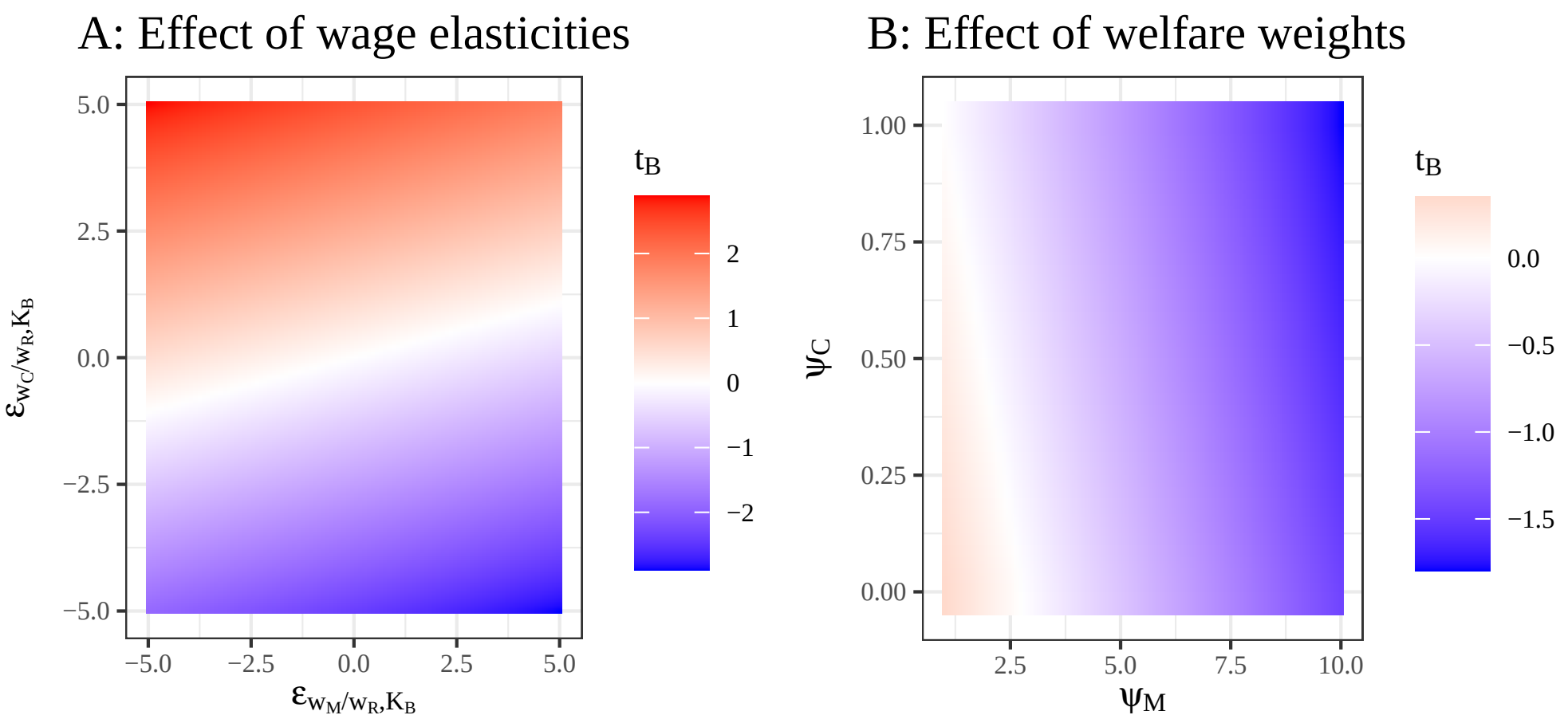
A: Effect of wage elasticities
B: Effect of welfare weights
$\varepsilon_{w_C/w_R,K_B}$
$\varepsilon_{w_M/w_R,K_B}$
ψ_C
ψ_M
t_B
5.0
2.5
0.0
−2.5
−5.0
1.00
0.75
0.50
0.25
0.00
7.5
10.0
2
1
0
−1
−2
−0.5
−1.0
−1.5