazao	1999-2001 Hugo Chávez
	Sebastián Piñera 2010-		2002-2006 Álvaro Uribe Vélez	2001-2006 Alejandro Toledo Manrique	2001-2007 Hugo Chávez
			2006-2010 Alvaro Uribe	2006- present Alan García Pérez	2007- present Hugo Chávez
			2010- present Juan Manuel Santos		

Graph 1. Total foreign debt



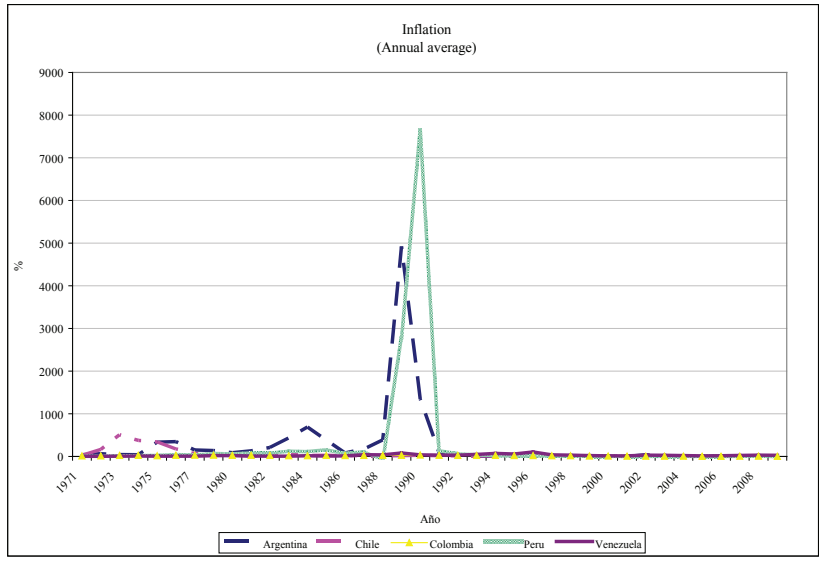
Source: CEPAL: Comisión Económica para América Latina y el Caribe. Development Own with database available at: http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas

Graph 2. Social Policies - Public Spending



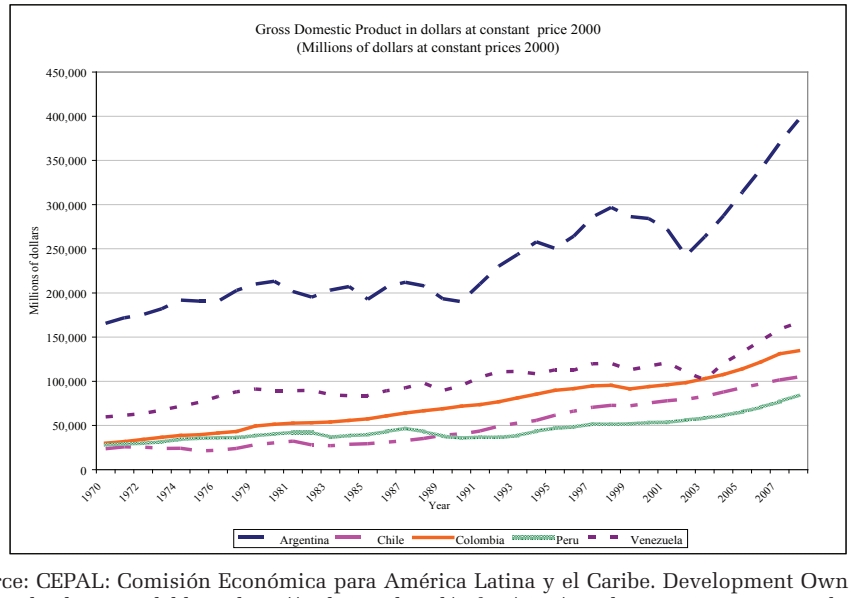
Source: CEPAL: Comisión Económica para América Latina y el Caribe. Development Own with database available at: http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas

Graph 3. Inflation



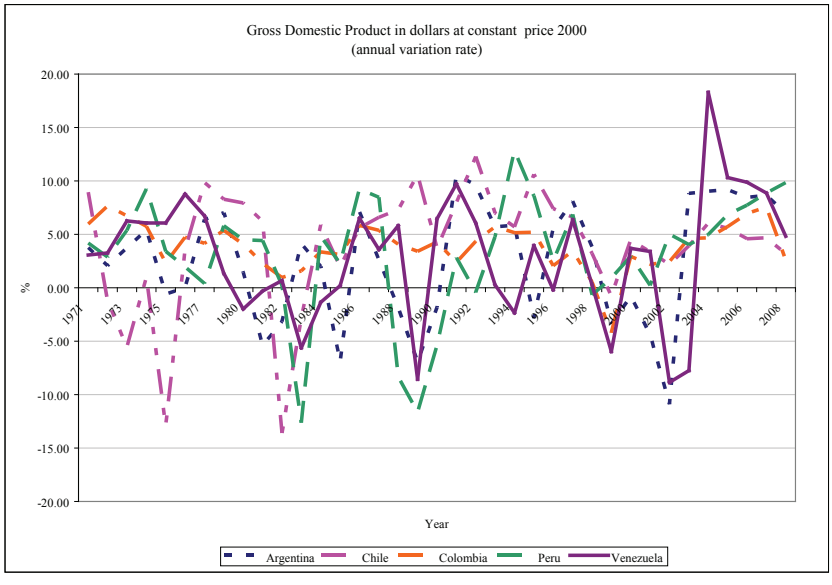
Source: CEPAL: Comisión Económica para América Latina y el Caribe. Development Own with database available at: http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas

Graph 4. Gross Domestic Product



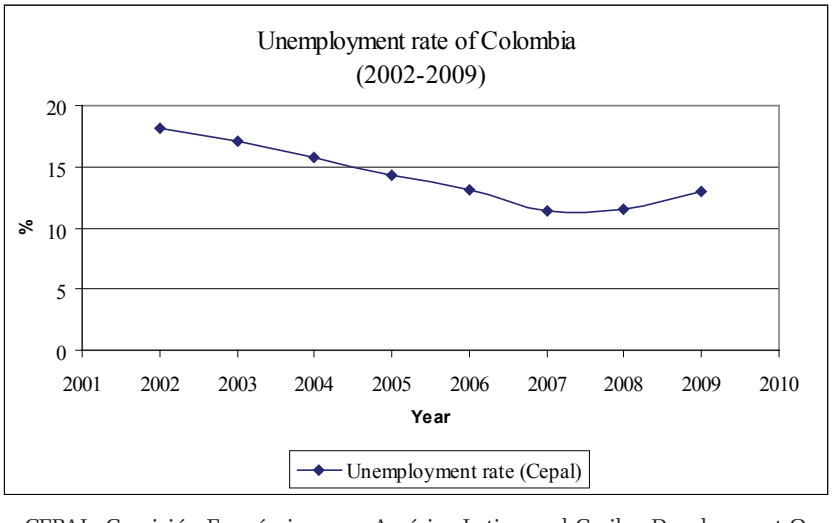
Source: CEPAL: Comisión Económica para América Latina y el Caribe. Development Own with database available at: http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas

Graph 5. Variation Gross Domestic Product



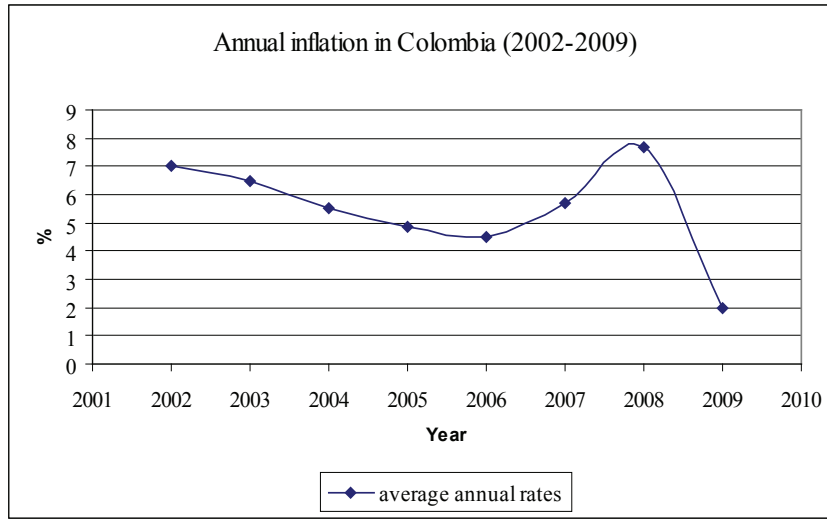
Source: CEPAL: Comisión Económica para América Latina y el Caribe. Development Own with database available at: http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas

Graph 6. Unemployment Rate Of Colombia



Source: CEPAL: Comisión Económica para América Latina y el Caribe. Development Own with database available at: http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas

Graph 7. Annual Inflation In Colombia



Source: CEPAL: Comisión Económica para América Latina y el Caribe. Development Own with database available at: http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas

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