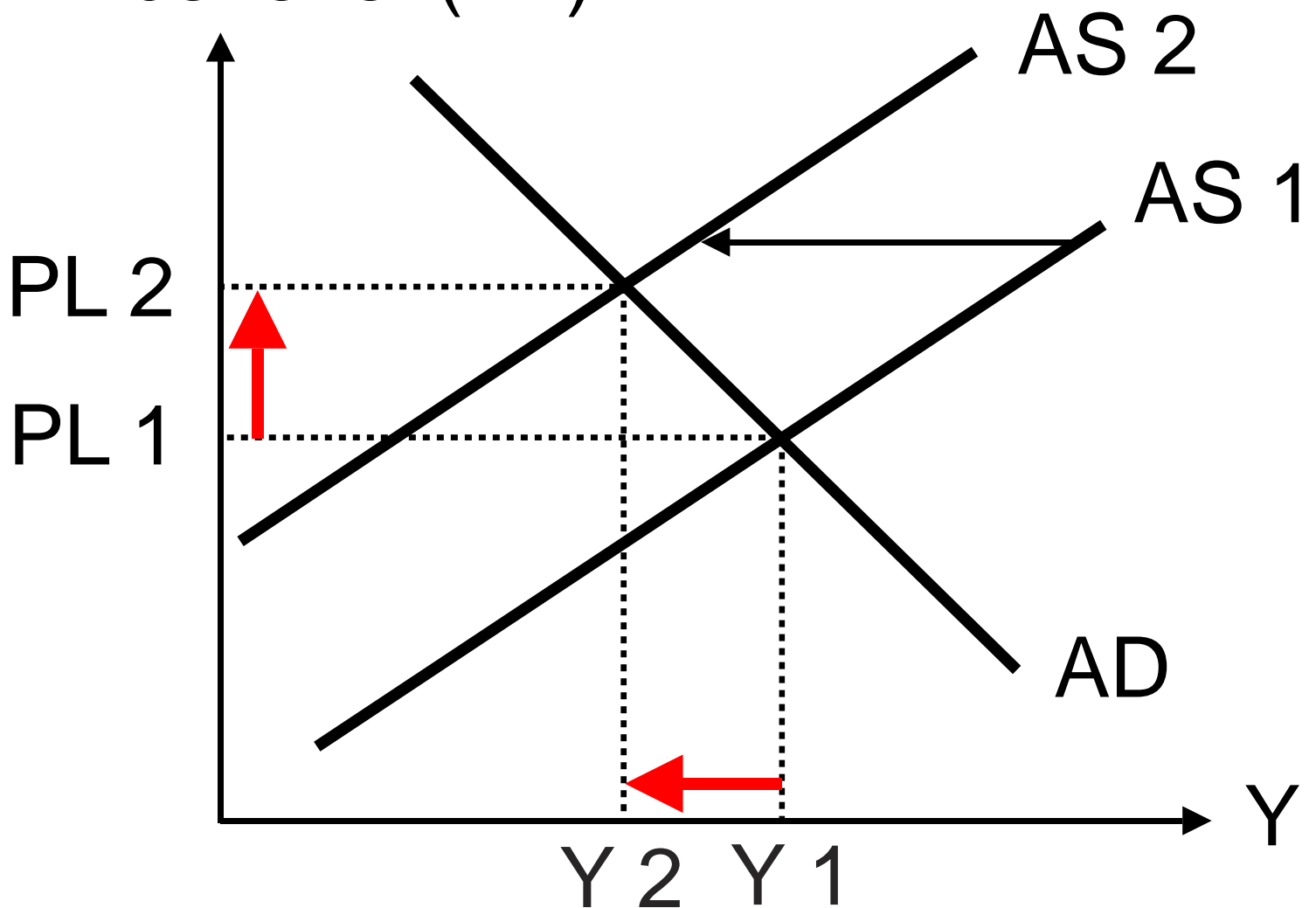


13.6 Stagflation

In times of stagflation inflation and recession occur at the same time.

Example of a supply shock (oil crisis):

Price level (PL)



Y_1 = full employment

2019-05-01