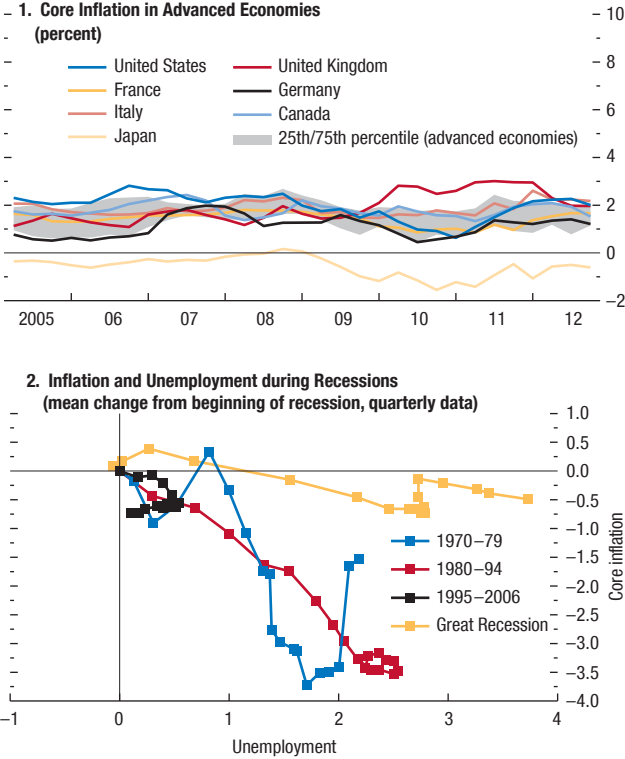


Figure 3.1. The Behavior of Inflation Has Changed

Despite large rises in unemployment during the Great Recession, inflation has been remarkably stable in almost all advanced economies. This is different from the recessions in the 1970s and 1980s, when inflation fell much more when unemployment rose.



Sources: Organization for Economic Cooperation and Development; and IMF staff calculations.