

Documentos de Trabajo sobre Economía Regional y Urbana - Fiscal management of Barranquilla, 2000 – 2021

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Publication Date: Monday, 27 of November 2023 Abstract

The objective of this study is to describe the main fiscal indicators of Barranquilla during the period 2000–2021, as well as explore the possible factors that could be behind the observed behavior. We compare the evolution of the main fiscal variables of the district with those of the main cities and intermediate cities. Barranquilla has shown a growth in revenue and expenses greater than that of the main cities of the country during the last four public administrations. This performance is mainly explained by the dynamism in the collection of own income and in the strengthening of the capacity for the design and execution of projects, which has allowed greater growth in local public investment. However, spending growth has been consistently above revenue growth, generating continued fiscal deficits in the years since 2008. Such deficits have been covered primarily by debt and have experienced accelerated growth since 2017, putting the sustainability of this spending growth model is called into question. Our simulation and projection exercises suggest that the city will need to make an adjustment in fiscal spending or look for alternatives to increase its own revenue to avoid falling into a situation of unsustainability in the medium term.