

Comparisons of Business Cycles in Greece and the EC: Idiosyncrasies and Regularities

Nicos Christodoulakis, Sophia P. Dimelis, and Tryphon Kollintzas

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Abstract

This paper compares the business cycle features of the Greek economy to the corresponding features of other EC economies using quarterly and annual data since 1960 and the Real Business Cycle model as a guidance. The evidence suggests that there are remarkable similarities in these features despite significant differences in the patterns of fiscal and monetary policies and the terms of trade. We take this evidence to suggest that the business cycle propagation mechanism of Greece is fairly similar to those of the other EC countries. Hence, the integration of the Greek economy within the EC under a set of uniform institutions and policies should be viable as far as the business cycle is concerned.