The Economic Legacy of Hugo Chávez

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Abstract

ALTHOUGH IT IS too soon to assess late Venezuelan President Hugo Chavez's political legacy, we argue that taking an economic perspective allows for three important conclusions to emerge: (1) his rise to power can be largely explained by the abysmal economic performance of his predecessors; (2) the consolidation of his rule is partly the result of spectacular increases in private consumption generated by wildly expansionary policies in the context of price and exchange rate controls; and (3) Chavez passed away leaving his political heir holding the bag of financial excess and his countrymen at large the much heavier legacy of paying the price of his political success.

Introduction

One could say that they painted themselves into a corner. Buttressed by the largest and most prolonged run in oil prices in Venezuelan history, the country rulers decided to finance an unprecedented boom in private consumption through expansionary macroeconomic policies. Ever-expanding fiscal spending was coupled with interest rate, price, and exchange controls, as well as general subsidies and massive cash transfers to the poor. They supplemented this mix with left-wing revolutionary rhetoric, a systematic dismantling of checks and balances on executive power, and aggressive administrative, legislative, and judicial actions against private property, media outlets, and opposition leaders.

Year after year, the administration of Venezuelan President Hugo Chavez managed to survive the ominous predictions of mainstream economists as domestic and external constrains kept pushing forward. The figures are quite revealing. Between 2005 and 2012, the compounded annual growth rate of oil exports was 14 percent and that of the stock of foreign debt was 16.8 percent.[1] They both allowed the value of imports to grow 17.4 percent and real government spending another 9.1 percent.[2] While real gross domestic product (GDP) per person grew only 3.1 percent and real wages fell 0.2 percent, private consumption per head increased 5.6 percent. Poverty rates dropped from 53.9 to 25.4 percent, extreme poverty from 22.5 to 7.1 percent, and the Gini coefficient of inequality fell from 0.46 to 0.39. These results would prove instrumental to the government's phenomenal success at the polls (see Appendix I and II).[3]

By October 2012, however, expansionary policies had reached their limits. The recipe was simply not sustainable. When oil prices stumbled as a result of the 2008 financial crisis, the authorities decided to finance their way through, a strategy that continued unabated after oil prices rebounded to their precrisis levels but failed to continue their upward trend. Various sources of financing have been tapped since then: foreign public debt increased from $38 billion to $103 billion, and domestic debt went from $17billion to $39 billion between 2009 and 2012. The authorities also resorted to printing money. After growing 14 percent and 19 percent in 2009 and 2010, respectively, money supply (M2) grew 51 percent in 2011 and 60 percent in 2012, partly as a result of Central Bank loans to the national oil company, Petróleos de Venezuela, S.A (PDVSA), and to other State-owned enterprises. Finally, arrears ballooned in 2012 as other sources proved insufficient. Most of these arrears are not documented or consolidated in any report coming from official sources; estimates of their tally have to be obtained from the corresponding chambers and other private associations.

In addition to these hard-pressing financial matters, Venezuela faces other significant and immediate challenges. According to public opinion polls, personal security is the most pressing concern. Intentional homicides have soared from a rate of 20 per 100,000 population in 1999 to 73 in 2012, making it the second most violent country in the world and Caracas the sixth most dangerous city on the planet.[4] Public infrastructure is also a big problem: the overall quality of life and the country's competitiveness have been affected by the congested and outdated state of the nation's network of roads, ports, airports, electricity, water, and sewage systems, among others. Institutions are crumbling as well: Venezuela ranks 134 out of 148 countries in the 2013-2014 World Economic Forum's Global Competitiveness Report and 180 out of 185 in the 2012 Doing Business index. Out of the 214 countries included in the World Bank's 2011 Worldwide Governance Indicators, Venezuela ranks 162 in voice and accountability, 191 in political stability and absence of violence, 184 in government effectiveness, 196 in control of corruption, and 211 (fourth to last) in rule of law.

Political and Economic Background

It is tempting to see Hugo Chavez and his Bolivarian Revolution as a historical mishap, a political cyclone that destroyed what not too long ago stood as one of the strongest and most successful democracies in South America. To be sure, Chavez had all the characteristics of a messianic leader. His oratory skills, charisma, and indisputable talent to stir up the base emotions of the masses made him an indispensable ingredient of any attempt to explain not only the highly controversial appeal of his Bolivarian Revolution, but more importantly, the all but absolute control of the Venezuelan State he managed to muster throughout his fourteen-year rule.

The problem with such an interpretation, however, is that it fails to take into account the fertile soil that his violent and vindictive message found when he decided to run for president in 1998, after his failed coup attempt in 1992. Had this rabble-rouser tumbled into the spotlight two or three decades earlier, he would have at best

become the leader of a small political fringe group.

In the early 1970s, Venezuela was, by all accounts, the richest and most promising country in Latin America. An astonishing feat, to be sure, for a country that only fifty years before stood as one of the most backward nations in the Western Hemisphere. It was precisely at that time that a new setting of civil and political order combined with the discovery and subsequent exploitation of huge oil deposits, allowing for the possibility of channeling growing fiscal revenues into much-needed public goods and services. Although not always wisely spent, sustained increases in government spending during the next fifty years allowed Venezuela to become one of the top economic and social performers in Latin America and the world.[5] Incomes grew eightfold in per capita terms, life expectancy increased from thirty-one to sixty-five years, and literacy rates went from 32 percent to 77 percent. After 1958, the country turned itself into a model of democracy in a region marred by guerilla warfare and brutal military dictatorships.

By the early 1980s, however, the magic had vanished. Between 1978 and 1998, income per head fell 20 percent in real terms, making Venezuela the worst performer in the region and sending the share of the population living under poverty from 23 percent to 57 percent. Although the causes behind such a drastic reversal of fortune are still hotly debated, an angry and frustrated population saw little more than widespread corruption in the political system behind this turn of events. Hugo Chavez could not have picked a better time to burst into the political scene. At the time of his coup attempt, the population was emerging from the adjustment phase of an International Monetary Fund (IMF)–sponsored reform package that had taken the population largely by surprise. By 1998, the country was in tatters: oil prices had plummeted below ten dollars a barrel, terrible news for a country where oil earnings represent about 50 percent of government income and 90 percent of export revenues.

Traditional parties, long since out of touch with the day-to-day lives of common Venezuelans, underestimated Chavez as well as the appeal of his rhetoric, paving his way to the presidency in 1998. The first five years of his rule were particularly difficult from an economic point of view, partly as a result of increasing but still relatively low oil prices and also due to the very low levels of private investment. From a political perspective, however, it was during this time that Chavez's acute gambling instinct allowed him to induce a politically inept and arrogant opposition into a costly series of mistakes that resulted in him taking personal control of the key powers of the State: the Armed Forces after the coup attempt of 2002, PDVSA after the national strike of 2003, 20 of 22 governorships and 270 out of 337 municipalities through the opposition's partial boycott of the regional elections of 2004, and finally, the National Assembly as a result of the boycott of the 2005 elections.

This accumulation of power in the hands of the president is without precedent in the country's contemporary history. Between 1958 and 1998, the main political parties alternated in power in contested elections. The Parliament, the Attorney General's office, and the Supreme Court, albeit imperfectly, did provide checks and balances on the Executive's power. President Chavez's will, in contrast, has become, over time, all but uncontested.

2005-2012: The Macroeconomics of Populism

As oil prices began to increase in 2004, the administration learned quite rapidly the political benefits of stimulating private consumption. In a surprisingly faithful remake of the set of policies described by Rudiger Dornbusch and Sebastian Edwards in The Macroeconomics of Populism, the authorities decided to loosen monetary and fiscal policy; set a fixed and overvalued currency; and imposed foreign exchange, price, and interest rate controls. In order to better capitalize the political returns of the consumption boom generated by these policies, they diverted the proceeds of the oil price boom from PDVSA, the budget, and from the Central Bank into FONDEN, a newly created investment fund managed with absolute discretion by the president.[6]

The Venezuelan economy responded to this distorted set of incentives by abandoning domestic production in favor of import and consumption-related sectors. Year after year, oil price increases allowed for large increases in imports to cover for shortcomings in domestic production, thus keeping the expansion in private consumption from getting bogged down in bottlenecks.

As a result of the government's policies, significant qualitative changes in the economy also took place in terms of the share and the role of the public sector in the provision of goods and services. Starting in 2004, the government took aggressive steps toward enlarging its relative scope and size through more regulations, takeovers, and outright expropriations. Between 2004 and 2010, the government expropriated 779 private businesses.[7] The authorities took control of companies and sectors they deemed as strategic, such as oil service contractors and steel and cement production, and enlarged its presence in banking as well as in food production and distribution and retail of basic consumer goods.[8] Even in sectors where it did not possess a large share of total production, the government heightened its control by setting producer and consumer prices, wages, the size of the workforce, and import quantities. It also prohibited exports, and fixed shipment size and frequency for each destination according to estimated demand in order to prevent hoarding. The government also ventured into a wide array of industries such as automobile and farm equipment production, pharmaceuticals, and paper. Usually this came as a result of an expropriation and in association with political allies in a given private company's workforce, but also resulted from new ventures with political allies such as Iran, China, and Belarus. One important indicator of this policy is that between 2005 and 2012, the government share of total imports went from 17 percent to 44 percent.

2012: The Final Showdown

Whenever his political survival has been at stake, Chavez has never been willing to leave loose ends. Back in 2006, in spite of leading the polls by a wide margin, he engineered an increase in nominal public expenditure of 51.7 percent (29.2 percent in real terms), augmenting liquidity by 61.7 percent and dollar imports by 20.1 percent. Booming oil prices and spare capacity allowed for 9.9 percent GDP growth, with real private consumption increasing 14.4 percent per capita, paving his way to a crushing victory (62.8 percent). The circumstances in 2012 were different. Six years of high public expenditure and socialism had depleted spare capacity, leading to frequent shortages in different industries that have been addressed through imports. Foreign debt had increased fourfold, leaving monetization, internal debt, and arrears as the only financing options. In the context of a close presidential race, the need to compensate for his diminished presence on the campaign trail seemed to complete the recipe for a perfect storm.

The oil price boom that began in earnest in 2005 marks the last fiscal surplus (4.1 percent) to date. From then onward, the consolidated fiscal balance[9] has registered an expanding deficit, a tendency that deepened throughout 2009-2012 as oil prices recovered from the financial crisis to later surpass the hundred dollar per barrel barrier. This unlikely result was caused by a number of factors:

- Oil revenues measured in domestic currency plunged as the government continued to use the exchange rate as an anchor against inflation
- A nationwide election held every year from 2007 to 2010 forced the government to maintain high fiscal expenditure
- The exhaustion of demand-driven growth, with the industrial apparatus out of spare capacity and little investment, rendered public expenditure ever more inefficient

The consolidated fiscal balance in 2009, 2010, and 2011—the three years prior to the presidential election—shows a deficit of 8.8 percent, 10.4 percent, and 12.6 percent of GDP, respectively (see Appendix III). The fiscal outlook by year end 2012 was even worse. None of the three factors mentioned above would change. Oil prices stabilized, and oil production and export volumes were stagnant. The government quadrupled its stock of foreign debt in six years, and sovereign risk remained above 1,000 basis points. There were only three possible ways to finance the expanding fiscal gap: (1) printing money, (2) issuing domestic debt to gather idle liquidity in the banking system, and (3) arrears.

The situation was much worse than the one portrayed by official statistics. Starting in 2005, the government gradually but steadily pursued a strategy of fragmenting the fiscal accounts (revenues and expenses alike) into different pockets, draining resources from the central government budget and public scrutiny. This move was eased by the implementation of a series of increasingly complex schemes that were passed by Congress and dutifully executed by the Central Bank. The money funneled away was deemed "extraordinary income" and therefore not subject to the 20 percent earmark the central government must transfer automatically to the regional and local governments (*Situado Constitucional*).[10] As the opposition regional strongholds starved, a number of funds were created to collect deviated public revenues. These funds, not subject to any mechanism for accountability, became a vehicle for discretionary public expenditure. The most prominent of these funds was FONDEN, which has received from inception to 2012 a total of US $94 billion. Accountability is almost nil, both on the uses and remaining balance. According to internal sources, FONDEN has always been administered directly by President Chavez and his immediate entourage, and questions regarding the destination of the funds or the actual balance of its holdings have never been welcomed.

Figures for consolidated fiscal balance, including FONDEN, Chinese Fund, *Fondo Independencia*, and other funds, are not public. The Ministry of Finance only provides a financial summary comprising the joint fiscal accounts of the central government and PDVSA. According to internal sources, fiscal deficit reached 13.3 percent of GDP and 18 percent of GDP in 2012 (see Appendix IV). A fiscal summary of Chavez's last year in power follows:

- Consolidated public expenditure for 2012 is totaled at 51.2 percent
- Only 52.7 percent of public expenditure is executed by the central government
- The fiscal deficit is estimated at 18.0 percent of GDP
- 48 percent of the financing (8.7 percent of GDP) is expected to come from Central Bank
- 37 percent (6.9 percent of GDP) will come from domestic debt issues
- The remaining sources are Chinese Fund (1.4 percent of GDP) and PDVSA (1.3 percent of GDP)[11]

The Aftermath

As we write these lines, Venezuela has just completed the first year of its transition post-Chavez. Under the rule of his heir, Nicolás Maduro, the country had a gloomy year. Preliminary estimates of the consolidated fiscal balance indicate that 2013 closed with a 15 percent of GDP deficit, financed by printing money and issuing domestic debt in equal shares. The monetary base grew by 71 percent, pushing consumer prices up by 56.1 percent and food prices by 80.1 percent. As the government continued to rely on price controls, shortages became rampant.

The parallel exchange rate depreciated by 85 percent, going from 12 units of domestic currency per dollar to 80. International reserves are roughly enough to cover four months of imports, and 90 percent of them are composed by gold reserves held at the Central Bank. The foreign exchange cash balance has been depleted, and the economy now lingers on the flow. Shortages of electricity and basic goods are rampant.

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APPENDIX I
BASIC ECONOMIC AND SOCIAL INDICATORS 1998-2012

	real wages					Per capita		
Year	Overall	Private	Government	Oil Exports (MMUS$)	Imports (MMUS$)	Expenditures (MMMBs 2011 prices)	GDP (MMBs 1997 prices)	Private Consumption (MMBs 1997 prices)
1999	1472	1457	1534	709	783	7196	1657	906
2000	1532	1480	1739	1155	876	8845	1687	931
2001	1637	1515	2116	885	965	9714	1712	969
2002	1449	1356	1817	860	685	9177	1533	884
2003	1200	1134	1460	864	545	8887	1389	831
2004	1203	1089	1651	1265	824	11273	1614	943
2005	1235	1092	1802	1818	1104	14356	1750	1073
2006	1297	1106	2055	2152	1463	18841	1891	1218
2007	1319	1112	2135	2290	2102	17945	2023	1400
2008	1254	1047	2073	3202	2313	17853	2095	1465
2009	1182	995	1920	1924	1880	13604	1996	1399
2010	1118	971	1700	2174	1789	14160	1935	1352
2011	1156	976	1867	3024	2135	18302	1986	1385
2012	1222	1024	2004	3162	2608	21636	2066	1460

Source: Venezuelan Central Bank, Ministry of Finance, and National Institute of Statistics.

APPENDIX II
BASIC ECONOMIC AND SOCIAL INDICATORS 1998-2012

Year	Oil Exports (MMUS$)	Imports (MMUS$)	Share of Public sector imports (%)	Expenditures (MMMBs 2011 prices)	GDP (MMMBs 1997 prices)	Foreign debt (MMUS$)	Private Consumption (MMMBs 1997 prices)	Poverty (%)	Extreme poverty (%)	Inequality (Gini)	Population (MM)	CPI (Dec 2007=100)
1999	16917	18683	15.4%	171.8	39.6	25463	21.6	48.7	20.1	0.47	23.9	22
2000	28070	21300	14.2%	215.0	41.0	23198	22.6	46.3	18.0	0.48	24.3	26
2001	21912	23892	14.7%	240.6	42.4	22800	24.0	45.4	16.9	0.46	24.8	29
2002	21693	17282	12.9%	231.4	38.7	24302	22.3	55.4	25.0	0.49	25.2	36
2003	22187	13995	15.3%	228.2	35.7	26421	21.3	62.1	29.8	0.48	25.7	47
2004	33042	21518	24.7%	294.5	42.2	29502	24.6	53.9	22.5	0.46	26.1	57
2005	48320	29347	17.2%	381.5	46.5	32106	28.5	43.7	17.8	0.47	26.6	66
2006	58161	39537	17.1%	509.3	51.1	29476	32.9	36.3	11.1	0.44	27.0	75
2007	62937	57760	18.9%	493.2	55.6	35774	38.5	33.6	9.6	0.42	27.5	89
2008	89440	64618	24.3%	498.7	58.5	37774	40.9	32.6	9.2	0.41	27.9	117
2009	54604	53368	30.4%	386.1	56.7	55749	39.7	31.8	8.8	0.42	28.4	151
2010	62692	51594	35.1%	408.3	55.8	72270	39.0	32.5	8.6	0.39	28.8	194
2011	88522	62503	41.7%	535.8	58.1	85154	40.5	31.6	8.5	0.39	29.3	247
2012	93976	77503	42.4%	591.6	61.4	102325	43.4	25.4	7.1	n.a.	29.7	299

Source: Venezuelan Central Bank, Ministry of Finance, and National Institute of Statistics.

APPENDIX III
RESTRICTED PUBLIC SECTOR - FINANCIAL SUMMARY

	2005		2006		2007		2008		2009		2010		2011	
	MM BS.	(% PIB)	MM BS.	(% PIB)	MM BS.	(% PIB)	MM BS.	(% PIB)	MM BS.	(% PIB)	MM BS.	(% PIB)	MM BS.	(% PIB)
TOTAL INCOME	**114.356**	**37,6%**	**148.360**	**37,7%**	**163.878**	**33,7%**	**212.889**	**31,9%**	**173.870**	**24,8%**	**215.722**	**21,2%**	**365.166**	**26,9%**
Recurrent income	**114.356**	**37,6%**	**148.360**	**37,7%**	**163.878**	**33,7%**	**212.889**	**31,9%**	**173.870**	**24,8%**	**215.722**	**21,2%**	**365.166**	**26,9%**
Tax revenues	36.756	12,1%	48.073	12,2%	62.478	12,8%	76.646	11,5%	86.772	12,4%	104.019	10,2%	152.687	11,3%
Income tax	7.086	2,3%	11.503	2,9%	17.026	3,5%	20.727	3,1%	24.852	3,5%	28.137	2,8%	36.700	2,7%
Other	29.670	9,8%	36.571	9,3%	45.451	9,3%	55.920	8,4%	61.920	8,8%	75.883	7,5%	115.988	8,6%
Non-tax revenue	77.600	25,5%	100.286	25,5%	101.400	20,8%	136.243	20,4%	87.098	12,4%	111.703	11,0%	212.478	15,7%
Superavit of PDVSA and other non-financial public	55.337	18,2%	66.678	16,9%	74.903	15,4%	92.838	13,9%	31.143	4,4%	84.165	8,3%	112.953	8,3%
Interests, dividens, comissions, and other income	22.263	7,3%	33.600	8,5%	2.567	0,5%	2.775	0,4%	1.581	0,2%	27.538	2,7%	99.525	7,3%
Transfers	29	0,0%	8	0,0%	23.930	4,9%	40.629	6,1%	54.373	7,8%	0	0,0%	0	0,0%
Other income	**28**	**0,0%**	**1**	**0,0%**	**0**	**0,0%**	**0**	**0,0%**	**0**	**0,0%**	**0**	**0,0%**	**13.309**	**1,0%**
TOTAL EXPENDITURE AND NET LENDING	**101.961**	**33,6%**	**154.681**	**39,3%**	**177.803**	**36,6%**	**236.341**	**35,4%**	**235.303**	**33,6%**	**321.105**	**31,6%**	**535.834**	**39,5%**
Recurrent expenditure	**64.843**	**21,3%**	**95.255**	**24,2%**	**109.461**	**22,5%**	**153.220**	**22,9%**	**153.332**	**21,9%**	**242.651**	**23,9%**	**401.681**	**29,6%**
Salaries	11.594	3,8%	16.270	4,1%	20.853	4,3%	30.538	4,6%	37.476	5,4%	50.492	5,0%	71.018	5,2%
Government purchases of goods and services	4.586	1,5%	10.298	2,6%	8.341	1,7%	10.914	1,6%	11.581	1,7%	4.904	0,5%	13.392	1,0%
Other recurrent expenses	600	0,2%	1.275	0,3%	1.806	0,4%	2.059	0,3%	2.457	0,4%	11.618	1,1%	11.356	0,8%
Interests and comissions	9.046	3,0%	8.223	2,1%	8.037	1,7%	9.800	1,5%	10.356	1,5%	17.643	1,7%	29.646	2,2%
Quasifical loss of Central Bank	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Transfers	38.463	12,7%	57.422	14,6%	69.867	14,4%	97.302	14,6%	90.700	13,0%	157.995	15,5%	276.269	20,4%
Other recurrent public expenditures	554	0,2%	1.767	0,4%	557	0,1%	2.608	0,4%	762	0,1%	0	0,0%	0	0,0%
Capital expenditures	**34.868**	**11,5%**	**56.256**	**14,3%**	**66.368**	**13,6%**	**77.364**	**11,6%**	**77.075**	**11,0%**	**67.015**	**6,6%**	**112.017**	**8,3%**
Net variation in fixed assets	11.968	3,9%	17.987	4,6%	27.765	5,7%	23.850	3,6%	39.184	5,6%	38.780	3,8%	72.529	5,3%
Capital transfers	22.900	7,5%	38.269	9,7%	38.603	7,9%	53.514	8,0%	37.891	5,4%	28.235	2,8%	39.488	2,9%
Other	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Extrabudgetary expenditure	**1.416**	**0,5%**	**1.894**	**0,5%**	**519**	**0,1%**	**273**	**0,0%**	**519**	**0,1%**	**2.159**	**0,2%**	**327**	**0,0%**
Net Lending	**835**	**0,3%**	**1.276**	**0,3%**	**1.455**	**0,3%**	**5.483**	**0,8%**	**4.377**	**0,6%**	**9.280**	**0,9%**	**21.808**	**1,6%**
PRIMARY SURPLUS OR DEFICIT	**21.441**	**7,1%**	**1.901**	**0,5%**	**-5.888**	**-1,2%**	**-13.651**	**-2,0%**	**-51.077**	**-7,3%**	**-87.740**	**-8,6%**	**-141.021**	**-10,4%**
RECURRENT SURPLUS OR DEFICIT	**49.513**	**16,3%**	**53.105**	**13,5%**	**54.417**	**11,2%**	**59.669**	**8,9%**	**20.538**	**2,9%**	**-26.929**	**-2,6%**	**-36.515**	**-2,7%**
SURPLUS OR DEFICIT	**12.395**	**4,1%**	**-6.322**	**-1,6%**	**-13.925**	**-2,9%**	**-23.452**	**-3,5%**	**-61.433**	**-8,8%**	**-105.383**	**-10,4%**	**-170.668**	**-12,6%**
FINANCING	**-12.452**	**-4,1%**	**6.321**	**1,6%**	**13.925**	**2,9%**	**23.452**	**3,5%**	**61.433**	**8,8%**	**105.383**	**10,4%**	**157.359**	**11,6%**
Internal	-14.266	-4,7%	2.031	0,5%	-6.340	-1,3%	18.403	2,8%	43.730	6,2%	88.761	8,7%	124.407	9,2%
External	1.814	0,6%	4.290	1,1%	20.265	4,2%	5.049	0,8%	17.703	2,5%	16.622	1,6%	32.952	2,4%

Source: Ministerio del Poder Popular de Planificación y Finanzas (MPPPF) y Petróleos de Venezuela S.A (PDVSA).
1/ Preliminary figures. Subject to revision
2/ Preliminarily it only comprises Central Government and Petroleos de Venezuela (PDVSA)

Source: Ministry of Finance

APPENDIX IV
CONSOLIDATED NONFINANCIAL PUBLIC SECTOR

	2012 Central Government		2012 PDVSA		2012 Other Internal Funds		2012 FONDEN		2012 Chinese Fund		2012 Total Public Sector	
	MM Bs.	(% PIB)	MM Bs.	(% PIB)	MM Bs.	(% PIB)	MM Bs.	(% PIB)	MM Bs.	(% PIB)	MM Bs.	(% PIB)
Revenues	**355.126**	**21,0%**	**339.672**	**20,1%**	**7.661**	**0,5%**	**41.368**	**2,4%**	**2.571**	**0,2%**	**562.369**	**33,3%**
External	0	0,0%	323.641	19,1%	0	0,0%	42	0,0%	821	0,0%	324.504	19,2%
Internal	219.580	13,0%	16.031	0,9%	0	0,0%	504	0,0%	1.750	0,1%	237.865	14,1%
Intra public sector	135.546	8,0%	0	0,0%	7.661	0,5%	40.822	2,4%	0	0,0%		
Expenses	**456.676**	**27,0%**	**455.646**	**26,9%**	**28.457**	**1,7%**	**68.378**	**4,0%**	**41.525**	**2,5%**	**866.653**	**51,2%**
Primary	407.410	24,1%	269.710	15,9%	22.747	1,3%	68.378	4,0%	41.525	2,5%	809.770	47,9%
Interest	44.205	2,6%	12.678	0,7%	0	0,0%	0	0,0%	0	0,0%	56.883	3,4%
Intra public sector	5.061	0,3%	173.258	10,2%	5.710	0,3%	0	0,0%	0	0,0%		
Fiscal Balance	**-101.550**	**-6,0%**	**-115.974**	**-6,9%**	**-20.796**	**-1,2%**	**-27.010**	**-1,6%**	**-38.954**	**-2,3%**	**-304.284**	**-18,0%**
Net Borrowing	**83.091**	**4,9%**	**11.314**	**0,7%**	**12.328**	**0,7%**	**10.000**	**0,6%**	**0**	**0,0%**	**116.733**	**6,9%**
Internal	77.189	4,6%	12.900	0,8%	12.328	0,7%	10.000	0,6%	0	0,0%	112.417	6,6%
External	5.902	0,3%	-1.586	-0,1%	0	0,0%	0	0,0%	0	0,0%	4.316	0,3%
Central Bank Financing	**0**	**0,0%**	**82.805**	**4,9%**	**17.672**	**1,0%**	**46.485**	**2,7%**	**0**	**0,0%**	**146.962**	**8,7%**
Other	**1.570**	**0,1%**	**20.149**	**1,2%**	**380**	**0,0%**	**-8.600**	**-0,5%**	**32.616**	**1,9%**	**46.115**	**2,7%**
Rest of the economy	0	0,0%	21.719	1,3%	380	0,0%	0	0,0%	24.016	1,4%	46.115	2,7%
Intra-sector	1.570	0,1%	-1.570	-0,1%	0	0,0%	-8.600	-0,5%	8.600	0,5%	0	0,0%
Deposit variation	**16.890**	**1,0%**	**1.706**	**0,1%**	**-9.584**	**-0,6%**	**-20.876**	**-1,2%**	**6.338**	**0,4%**	**-5.526**	**-0,3%**
Internal	20.962	1,2%	1.706	0,1%	-9.584	-0,6%	-4.836	-0,3%	0	0,0%	8.248	0,5%
External	-4.072	-0,2%	0	0,0%	0	0,0%	-16.040	-0,9%	6.338	0,4%	-13.774	-0,8%
Total Financing	**101.551**	**6,0%**	**115.974**	**6,9%**	**20.796**	**1,2%**	**27.009**	**1,6%**	**38.954**	**2,3%**	**304.284**	**18,0%**

Source: Authors' estimates.