

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

AUTHOR OR EDITOR

Mauricio Avella Gómez

his paper surveys some facts relevant for the understanding of the Colombian experience with public finance and debt since 1923. The stylized facts are classified in three groups as follows: first, facts associated with the dependence of the economy on the external sector; second, facts which reveal empirical regularities in the evolution of the fiscal sector; and third, facts which illustrate the close association between the development of the financial sector and the cycles of external and internal debt. Historical macroeconomic time series are used to illustrate episodes and empirical regularities. The presence of major events (external shocks, institutional changes) generates permanent effects on the path of those series, and produces shifts in the intercept and / or slope of their corresponding trend functions. Recent empirical methods are applied for the dating of those breaks.

The series Borradores de Economía is published by the Economic Studies Department at the Banco de la República (Central Bank of Colombia). The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.