

Figure 1: Model diagnostic for the linear model $\Delta(\text{Public Employment Rate})$ against the GDP growth, log of working population, unemployment rate (with lag), and government expenses, with control on autoregression and fixed effects.

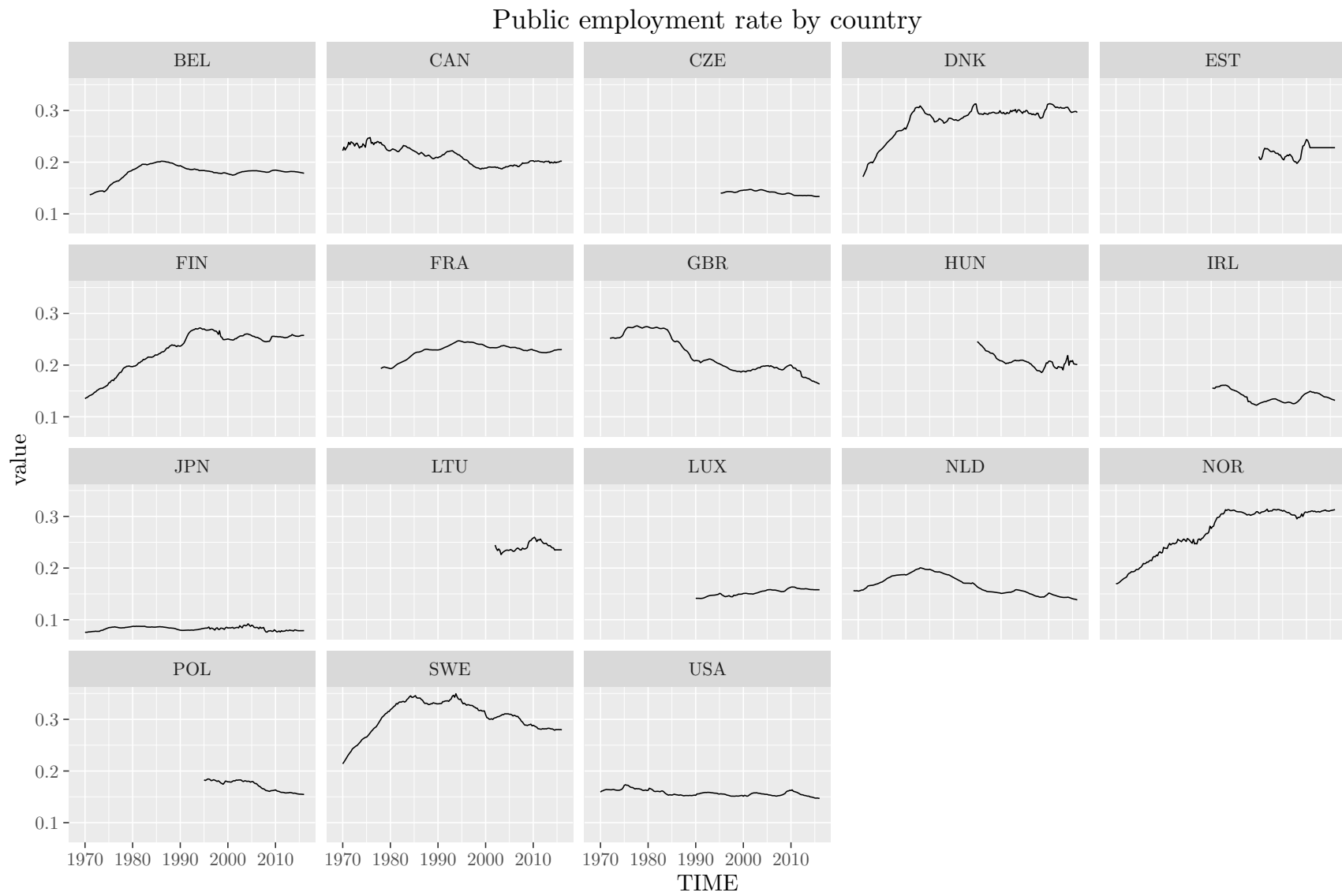


Figure 2: Public employment rate

GDP growth by country

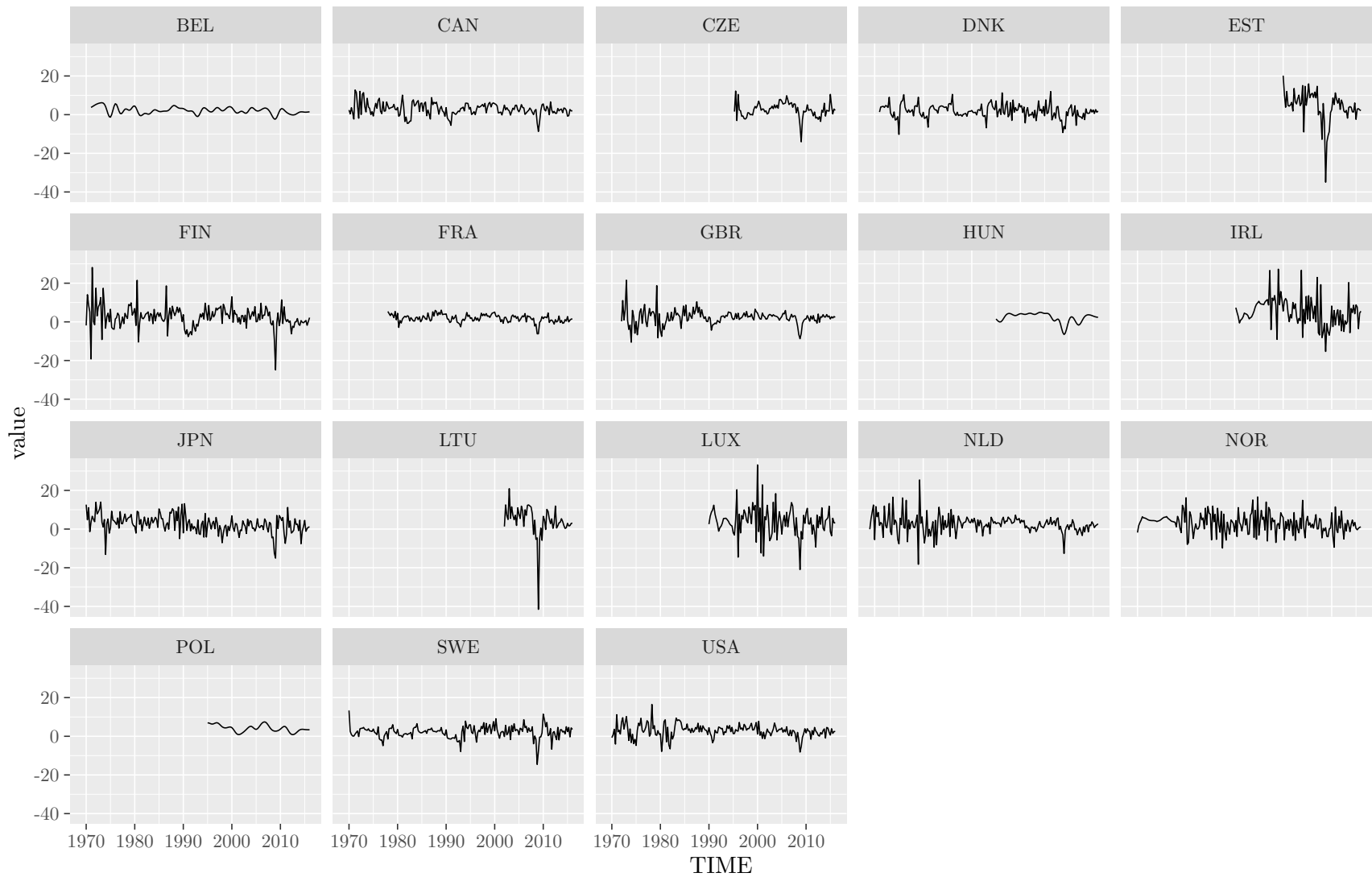


Figure 3: GDP growth, volume

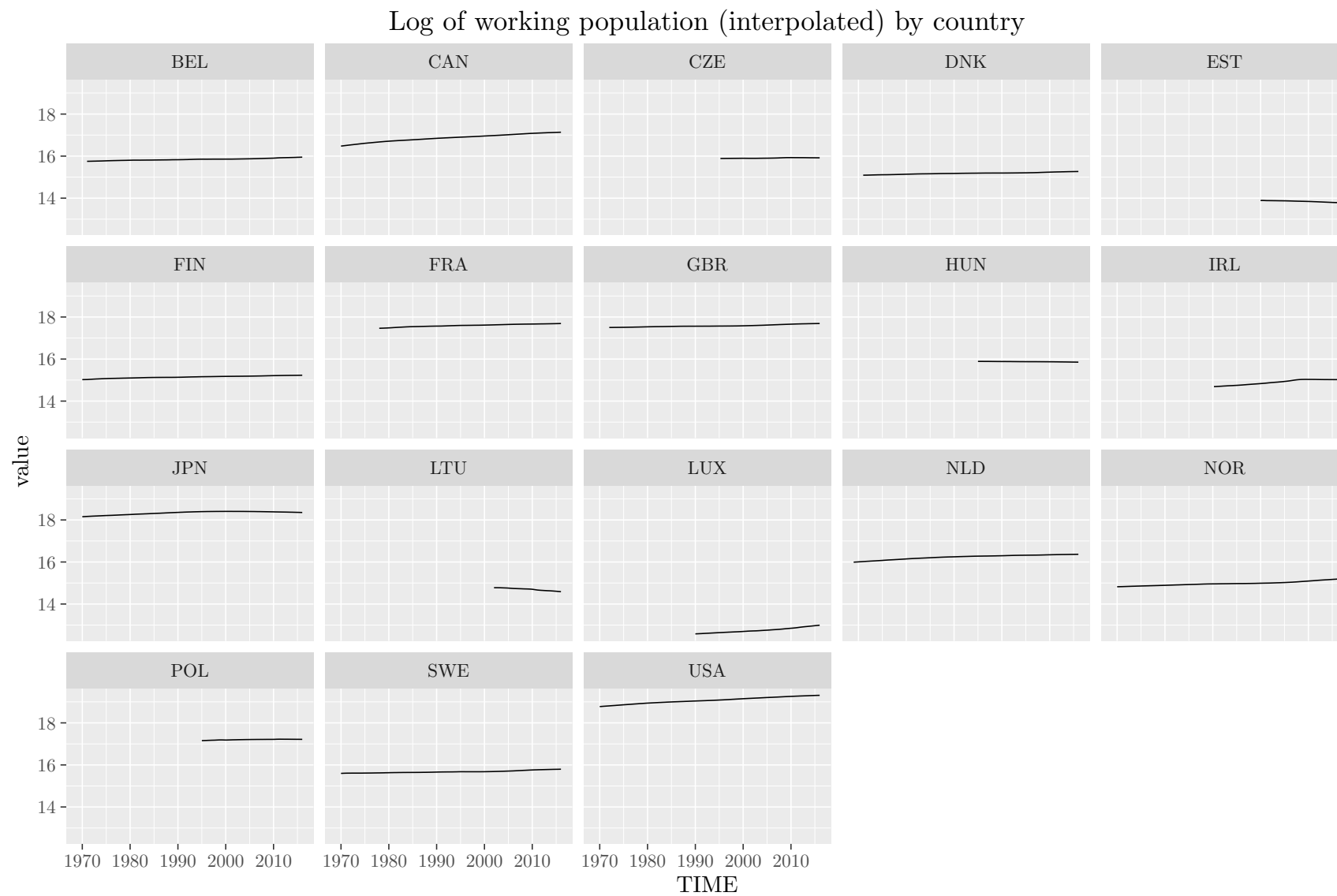


Figure 4: Log of working population

Unemployment rate by country

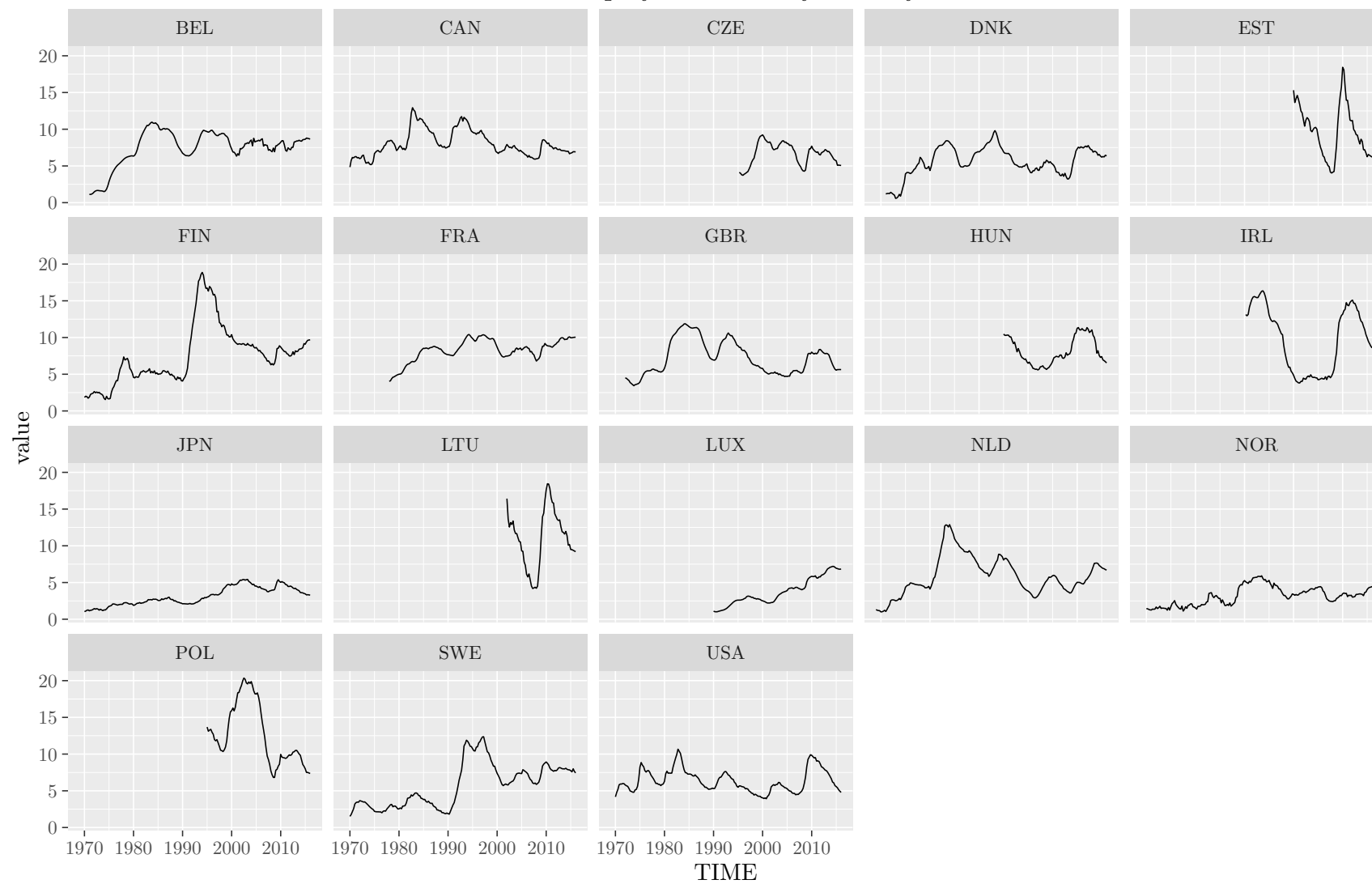


Figure 5: Unemployment rate

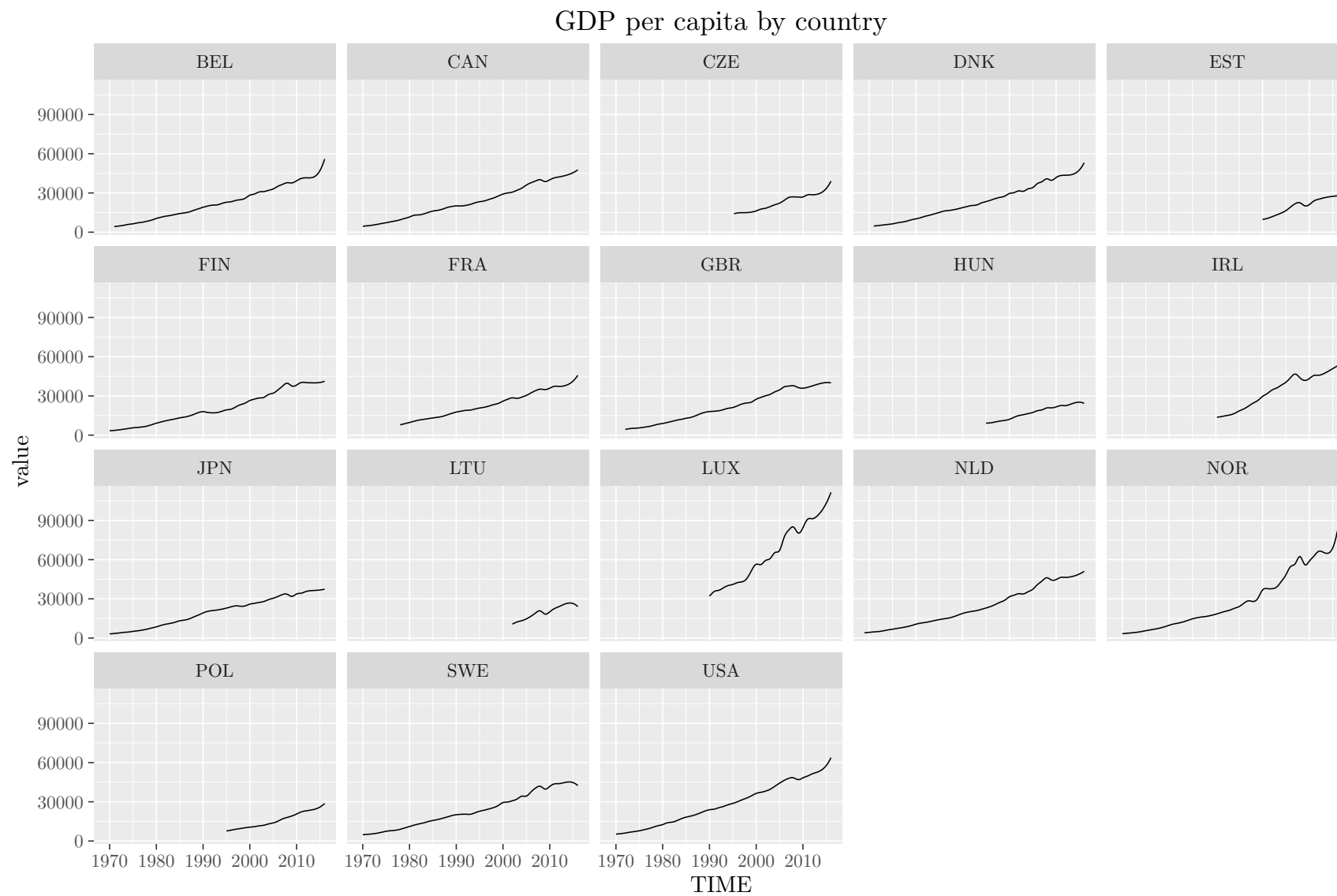


Figure 6: GDP per Capita in USD millions

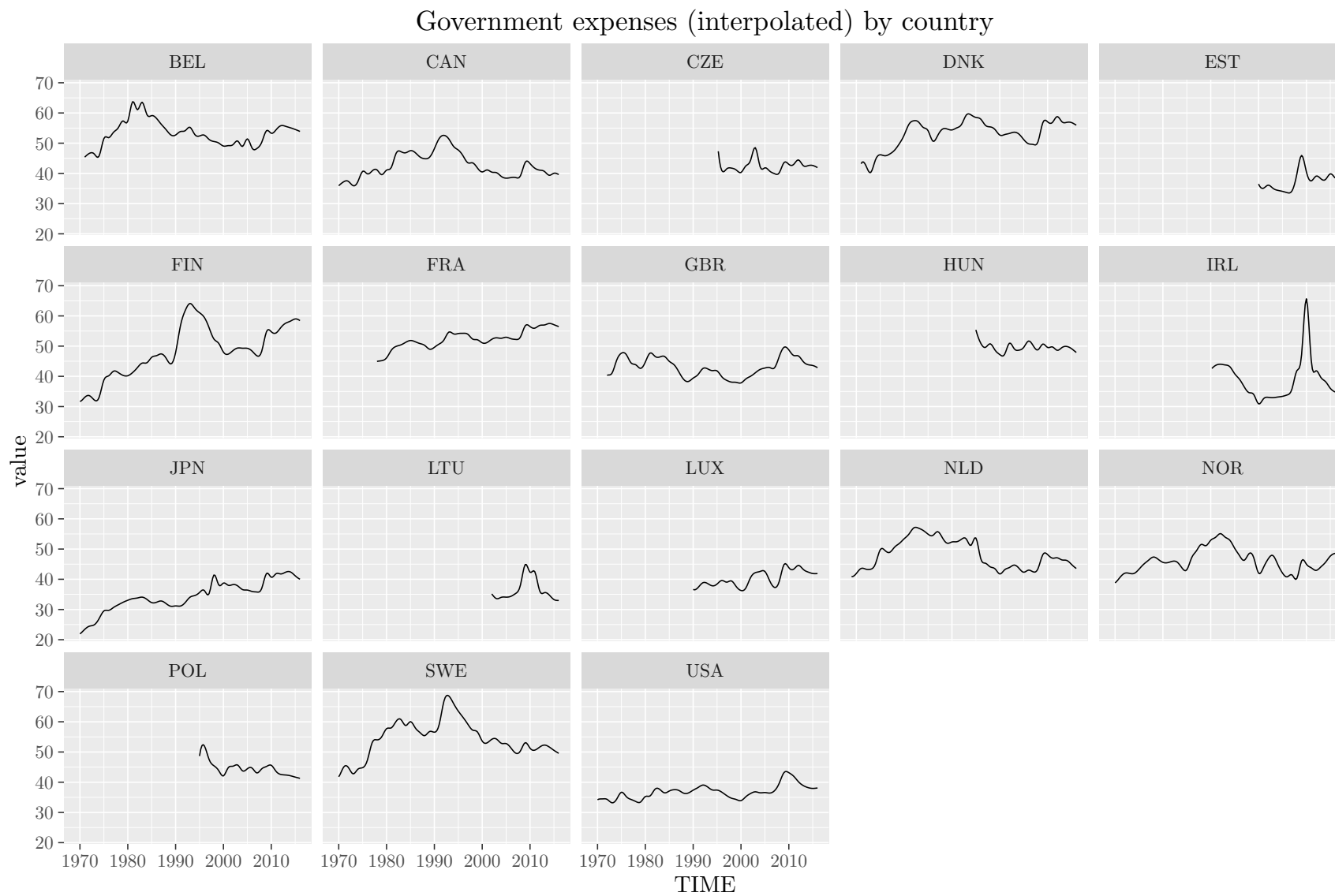


Figure 7: Total government disbursement in percent of GDP