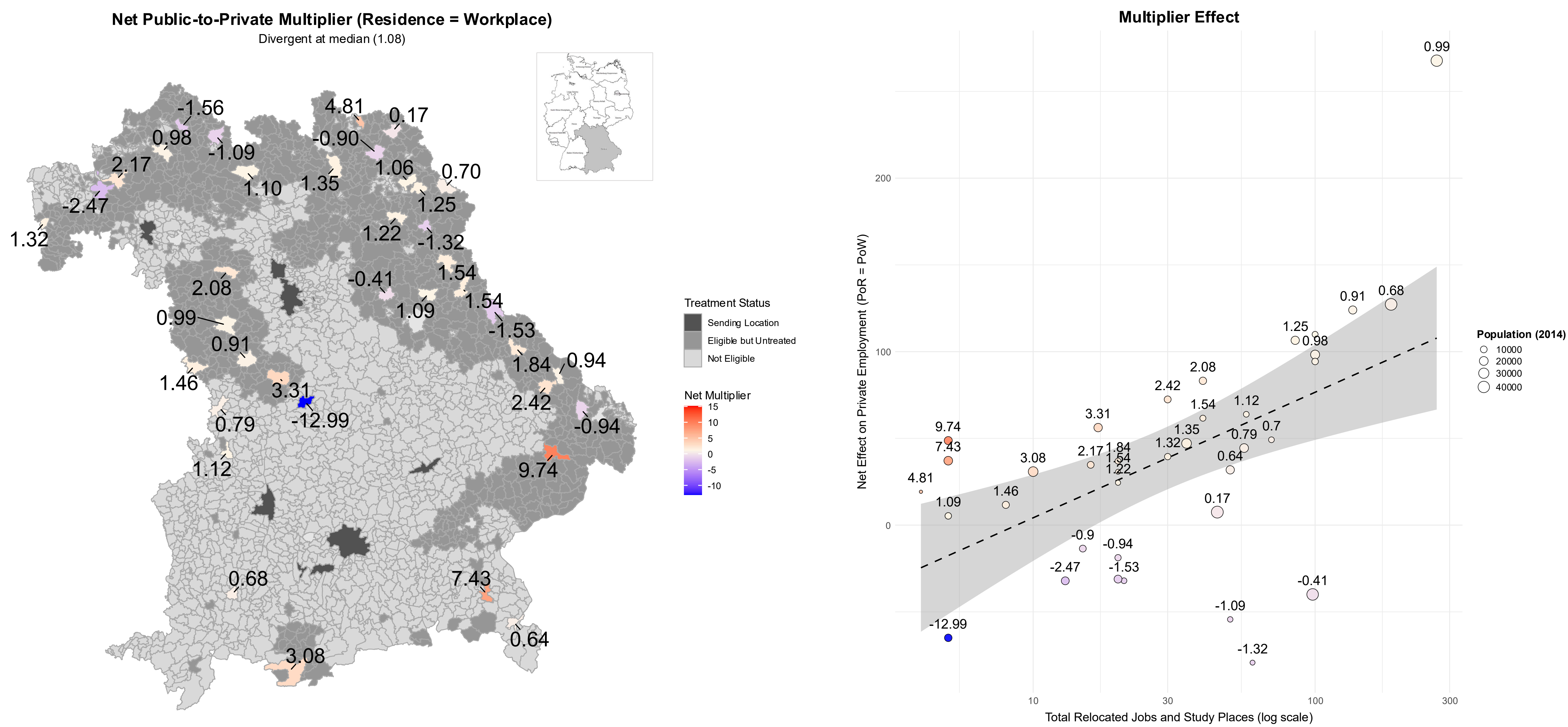


RELOCATING 10 PUBLIC JOBS CREATES 11 JOBS IN THE PRIVATE SECTOR

The Effect of Public Sector Relocations on Regional Development by Dimitria Freitas

How do public employment relocations impact regional development?



INTRODUCTION

- **UK, France, Germany, Canada** among others are employing **Public Employment Reallocation** to address disparities in economic outcomes across space
- Possible Effect on **Receiving Locations**: **Multiplier** vs. **General Equilibrium Effect**
- Possible Effect on **Sending Locations**: Mostly **Unknown**

NEW GERMAN POLICY

- Bavaria's state policy "Homeland Strategy" (2015-2025): **1% of public jobs relocated** to lagging regions.
- Receiving locations are determined by a **quantitative approach**: Locations **below 90% of the Bavarian average in a socio-economic index** are eligible for treatment
- Additional criteria: Need to be designated **medium-sized center location** in their district

CAUSAL RESULTS



- **Manually compiled data** on relocation program
- Administrative data: Employment, population and structural index indicator data
- **Long differences**, and **Callaway and Sant'Anna** (2021) estimator.
- **Municipalities outside Bavaria** are the main control group avoiding spillover effects → **Matched based on structural index indicators**

