Appendix to “Varieties of Employment Subsidy Design”

This appendix reports two MCA analyses run on the small 2011 sample. The main, ‘long’, analysis with 200 programs and 28 categories is reported in Table A1. The figures and discussions in the main text are based on this analysis. Figure A1 and Table A2 present the supplementary, ‘wide’, analysis run on those 102 programs for which data on *Subsidy rate* and *Subsidy rate form* could be retrieved.

The supplementary analysis suggests that including the two variables does not substantively change any of the results from the main analysis. None of them contributes substantively to either of the two first dimensions, and the category plot reported in Figure A1 appears very similar to that reported for the main analysis in Figure 1 in the article. Moreover, for the 102 observations with complete data, the coordinates generated in the wide and the long versions of the MCA are correlated at 0.99 for both the first and the second dimensions. Thus, the data on subsidy rates—although in theory an important dimension in subsidy design—do not add much variation, conditional on the variables already included in the main analysis.

../../../../LMP%20Database/Wage%20subsidies/thesis%20version/figure3.pdf

*Figure A1. Coordinate plot of the 33 categories in the ‘wide’ MCA for 2011.* The sizes of the circles correspond to the masses of the categories reported in Table A2.

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| TABLE A1. Results of the main ‘long’ MCA for 2011. | | | | | | |
|  | Eigenvalue | Percent |  |  |  |  |
| Dimension 1 | 0.0224 | 51.35 | Observations | | 200 |  |
| Dimension 2 | 0.0121 | 27.75 | Categories | | 28 |  |
| Dimension 3 | 0.0008 | 1.92 | Total inertia | | 0.0436 |  |
| Dimension 4 | 0.0002 | 0.52 |  |  |  |  |
| Dimension 5 | 0.0000 | 0.01 |  |  |  |  |
|  |  |  | Dimension 1 | | Dimension 2 | |
|  | Frequency (%) | Mass | Coordinate | Contribution | Coordinate | Contribution |
| *General form* | |  |  |  |  |  |
| General subsidy | 22 | 0.017 | -2.958 | **0.145** | 0.554 | 0.005 |
| Recruitment subsidy | 78 | 0.060 | 0.810 | **0.040** | -0.152 | 0.001 |
| *Duration* |  |  |  |  |  |  |
| Short/One-off | 43 | 0.033 | 0.242 | 0.002 | -1.643 | **0.090** |
| Medium | 20 | 0.015 | 1.225 | 0.023 | 0.516 | 0.004 |
| Long | 23 | 0.017 | 0.211 | 0.001 | 1.793 | **0.056** |
| Unlimited/variable | 14 | 0.011 | -2.839 | **0.087** | 1.487 | 0.024 |
| *Transfer type* |  |  |  |  |  |  |
| Direct | 79 | 0.061 | -0.138 | 0.001 | -0.315 | 0.006 |
| Reduced taxes/contrib. | 21 | 0.016 | 0.518 | 0.004 | 1.186 | 0.023 |
| *Target: Unemployed* | |  |  |  |  |  |
| No | 12 | 0.009 | -3.473 | **0.107** | 0.721 | 0.005 |
| Yes | 88 | 0.068 | 0.451 | 0.014 | -0.094 | 0.001 |
| *Target: Inactive* | |  |  |  |  |  |
| No | 69 | 0.053 | 0.234 | 0.003 | -0.500 | 0.013 |
| Yes | 31 | 0.024 | -0.521 | 0.006 | 1.112 | 0.030 |
| *Target: Employed* | |  |  |  |  |  |
| No | 82 | 0.063 | 0.601 | 0.023 | -0.177 | 0.002 |
| Yes | 18 | 0.013 | -2.832 | **0.108** | 0.835 | 0.009 |
| *Target: Long-term unemployed* | | | |  |  |  |
| No | 75 | 0.058 | -0.601 | 0.021 | -0.607 | 0.021 |
| Yes | 25 | 0.019 | 1.804 | **0.063** | 1.821 | **0.064** |
| *Target: Youth* | |  |  |  |  |  |
| No | 79 | 0.061 | -0.524 | 0.017 | -0.322 | 0.006 |
| Yes | 21 | 0.016 | 2.033 | **0.065** | 1.247 | 0.025 |
| *Target: Older* | |  |  |  |  |  |
| No | 82 | 0.063 | -0.439 | 0.012 | -0.529 | 0.018 |
| Yes | 18 | 0.014 | 1.998 | **0.055** | 2.412 | **0.081** |
| *Target: Disabled* | |  |  |  |  |  |
| No | 66 | 0.051 | 0.587 | 0.017 | -0.891 | **0.040** |
| Yes | 34 | 0.026 | -1.139 | **0.034** | 1.73 | **0.078** |
| *Target: Other disadvantaged* | | |  |  |  |  |
| No | 68 | 0.052 | -0.595 | 0.019 | -0.69 | 0.025 |
| Yes | 32 | 0.025 | 1.265 | **0.039** | 1.467 | **0.053** |
| *Target: All* | |  |  |  |  |  |
| No | 79 | 0.061 | 0.091 | 0.001 | 0.913 | **0.051** |
| Yes | 21 | 0.016 | -0.351 | 0.002 | -3.54 | **0.198** |
| *Contract requirements* | | |  |  |  |  |
| Temporary contract | 74 | 0.057 | 0.640 | 0.023 | -0.567 | 0.018 |
| Permanent contract | 26 | 0.020 | -1.870 | **0.069** | 1.657 | **0.054** |
| Average contribution |  |  |  | 0.036 |  | 0.036 |
| The eigenvalues used here are the adjusted principal inertias. Bold font indicates a contribution close to or greater than the average. | | | | | | |

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| TABLE A2. Results of the supplementary ‘wide’ MCA for 2011. | | | | | | |
|  | Eigenvalue | Percent |  |  |  |  |
| Dimension 1 | 0.0204 | 46.68 | Observations | | 102 |  |
| Dimension 2 | 0.0101 | 22.99 | Categories | | 33 |  |
| Dimension 3 | 0.0021 | 4.84 | Total inertia | | 0.0437 |  |
| Dimension 4 | 0.0008 | 1.88 |  |  |  |  |
| Dimension 5 | 0.0002 | 0.42 |  |  |  |  |
| Dimension 6 | 0.0001 | 0.28 |  |  |  |  |
| Dimension 7 | 0.0000 | 0.01 |  |  |  |  |
|  |  |  | Dimension 1 | | Dimension 2 | |
|  | Frequency (%) | Mass | Coordinate | Contribution | Coordinate | Contribution |
| *General form* | |  |  |  |  |  |
| General subsidy | 19 | 0.012 | -3.194 | **0.127** | 1.134 | 0.016 |
| Recruitment subsidy | 81 | 0.054 | 0.731 | **0.029** | -0.260 | 0.004 |
| *Duration* |  |  |  |  |  |  |
| Short/One-off | 46 | 0.031 | 0.157 | 0.001 | -1.872 | **0.108** |
| Medium | 18 | 0.012 | 1.113 | 0.015 | 1.001 | 0.012 |
| Long | 25 | 0.017 | 0.372 | 0.002 | 1.703 | **0.049** |
| Unlimited/variable | 11 | 0.007 | -3.372 | **0.082** | 2.339 | **0.039** |
| *Subsidy rate* |  |  |  |  |  |  |
| Low | 36 | 0.024 | 0.210 | 0.001 | -0.146 | 0.001 |
| Medium | 22 | 0.014 | -0.805 | 0.009 | 0.970 | 0.014 |
| High | 42 | 0.028 | 0.231 | 0.001 | -0.371 | 0.004 |
| *Subsidy rate form* | |  |  |  |  |  |
| Fixed rate | 26 | 0.018 | 0.371 | 0.002 | -1.134 | 0.023 |
| Variable rate | 74 | 0.049 | -0.134 | 0.001 | 0.408 | 0.008 |
| *Transfer type* | |  |  |  |  |  |
| Direct | 86 | 0.058 | -0.231 | 0.003 | -0.283 | 0.005 |
| Reduced taxes/contrib. | 14 | 0.009 | 1.450 | 0.019 | 1.780 | **0.029** |
| *Target: Unemployed* | |  |  |  |  |  |
| No | 11 | 0.007 | -3.226 | **0.075** | 1.033 | 0.008 |
| Yes | 89 | 0.059 | 0.390 | 0.009 | -0.125 | 0.001 |
| *Target: Inactive* | |  |  |  |  |  |
| No | 60 | 0.04 | 0.257 | 0.003 | -0.578 | 0.013 |
| Yes | 40 | 0.027 | -0.383 | 0.004 | 0.859 | 0.020 |
| *Target: Employed* | |  |  |  |  |  |
| No | 82 | 0.055 | 0.527 | 0.015 | -0.199 | 0.002 |
| Yes | 18 | 0.012 | -2.461 | **0.071** | 0.929 | 0.010 |
| *Target: Long-term unemployed* | | |  |  |  |  |
| No | 77 | 0.052 | -0.698 | 0.025 | -0.439 | 0.010 |
| Yes | 23 | 0.015 | 2.396 | **0.086** | 1.509 | **0.034** |
| *Target: Youth* | |  |  |  |  |  |
| No | 74 | 0.05 | -0.767 | **0.029** | -0.168 | 0.001 |
| Yes | 26 | 0.017 | 2.241 | **0.085** | 0.490 | 0.004 |
| *Target: Older* | |  |  |  |  |  |
| No | 82 | 0.055 | -0.537 | 0.016 | -0.433 | 0.010 |
| Yes | 18 | 0.012 | 2.507 | **0.074** | 2.023 | **0.048** |
| *Target: Disabled* | |  |  |  |  |  |
| No | 62 | 0.041 | 0.535 | 0.012 | -1.208 | **0.060** |
| Yes | 38 | 0.025 | -0.864 | 0.019 | 1.952 | **0.097** |
| *Target: Other disadvantaged* | | |  |  |  |  |
| No | 68 | 0.045 | -0.878 | **0.035** | -0.624 | 0.018 |
| Yes | 32 | 0.022 | 1.837 | **0.073** | 1.305 | **0.037** |
| *Target: All* |  |  |  |  |  |  |
| No | 77 | 0.052 | 0.268 | 0.004 | 1.019 | **0.054** |
| Yes | 23 | 0.015 | -0.920 | 0.013 | -3.501 | **0.184** |
| *Contract requirements* | |  |  |  |  |  |
| Temporary contract | 73 | 0.048 | 0.584 | 0.016 | -0.666 | 0.021 |
| Permanent contract | 27 | 0.018 | -1.543 | **0.044** | 1.761 | **0.057** |
| Average contribution |  |  |  | 0.030 |  | 0.030 |
| The eigenvalues used here are the adjusted principal inertias. Bold font indicates a contribution close to or greater than the average. | | | | | | |