**Table 1**: Variance decomposition of unemployment

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Variance Decomposition of LNUEM** | | | | | |
| Period | S.E. | LNPRD | LNRWG | LNUEM | LNLER |
| 1 | 0.122274 | 4.248074 | 1.765660 | 93.98627 | 0.000000 |
| 5 | 0.265233 | 7.445695 | 0.404659 | 88.71075 | 3.438895 |
| 10 | 0.282072 | 8.943683 | 0.367169 | 86.94666 | 3.742486 |
| 15 | 0.284038 | 9.800301 | 0.405843 | 86.07794 | 3.715918 |
| 20 | 0.285184 | 10.44429 | 0.465931 | 85.40307 | 3.686706 |
| 30 | 0.287461 | 11.56246 | 0.596454 | 84.20560 | 3.635485 |



**GRAPH 5**: Impulse response of unemployment to a monetary policy shock with endogenous and exogenous exchange rate



**GRAPH 4:** Impulse response of unemployment to a monetary policy shock with endogenous and exogenous bank credit



**GRAPH 3:** Impulse response of unemployment to a monetary policy shock with endogenous and exogenous import prices

Table 2: Variance decomposition of unemployment in the small macroeconometric model

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Variance Decomposition of LNUEM** | | | | | | | | |
| Period | S.E. | LNPRD | LNRWG | LNUEM | LNMPP | LNNEX | LNCDT | LNLER |
| 1 | 0.129282 | 4.115461 | 5.538139 | 90.34640 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 5 | 0.224637 | 3.244972 | 5.815228 | 84.99582 | 3.965839 | 0.361442 | 1.389579 | 0.227121 |
| 10 | 0.230552 | 3.671459 | 7.362596 | 80.89601 | 4.803822 | 1.110188 | 1.476566 | 0.679360 |
| 15 | 0.238435 | 3.818876 | 10.01331 | 78.51479 | 4.577248 | 1.051821 | 1.382618 | 0.641339 |
| 20 | 0.240903 | 3.974027 | 10.38980 | 77.86397 | 4.674029 | 1.076035 | 1.363033 | 0.659102 |
| 30 | 0.242063 | 4.148732 | 10.73012 | 77.39900 | 4.636119 | 1.074495 | 1.350760 | 0.660776 |

**GRAPH 2:** Effects of monetary policy in the basic model