

La serie Borradores de Economía es una publicación de la Subgerencia de Estudios Económicos del Banco de la República. Los trabajos son de carácter provisional, las opiniones y posibles errores son responsabilidad exclusiva del autor y sus contenidos no comprometen al Banco de la República ni a su Junta Directiva.

Autor o Editor

Adolfo Meisel

Juan David Barón

This paper explores the relationship between central bank independence and inflation in Latin America, using as a case study the experience of Colombia (1923-2008). Since its creation, in 1923, Colombias central bank has undergone several reforms that have changed its objectives and degree of independence. Between 1923 and 1951, it was private and independent, with a legal commitment to price stability. In 1962 monetary responsibilities were divided between a government-dominated Monetary Board, in charge of monetary policy, and the central bank, which carried them out. In the early 1990s, the bank recovered its independence and its focus on price stability. Inflation varied substantially during these subperiods. The analysis shows that central bank independence, combined with a commitment to price stability, renders the best results in terms of price stability.

The points of view expressed in the document are those of the authors and do not represent those of the Banco de la República or the Board of Directors. The authors are the only ones responsible for any error in the document.