Additional results for "Market access and individual wages: evidence from China" (Hering and Poncet, 09.03.08)

Footnote 16:

To address the concern that our empirical results in section 4 may be driven by differences in the sources of compensation, we run estimations with different wage definitions. We estimated our equation using different definitions of wage (Basic salary + bonuses + subsidies, Basic salary, Basic salary + other wages). The results do not change according to the inclusion or exclusion of subsidies and other income from the work unit. They are reported in the following table (Table 1).

Table 1

	Basic salary	Basic salary + bonuses + subsidies + other incomes from work	Basic salary + bonuses + subsidies + allowances while waiting for job
Market Access	0.099	0.126	0.131
	(0.040)**	(0.035)***	(0.035)***
Female Gender	-0.100	-0.091	-0.092
	(0.018)***	(0.017)***	(0.018)***
Years of schooling	0.019	0.019	0.019
	(0.003)***	(0.003)***	(0.003)***
Experience	0.014	0.016	0.016
	(0.003)***	(0.002)***	(0.002)***
Age	0.073	0.077	0.073
	(0.009)***	(0.008)***	(0.008)***
Age^2	-0.001	-0.001	-0.001
	(0.0001)***	(0.0001)***	(0.0001)***
Communist	0.065	0.074	0.069
	(0.028)**	(0.022)***	(0.024)***
Constant	-0.711	-0.639	-0.555
	(0.232)***	(0.184)***	(0.196)***
Dummies of ownership	yes	yes	Yes
Dummies for occupation	yes	yes	yes
Observations	6077	6079	6084
R-squared	0.17	0.20	0.20

Heteroskedastic consistent standard errors in parentheses, with ***, ** and * denoting significance at the 1, 5 and 10% levels respectively. Standard errors are corrected for clustering at the industry or province-industry level

Footnote 26:

Table 2 reports the Heckman one-step Maximum Likelihood estimation. The relevant indicator that identifies a possible selection bias is the "rho"-parameter (which is the correlation between the selection and wage equations' error terms). The lack of significance of the corresponding Chi test-statistic suggests the absence of selection bias in our sample.

In addition, in Table 3, we run the two-step Heckman procedure which gives us Mill's ratio (reported in the last line of the table). Again, its lack of significance suggests that our estimates are not affected by a potential selection bias.

Table 2

	Maximum Likelihood	
	Wage	Selection equation
Market Access	0.136	-0.040
	(0.037)***	(0.072)
Female Gender	-0.090	0.059
	(0.018)***	(0.143)
Years of schooling	0.019	0.032
	(0.003)***	(0.014)**
Experience	0.016	0.027
	(0.002)***	(0.006)***
Age	0.073	0.185
	(0.009)***	(0.023)***
Age^2	-0.001	-0.003
	(0.000)***	(0.000)***
Communist	0.069	0.425
	(0.024)***	(0.085)***
Non-labor income		-0.000
		(0.000)***
Married man		0.000
		(0.000)
Married woman		0.342
		(0.172)**
HH wealth		-0.231
		(0.152)
Number of HH members		-0.054
		(0.036)
Constant	-0.836	-3.076
	(0.169)***	(0.509)***
Dummies for Ownership		Yes
Dummies for Occupation		Yes
Province and Industry fixed effects		Yes
Observations		6848
Uncensored		6079
Censored		769
Rho		-.027
		(0.054)
Rho = 0	chi2(1) = 0.25	Prob > chi2 = 0.6156

Heteroskedastic consistent standard errors in parentheses, with ***, ** and * denoting significance at the 1, 5 and 10% levels respectively. Standard errors are corrected for clustering at the industry or province-industry level

Table 3

	Two-step	
	Wage	Selection equation
Market Access	0.136	-0.040
	(0.014)***	(0.055)
Female Gender	-0.089	0.060
	(0.015)***	(0.141)
Years of schooling	0.019	0.031
	(0.003)***	(0.011)***
Experience	0.015	0.026
	(0.002)***	(0.006)***
Age	0.072	0.183
	(0.006)***	(0.023)***
Age^2	-0.001	-0.003
	(0.000)***	(0.000)***
Communist	0.068	0.426
	(0.021)***	(0.089)***
Non-labor income		-0.000
		(0.000)***
Married man		0.000
		(0.000)**
Married woman		0.339
		(0.137)**
HH wealth		-0.231
		(0.132)*
Number of HH members		-0.053
		(0.030)*
Constant	-0.806	-3.049
	(0.208)***	(0.633)***
Dummies for Ownership		Yes
Dummies for Occupation		Yes
Province and Industry fixed effects		Yes
Observations		6848
Uncensored		6079
Censored		769
Mill's ratio		-0.037
		(0.049)

Robust standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%