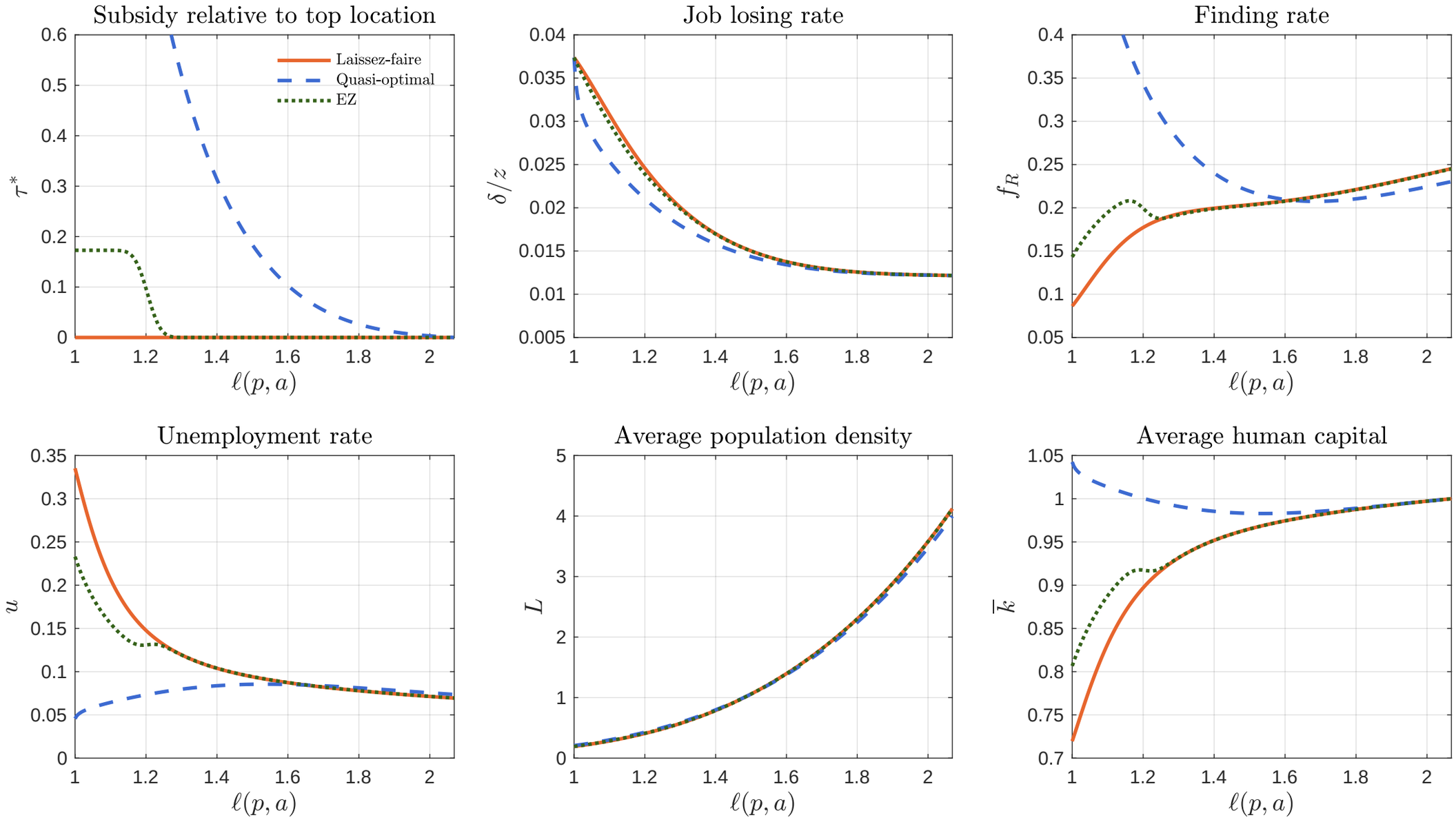
Subsidy relative to top location
τ^*
$\ell(p,a)$
Laissez-faire
Quasi-optimal
EZ
Job losing rate
δ/z
$\ell(p,a)$
Finding rate
f_R
$\ell(p,a)$
Unemployment rate
u
$\ell(p,a)$
Average population density
L
$\ell(p,a)$
Average human capital
$\overline{k}$
$\ell(p,a)$