Table 1: Tests of the Functional Form of the Matching Function and Stability of Parameters over Years

Czech Republic - Outflows to Jobs

Year	1992		1993		1994		1995	
Test	χ^2	*P-value*	χ^2	*P-value*	χ^2	*P-value*	χ^2	*P-value*
1.Hypothesis[1)] - $c^2(1)$	2.45	*0.1173*	0.16	*0.6852*	1.62	*0.2030*	0.25	*0.6196*
2.Hypothesis[2)] - $c^2(2)$	10.23	*0.0060*	5.64	*0.0595*	9.47	*0.0088*	2.84	*0.2423*
3.Hypothesis[3)] - $c^2(5)$	30.26	*0.0000*	22.00	*0.0005*	19.89	*0.0013*	33.20	*0.0000*
4.Hypothesis[4)] - $c^2(6)$	32.09	*0.0000*	37.30	*0.0000*	20.29	*0.0025*	34.94	*0.0000*
5.Hypothesis[5)] - $c^2(4)$	28.32	*0.0000*	58.04	*0.0000*	20.00	*0.0005*	25.37	*0.0000*
6.Hypothesis[6)] - $c^2(10)$	n.a.	*n.a.*	36.90	*0.0000*	55.74	*0.0000*	23.76	*0.0082*
Durbin's h	0.45	*0.3270*	0.59	*0.2770*	1.06	*0.1450*	1.12	*0.1320*

Czech Republic - Total Outflows

Year	1992		1993		1994		1995	
Test	χ^2	*P-value*	χ^2	*P-value*	χ^2	*P-value*	χ^2	*P-value*
1.Hypothesis[1)] - $c^2(1)$	2.15	*0.1427*	0.01	*0.9301*	0.05	*0.8266*	1.31	*0.2527*
2.Hypothesis[2)] - $c^2(2)$	12.33	*0.0021*	2.15	*0.3415*	8.06	*0.0178*	4.49	*0.1059*
3.Hypothesis[3)] - $c^2(5)$	31.64	*0.0000*	14.98	*0.0105*	23.58	*0.0003*	31.71	*0.0000*
4.Hypothesis[4)] - $c^2(6)$	34.74	*0.0000*	27.95	*0.0001*	24.66	*0.0004*	33.35	*0.0000*
5.Hypothesis[5)] - $c^2(4)$	43.48	*0.0000*	57.76	*0.0000*	23.37	*0.0001*	39.64	*0.0000*
6.Hypothesis[6)] - $c^2(10)$	n.a.	*n.a.*	44.49	*0.0000*	46.70	*0.0000*	47.16	*0.0082*
Durbin's h	0.25	*0.4110*	0.38	*0.3610*	0.76	*0.2240*	1.16	*0.1230*

Slovak Republic - Total Outflows

Year	1992		1993		1994		1995	
Test	χ^2	*P-value*	χ^2	*P-value*	χ^2	*P-value*	χ^2	*P-value*
1.Hypothesis[1)] - $c^2(1)$	0.00	*0.9999*	2.72	*0.6020*	1.99	*0.1580*	1.30	*0.2540*
2.Hypothesis[2)] - $c^2(2)$	2.10	*0.3490*	17.43	*0.0000*	11.57	*0.0030*	12.29	*0.0020*
3.Hypothesis[3)] - $c^2(5)$	14.60	*0.0120*	35.30	*0.0000*	26.07	*0.0000*	25.34	*0.0000*
4.Hypothesis[4)] - $c^2(6)$	15.00	*0.0200*	36.40	*0.0000*	28.33	*0.0000*	29.16	*0.0000*
5.Hypothesis[5)] - $c^2(4)$	13.90	*0.0070*	33.23	*0.0000*	25.26	*0.0000*	27.08	*0.0000*
6.Hypothesis[6)] - $c^2(10)$	n.a.	*n.a.*	31.66	*0.0009*	27.89	*0.0034*	39.16	*0.0000*
Durbin's h	0.35	*0.3640*	0.44	*0.3300*	1.00	*0.2590*	0.93	*0.1770*

1) Weak separability of unemployment and inflow into unemployment
2) Strong separability of unemployment and inflow into unemployment
3) Cobb-Douglas specification
4) Cobb-Douglas specification with constant returns to scale
5) Translog specification with constant returns to scale
6) Stability of coefficients between neighboring years
7) Test of autocorrelation

Table 2: Estimated Elasticities and Returns to Scale of the Weakly Separable Translog Matching Functions

Czech Republic - Outflows to Jobs

Year	**1992**	**1993**	**1994**	**1995**
Elasticity	Estimate (*Std.Error*)	Estimate *(Std.Error)*	Estimate *(Std.Error)*	Estimate *(Std.Error)*
$\mathbf{h_U}$	1.659	1.309	1.620	1.928
	(0.191)	*(0.156)*	*(0.165)*	*(0.145)*
$\mathbf{h_S}$	0.886	0.756	0.535	0.769
	(0.136)	*(0.106)*	*(0.090)*	*(0.092)*
$\mathbf{h_V}$	0.912	1.189	0.776	0.679
	(0.176)	*(0.107)*	*(0.108)*	*(0.114)*
RTS	3.457	3.255	2.930	3.376
	(0.353)	*(0.276)*	*(0.271)*	*(0.220)*
Test[1]: $c^2(2)$	n.a.	0.205	0.701	1.629
(p-value)	*n.a.*	*(0.900)*	*(0.650)*	*(0.450)*

Czech Republic - Total Outflows

Year	**1992**	**1993**	**1994**	**1995**
Elasticity	Estimate (*Std.Error*)	Estimate *(Std.Error)*	Estimate *(Std.Error)*	Estimate *(Std.Error)*
$\mathbf{h_U}$	1.226	0.973	1.505	1.755
	(0.150)	*(0.135)*	*(0.153)*	*(0.125)*
$\mathbf{h_S}$	0.745	0.569	0.425	0.754
	(0.114)	*(0.085)*	*(0.084)*	*(0.081)*
$\mathbf{h_V}$	0.651	0.997	0.833	0.669
	(0.139)	*(0.092)*	*(0.102)*	*(0.106)*
RTS	2.623	2.539	2.763	2.177
	(0.275)	*(0.237)*	*(0.253)*	*(0.195)*
Test[1]: $c^2(2)$	n.a.	0.054	0.420	3.376
(p-value)	*n.a.*	*(0.900)*	*(0.720)*	*(0.180)*

Slovak Republic - Total Outflows

Year	1992	1993	1994	1995
Elasticity	Estimate (*Std.Error*)	Estimate *(Std.Error)*	Estimate *(Std.Error)*	Estimate *(Std.Error)*
$\mathbf{h_U}$	0.088	-0.370	1.343	0.919
	(0.297)	*(0.562)*	*(0.582)*	*(0.300)*
$\mathbf{h_S}$	-0.028	0.040	-0.037	-0.080
	(0.111)	*(0.119)*	*(0.115)*	*(0.104)*
$\mathbf{h_V}$	0.136	0.223	0.076	0.044
	(0.087)	*(0.087)*	*(0.088)*	*(0.077)*
RTS	0.200	0.100	1.382	0.890
	(0.398)	*(0.086)*	*(0.665)*	*(0.403)*
Test[1)]: $c^2(2)$	n.a.	0.060	3.655	0.400
(p-value)	*n.a.*	*(0.880)*	*(0.170)*	*(0.710)*

$\mathbf{h_U}$ *elasticity of the outflow with respect to the unemployment*

$\mathbf{h_S}$ *elasticity of the outflow with respect to the inflow into unemployment*

$\mathbf{h_V}$ *elasticity of the outflow with respect to the vacancies*

RTS *returns to scale*

Note: The elasticities and returns to scale are evaluated at the geometric means of the relevant variables.

1) *Test of stability of RTS between neighboring years*

Table 3: Second Stage AHIV Estimates of the Effects of Structural and Policy Variables on Matching

	Czech Republic				Slovak Republic			
1992	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***
C	103.98	109.14	109.11	109.44	25.75	18.92	19.24	19.76
	(3.56)	*(1.02)*	*(1.01)*	*(1.06)*	*(3.97)*	*(2.78)*	*(2.75)*	*(2.88)*
IA90	0.02	-0.12	-0.12	-0.07	2.35	-0.06	-0.45	-0.45
	(0.21)	*(0.11)*	*(0.11)*	*(0.11)*	*(1.55)*	*-(0.05)*	*-(0.36)*	*-(0.36)*
Q	-0.02	-	-	-	2.24	-	-	-
	(0.29)	-	-	-	*(2.36)*	-	-	-
E	-1.25	-0.71	-0.63	-0.06	1.64	1.97	0.75	0.92
	(0.85)	*(0.53)*	*(0.54)*	*(0.53)*	*(0.87)*	*(0.95)*	*(0.39)*	*(0.49)*
ALMP	-0.79	-	-	-	n.a.	n.a.	n.a.	n.a.
	(0.66)	-	-	-	*n.a.*	n.a.	n.a.	n.a.
PUED2	-4.16	-2.83	-1.00	2.23	2.64	4.59	2.20	1.01
	(3.80)	*(2.64)*	*(2.47)*	*(2.32)*	*(0.31)*	*(0.49)*	*(0.23)*	*(0.11)*
PUED3	19.59	28.03	27.11	6.02	-1.29	-7.31	-10.51	-1.21
	(14.75)	*(9.07)*	*(9.25)*	*(5.82)*	*-(0.05)*	*-(0.24)*	*-(0.34)*	*-(0.06)*
PLTU	-4.47	-7.59	-6.74	-4.76	-57.81	-60.83	-57.26	-57.12
	(4.29)	*(2.50)*	*(2.50)*	*(2.54)*	*-(7.61)*	*-(7.40)*	*-(7.08)*	*-(7.05)*
DENS	0.00	0.00	0.00	-	0.00	0.00	0.00	-
	(0.00)	*(0.00)*	*(0.00)*	-	*-(0.41)*	*(0.32)*	*(0.38)*	-
SUD	0.79	-0.42	-	-	n.a.	n.a.	n.a.	n.a.
	(0.47)	*(0.25)*	-	-	*n.a.*	*n.a.*	*n.a.*	*n.a.*
LDIS	-0.07	-	-	-	0.95	0.88	-	-
	(0.20)	-	-	-	*(1.65)*	*1.39*	-	-
adj.R^2	0.57	0.14	0.10	0.09	0.75	0.70	0.67	0.67

Table 3: continued

	Czech Republic				Slovak Republic			
1993	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***
C	4.47	13.33	13.11	13.09	-166.73	-163.94	-163.92	-162.82
	(1.22)	*(0.60)*	*(0.56)*	*(0.56)*	*-(35.25)*	*-(38.23)*	*-(39.30)*	*-(37.60)*
IA90	-0.12	-0.16	-0.16	-0.15	-1.95	-1.29	-1.30	-1.31
	(0.09)	*(0.07)*	*(0.08)*	*(0.08)*	*-(1.56)*	*-(1.25)*	*-(1.30)*	*-(1.24)*
Q	-0.12	-	-	-	-0.85	-	-	-
	(0.15)	-	-	-	*-(0.91)*	-	-	-
E	-0.46	-1.01	-1.07	-1.02	-0.49	-0.41	-0.42	-0.03
	(0.31)	*(0.28)*	*(0.29)*	*(0.29)*	*-(0.36)*	*-(0.29)*	*-(0.33)*	*-(0.02)*
ALMP	0.23	-	-	-	n.a.	n.a.	n.a.	n.a.
	(0.12)	-	-	-	*n.a.*	n.a.	n.a.	n.a.
PUED2	-2.51	-3.97	-2.62	-1.85	1.70	1.79	1.77	-2.47
	(1.88)	*(1.83)*	*(1.78)*	*(1.56)*	*(0.20)*	*(0.20)*	*(0.20)*	*-(0.28)*
PUED3	14.34	25.63	26.65	22.07	-121.77	-121.31	-121.54	-73.92
	(7.13)	*(6.56)*	*(6.76)*	*(4.37)*	*-(3.41)*	*-(3.35)*	*-(3.41)*	*-(3.24)*
PLTU	-2.52	-3.01	-2.51	-2.42	38.27	39.52	39.57	40.30
	(1.22)	*(1.21)*	*(1.23)*	*(1.23)*	*(6.56)*	*(6.86)*	*(7.14)*	*(6.93)*
DENS	0.00	0.00	0.00	-	0.01	0.00	0.00	-
	(0.00)	*(0.00)*	*(0.00)*	-	*(1.90)*	*(1.68)*	*(1.69)*	-
SUD	0.23	-0.35	-	-	n.a.	n.a.	n.a.	n.a.
	(0.18)	*(0.17)*	-	-	*n.a.*	*n.a.*	*n.a.*	*n.a.*
LDIS	-0.02	-	-	-	-0.03	0.02	-	-
	(0.09)	-	-	-	*-(0.07)*	*(0.03)*	-	-
adj.R^2	0.67	0.36	0.32	0.31	0.80	0.79	0.79	0.77

Table 3: continued

	Czech Republic				Slovak Republic			
1994	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***
C	45.97	49.72	49.73	49.77	-20.42	-20.53	-21.40	-19.53
	(1.09)	*(0.76)*	*(0.73)*	*(0.72)*	*-(3.59)*	*-(3.60)*	*-(3.60)*	*-(3.82)*
IA90	0.04	-0.04	-0.04	-0.04	0.11	0.05	0.17	0.20
	(0.06)	*(0.06)*	*(0.06)*	*(0.06)*	*(0.21)*	*(0.11)*	*(0.38)*	*(0.43)*
Q	0.03	-	-	-	0.09	-	-	-
	(0.11)	-	-	-	*(0.23)*	-	-	-
E	-0.17	0.70	0.70	0.72	0.22	0.21	0.64	0.52
	(0.37)	*(0.36)*	*(0.36)*	*(0.35)*	*(0.37)*	*(0.36)*	*(1.14)*	*(0.99)*
ALMP	-0.33	-	-	-	n.a.	n.a.	n.a.	n.a.
	(0.07)	-	-	-	*n.a.*	n.a.	n.a.	n.a.
PUED2	-1.05	-0.44	-0.46	-0.26	-0.67	-0.68	1.13	1.60
	(1.34)	*(1.52)*	*(1.36)*	*(1.24)*	*-(0.07)*	*-(0.07)*	*(0.12)*	*(0.17)*
PUED3	22.52	22.91	22.89	21.22	74.54	73.73	83.92	67.08
	(5.84)	*(6.35)*	*(6.32)*	*(4.14)*	*(2.12)*	*(2.10)*	*(2.32)*	*(2.86)*
PLTU	-2.79	-3.93	-3.93	-3.97	-32.07	-32.28	-33.61	-34.66
	(0.87)	*(0.95)*	*(0.93)*	*(0.92)*	*-(6.37)*	*-(6.53)*	*-(6.56)*	*-(7.14)*
DENS	0.00	0.00	0.00	-	0.00	0.00	0.00	-
	(0.00)	*(0.00)*	*(0.00)*	-	*-(0.50)*	*-(0.44)*	*-(0.61)*	-
SUD	0.11	0.00	-	-	n.a.	n.a.	n.a.	n.a.
	(0.14)	*(0.14)*	-	-	*n.a.*	*n.a.*	n.a.	n.a.
LDIS	0.06	-	-	-	-0.32	-0.32	-	-
	(0.07)	-	-	-	*-(1.62)*	*-(1.66)*	-	-
adj.R^2	0.42	0.56	0.56	0.56	0.83	0.83	0.82	0.81

Table 3: continued

	Czech Republic				Slovak Republic			
1995	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***	**Coef.** ***(Std.Error)***
C	30.35	31.52	31.50	31.73	-13.48	-21.99	-24.50	-25.18
	(1.19)	*(0.75)*	*(0.73)*	*(0.74)*	*-(0.87)*	*-(4.57)*	*-(9.34)*	*-(9.22)*
IA90	0.01	-0.10	-0.10	-0.10	-0.77	-0.62	-0.49	-0.36
	(0.07)	*(0.07)*	*(0.07)*	*(0.08)*	*-(0.63)*	*-(0.53)*	*-(0.42)*	*-(0.29)*
Q	0.07	-	-	-	0.68	-	-	-
	(0.12)	-	-	-	*(0.53)*	-	-	-
E	0.25	1.18	1.19	1.37	0.20	0.24	0.34	0.18
	(0.37)	*(0.38)*	*(0.38)*	*(0.38)*	*(0.82)*	*(1.00)*	*(1.70)*	*(0.95)*
ALMP	-0.38	-	-	-	n.a.	-	-	-
	(0.07)	-	-	-	*n.a.*	-	-	-
PUED2	-3.17	-0.58	-0.14	1.47	9.93	9.25	12.48	11.20
	(1.54)	*(1.96)*	*(1.81)*	*(1.70)*	*(0.67)*	*(0.63)*	*(0.88)*	*(0.75)*
PUED3	30.63	27.95	28.20	16.32	117.78	116.37	126.10	73.42
	(6.32)	*(7.98)*	*(7.98)*	*(5.82)*	*(2.54)*	*(2.50)*	*(2.80)*	*(2.10)*
PLTU	-3.40	-4.62	-4.54	-4.77	11.86	12.03	12.07	14.12
	(0.80)	*(1.02)*	*(1.01)*	*(1.04)*	*(2.57)*	*(2.60)*	*(2.59)*	*(2.97)*
DENS	0.00	0.00	0.00	-	0.00	0.00	-0.01	-
	(0.00)	*(0.00)*	*(0.00)*	-	*-(1.35)*	*-(1.37)*	*-(1.73)*	-
SUD	0.36	-0.10	-	-	n.a.	n.a.	n.a.	-
	(0.15)	*(0.17)*	-	-	*n.a.*	*n.a.*	n.a.	-
LDIS	0.04	-	-	-	-0.56	-	-	-
	(0.08)	-	-	-	*-(0.89)*	-	-	-
adj.R^2	0.77	0.61	0.61	0.58	0.64	0.64	0.63	0.59

Table A1: Summary Statistics

Czech Republic

Year	Variable	Mean[a)]	Std. Dev.[a)]	Mean[b)]	Std. Dev.[b)]
1991	Inflow	520.2	224.8	506.2	413.7
	Outflow	203.6	151.3	201.1	228.8
	Unemployment	1988.2	1136.0	1945.2	1759.6
	Vacancies	462.9	291.1	543.4	1046.8
1992	Inflow	460.8	199.6	425.2	314.4
	Outflow	397.0	204.5	362.9	279.0
	Unemployment	2340.6	1158.2	2100.4	1506.2
	Vacancies	944.7	510.8	993.3	1894.1
1993	Inflow	513.6	235.1	471.3	353.7
	Outflow	343.4	161.7	308.2	211.2
	Unemployment	2292.4	1157.7	2069.9	1590.5
	Vacancies	866.5	460.1	898.6	1920.8
1994	Inflow	454.6	207.9	424.3	306.5
	Outflow	362.5	182.9	329.8	228.2
	Unemployment	2424.5	1283.8	2253.7	1815.7
	Vacancies	946.4	401.9	974.6	1704.4
1995	Inflow	409.9	202.4	386.2	286.7
	Outflow	313.0	166.2	288.9	210.9
	Unemployment	2175.5	1198.2	2039.6	1660.3
	Vacancies	1213.7	443.9	1200.6	1598.6
1996	Inflow	431.9	216.7	406.1	305.4
	Outflow	306.5	153.3	280.2	189.7
	Unemployment	2200.4	1214.5	2046.5	1610.5
	Vacancies	1380.0	519.8	1335.4	1651.4

Slovak Republic

Year	Variable	Mean[a)]	Std. Dev.[a)]	Mean[b)]	Std. Dev.[b)]
1991	Inflow	881.5	367.2	814.1	464.4
	Outflow	247.2	208.9	231.5	222.2
	Unemployment	5122.9	2756.3	4736.6	3210.1
	Vacancies	193.4	164.1	197.4	258.3
1992	Inflow	727.5	282.7	663.4	341.2
	Outflow	794.5	328.2	754.8	516.1
	Unemployment	8290.0	2353.4	7467.8	3040.0
	Vacancies	313.9	245.6	358.8	604.8
1993	Inflow	1004.9	353.9	906.6	416.1
	Outflow	730.5	260.6	670.1	329.7
	Unemployment	9805.4	2942.8	8623.9	3058.7
	Vacancies	259.2	182.1	277.9	357.8
1994	Inflow	763.9	257.4	717.8	313.1
	Outflow	743.1	223.5	710.4	327.9
	Unemployment	10606.8	3151.8	9639.7	3194.3
	Vacancies	275.0	202.1	291.5	319.5
1995	Inflow	843.1	298.1	783.2	344.8
	Outflow	935.6	331.4	867.0	369.9
	Unemployment	10108.9	3295.6	9163.9	3294.1
	Vacancies	414.0	337.1	409.5	408.5
1996	Inflow	922.3	373.6	839.1	366.6
	Outflow	906.5	373.0	834.4	381.1
	Unemployment	9595.4	3312.9	8567.3	3028.9
	Vacancies	450.1	306.1	453.9	458.6

a) Data adjusted for district size

b) Unadjusted data

Table A2: Correlation Coefficients for the Czech Republic

Variables Unadjusted for District Size

Year	Variable	Inflow	Outflow	Unempl.
1991	Outflow	0.83		
	Unemployment	0.87	0.81	
	Vacancies	0.70	0.68	0.61
1992	Outflow	0.79		
	Unemployment	0.82	0.77	
	Vacancies	0.34	0.37	0.14
1993	Outflow	0.83		
	Unemployment	0.86	0.78	
	Vacancies	0.25	0.29	0.03
1994	Outflow	0.86		
	Unemployment	0.90	0.85	
	Vacancies	0.25	0.19	0.03
1995	Outflow	0.85		
	Unemployment	0.89	0.84	
	Vacancies	0.29	0.19	0.11
1996	Outflow	0.84		
	Unemployment	0.88	0.85	
	Vacancies	0.28	0.22	0.12

Variables Adjusted for District Size

Year	Variable	Inflow	Outflow	Unempl.
1991	Outflow	0.65		
	Unemployment	0.71	0.66	
	Vacancies	-0.09	0.03	-0.18
1992	Outflow	0.54		
	Unemployment	0.64	0.60	
	Vacancies	-0.30	-0.29	-0.52
1993	Outflow	0.66		
	Unemployment	0.80	0.70	
	Vacancies	-0.46	-0.40	-0.58
1994	Outflow	0.70		
	Unemployment	0.84	0.74	
	Vacancies	-0.42	-0.37	-0.50
1995	Outflow	0.71		
	Unemployment	0.83	0.73	
	Vacancies	-0.27	-0.22	-0.29
1996	Outflow	0.68		
	Unemployment	0.82	0.74	
	Vacancies	-0.20	-0.19	-0.21

Table A3: Correlation Coefficients for the Slovak Republic

Variables Unadjusted for District Size

Year	Variable	Inflow	Outflow	Unempl.
1991	Outflow	0.59		
	Unemployment	0.76	0.74	
	Vacancies	0.42	0.44	0.41
1992	Outflow	0.56		
	Unemployment	0.68	0.57	
	Vacancies	0.52	0.59	0.49
1993	Outflow	0.66		
	Unemployment	0.63	0.60	
	Vacancies	0.52	0.58	0.36
1994	Outflow	0.67		
	Unemployment	0.65	0.57	
	Vacancies	0.53	0.61	0.30
1995	Outflow	0.56		
	Unemployment	0.60	0.57	
	Vacancies	0.47	0.40	0.14
1996	Outflow	0.46		
	Unemployment	0.60	0.54	
	Vacancies	0.31	0.39	0.08

Variables Adjusted for District Size

Year	Variable	Inflow	Outflow	Unempl.
1991	Outflow	0.41		
	Unemployment	0.63	0.63	
	Vacancies	-0.11	0.01	-0.09
1992	Outflow	0.22		
	Unemployment	0.42	0.19	
	Vacancies	0.00	0.16	-0.18
1993	Outflow	0.35		
	Unemployment	0.41	0.25	
	Vacancies	0.07	0.11	-0.16
1994	Outflow	0.20		
	Unemployment	0.42	0.24	
	Vacancies	0.00	0.05	-0.26
1995	Outflow	0.21		
	Unemployment	0.45	0.41	
	Vacancies	0.04	-0.03	-0.28
1996	Outflow	0.19		
	Unemployment	0.53	0.41	
	Vacancies	-0.10	-0.01	-0.31

Table A4: Estimated Coefficients of Unconstrained Translog Matching Function (1)
and with Weak Separability Between the Existing and Newly Unemployed Individuals (2)

Czech Republic - Outflows to Jobs

Year	1992				1993				1994				1995			
Model	(1)		(2)		(1)		(2)		(1)		(2)		(1)		(2)	
Variable	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*
Trend	0.061	*0.024*	0.057	*0.023*	0.052	*0.022*	0.056	*0.020*	0.117	*0.031*	0.107	*0.029*	0.108	*0.044*	0.074	*0.037*
β	0.319	*0.052*	0.320	*0.051*	0.297	*0.056*	0.303	*0.053*	0.267	*0.045*	0.244	*0.041*	0.410	*0.050*	0.345	*0.040*
b_U	-10.004	*4.474*	0.588	*0.904*	11.350	*2.862*	3.430	*2.156*	8.259	*2.967*	7.110	*2.852*	10.035	*3.159*	8.850	*2.780*
b_S	18.851	*6.655*	22.376	*5.955*	-6.087	*3.909*	1.057	*3.031*	8.056	*6.495*	1.993	*2.289*	9.931	*4.271*	-1.452	*1.132*
b_V	-2.783	*4.288*	6.515	*1.729*	3.775	*3.697*	-0.198	*3.392*	12.325	*3.466*	11.444	*3.272*	4.246	*3.092*	7.202	*2.590*
g_{US}	0.041	*0.009*	0.041	*0.009*	0.031	*0.008*	0.035	*0.008*	0.026	*0.009*	0.022	*0.008*	0.026	*0.010*	0.016	*0.009*
g_{UV}	-1.248	*0.512*	0.011	*0.017*	1.031	*0.367*	0.067	*0.276*	0.854	*0.320*	0.795	*0.315*	0.109	*0.378*	0.484	*0.316*
g_{SV}	0.301	*0.230*	0.411	*0.206*	-0.424	*0.254*	0.021	*0.101*	0.317	*0.305*	0.222	*0.259*	-0.128	*0.076*	-0.079	*0.066*
g_{UU}	-1.732	*0.623*	-0.407	*0.250*	1.349	*0.363*	0.428	*0.294*	0.754	*0.476*	0.523	*0.448*	2.005	*0.582*	1.328	*0.469*
g_{SS}	2.047	*0.719*	2.424	*0.651*	-0.623	*0.389*	0.010	*0.338*	0.740	*0.679*	0.051	*0.147*	1.171	*0.521*	-0.241	*0.110*
g_{VV}	-0.362	*0.384*	0.504	*0.223*	0.483	*0.482*	-0.394	*0.417*	1.367	*0.399*	1.388	*0.392*	1.008	*0.616*	1.321	*0.539*
adj.R^2	0.172		0.184		0.148		0.152		0.150		0.166		0.200		0.260	
Nobs	912		912		912		912		912		912		912		912	

Slovak Republic - Total Outflows

Year	1992				1993				1994				1995			
Model	(1)		(2)		(1)		(2)		(1)		(2)		(1)		(2)	
Variable	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*
Trend	0.072	*0.062*	0.071	*0.057*	-0.211	*0.076*	-0.149	*0.062*	-0.129	*0.040*	-0.136	*0.038*	-0.044	*0.028*	-0.038	*0.025*
β	0.400	*0.052*	0.400	*0.050*	0.205	*0.066*	0.188	*0.063*	0.417	*0.065*	0.398	*0.062*	0.513	*0.056*	0.490	*0.050*
b_U	1.405	*6.384*	1.100	*2.093*	-4.926	*6.921*	-4.588	*6.640*	-15.091	*7.809*	-11.806	*7.179*	-6.115	*4.397*	0.072	*3.342*
b_S	-10.355	*3.982*	-10.391	*3.908*	-20.285	*4.310*	-22.034	*3.990*	-13.704	*3.206*	-12.827	*3.030*	-12.379	*3.025*	-13.636	*2.730*
b_V	1.754	*2.121*	1.670	*1.319*	-10.407	*2.704*	-8.527	*2.314*	-6.220	*1.845*	-5.541	*1.716*	-6.892	*2.219*	-2.618	*1.317*
g_{US}	-0.011	*0.012*	-0.011	*0.011*	0.024	*0.014*	0.011	*0.011*	0.014	*0.720*	0.016	*0.007*	0.003	*0.556*	0.003	*0.005*
g_{UV}	0.000	*0.496*	-0.025	*0.052*	-0.632	*0.408*	-0.199	*0.284*	-0.782	*0.367*	-0.400	*0.237*	-0.918	*0.377*	0.002	*0.091*
g_{SV}	0.234	*0.162*	0.233	*0.160*	-0.959	*0.243*	-0.956	*0.233*	-0.343	*0.160*	-0.435	*0.140*	-0.460	*0.172*	-0.370	*0.154*
g_{UU}	0.656	*1.938*	0.576	*1.120*	-0.779	*2.440*	-1.577	*2.288*	-6.631	*3.424*	-5.861	*3.257*	-1.352	*1.676*	-0.456	*1.499*
g_{SS}	-1.491	*0.474*	-1.495	*0.467*	-1.950	*0.507*	-2.172	*0.466*	-1.520	*0.419*	-1.334	*0.383*	-1.286	*0.387*	-1.505	*0.345*
g_{VV}	-0.037	*0.133*	-0.041	*0.101*	-0.358	*0.179*	-0.183	*0.133*	-0.381	*0.161*	-0.262	*0.132*	-0.307	*0.173*	0.034	*0.099*
adj.R^2	0.175		0.178		0.034		0.013		0.071		0.062		0.200		0.274	
Nobs	456		456		456		456		456		456		456		456	

Czech Republic - Total Outflows

Year	1992				1993				1994				1995			
Model	(1)		(2)		(1)		(2)		(1)		(2)		(1)		(2)	
Variable	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*	Estimate	*Std.Error*
Trend	0.062	*0.019*	0.058	*0.018*	0.039	*0.017*	0.041	*0.017*	0.109	*0.028*	0.111	*0.027*	0.079	*0.039*	0.049	*0.034*
β	0.407	*0.047*	0.398	*0.045*	0.291	*0.051*	0.295	*0.050*	0.196	*0.045*	0.200	*0.042*	0.448	*0.046*	0.390	*0.037*
b_U	4.395	*3.749*	0.354	*0.770*	5.711	*2.401*	4.220	*2.310*	5.549	*2.705*	5.660	*2.660*	9.132	*2.778*	8.539	*2.520*
b_S	15.693	*5.328*	19.134	*4.949*	-0.477	*2.982*	0.695	*2.803*	1.495	*5.664*	2.704	*1.814*	7.254	*3.591*	-1.711	*0.903*
b_V	-0.449	*3.516*	6.389	*1.352*	2.388	*2.968*	1.874	*2.965*	11.634	*3.201*	11.891	*2.993*	5.059	*2.582*	7.015	*2.253*
g_{US}	0.032	*0.007*	0.030	*0.007*	0.023	*0.007*	0.024	*0.006*	0.022	*0.008*	0.023	*0.007*	0.017	*0.009*	0.008	*0.008*
g_{UV}	-0.904	*0.432*	0.009	*0.020*	0.445	*0.308*	0.285	*0.300*	0.700	*0.289*	0.704	*0.289*	0.224	*0.330*	0.539	*0.280*
g_{SV}	0.343	*0.182*	0.479	*0.166*	-0.023	*0.199*	0.047	*0.184*	0.305	*0.270*	0.336	*0.232*	-0.132	*0.064*	-0.108	*0.058*
g_{UU}	-1.331	*0.521*	-0.324	*0.207*	0.640	*0.307*	0.490	*0.293*	0.228	*0.438*	0.252	*0.425*	1.711	*0.510*	1.233	*0.434*
g_{SS}	1.658	*0.578*	2.006	*0.540*	-0.127	*0.299*	-0.022	*0.247*	-0.042	*0.595*	0.090	*0.108*	0.851	*0.436*	-0.253	*0.087*
g_{VV}	-0.148	*0.321*	0.413	*0.176*	-0.008	*0.382*	-0.115	*0.379*	1.341	*0.356*	1.341	*0.356*	1.120	*0.525*	1.287	*0.475*
adj.R^2	0.209		0.221		0.161		0.139		0.165		0.165		0.242		0.298	
Nobs	912		912		912		912		912		912		912		912	

Table A5: Estimated Elasticities and Returns to Scale of the Unconstrained Translog Matching Functions

Czech Republic - Outflows to Jobs

Year	1992	1993	1994	1995
Elasticity	Estimate (*Std.Error*)	Estimate *(Std.Error)*	Estimate *(Std.Error)*	Estimate *(Std.Error)*
$\mathbf{h_U}$	1.508	1.457	1.636	2.104
	(0.213)	*(0.163)*	*(0.170)*	*(0.174)*
$\mathbf{h_S}$	0.791	0.728	0.602	0.872
	(0.151)	*(0.112)*	*(0.108)*	*(0.109)*
$\mathbf{h_V}$	0.960	1.222	0.744	0.758
	(0.189)	*(0.111)*	*(0.114)*	*(0.131)*
RTS	3.260	3.407	2.982	3.734
	(0.386)	*(0.289)*	*(0.282)*	*(0.277)*
Test[1]: $c^2(2)$	n.a.	0.093	1.109	3.625
	n.a.	*(0.630)*	*(0.600)*	*(0.170)*

Slovak Republic - Total Outflows

Year	1992	1993	1994	1995
Elasticity	Estimate (*Std.Error*)	Estimate *(Std.Error)*	Estimate *(Std.Error)*	Estimate *(Std.Error)*
$\mathbf{h_U}$	0.082	0.092	1.698	1.383
	(0.320)	*(0.661)*	*(0.654)*	*(0.380)*
$\mathbf{h_S}$	-0.028	0.080	0.002	-0.030
	(0.112)	*(0.127)*	*(0.122)*	*(0.116)*
$\mathbf{h_V}$	0.135	0.236	0.078	0.064
	(0.092)	*(0.091)*	*(0.092)*	*(0.084)*
RTS	0.190	0.410	1.778	1.417
	(0.400)	*(0.756)*	*(0.745)*	*(0.488)*
Test[1]: $c^2(2)$	n.a.	0.066	1.661	0.164
(p-value)	*n.a.*	*(0.970)*	*(0.450)*	*(0.930)*

$\mathbf{h_U}$ *elasticity of the outflow with respect to the unemployment*

$\mathbf{h_S}$ *elasticity of the outflow with respect to the inflow into unemployment*

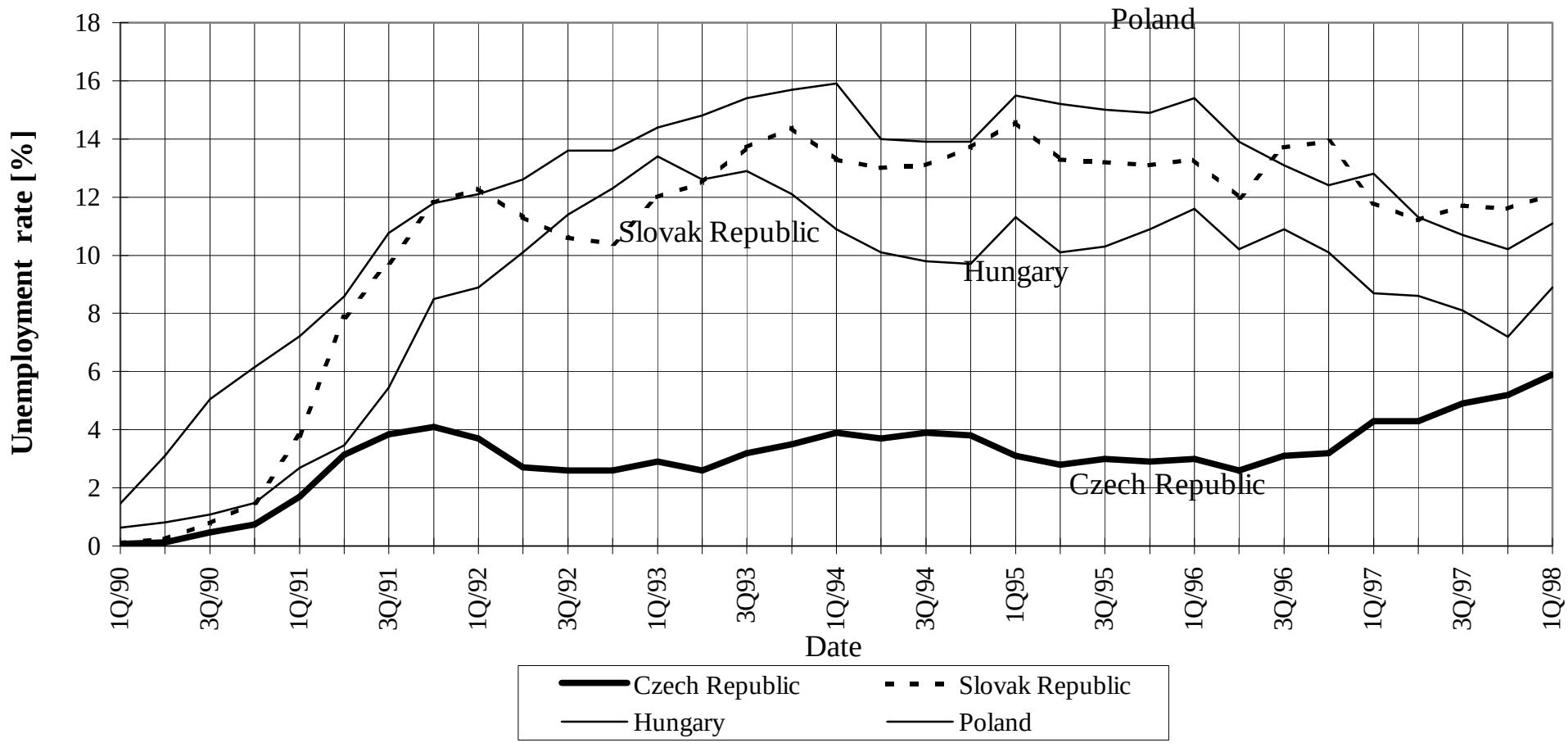
$\mathbf{h_V}$ *elasticity of the outflow with respect to the vacancies*

RTS *returns to scale*

Note: The elasticities and returns to scale are evaluated at the geometric means of the relevant variables.

1) *Test of stability of RTS between neighboring years*

Figure 1:
Unemployment Rates in Central Europe



Source:1990-1991Unemployment in Transition Countries: Transient or Persistent?, OECD 1994, pg.29
1992-1996 Statistical Buletins Of the Czech Statistical Office, '93, '93,'95,'96/1,'97/2,'98/2.

Figure 2:
Unemployment and Vacancies
in the Czech and Slovak Republic

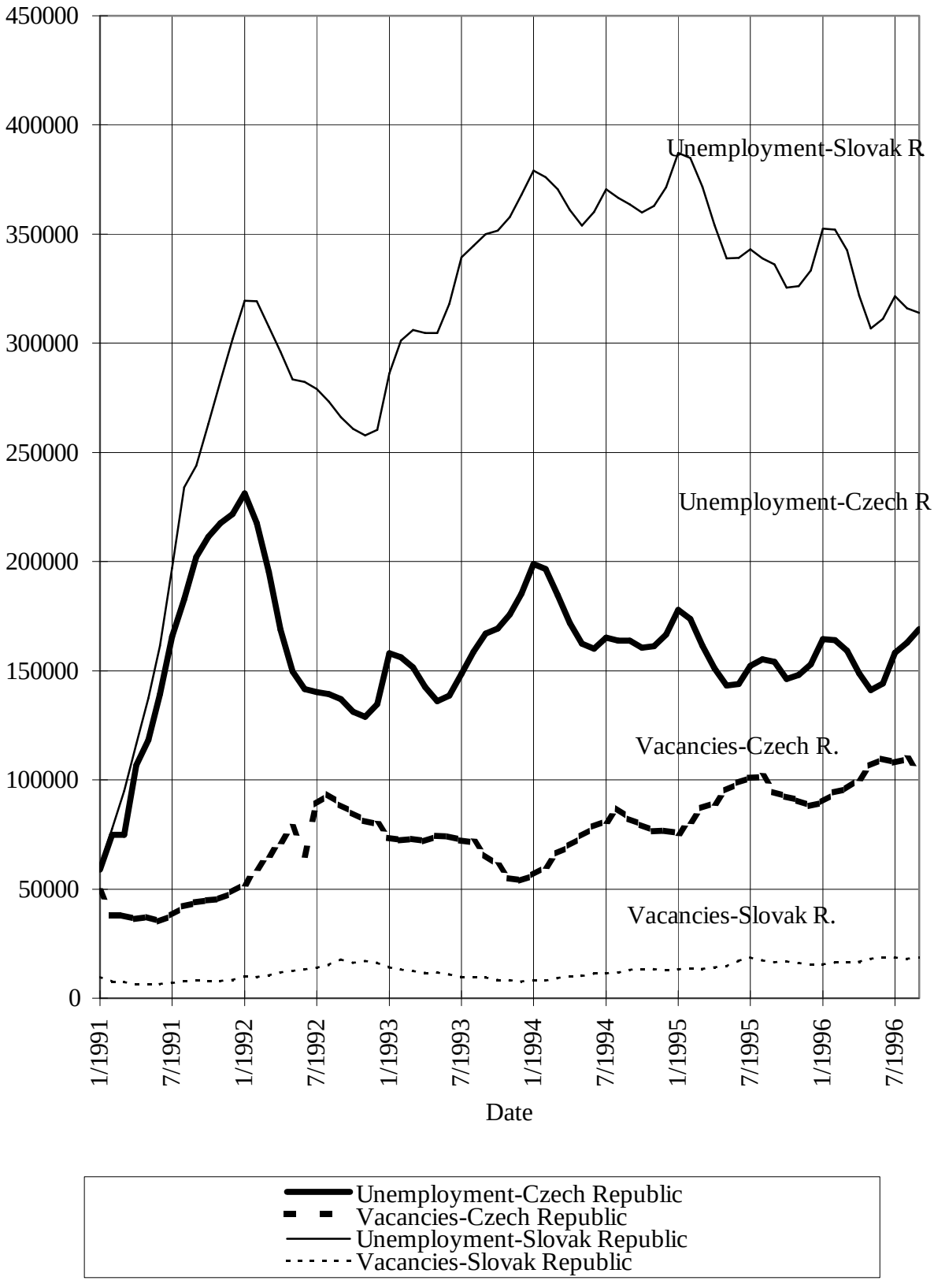
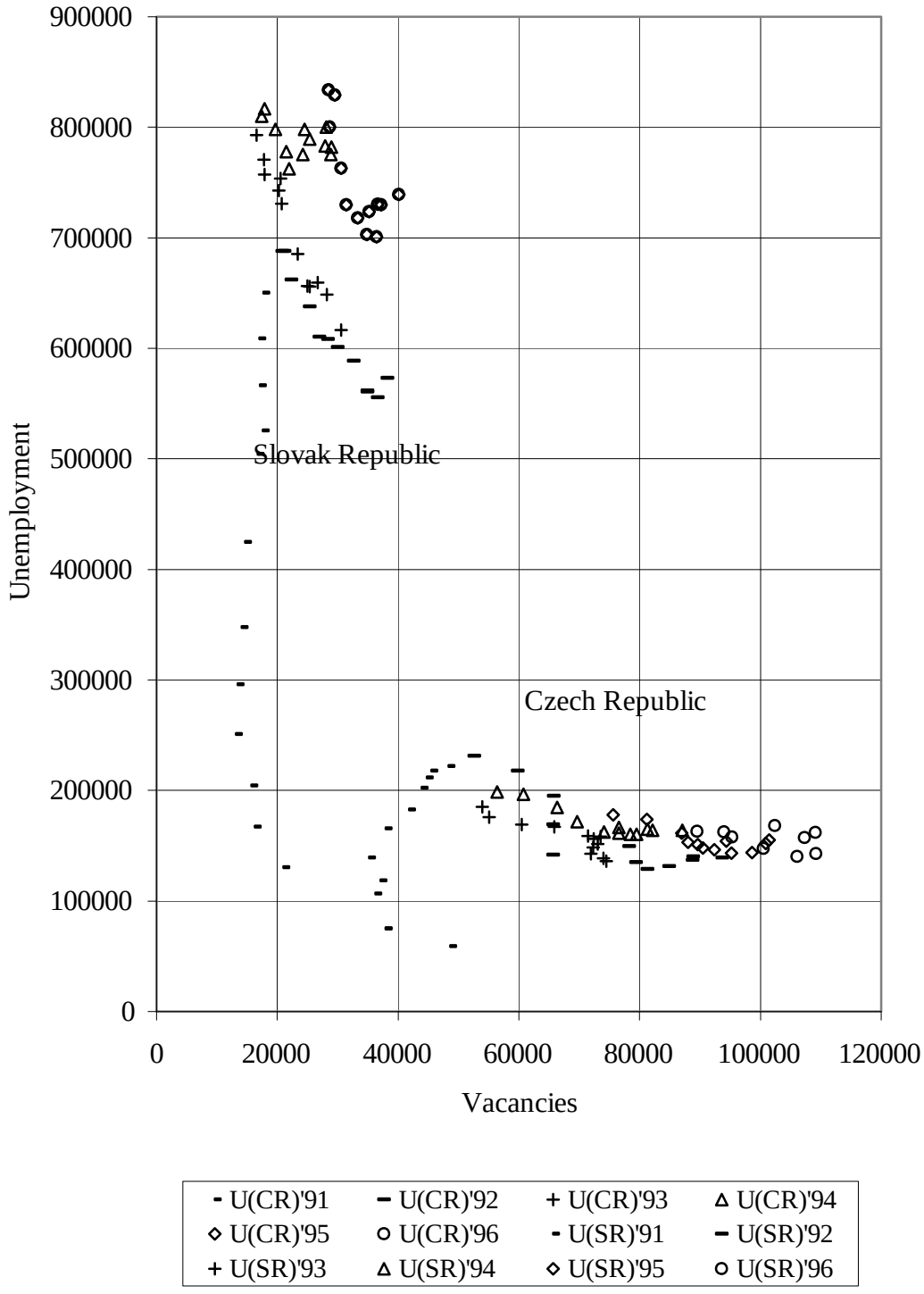


Figure 3 :
Beveridge Curve for the Czech and Slovak Republic



Czech Republic (CR), Slovak Republic (SR)

Figure 4:
Inflows into Unemployment in the Czech and Slovak Republic

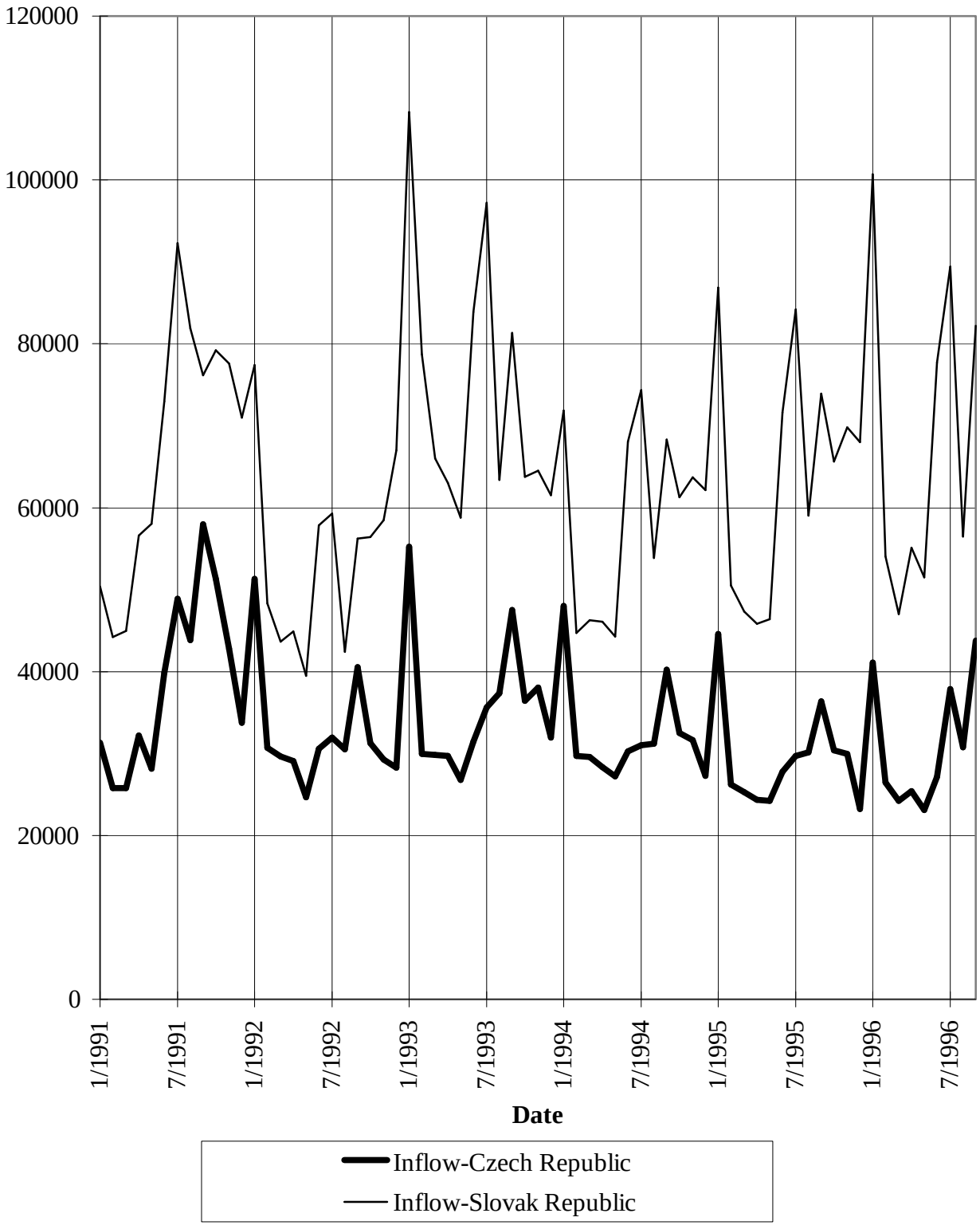


Figure 5:
Outflows from Unemployment
in the Czech and Slovak Republic