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

	Dependent variable:
	Public employment rate
GDP growth	−0.054***
	(0.009)
Unemployment rate	−0.003
	(0.005)
Government expenditure in % of GDP	−0.004
	(0.003)
Log of population in million	−0.039**
	(0.019)
Household net income, in % of GDP	0.003
	(0.003)
Constant	0.443*
	(0.249)
Year fixed-effect	Yes
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)

Note: *p<0.1; **p<0.05; ***p<0.01

Table 3: Robustness of log of working population

	Dependent variable:	
	Public employment rate	
	(1)	(2)
GDP growth	−0.057***	−0.057***
	(0.011)	(0.011)
Unemployment rate	−0.001	−0.001
	(0.006)	(0.006)
Government expenditure in % of GDP	−0.005	−0.005
	(0.003)	(0.003)
Household net income, in % of GDP	0.002	0.002
	(0.003)	(0.003)
Log of total population in million	−0.035	
	(0.024)	
lpop		−0.036
		(0.024)
Constant	0.521*	0.510*
	(0.270)	(0.270)
Year fixed-effect	Yes	Yes
Auto-correlation effect	Yes	Yes
Observations	348	348
R^2	0.436	0.436
Adjusted R^2	0.386	0.386
Residual Std. Error (df = 319)	0.350	0.350
F Statistic (df = 28; 319)	8.795***	8.797***

Note: *p<0.1; **p<0.05; ***p<0.01

Table 4: Effect of income inequality

	Dependent variable:	
	Public employment rate	
	(1)	(2)
GDP growth	−0.079***	−0.080***
	(0.016)	(0.015)
Unemployment rate	0.019*	0.019*
	(0.011)	(0.011)
Government expenditure in % of GDP	−0.004	−0.005
	(0.007)	(0.006)
Log of population in million	−0.033	−0.031
	(0.041)	(0.040)
Household net income, in % of GDP	−0.004	−0.004
	(0.008)	(0.008)
Gini coefficient	0.312	
	(1.309)	
Constant	0.884	0.995*
	(0.710)	(0.535)
Year fixed-effect	Yes	Yes
Auto-correlation effect	Yes	Yes
Observations	128	128
R^2	0.627	0.626
Adjusted R^2	0.516	0.521
Residual Std. Error	0.346 (df = 98)	0.345 (df = 99)
F Statistic	5.671*** (df = 29; 98)	5.928*** (df = 28; 99)

Note: *p<0.1; **p<0.05; ***p<0.01

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

	Dependent variable:	
	Public employment rate	
	(1)	(2)
GDP growth	−0.074***	−0.074***
	(0.014)	(0.014)
Unemployment rate	0.011	0.011
	(0.009)	(0.009)
Government expenditure in % of GDP	−0.007	−0.007
	(0.005)	(0.005)
Log of population in million	−0.036	−0.033
	(0.037)	(0.034)
Household net income, in % of GDP	0.0001	0.00001
	(0.005)	(0.005)
Gini coefficient (Toth 2015)	0.224	
	(0.958)	
Constant	0.559	0.635
	(0.531)	(0.421)
Year fixed-effect	Yes	Yes
Auto-correlation effect	Yes	Yes
Observations	227	227
R^2	0.480	0.480
Adjusted R^2	0.415	0.418
Residual Std. Error	0.384 (df = 201)	0.383 (df = 202)
F Statistic	7.411*** (df = 25; 201)	7.754*** (df = 24; 202)

Note:	*p<0.1; **p<0.05; ***p<0.01

Table 6: Effect of the GDP per capita

	Dependent variable:	
	Public employment rate	
	(1)	(2)
GDP growth	−0.058***	−0.057***
	(0.010)	(0.010)
Unemployment rate	−0.001	−0.001
	(0.006)	(0.006)
Government expenditure in % of GDP	−0.005	−0.005
	(0.003)	(0.003)
Log of population in million	−0.036	−0.036
	(0.023)	(0.023)
Household net income, in % of GDP	0.002	0.002
	(0.003)	(0.003)
GDP per capita, in USD Millions	−0.00000	
	(0.00000)	
Constant	0.532*	0.525**
	(0.284)	(0.262)
Year fixed-effect	Yes	Yes
Auto-correlation effect	Yes	Yes
Observations	361	361
R^2	0.435	0.435
Adjusted R^2	0.385	0.387
Residual Std. Error	0.344 (df = 331)	0.344 (df = 332)
F Statistic	8.785*** (df = 29; 331)	9.126*** (df = 28; 332)

Note: *p<0.1; **p<0.05; ***p<0.01

Table 7: Effect of IMF fiscal transparency index

| | Dependent variable: | |
| | Public employment rate | |
	(1)	(2)
GDP growth	−0.064***	−0.065***
	(0.013)	(0.013)
Unemployment rate	−0.004	−0.004
	(0.008)	(0.008)
Government expenditure in % of GDP	−0.005	−0.005
	(0.005)	(0.005)
Log of population in million	−0.045	−0.046
	(0.030)	(0.030)
Household net income, in % of GDP	0.004	0.004
	(0.005)	(0.005)
IMF GFS Index	−0.001	
	(0.001)	
Constant	0.384	0.333
	(0.327)	(0.324)
Year fixed-effect	Yes	Yes
Auto-correlation effect	Yes	Yes
Observations	193	193
R^2	0.505	0.501
Adjusted R^2	0.457	0.456
Residual Std. Error	0.345 (df = 175)	0.346 (df = 176)
F Statistic	10.489*** (df = 17; 175)	11.064*** (df = 16; 176)
Note:		*p<0.1; **p<0.05; ***p<0.01

Table 8: Effect of Lassen Fiscal Transparency index

	Dependent variable:	
	Public employment rate	
	(1)	(2)
GDP growth	−0.046	−0.053***
	(0.028)	(0.017)
Unemployment rate	−0.001	−0.001
	(0.006)	(0.006)
Government expenditure in % of GDP	−0.009**	−0.009**
	(0.004)	(0.004)
Log of population in million	−0.054	−0.058
	(0.038)	(0.036)
Household net income, in % of GDP	0.003	0.003
	(0.004)	(0.004)
Fiscal Transparency	0.001	
	(0.017)	
Effect of Fiscal Transparency on GDP Growth	−0.002	
	(0.006)	
Constant	0.707**	0.727**
	(0.316)	(0.308)
Year fixed-effect	Yes	Yes
Auto-correlation effect	Yes	Yes
Observations	254	254
R^2	0.474	0.474
Adjusted R^2	0.401	0.406
Residual Std. Error	0.313 (df = 222)	0.312 (df = 224)
F Statistic	6.457*** (df = 31; 222)	6.958*** (df = 29; 224)

Note: *p<0.1; **p<0.05; ***p<0.01

Table 9: Effect of Lassen Fiscal Transparency index

	Dependent variable:	
	Public employment rate	
	(1)	(2)
GDP growth	−0.065***	−0.058***
	(0.023)	(0.010)
Unemployment rate	−0.001	−0.001
	(0.005)	(0.005)
Government expenditure in % of GDP	−0.006*	−0.005*
	(0.003)	(0.003)
Log of population in million	−0.036*	−0.037*
	(0.022)	(0.021)
Household net income, in % of GDP	0.002	0.002
	(0.003)	(0.003)
Fiscal Transparency	−0.0001	
	(0.002)	
Effect of Fiscal Transparency on GDP Growth	0.0001	
	(0.0004)	
Constant	0.545*	0.535**
	(0.279)	(0.252)
Year fixed-effect	Yes	Yes
Auto-correlation effect	Yes	Yes
Observations	379	379
R^2	0.434	0.434
Adjusted R^2	0.384	0.387
Residual Std. Error	0.338 (df = 347)	0.337 (df = 349)
F Statistic	8.594*** (df = 31; 347)	9.229*** (df = 29; 349)

Note:	*p<0.1; **p<0.05; ***p<0.01

Table 10: Effect of Government Political Side

	Dependent variable:	
	Public employment rate	
	(1)	(2)
GDP growth	−0.041***	−0.036***
	(0.014)	(0.014)
Unemployment rate	0.005	0.007
	(0.007)	(0.007)
Government expenditure in % of GDP	−0.009*	−0.009**
	(0.005)	(0.005)
Log of population in million	−0.033	−0.035
	(0.037)	(0.037)
Household net income, in % of GDP	0.0003	−0.0001
	(0.004)	(0.004)
Left government effect	0.069	
	(0.047)	
Constant	0.657**	0.711**
	(0.326)	(0.325)
Year fixed-effect	Yes	Yes
Auto-correlation effect	Yes	Yes
Observations	259	259
R^2	0.427	0.421
Adjusted R^2	0.360	0.357
Residual Std. Error	0.333 (df = 231)	0.334 (df = 232)
F Statistic	6.370*** (df = 27; 231)	6.500*** (df = 26; 232)

Note: *p<0.1; **p<0.05; ***p<0.01

Table 11: Effect of years left until election

	Dependent variable:	
	Public employment rate	
	(1)	(2)
GDP growth	-0.062^{***}	-0.061^{***}
	(0.011)	(0.011)
Unemployment rate	0.0005	0.0004
	(0.006)	(0.006)
Government expenditure in % of GDP	-0.006	-0.006
	(0.004)	(0.004)
Log of population in million	-0.035	-0.034
	(0.024)	(0.024)
Household net income, in % of GDP	0.002	0.002
	(0.004)	(0.004)
Years left until election	-0.023	
	(0.016)	
Constant	0.583^{**}	0.550^{**}
	(0.278)	(0.278)
Year fixed-effect	Yes	Yes
Auto-correlation effect	Yes	Yes
Observations	335	335
R^2	0.446	0.443
Adjusted R^2	0.396	0.394
Residual Std. Error	0.350 (df = 306)	0.351 (df = 307)
F Statistic	8.815^{***} (df = 28; 306)	9.034^{***} (df = 27; 307)

Note: *p<0.1; **p<0.05; ***p<0.01