

Table 1:

Statistic	N	Mean	St. Dev.	Min	Max
Change in Public Employment Rate (CPER)	390	-0.048	0.435	-1.527	2.861
Lagged change in Public Employment Rate	390	-0.027	0.471	-1.817	2.861
Time	390	2,004.633	6.683	1,992	2,015
GDP growth	390	2.224	2.905	-14.814	11.087
Unemployment rate	390	8.497	4.174	2.162	26.094
Government expenditure in % of GDP	390	45.756	7.044	32.275	68.570
Log of population in million	390	2.408	1.402	-1.010	5.488
Household net income, in % of GDP	390	54.656	9.976	31.224	76.123

Table 2: Main variable result

	<i>Dependent variable:</i>
	Public employment rate
Lagged change in Public Employment Rate	-0.054*** (0.009)
GDP growth	-0.003 (0.005)
Unemployment rate	-0.004 (0.003)
Government expenditure in % of GDP	-0.039** (0.019)
Log of population in million	0.003 (0.003)
Household net income, in % of GDP	0.443* (0.249)
Year fixed-effect	Yes
Country fixed-effect	No
Auto-correlation effect	Yes
Observations	390
R ²	0.445
Adjusted R ²	0.400
Residual Std. Error	0.337 (df = 360)
F Statistic	9.956*** (df = 29; 360)
<i>Note:</i>	*p<0.1; **p<0.05; ***p<0.01

Table 3: Robustness of log of working population

	<i>Dependent variable:</i>	
	Public employment rate	egr
	(1)	(2)
Lagged change in Public Employment Rate	−0.077*** (0.007)	−0.065*** (0.009)
GDP growth	−0.0002 (0.006)	0.014 (0.010)
Unemployment rate	−0.006* (0.003)	0.006 (0.007)
Government expenditure in % of GDP	0.005 (0.003)	0.021*** (0.006)
Household net income, in % of GDP	−0.045** (0.022)	
Log of total population in million		−1.000*** (0.280)
Constant	−0.031 (0.219)	1.661** (0.802)
Year fixed-effect	Yes	Yes
Country fixed-effect	No	No
Auto-correlation effect	Yes	Yes
Observations	351	409
R ²	0.406	0.996
Adjusted R ²	0.352	0.996
Residual Std. Error	0.346 (df = 321)	0.390 (df = 350)
F Statistic	7.568*** (df = 29; 321)	1,706.957*** (df = 58; 350)

Note:

*p<0.1; **p<0.05; ***p<0.01

Table 4: Effect of income inequality

	<i>Dependent variable:</i>	
	Public employment rate	
	(1)	(2)
Lagged change in Public Employment Rate	−0.037*** (0.012)	−0.035*** (0.012)
GDP growth	−0.009 (0.007)	−0.008 (0.007)
Unemployment rate	−0.005 (0.005)	−0.005 (0.005)
Government expenditure in % of GDP	−0.100 (0.069)	−0.068* (0.036)
Log of population in million	0.006 (0.005)	0.006 (0.005)
Household net income, in % of GDP	1.094 (2.025)	
Gini coefficient	0.013 (0.576)	0.240 (0.392)
Year fixed-effect	Yes	Yes
Country fixed-effect	No	No
Auto-correlation effect	Yes	Yes
Observations	101	101
R ²	0.624	0.622
Adjusted R ²	0.463	0.468
Residual Std. Error	0.253 (df = 70)	0.252 (df = 71)
F Statistic	3.869*** (df = 30; 70)	4.033*** (df = 29; 71)

Note:

*p<0.1; **p<0.05; ***p<0.01

Table 5: Effect of the gini coefficient (Toth 2015)

	<i>Dependent variable:</i>	
	Public employment rate	
	(1)	(2)
Lagged change in Public Employment Rate	−0.082*** (0.009)	−0.082*** (0.009)
GDP growth	0.006 (0.007)	0.006 (0.007)
Unemployment rate	−0.008** (0.004)	−0.009** (0.004)
Government expenditure in % of GDP	−0.052* (0.029)	−0.050* (0.028)
Log of population in million	0.010** (0.004)	0.010** (0.004)
Household net income, in % of GDP	0.337 (0.691)	
Gini coefficient (Toth 2015)	−0.366 (0.356)	−0.273 (0.300)
Year fixed-effect	Yes	Yes
Country fixed-effect	No	No
Auto-correlation effect	Yes	Yes
Observations	231	231
R ²	0.430	0.429
Adjusted R ²	0.357	0.360
Residual Std. Error	0.365 (df = 204)	0.364 (df = 205)
F Statistic	5.918*** (df = 26; 204)	6.168*** (df = 25; 205)

Note:

*p<0.1; **p<0.05; ***p<0.01

Table 6: Effect of the GDP per capita

	<i>Dependent variable:</i>	
	Public employment rate	
	(1)	(2)
Lagged change in Public Employment Rate	−0.077*** (0.007)	−0.077*** (0.007)
GDP growth	0.001 (0.006)	0.0002 (0.005)
Unemployment rate	−0.005* (0.003)	−0.005 (0.003)
Government expenditure in % of GDP	−0.051** (0.023)	−0.046** (0.022)
Log of population in million	0.006* (0.003)	0.005 (0.003)
Household net income, in % of GDP	0.00000 (0.00000)	
GDP per capita, in USD Millions	−0.155 (0.240)	−0.086 (0.226)
Year fixed-effect	Yes	Yes
Country fixed-effect	No	No
Auto-correlation effect	Yes	Yes
Observations	360	360
R ²	0.391	0.390
Adjusted R ²	0.336	0.337
Residual Std. Error	0.347 (df = 329)	0.347 (df = 330)
F Statistic	7.055*** (df = 30; 329)	7.281*** (df = 29; 330)

Note:

*p<0.1; **p<0.05; ***p<0.01

Table 7: Effect of IMF fiscal transparency index

	<i>Dependent variable:</i>	
	Public employment rate	
	(1)	(2)
Lagged change in Public Employment Rate	−0.059*** (0.013)	−0.059*** (0.013)
GDP growth	−0.007 (0.007)	−0.007 (0.007)
Unemployment rate	−0.003 (0.005)	−0.003 (0.005)
Government expenditure in % of GDP	−0.046 (0.038)	−0.041 (0.038)
Log of population in million	0.004 (0.005)	0.004 (0.005)
Household net income, in % of GDP	−0.001 (0.001)	
IMF GFS Index	0.215 (0.347)	0.157 (0.339)
Year fixed-effect	Yes	Yes
Country fixed-effect	No	No
Auto-correlation effect	Yes	Yes
Observations	155	155
R ²	0.415	0.412
Adjusted R ²	0.342	0.343
Residual Std. Error	0.346 (df = 137)	0.346 (df = 138)
F Statistic	5.706*** (df = 17; 137)	6.034*** (df = 16; 138)

Note:

*p<0.1; **p<0.05; ***p<0.01

Table 8: Effect of Lassen Fiscal Transparency index

	<i>Dependent variable:</i>	
	Public employment rate	
	(1)	(2)
Lagged change in Public Employment Rate	−0.048* (0.027)	−0.073*** (0.010)
GDP growth	−0.006 (0.006)	−0.006 (0.006)
Unemployment rate	−0.009** (0.004)	−0.009** (0.004)
Government expenditure in % of GDP	−0.074* (0.039)	−0.075** (0.037)
Log of population in million	0.006 (0.004)	0.006 (0.004)
Household net income, in % of GDP	0.016 (0.018)	
Fiscal Transparency	−0.006 (0.006)	
Effect of Fiscal Transparency on GDP Growth	0.048 (0.260)	0.141 (0.244)
Year fixed-effect	Yes	Yes
Country fixed-effect	No	No
Auto-correlation effect	Yes	Yes
Observations	254	254
R ²	0.436	0.433
Adjusted R ²	0.354	0.357
Residual Std. Error	0.325 (df = 221)	0.324 (df = 223)
F Statistic	5.335*** (df = 32; 221)	5.675*** (df = 30; 223)

Note:

*p<0.1; **p<0.05; ***p<0.01

Table 9: Effect of Lassen Fiscal Transparency index

	<i>Dependent variable:</i>	
	Public employment rate	
	(1)	(2)
Lagged change in Public Employment Rate	−0.074*** (0.023)	−0.074*** (0.007)
GDP growth	−0.001 (0.005)	−0.001 (0.005)
Unemployment rate	−0.004 (0.003)	−0.004 (0.003)
Government expenditure in % of GDP	−0.048** (0.022)	−0.048** (0.022)
Log of population in million	0.005 (0.003)	0.004 (0.003)
Household net income, in % of GDP	0.0004 (0.002)	
Fiscal Transparency	−0.00001 (0.0004)	
Effect of Fiscal Transparency on GDP Growth	−0.112 (0.250)	−0.079 (0.220)
Year fixed-effect	Yes	Yes
Country fixed-effect	No	No
Auto-correlation effect	Yes	Yes
Observations	379	379
R ²	0.379	0.378
Adjusted R ²	0.321	0.325
Residual Std. Error	0.355 (df = 346)	0.354 (df = 348)
F Statistic	6.585*** (df = 32; 346)	7.059*** (df = 30; 348)

Note:

*p<0.1; **p<0.05; ***p<0.01