$$\left\langle \frac{y}{y^*} \right\rangle = \frac{eb_2 a\mathrm{L}/(1-\mathrm{L}) - ea\mathrm{L}}{(1-\mathrm{L})(1+ab_1) - ae\mathrm{L}(1-b_2/(1-\mathrm{L}))}$$

$\xrightarrow{\mathrm{L}=0}$ 0 (in the short run)

$\xrightarrow{\mathrm{L}=1}$ 1 (in the long run)

$$\left\langle \frac{m-p}{\mu} \right\rangle = \frac{1+ab_1 - ae\mathrm{L}/(1-\mathrm{L})}{(1-\mathrm{L})(1+ab_1) - ae\mathrm{L}(1-b_2/(1-\mathrm{L}))}$$

$\xrightarrow{\mathrm{L}=0}$ $\frac{1+ab_1}{1+ab_1} = 1$ (in the short run)

$\xrightarrow{\mathrm{L}=1}$ $-\frac{1}{b_2}$ (in the long run)