

Informality and macroeconomic volatility: do credit constraints matter? - Portal de Investigaciones Económicas

# Informality and macroeconomic volatility: do credit constraints matter?

JOURNAL OF ECONOMIC STUDIES

**Número:**

6

**DOI:**

<https://doi.org/10.1108/JES-03-2014-0043>

**Publicado:**

Lunes, 9 Noviembre 2015

**Authors:**

[Catalina Granda](#)

**Clasificación JEL:**

E26

[Descargar documento](#)

## Lo más reciente

[Precios de materias primas, poder de mercado y el aumento de la inflación de alimentos procesados en países en desarrollo: evidencia para Colombia](#)

Jorge Florez-Acosta, Margarita María Gáfaró-González, Alejandra González-Ramírez, Juan Sebastián Vélez-Velásquez

[Hechos Complementarios sobre el Ciclo Económico en Colombia: Una Perspectiva desde el Ciclo de Crecimiento](#)

Diego Vásquez-Escobar

[Comercio exterior de servicios en Colombia 1994-2024: Un análisis descriptivo](#)

Sandra Isabel Salamanca-Gil, Enrique Montes-Uribe, Juan Sebastián Silva-Rodríguez

[Otras Publicaciones](#)

**Purpose** - The purpose of this paper is to study the implications of borrowing constraints characterizing the informal sector for macroeconomic volatility.

**Design/methodology/approach** - To this end, the author develops a simple dynamic stochastic general equilibrium model wherein registered activity not only is the basis to determine tax liabilities, but also serves as collateral for securing debts. Such a framework allows for computational experiments to analyze the effect of informality on aggregate fluctuations.

**Findings** - The experiments show that the credit-constrained informal sector does exert a significant influence on the cyclical volatility of consumption and investment.

**Originality/value** - There are not many studies addressing the implications of informal economic activities for macroeconomic fluctuations. This paper contributes to the literature by developing a theoretical model showing that credit constraints characterizing these activities might play a non-negligible role in explaining the cyclical volatility of some important aggregates