

Table [1]: Variable definition and sources

Label	Variable	Definition	Units	Source
almp	Social expenditure by the public regional administration	Expenditure on social promotion: current transfers, unemployment protection, active labor market policies and housing subsidies	Share over GDP	2002/2010 Liquidación de presupuestos de las CC AA; 2000/2001 BADESPE; 1989/1999 Anuario liquidación presupuestos de las CC AA (yearbook)
esf	EU transfers from the European Social Fund	Current transfers from the EU to the regional government under the ESF programme (commitments)	Share over GDP	1995 2001 BADESPE; 2002 2010 Liquidacion presupuestos CCAA (database); 1987 1994 Informe sobre la financiación de las CCAA (yearbook)
regional_exp	Total expenditure by the public regional administration	Total final public expenditure at the regional level	Share over GDP	1984 2003 BADESPE; 2004-2010 Liquidación de los presupuestos de las CC AA
gdp_pc	Log of GDP per capita	GDP per inhabitant in logarithmic form	Thousands Euro	INE (Instituto Nacional de Estadística)
unemploy_rate	Unemployment rate	Ratio of the unemployed over active population	Ratio	INE
particip_rate	Participation rate	Ratio of the active over working age population	Ratio	INE
population	Population	Population at 1 st of January	Million people	INE
pop->16	Population 16 or older	Average annual population older than 15 years	Million people	INE
growth	Real economic growth	Real GDP growth rate at constant prices	Growth rate	INE

Table [2]: Summary statistics (1989-2011)

Variable	Obs	Mean	Std. Dev.	Min	Max
almp	391	0.0120	<i>0.007</i>	0.001	0.043
esf	391	0.0007	<i>0.001</i>	0.000	0.006
regional_exp	391	0.1365	<i>0.061</i>	0.023	0.312
gdp_pc	391	9.7972	<i>0.474</i>	8.680	11.561
unemploy_rate	391	0.1493	<i>0.064</i>	0.044	0.345
particip_rate	391	0.5352	<i>0.047</i>	0.427	0.660
population	391	2.4261	<i>2.123</i>	0.261	8.256
pop_>16	391	1.9798	<i>1.737</i>	0.208	6.786
growth	391	0.0665	<i>0.040</i>	-0.059	0.209

Table [3]: Determinants of public expenditure in ALMPs in Spanish regions. Spatial Durbin Model

	[1]	[2]	[3]	[4]	[5]
almp_{t-1}	0.5332*** <i>0.040</i>	0.5424*** <i>0.039</i>	0.5184*** <i>0.039</i>	0.6351*** <i>0.040</i>	0.4970*** <i>0.038</i>
esf	-0.1138 <i>0.185</i>	-0.1392 <i>0.184</i>	-0.0782 <i>0.186</i>	-0.0288 <i>0.204</i>	-0.2676 <i>0.177</i>
regional_exp	0.0248*** <i>0.004</i>	0.0279*** <i>0.004</i>	0.0271*** <i>0.004</i>		0.0261*** <i>0.004</i>
gdp_pc				0.0005 <i>0.0006</i>	
unemploy_rate	-0.0108** <i>0.005</i>	-0.0092* <i>0.005</i>		-0.0118** <i>0.005</i>	-0.0047* <i>0.003</i>
particip_rate			-0.0242*** <i>0.008</i>		
population	-0.00069 <i>0.0006</i>		0.0001 <i>0.0007</i>	-0.0011* <i>0.0006</i>	0.00073 <i>0.0005</i>
w*esf	-0.9763** <i>0.424</i>	-1.037** <i>0.419</i>	-1.0171** <i>0.420</i>	-0.7748* <i>0.530</i>	-0.2441*** <i>0.089</i>
w*regional_exp	0.0202** <i>0.008</i>	0.0246*** <i>0.004</i>	0.0091 <i>0.010</i>		0.0076*** <i>0.001</i>
w*gdp_pc				0.00008 <i>0.001</i>	
w*unemploy_rate	0.0124**	0.0115**		0.0086 <i>0.006</i>	0.0016* <i>0.0008</i>
w*particip_rate			0.0398** <i>0.015</i>		
w*population	0.0027 <i>0.002</i>		-0.0001 <i>0.002</i>	0.0093*** <i>0.002</i>	-0.0001 <i>0.0002</i>
<i>LM SAC</i> ^[1]	20.7508 <i>(0.00)</i>	22.3660 <i>(0.00)</i>	21.4616 <i>(0.00)</i>	26.2004 <i>(0.00)</i>	15.5814 <i>(0.001)</i>
<i>AIC</i> ^[2]	-12.5288	-12.5002	-12.5302	-12.4409	-12.4125
<i>F-test (p val)</i>	169.64 <i>(0.00)</i>	216.36 <i>(0.00)</i>	170.30 <i>(0.00)</i>	136.26 <i>(0.00)</i>	168.73 <i>(0.00)</i>
<i>R</i> ²	0.8051	0.8494	0.8752	0.5400	0.7580
Obs (groups)	374 (17)	374 (17)	374 (17)	374 (17)	374 (17)
<i>w</i>	<i>distance</i>	<i>distance</i>	<i>distance</i>	<i>distance</i>	<i>binary</i>

*, **, *** denote significance levels at the 10%, 5% and 1% respectively

^[1] Lagrange Multiplier General Spatial Autocorrelation test

^[2] Akaike information criterion

Table [4]: Determinants of public expenditure in ALMP s in Spanish regions. Fixed-Effects on three-year averaged data

	[1]	[2]	[3]	[4]	[5]	[6]
esf	-0.0037 <i>0.006</i>	0.0100 <i>0.007</i>	0.0048 <i>0.006</i>	0.0044 <i>0.006</i>	0.0043 <i>0.006</i>	0.0056 <i>0.006</i>
esf_tot		-0.0438*** <i>0.013</i>				
esf_16			-0.0328** <i>0.013</i>	-0.0390*** <i>0.012</i>	-0.0339*** <i>0.013</i>	-0.0313** <i>0.013</i>
regional_exp	0.0712*** <i>0.008</i>	0.0645*** <i>0.008</i>	0.0670*** <i>0.008</i>	0.0690*** <i>0.008</i>	0.0678*** <i>0.008</i>	0.0633*** <i>0.009</i>
gdp_pc	0.0009 <i>0.001</i>	0.0024** <i>0.001</i>	0.0022** <i>0.001</i>	0.0032*** <i>0.001</i>	0.0023** <i>0.001</i>	0.0017* <i>0.001</i>
unemploy_rate	-0.0021 <i>0.006</i>	-0.0013 <i>0.006</i>	0.0002 <i>0.006</i>	0.0058 <i>0.005</i>	0.0014 <i>0.006</i>	
particip_rate						0.0001 <i>0.000</i>
population	0.0004 <i>0.001</i>	0.0001 <i>0.001</i>	0.0002 <i>0.001</i>			-0.0005 <i>0.001</i>
pop_>16					0.0007 <i>0.001</i>	
growth	-0.0251** <i>0.013</i>	-0.0161 <i>0.012</i>	-0.0178 <i>0.013</i>		-0.0138 <i>0.014</i>	-0.0155 <i>0.011</i>
<i>Log-likelihood</i>	<i>635.44</i>	<i>641.70</i>	<i>639.26</i>	<i>637.57</i>	<i>639.54</i>	<i>639.86</i>
<i>F-test</i>	<i>10.68</i>	<i>10.54</i>	<i>10.55</i>	<i>13.74</i>	<i>10.53</i>	<i>9.55</i>
<i>(p val)</i>	<i>(0.000)</i>	<i>(0.000)</i>	<i>(0.000)</i>	<i>(0.000)</i>	<i>(0.000)</i>	<i>(0.000)</i>
<i>R²</i>	<i>0.7454</i>	<i>0.7678</i>	<i>0.7594</i>	<i>0.7533</i>	<i>0.7603</i>	<i>0.7615</i>
Obs (groups)	136 (17)	136 (17)	136 (17)	136 (17)	136 (17)	136 (17)

*, **, *** denote significance levels at the 10%, 5% and 1% respectively