

Analysis of the Bolivian business cycle with Markov-Switching models

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Abstract

The classification of expansive and recessive phases of the cycle for any economy is usually difficult to determine clearly. However, research in the framework of Markov-Switching models with regime shifts allow to distinguish inflection points with relative ease. In this sense, different Markov-Switching models are estimated for the Bolivian economy, in order to characterize its business cycle through the determination of inflection points and asymmetries.

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