

Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). It contributes to the dissemination and promotion of the work by researchers from the institution. This series is indexed at Research Papers in Economics (RePEc).

On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

AUTHOR OR EDITOR

[Jair Ojeda, Julián A. Parra, Carmiña Vargas](#)

This document analyzes the macroeconomic effects of a boom in a small-open economy's natural-resource sector. We study the effects of this shock on the most important macroeconomic variables, the resource reallocation across sectors and on welfare under alternative fiscal rules. We employ a DSGE featuring three productive sectors (non-tradable, manufacturing and commodity goods), government and two types of consumers (Ricardian and non-Ricardian).

Our results show that the introduction of a common leads to an initial reduction of the manufacturing budget increase in France compared with a balanced budget rule. In other words, a common leads to a

The Review Board and the Paper are those of the authors and do not represent those of the Banco de