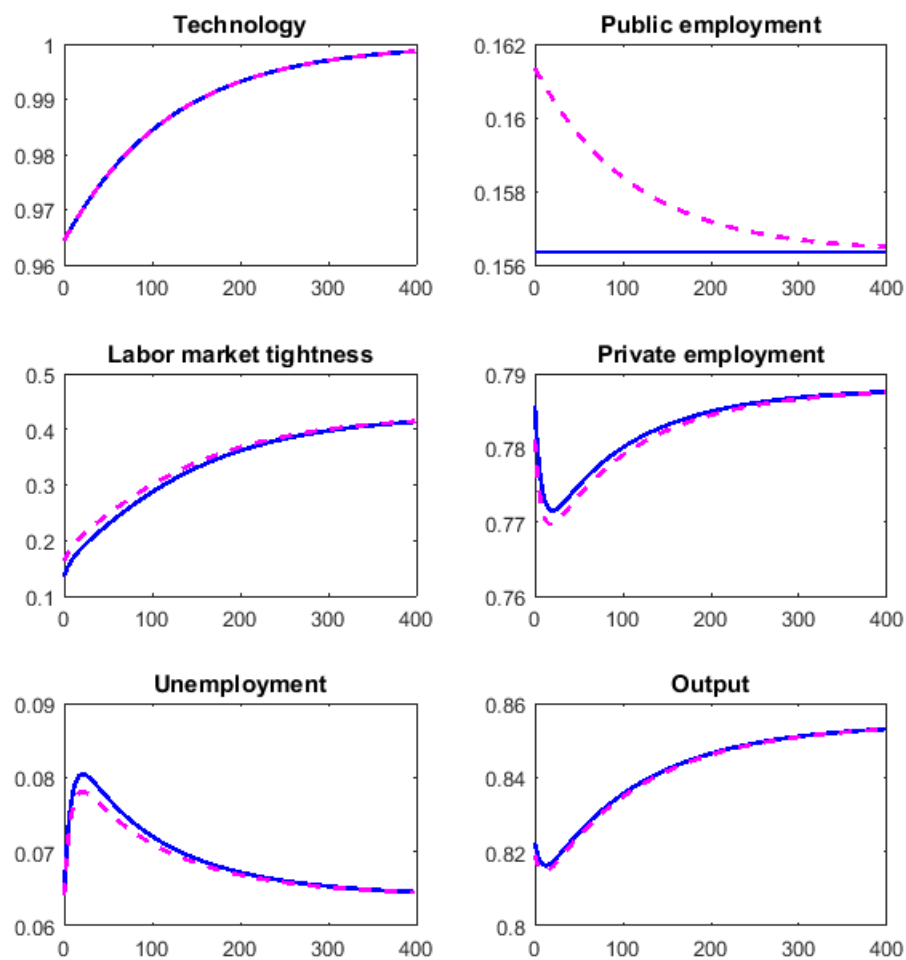


**Figure 1:** Replication of Figure 2 in Michaillat (2014): the effect of positive technology shock. **Blue line:** the effect of positive technology shock, no government employment shock. **Pink line:** positive technology shock combined with additional government employment shock.



**Figure 2:** Replication of Figure 3 in Michaillat (2014): the effect of negative technology shock. **Blue line:** the effect of negative technology shock, no government employment shock. **Pink line:** negative technology shock combined with additional government employment shock.