

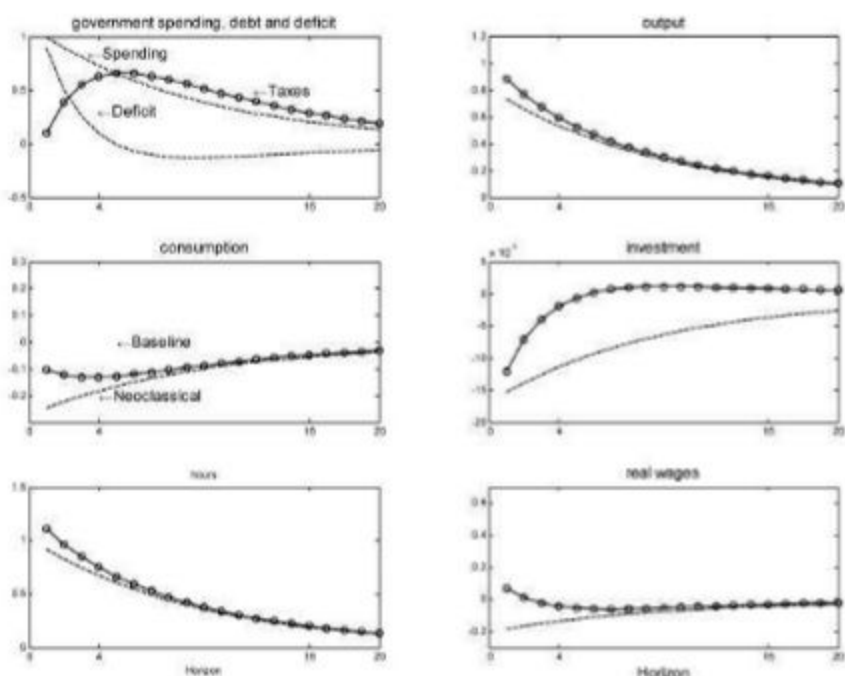
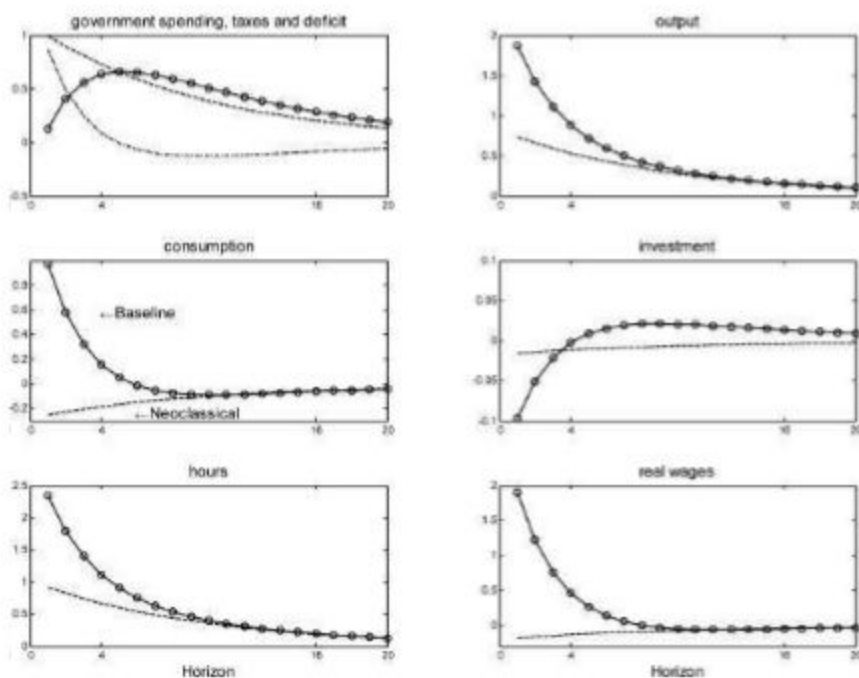
*A. Competitive Labor Market**B. Non-Competitive Labor Market*

FIGURE 4. The dynamic effects of a government spending shock: baseline vs. neoclassical models. Note: Baseline calibration (continuous), neoclassical calibration (dashed).