

The cyclical behavior of separation and job finding rates in Colombia

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This work uses readily accessible data about the stocks of unemployed workers, labor force and duration of unemployment to measure the job finding and separation rates for Colombia from 1984 to 2014. It also evaluates the relative contribution of these rates to the fluctuations of unemployment rate. It is found that contemporaneous movements in both rates explain significantly and in roughly the same proportion the changes in the unemployment rate during the analyzed period; however, for the last seven years job finding rate has driven the unemployment fluctuations. The results of this work differ from previous findings by Lasso (2011) where the separation rate is the most important in Colombia. Results are contrasted with the obtained for France and United States to show that Colombian unemployment is of European nature but has United States' features.

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