Discussion
Nonlinear Unemployment Effects of the Inflation Tax
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Key features of the model

- Labor and goods market frictions
- The authors introduce monetary and productivity shocks
- The model allows for the analysis of unemployment volatility in response to these shocks, as well as the interaction between them
Mechanism

- Inflation
- Match surplus
- Unemployment volatility
Mechanism

- Inflation
- Productivity
- Match surplus
- Unemployment volatility
Some thoughts

1. This paper provides a lot of useful insights about employment dynamics and inflation.

2. It would be interesting to know the picture for Emerging Market Economies about the three empirical findings:
   (i) Correlation between $\pi$ and $u$
   (ii) Correlation between $\pi$ and $u$ volatility
   (iii) Non-linear and state dependent (i) in EMEs?

3. What can be said about the effects of unanticipated inflation on unemployment volatility?
Thanks