The Impact of Governance and Transparency on Firm Investment in Vietnam

Online Appendix

March 16, 2014

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Appendix S1: Bivariate Correlation of Main Variables Used in Analysis

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1 Investment (1)	1																
2 Total PCI	-0.1459*	1															
3 Transparency	0.1233*	0.3543*	1														
4 Planning Docs	-0.1359*	0.4442*	0.3097*	1													
5 Legal Docs	-0.0871*	0.3464*	0.4466*	0.9342*	1												
6 Relationship Important	0.0170*	-0.2976*	-0.4219*	-0.7452*	-0.8356*	1											
7 Negotiate w/Tax Authority	-0.1019*	-0.1661*	-0.4200*	-0.1960*	-0.1655*	-0.0315*	1										
8 Predictability	-0.1421*	0.0765*	-0.1510*	0.0846*	0.0851*	-0.5957*	0.4020*	1									
9 Web Page	0.1781*	0.0488*	0.8526*	-0.1216*	0.0809*	-0.2018*	-0.1339*	-0.2235*	1								
10 Female	-0.0464*	0.0346*	0.0388*	-0.0125*	0.0027	-0.0377*	0.0158*	-0.0078*	0.0424*	1							
11 Foreign Investment Enterprise=1	0.1289*	0.0788*	0.0409*	0.0109*	0.0103*	-0.0313*	-0.0325*	0.0069*	0.0154*	-0.0965*	1						
12 Private Domestic Enterprise=1	-0.1289*	-0.0788*	-0.0409*	-0.0109*	-0.0103*	0.0313*	0.0325*	-0.0069*	-0.0154*	0.0965*	-1	1					
13 Owner Education	0.1558*	-0.1112*	0.1240*	0.0345*	0.0886*	-0.0533*		-0.1852*	0.1128*	-0.1654*	0.1654*	1					
14 Owner Birth Year	0.0204*	0.0279*	-0.0444*	-0.0313*	-0.0607*	0.0867*	-0.0506*	-0.0626*	-0.0605*	-0.0555*	0.1121*	-0.1121*	0.1008*	1			
15 Paved Roads (%)	0.0902*	-0.1390*	0.1164*	-0.1666*	-0.1456*	-0.0132*	0.1246*	0.1095*	0.2766*	-0.0331*	0.0245*	-0.0245*	-0.1998*	-0.0547*	1		
16 Population (ln)	0.2011*	-0.3435*	0.3206*	-0.3454*	-0.0565*	-0.1125*	0.1168*	-0.1614*	0.5820*	0.0437*	-0.0243*	0.0243*	-0.2584*	-0.0741*	0.1780*	1	
17 Telephones/Cap	0.1381*	-0.2522*	0.3672*	0.2103*	0.4171*	-0.3715*	0.1776*	0.1200*	0.5253*	0.0214*	-0.0157*	0.0157*	-0.2763*	-0.1134*	0.4170*	0.5356*	1

* Significant at .05 level

Appendix S2: Within Province Variation on Total Provincial Competitiveness Index

C

Appendix S3: Within Province Variation on Transparency Sub-Index

D

Appendix S4: Full Regression Results for Figure 2 (Province-Level Analysis)

No Controls											
	Entry	**Land**	**Trans**	**Time**	**Corrupt**	**SOE**	**Proactive**	**PSD**	**Labor**	**Legal**	**PCI**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	0.133**	-0.132**	0.365***	0.196***	-0.156**	-0.208**	-0.116*	0.087*	-0.100***	-0.172***	-0.032
	(0.051)	(0.060)	(0.062)	(0.037)	(0.061)	(0.081)	(0.060)	(0.047)	(0.023)	(0.060)	(0.021)
Constant	5.559***	7.373***	4.285***	5.169***	7.434***	7.580***	7.157***	6.093***	7.155***	7.574***	8.164***
	(0.382)	(0.398)	(0.342)	(0.363)	(0.300)	(0.484)	(0.338)	(0.188)	(0.140)	(0.425)	(1.047)
Observations	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226
R-squared	0.004	0.005	0.032	0.013	0.005	0.006	0.010	0.005	0.014	0.007	0.005
RMSE	1.688	1.687	1.664	1.680	1.687	1.686	1.683	1.687	1.679	1.686	1.687
N_clust	64	64	64	64	64	64	64	64	64	64	64
Province Fixed Effects											
	Entry	**Land**	**Trans**	**Time**	**Corrupt**	**SOE**	**Proactive**	**PSD**	**Labor**	**Legal**	**PCI**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	0.266***	0.294***	0.322***	-0.072	0.325***	0.051	-0.104*	-0.063*	-0.090***	0.007	0.015
	(0.030)	(0.043)	(0.034)	(0.059)	(0.048)	(0.061)	(0.054)	(0.033)	(0.010)	(0.065)	(0.024)
Constant	4.536***	4.836***	4.557***	7.114***	4.822***	6.347***	7.101***	6.944***	7.101***	6.546***	5.859***
	(0.231)	(0.258)	(0.215)	(0.428)	(0.261)	(0.292)	(0.263)	(0.185)	(0.057)	(0.373)	(1.155)
Observations	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226
R-squared	0.095	0.089	0.093	0.082	0.091	0.081	0.082	0.082	0.091	0.081	0.081
RMSE	1.609	1.614	1.611	1.621	1.613	1.621	1.620	1.620	1.613	1.622	1.621
N_clust	64	64	64	64	64	64	64	64	64	64	64
Province & Year Fixed Effects											
	Entry	**Land**	**Trans**	**Time**	**Corrupt**	**SOE**	**Proactive**	**PSD**	**Labor**	**Legal**	**PCI**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	-0.031	0.053*	0.125***	0.003	0.000	0.003	0.098***	0.016	0.009	-0.035	0.021**
	(0.048)	(0.028)	(0.028)	(0.024)	(0.040)	(0.069)	(0.032)	(0.033)	(0.032)	(0.033)	(0.010)
Constant	7.076***	6.495***	6.008***	6.800***	6.821***	6.807***	6.371***	6.727***	6.785***	7.022***	5.821***
	(0.406)	(0.175)	(0.181)	(0.166)	(0.235)	(0.325)	(0.142)	(0.191)	(0.133)	(0.201)	(0.470)
Observations	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226
R-squared	0.102	0.102	0.103	0.102	0.102	0.102	0.103	0.102	0.102	0.102	0.102
RMSE	1.603	1.603	1.602	1.603	1.603	1.603	1.602	1.603	1.603	1.603	1.603
N_clust	64	64	64	64	64	64	64	64	64	64	64
Province, Year, & Sector Fixed Effects											
	Entry	**Land**	**Trans**	**Time**	**Corrupt**	**SOE**	**Proactive**	**PSD**	**Labor**	**Legal**	**PCI**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	-0.045	0.046*	0.134***	0.009	-0.014	-0.002	0.093***	0.007	-0.002	-0.030	0.018*
	(0.047)	(0.025)	(0.028)	(0.025)	(0.042)	(0.069)	(0.030)	(0.032)	(0.033)	(0.034)	(0.009)
Constant	7.585***	6.968***	6.347***	7.152***	7.300***	7.236***	6.939***	7.183***	7.234***	7.391***	6.402***
	(0.371)	(0.141)	(0.186)	(0.199)	(0.217)	(0.321)	(0.106)	(0.191)	(0.122)	(0.184)	(0.428)
Observations	342,518	342,518	342,518	342,518	342,518	342,518	342,518	342,518	342,518	342,518	342,518
R-squared	0.227	0.228	0.228	0.227	0.227	0.227	0.228	0.227	0.227	0.228	0.228
RMSE	1.481	1.481	1.480	1.481	1.481	1.481	1.480	1.481	1.481	1.481	1.481
N_clust	64	64	64	64	64	64	64	64	64	64	64
Province FE and Province Specific Time Trend (PCI ID *Time)											
	Entry	**Land**	**Trans**	**Time**	**Corrupt**	**SOE**	**Proactive**	**PSD**	**Labor**	**Legal**	**PCI**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	-0.096	0.164*	0.117***	-0.049***	-0.106	-0.093	0.019	0.019	0.064	-0.086	0.042
	(0.111)	(0.097)	(0.030)	(0.015)	(0.135)	(0.080)	(0.042)	(0.039)	(0.048)	(0.093)	(0.027)
Constant	-556.288***	-227.926**	-310.922***	-331.425***	-518.609***	-404.892***	-381.277***	-391.533***	-554.361***	-319.077***	-372.140***
	(200.059)	(91.504)	(18.653)	(15.450)	(172.642)	(18.783)	(4.142)	(17.279)	(130.328)	(69.172)	(6.975)
Observations	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226
R-squared	0.105	0.106	0.106	0.105	0.105	0.106	0.105	0.105	0.106	0.105	0.106
RMSE	1.600	1.600	1.600	1.600	1.600	1.600	1.600	1.600	1.599	1.600	1.600
N_clust	64	64	64	64	64	64	64	64	64	64	64
Province FE and Province Specific Time Trend & Time Variant Controls (Firm and Province)											
	Entry	**Land**	**Trans**	**Time**	**Corrupt**	**SOE**	**Proactive**	**PSD**	**Labor**	**Legal**	**PCI**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	-0.147	0.060	0.039*	0.009	-0.052	-0.059	0.006	0.031	0.042	-0.103	0.013
	(0.129)	(0.072)	(0.023)	(0.023)	(0.071)	(0.058)	(0.029)	(0.034)	(0.045)	(0.077)	(0.017)
Constant	1,101.272**	-653.624***	-692.591***	-791.062***	-817.621***	-765.512***	-756.346***	-826.325***	-848.916***	-620.105***	-746.400***
	(364.123)	(97.171)	(79.934)	(146.105)	(140.505)	(92.119)	(108.469)	(148.656)	(152.372)	(76.447)	(71.737)
Observations	207,874	207,874	207,874	207,874	207,874	207,874	207,874	207,874	207,874	207,874	207,874
R-squared	0.091	0.090	0.090	0.090	0.090	0.091	0.090	0.091	0.091	0.091	0.090
RMSE	1.790	1.790	1.790	1.790	1.790	1.790	1.790	1.790	1.790	1.790	1.790
N_clust	63	63	63	63	63	63	63	63	63	63	63

Appendix S4: Full Regression Results for Figure 2 (Firm-Level Analysis)

Firm Fixed Effects

	Entry	Land	Trans	Time	Corrupt	SOE	Proactive	PSD	Labor	Legal	PCI
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	0.244***	0.281***	0.281***	-0.084	0.269***	-0.006	-0.112	-0.044	-0.073***	0.004	0.015
	-0.045	-0.055	-0.059	-0.083	-0.066	-0.071	-0.079	-0.03	-0.013	-0.082	-0.032
Constant	4.707***	4.917***	4.812***	7.201***	5.125***	6.615***	7.139***	6.840***	7.004***	6.566***	5.841***
	-0.349	-0.327	-0.37	-0.605	-0.36	-0.338	-0.389	-0.172	-0.074	-0.466	-1.587
Observation	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226
R-squared	0.735	0.732	0.734	0.729	0.732	0.728	0.729	0.729	0.732	0.728	0.728
RMSE	1.368	1.374	1.37	1.383	1.375	1.385	1.382	1.383	1.375	1.385	1.384
Panels	64	64	64	64	64	64	64	64	64	64	64
Clusters	64	64	64	64	64	64	64	64	64	64	64

Firm & Year Fixed Effects

	Entry	Land	Trans	Time	Corrupt	SOE	Proactive	PSD	Labor	Legal	PCI
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	-0.034	0.061*	0.113***	-0.012	-0.043	-0.049	0.071**	0.006	-0.015	-0.034	0.009
	(0.068)	(0.035)	(0.041)	(0.033)	(0.058)	(0.089)	(0.033)	(0.044)	(0.053)	(0.044)	(0.015)
Constant	7.103***	6.444***	6.085***	6.912***	7.070***	7.054***	6.498***	6.785***	6.887***	7.015***	6.372***
	(0.568)	(0.218)	(0.270)	(0.238)	(0.340)	(0.417)	(0.155)	(0.255)	(0.218)	(0.268)	(0.713)
Observation	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226	349,226
R-squared	0.739	0.739	0.740	0.739	0.739	0.739	0.739	0.739	0.739	0.739	0.739
RMSE	1.357	1.356	1.356	1.357	1.357	1.357	1.356	1.357	1.357	1.356	1.357
Panels	64	64	64	64	64	64	64	64	64	64	64
Clusters	64	64	64	64	64	64	64	64	64	64	64

Firm-Specific Time Trend

	Entry	Land	Trans	Time	Corrupt	SOE	Proactive	PSD	Labor	Legal	PCI
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	0.199**	0.068*	0.130***	0.062*	0.241	-0.013	-0.064*	-0.001	-0.091***	-0.010	-0.018
	(0.078)	(0.037)	(0.043)	(0.034)	(0.167)	(0.062)	(0.034)	(0.041)	(0.016)	(0.037)	(0.012)
Constant	5.029***	6.198***	5.779***	6.160***	5.256***	6.670***	6.921***	6.612***	7.064***	6.665***	7.488***
	(0.617)	(0.228)	(0.270)	(0.245)	(0.933)	(0.304)	(0.168)	(0.220)	(0.084)	(0.212)	(0.586)
Observation	263,835	263,835	263,835	263,835	263,835	263,835	263,835	263,835	263,835	263,835	263,835
R-squared	0.437	0.435	0.436	0.435	0.437	0.435	0.436	0.435	0.438	0.435	0.435
RMSE	1.661	1.663	1.662	1.663	1.661	1.663	1.663	1.663	1.659	1.663	1.663
Clusters	63	63	63	63	63	63	63	63	63	63	63
FE	63749	63749	63749	63749	63749	63749	63749	63749	63749	63749	63749

Firm Specific Time Trend & Time Variant Controls (Firm and Province)

	Entry	Land	Trans	Time	Corrupt	SOE	Proactive	PSD	Labor	Legal	PCI
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	0.181***	0.077**	0.107***	0.026	0.198*	0.014	-0.037	-0.008	-0.074***	-0.016	-0.012
	(0.043)	(0.038)	(0.025)	(0.033)	(0.112)	(0.065)	(0.029)	(0.042)	(0.009)	(0.029)	(0.011)
Constant	1.321	1.892	1.900	2.265	1.276	2.196	2.938	2.358	3.429	2.432	3.419
	(4.725)	(4.547)	(4.577)	(4.623)	(4.965)	(4.192)	(4.393)	(4.717)	(4.613)	(4.606)	(4.614)
Observation	179,496	179,496	179,496	179,496	179,496	179,496	179,496	179,496	179,496	179,496	179,496
R-squared	0.446	0.445	0.445	0.445	0.446	0.445	0.445	0.445	0.447	0.445	0.445
RMSE	1.804	1.806	1.806	1.806	1.805	1.806	1.806	1.806	1.804	1.806	1.806
Clusters	63	63	63	63	63	63	63	63	63	63	63
FE	63749	63749	63749	63749	63749	63749	63749	63749	63749	63749	63749

Firm Fixed Effects, Year Fixed Effects & Time Variant Controls

	Entry	Land	Trans	Time	Corrupt	SOE	Proactive	PSD	Labor	Legal	PCI
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	-0.007	0.048	0.104**	-0.030	0.001	-0.010	0.078**	0.029	-0.017	-0.047	0.008
	(0.092)	(0.039)	(0.041)	(0.037)	(0.072)	(0.074)	(0.035)	(0.040)	(0.051)	(0.040)	(0.014)
Constant	4.757***	4.977***	4.575***	5.139***	4.720***	4.815***	4.750***	4.464***	4.764***	5.105***	4.512***
	(1.455)	(1.305)	(1.241)	(1.137)	(1.266)	(1.130)	(0.880)	(1.256)	(1.092)	(1.450)	(1.271)
Observation	347,690	347,690	347,690	347,690	347,690	347,690	347,690	347,690	347,690	347,690	347,690
R-squared	0.739	0.739	0.739	0.739	0.739	0.739	0.739	0.739	0.739	0.739	0.739
RMSE	1.356	1.356	1.355	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356
Clusters	206591	206591	206591	206591	206591	206591	206591	206591	206591	206591	206591
FE	63749	63749	63749	63749	63749	63749	63749	63749	63749	63749	63749

F

Appendix S5: Full Regression Results for Figure 3: Sub-Sample Analysis

Only Private Firms (Firm FE, Year FE, & Controls)

	Entry	Land	Trans	Time	Corrupt	SOE	Proactive	PSD	Labor	Legal	PCI
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	-0.016	0.048	0.097**	-0.027	0.002	-0.011	0.074*	0.037	-0.009	-0.048	0.007
	(0.092)	(0.038)	(0.040)	(0.035)	(0.073)	(0.075)	(0.037)	(0.041)	(0.050)	(0.041)	(0.015)
Constant	4.471***	4.644***	4.276***	4.773***	4.389***	4.493***	4.452***	4.059***	4.417***	4.794***	4.215***
	(1.482)	(1.317)	(1.249)	(1.123)	(1.261)	(1.177)	(0.929)	(1.247)	(1.095)	(1.481)	(1.280)
Observation	335,841	335,841	335,841	335,841	335,841	335,841	335,841	335,841	335,841	335,841	335,841
R-squared	0.733	0.733	0.734	0.733	0.733	0.733	0.734	0.733	0.733	0.734	0.733
RMSE	1.347	1.347	1.346	1.347	1.347	1.347	1.346	1.347	1.347	1.346	1.347
N_clust	63	63	63	63	63	63	63	63	63	63	63

Only Foreign Firms (Firm FE, Year FE, & Controls)

	Entry	Land	Trans	Time	Corrupt	SOE	Proactive	PSD	Labor	Legal	PCI
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	0.069	-0.029	0.165**	-0.090	0.009	-0.063	0.125	-0.050	-0.105	0.007	0.010
	(0.136)	(0.125)	(0.078)	(0.090)	(0.117)	(0.167)	(0.083)	(0.051)	(0.084)	(0.067)	(0.034)
Constant	11.059***	11.235***	10.702***	12.596***	11.436***	12.173***	10.900***	12.023***	11.663***	11.427***	11.139***
	(2.319)	(1.713)	(2.189)	(1.673)	(2.391)	(1.200)	(1.781)	(2.071)	(1.782)	(1.884)	(2.398)
Observation	11,849	11,849	11,849	11,849	11,849	11,849	11,849	11,849	11,849	11,849	11,849
R-squared	0.779	0.779	0.779	0.779	0.779	0.779	0.779	0.779	0.779	0.779	0.779
RMSE	1.517	1.517	1.516	1.517	1.517	1.517	1.516	1.517	1.517	1.517	1.517
N_clust	61	61	61	61	61	61	61	61	61	61	61

Private Firms Smaller than the 75th Percentle at Establishment (Firm FE, Year FE, & Controls)

	Entry	Land	Trans	Time	Corrupt	SOE	Proactive	PSD	Labor	Legal	PCI
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	-0.018	0.052	0.158***	-0.017	0.033	-0.004	0.075	0.024	0.027	-0.069	0.013
	(0.091)	(0.060)	(0.053)	(0.046)	(0.096)	(0.096)	(0.050)	(0.062)	(0.060)	(0.061)	(0.018)
Constant	3.725*	4.143*	3.530*	3.957**	3.586*	3.706*	3.754**	3.432*	3.584**	4.563*	3.289*
	(1.907)	(2.351)	(1.825)	(1.724)	(1.831)	(1.908)	(1.707)	(1.948)	(1.718)	(2.456)	(1.824)
Observation	229,178	229,178	229,178	229,178	229,178	229,178	229,178	229,178	229,178	229,178	229,178
R-squared	0.753	0.753	0.754	0.753	0.753	0.753	0.753	0.753	0.753	0.754	0.753
RMSE	1.268	1.267	1.266	1.267	1.267	1.268	1.267	1.267	1.267	1.267	1.267
N_clust	63	63	63	63	63	63	63	63	63	63	63
Panels	145027	145027	145027	145027	145027	145027	145027	145027	145027	145027	145027

Foreign Firms Smaller than the 75th Percentle at Establishment (Firm FE, Year FE, & Controls)

	Entry	Land	Trans	Time	Corrupt	SOE	Proactive	PSD	Labor	Legal	PCI
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	0.057	0.196	0.006	-0.060	0.091	-0.257	0.086	0.065	0.055	-0.057	0.028
	(0.163)	(0.178)	(0.179)	(0.127)	(0.214)	(0.224)	(0.133)	(0.173)	(0.126)	(0.116)	(0.042)
Constant	5.616***	8.723***	5.702***	6.779***	5.042**	9.101**	5.100**	4.787	5.675***	6.131***	4.884***
	(0.965)	(2.747)	(1.259)	(2.417)	(2.282)	(3.528)	(2.023)	(2.912)	(1.156)	(1.532)	(1.796)
Observation	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453
R-squared	0.795	0.795	0.795	0.795	0.795	0.795	0.795	0.795	0.795	0.795	0.795
RMSE	1.624	1.623	1.624	1.624	1.624	1.623	1.624	1.624	1.624	1.624	1.624
N_clust	39	39	39	39	39	39	39	39	39	39	39
Panels	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300

Private Firms Larger than the 75th Percentle at Establishment (Firm FE, Year FE, & Controls)

	Entry	Land	Trans	Time	Corrupt	SOE	Proactive	PSD	Labor	Legal	PCI
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	-0.010	0.034	0.026	-0.037	-0.034	-0.025	0.067	0.053	-0.059	-0.021	-0.003
	(0.093)	(0.043)	(0.045)	(0.041)	(0.065)	(0.061)	(0.044)	(0.053)	(0.047)	(0.023)	(0.013)
Constant	4.957***	4.929***	4.858***	5.287***	4.981***	5.072***	4.946***	4.485***	5.031***	4.987***	4.970***
	(1.561)	(1.120)	(1.276)	(1.187)	(1.267)	(1.054)	(1.023)	(1.308)	(1.104)	(1.240)	(1.376)
Observation	106,355	106,355	106,355	106,355	106,355	106,355	106,355	106,355	106,355	106,355	106,355
R-squared	0.706	0.706	0.706	0.706	0.706	0.706	0.706	0.706	0.706	0.706	0.706
RMSE	1.465	1.465	1.465	1.465	1.465	1.465	1.465	1.465	1.465	1.465	1.465
N_clust	63	63	63	63	63	63	63	63	63	63	63
Panels	56117	56117	56117	56117	56117	56117	56117	56117	56117	56117	56117

Foreign Firms Larger than the 75th Percentle at Establishment (Firm FE, Year FE, & Controls)

	Entry	Land	Trans	Time	Corrupt	SOE	Proactive	PSD	Labor	Legal	PCI
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(U)
Sub-Index	0.087	-0.063	0.181**	-0.117	-0.019	-0.054	0.134	-0.043	-0.122	0.027	0.007
	(0.145)	(0.131)	(0.080)	(0.093)	(0.128)	(0.170)	(0.090)	(0.062)	(0.088)	(0.069)	(0.035)
Constant	11.860***	12.021***	11.533***	13.792***	12.545***	13.028***	11.905***	12.897***	12.690***	12.258***	12.220***
	(2.468)	(1.836)	(2.336)	(1.948)	(2.567)	(1.430)	(1.815)	(2.343)	(1.939)	(2.037)	(2.605)
Observation	9,370	9,370	9,370	9,370	9,370	9,370	9,370	9,370	9,370	9,370	9,370
R-squared	0.763	0.763	0.763	0.763	0.762	0.762	0.763	0.762	0.763	0.762	0.762
RMSE	1.492	1.492	1.490	1.491	1.493	1.492	1.491	1.492	1.491	1.492	1.493
N_clust	60	60	60	60	60	60	60	60	60	60	60
Panels	4096	4096	4096	4096	4096	4096	4096	4096	4096	4096	4096

Appendix S6: Full Regression Results for Figure 4: Transparency Indicators

Firm Fixed Effects, Year Fixed Effects & Time Variant Controls										
	Planning	**Legal**	**Obtain**	**Tax Negot**	**Predible Law**	**Web04**	**Access**	**Equity**	**Predictability**	**Openess**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sub-Index	0.398**	-0.020	-0.595	-0.951	-0.648	0.012	0.176	0.392**	0.037	0.063
	(0.156)	(0.183)	(0.540)	(0.688)	(0.829)	(0.009)	(0.136)	(0.176)	(0.145)	(0.048)
Constant	5.745***	4.706***	4.691***	5.547***	4.784***	4.648***	5.079***	4.043***	4.712***	4.328***
	(1.256)	(1.147)	(1.344)	(1.419)	(1.165)	(1.281)	(1.161)	(1.380)	(1.196)	(1.231)
Observation	347,690	347,690	347,690	347,690	347,690	347,690	347,690	347,690	347,690	347,690
R-squared	0.739	0.739	0.739	0.739	0.739	0.739	0.739	0.739	0.739	0.739
RMSE	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356
N_clust	63	63	63	63	63	63	63	63	63	63
Private Firms Smaller than the 75th Percentle at Establishment (Firm FE, Year FE, & Controls)										
	Planning	**Legal**	**Obtain**	**Tax Negot**	**Predible Law**	**Web04**	**Access**	**Equity**	**Predictability**	**Openess**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sub-Index	0.451*	-0.026	-0.611	-1.461	-0.723	0.022*	0.234	0.468*	0.214	0.108
	(0.270)	(0.265)	(0.718)	(0.904)	(0.970)	(0.013)	(0.195)	(0.268)	(0.198)	(0.065)
Constant	5.189**	3.633**	3.637**	4.992**	3.785**	3.460*	4.423**	2.888	3.747*	2.993
	(2.219)	(1.732)	(1.782)	(2.384)	(1.824)	(1.798)	(2.176)	(1.909)	(1.979)	(1.959)
Observation	229,178	229,178	229,178	229,178	229,178	229,178	229,178	229,178	229,178	229,178
R-squared	0.754	0.753	0.753	0.754	0.753	0.754	0.753	0.754	0.753	0.753
RMSE	63	63	63	63	63	63	63	63	63	63
N_clust	145027	145027	145027	145027	145027	145027	145027	145027	145027	145027
Foreign Firms Smaller than the 75th Percentle at Establishment (Firm FE, Year FE, & Controls)										
	Planning	**Legal**	**Obtain**	**Tax Negot**	**Predible Law**	**Web04**	**Access**	**Equity**	**Predictability**	**Openess**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sub-Index	1.183**	-0.030	-1.905	-1.283	-0.244	-0.040	0.656	0.658	-0.096	-0.210
	(0.516)	(0.476)	(2.217)	(1.807)	(0.987)	(0.032)	(0.390)	(0.663)	(0.494)	(0.173)
Constant	10.170***	5.694***	4.430**	6.651***	5.751***	6.199***	8.106***	3.636	5.618***	6.269***
	(1.870)	(1.084)	(1.971)	(1.121)	(1.138)	(1.208)	(1.588)	(2.692)	(1.383)	(1.186)
Observation	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453
R-squared	0.796	0.795	0.795	0.795	0.795	0.795	0.795	0.795	0.795	0.795
RMSE	39	39	39	39	39	39	39	39	39	39
N_clust	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300
Private Firms Larger than the 75th Percentle at Establishment (Firm FE, Year FE, & Controls)										
	Planning	**Legal**	**Obtain**	**Tax Negot**	**Predible Law**	**Web04**	**Access**	**Equity**	**Predictability**	**Openess**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sub-Index	0.167	-0.042	-0.270	-0.417	-0.322	0.001	-0.008	0.212	-0.137	0.008
	(0.223)	(0.176)	(0.601)	(0.557)	(0.878)	(0.009)	(0.205)	(0.180)	(0.155)	(0.054)
Constant	5.205***	4.873***	4.899***	5.236***	4.917***	4.896***	4.890***	4.540***	5.054***	4.852***
	(1.016)	(1.256)	(1.370)	(1.242)	(1.235)	(1.239)	(1.143)	(1.452)	(1.312)	(1.274)
Observation	106,355	106,355	106,355	106,355	106,355	106,355	106,355	106,355	106,355	106,355
R-squared	0.706	0.706	0.706	0.706	0.706	0.706	0.706	0.706	0.706	0.706
RMSE	63	63	63	63	63	63	63	63	63	63
N_clust	56117	56117	56117	56117	56117	56117	56117	56117	56117	56117
Foreign Firms Larger than the 75th Percentle at Establishment (Firm FE, Year FE, & Controls)										
	Planning	**Legal**	**Obtain**	**Tax Negot**	**Predible Law**	**Web04**	**Access**	**Equity**	**Predictability**	**Openess**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sub-Index	0.841*	0.563	-1.265	1.027	-0.672	0.020	0.765***	0.313	-0.254	0.103
	(0.485)	(0.343)	(1.172)	(0.741)	(1.117)	(0.014)	(0.276)	(0.603)	(0.360)	(0.075)
Constant	14.157***	12.783***	11.557***	11.775***	12.190***	12.160***	13.335***	11.369***	12.450***	11.798***
	(2.136)	(1.787)	(2.307)	(2.767)	(1.787)	(2.413)	(1.660)	(2.443)	(1.983)	(2.179)
Observation	9,370	9,370	9,370	9,370	9,370	9,370	9,370	9,370	9,370	9,370
R-squared	0.763	0.763	0.763	0.763	0.763	0.763	0.764	0.763	0.763	0.763
RMSE	60	60	60	60	60	60	60	60	60	60
N_clust	4096	4096	4096	4096	4096	4096	4096	4096	4096	4096

Appendix S7: Robustness of Main Results to Tobit Analysis with Province Specific Time Trend and Time Variant Controls

Dependent Variable: Total fixed and variable investment (time t, ln)	**Entry** (1)	**Land** (2)	**Trans** (3)	**Time** (4)	**Corrupt** (5)	**SOE** (6)	**Proactive** (7)	**PSD** (8)	**Labor** (9)	**Legal** (10)	**PCI** (U)
Measure of Governance	-0.147	0.060	0.039*	0.008	-0.052	-0.058	0.006	0.031	0.042	-0.103	0.013
	(0.129)	(0.072)	(0.023)	(0.023)	(0.071)	(0.058)	(0.029)	(0.034)	(0.045)	(0.077)	(0.017)
Female	-0.092***	-0.091***	-0.091***	-0.091***	-0.091***	-0.092***	-0.091***	-0.092***	-0.092***	-0.092***	-0.091***
	(0.013)	(0.013)	(0.014)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)
Owner Education	-0.071***	-0.072***	-0.072***	-0.072***	-0.072***	-0.071***	-0.072***	-0.071***	-0.071***	-0.071***	-0.072***
	(0.012)	(0.012)	(0.012)	(0.012)	(0.012)	(0.012)	(0.012)	(0.012)	(0.012)	(0.012)	(0.012)
Owner Age	0.006***	0.006***	0.006***	0.006***	0.006***	0.006***	0.006***	0.006***	0.006***	0.006***	0.006***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Foreign Invested Enterprise	0.913***	0.910***	0.909***	0.909***	0.910***	0.915***	0.909***	0.916***	0.916***	0.915***	0.910***
	(0.301)	(0.305)	(0.306)	(0.305)	(0.305)	(0.300)	(0.305)	(0.298)	(0.297)	(0.300)	(0.305)
Paved Roads (%, lag)	0.530	0.403	0.442	0.485	0.462	0.366	0.494	0.360	0.225	0.327	0.418
	(0.597)	(0.519)	(0.604)	(0.624)	(0.582)	(0.484)	(0.579)	(0.452)	(0.302)	(0.439)	(0.542)
Population (ln, lag)	0.138	0.092	0.048	0.067	0.063	0.105	0.055	0.157	0.102	0.230	0.050
	(0.134)	(0.186)	(0.173)	(0.175)	(0.170)	(0.143)	(0.177)	(0.135)	(0.132)	(0.151)	(0.192)
Telephones/Cap (lag)	-0.049	0.090	0.137	0.075	0.081	0.008	0.108	-0.018	0.010	0.163	0.077
	(0.177)	(0.087)	(0.104)	(0.118)	(0.093)	(0.141)	(0.118)	(0.176)	(0.140)	(0.115)	(0.101)
Constant	1,102.203**	-655.990***	-693.146***	-791.898***	-818.704***	-766.877***	-757.428***	-827.358***	-850.213***	-621.663***	-747.676***
	(364.433)	(97.266)	(79.848)	(146.458)	(140.596)	(92.000)	(108.460)	(148.651)	(152.318)	(76.347)	(71.641)
Sigma	1.791***	1.791***	1.791***	1.791***	1.791***	1.791***	1.791***	1.791***	1.791***	1.791***	1.791***
	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)
Province Trend	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	207,870	207,870	207,870	207,870	207,870	207,870	207,870	207,870	207,870	207,870	207,870
Pseudo R-squared	0.0232	0.0231	0.0231	0.0231	0.0231	0.0232	0.0231	0.0232	0.0232	0.0233	0.0231
Clusters	64	64	64	64	64	63	64	64	64	63	63

Tobit regression with robust standard errors, clustered at province level, in parentheses (*** p<0.01, ** p<0.05, * p<0.1)