Aggregate Supply Curve in the Dynamic Model

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Bevendge anne + product ion function AS unne = t. jhknes - employment employment - output labor phe $u = \lambda = \ell - (1 - u) \times h$ $\lambda + f(\theta) \qquad \ell = f(\theta) \times h$ $\lambda + f(\theta) \qquad \lambda + f(\theta)$ Beverige and nate when flows (E-U, U-E) L> unemployment ar Colanced that flows are always (Hall, Pissandes) Ly we assume y = a x l Roduction function. AS curve 6ives out put when unemploy went paramus are on the Beveridge curve (balanced flows) 16) al y = y (0) = Properties . ~ ~ ~ (0) - 0 b/c J(0) = 0

