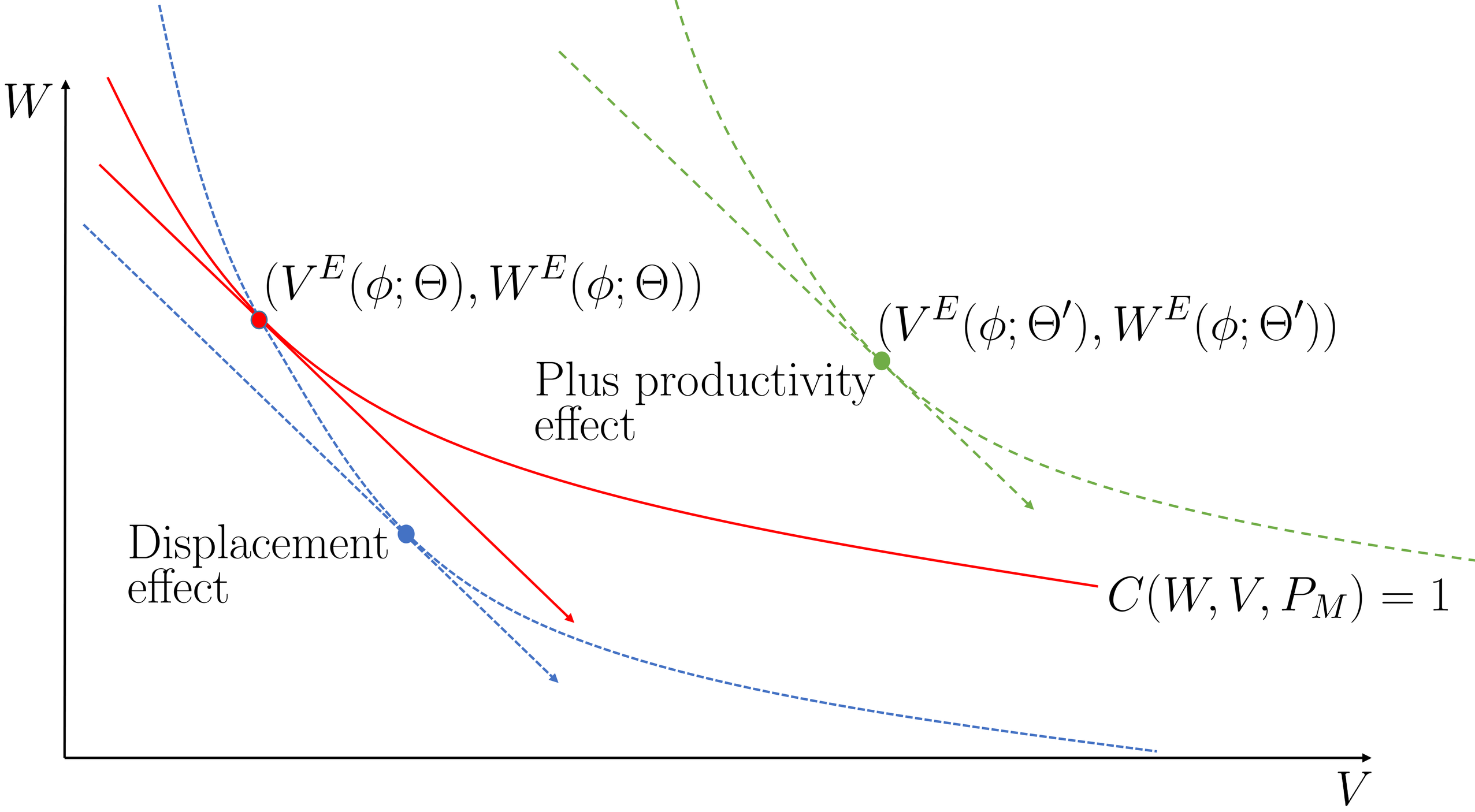
W
$(V^E(\phi;\Theta), W^E(\phi;\Theta))$
$(V^E(\phi;\Theta'), W^E(\phi;\Theta'))$
Plus productivity effect
Displacement effect
$C(W, V, P_M) = 1$
V