

Public employment project

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1 Introduction

The purpose of the project is to show if in Switzerland, the unemployment rate are artificially kept low through public employment, allowed thanks fiscal transparency (measured by several key indicators).

This hypothesis is backed by the following observations:

- Fiscal opacity allows incumbent government to manipulate official statistics, the scale of the gimmickries depends on the level of opacity (Alt, Lassen, and Wehner 2014);
- Public employment is mean for incumbent government to redistribute wealth from the well-off class to the low-income class (Alesina, Baqir, and Easterly 2000).
- Public employment is positively correlated with GDP growth in country with low fiscal transparency (Aaskoven 2015).
- Switzerland is a country with low fiscal transparency (Aaskoven 2015, 14).

2 Common variable

- Fiscal rules, fiscal transparency
- Electoral incentives (number of electoral years)
- Economics conditions
- GDP growth
- GDP per capita in constant price
- Portion of population having a university degree
- Measure of inequality
- country fixed effect
- unemployment rate
- money income per capita
- log of city population
- Ethnicity

- Time effect
- OECD countries
- Government spending as percent of GDP
- Left or right party

3 Robustness analysis

- Taking out the state
- Outliers
- Total public spending per capita
- Checking the coefficient with and without inequality
- Fragmentation of type of public employment (central administration, streets and highway, housing and community development, libraries, natural sciences, parks and recreation, sewerage, and solide waste management.

References

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- Alt, James, David Dreyer Lassen, and Joachim Wehner. 2014. "It Isn't Just About Greece: Domestic Politics, Transparency and Fiscal Gimmickry in Europe." *British Journal of Political Science* 44 (04). Cambridge Univ Press: 707–16.