Box 1: A New Estimate of the Non-Inflationary Rate of Unemployment

Box 1: Inflation Report March 2017 Keep in mind
The Monetary Policy Report presents the Bank's technical staff's analysis of the economy and the inflationary situation and its medium and long-term outlook. Based on it, it makes a recommendation to the Board of Directors on the monetary policy stance. This report is published on the second business day following the Board of Directors' meetings in January, April, July, and October.

AUTHOR OR EDITOR Juan Sebastián Amador The job market is one of the channels through which macroeconomic dynamics influence the welfare of the population. Therefore, it must be considered in any analysis of the effects of monetary policy. Within this dimension, a useful measure is the labor market gap, which is understood as the difference between the observed rate of unemployment and its noninflationary level. This section describes a new neo-Keynesian model that is adapted for the Colombian economy and designed to estimate this gap and its relationship to other variables.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/publications/inflation-report/box-1-a-new-estimate-of-the-non-inflationary-rate-of-unemployment