

Macroeconomic Implications of the Underground Sector: Challenging the Double Business Cycle Approach

ECONOMIC ANALYSIS AND POLICY

Número:

2

DOI:

[https://doi.org/10.1016/S0313-5926\(12\)50023-8](https://doi.org/10.1016/S0313-5926(12)50023-8)

Publicado:

Sábado, 1 Septiembre 2012

Authors:

[Catalina Granda](#)

Clasificación JEL:

E26, E32, H26, O17

[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](#)

Within the literature on business cycles featuring underground activities, there is an approach based on the arguable premise that these are countercyclical. This paper develops a real business cycle model without such an assumption. Preferences are additively separable in formal and underground labor. Further, leisure time is spent on irregular work and non-market activities. Simulations permit examining how the model performs and comparing the results with related findings. Also, computational experiments allow analyzing the effects of taxes, enforcement and tastes for underground labor on aggregate fluctuations. These experiments offer a comprehensive view of the cyclical implications of the shadow economy.