Firm-embedded productivity and cross-country income differences

Replication Instructions

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This document contains background information and instructions for reproducing all tables and figures from "Firm-embedded productivity and cross-country income differences" in *The Journal of Political Economy*.

1 Hardware and Software

Programs were implemented on a Linux operating system using STATA 16 and MATLAB 9.6. Given the large size of the datasets, implementing the programs may require substantial computing resources. Users may also need to install supplemental STATA packages. Some of these packages may include: reghdfe.

2 Code

The replication materials are comprised of a single STATA do-file or MATLAB m-file for each table and figure in the main text and in the Online Appendix. The program "*dataverse_files/code/acr_replicate.do*" executes these programs and reproduces the results. Tables are output in CSV format and figures are output in PDF format.

3 Datasets

3.1 Analysis Datasets

Analysis datasets are saved in *"dataver_files/data/analysis/"*.

i. Firm-industry-country-level datasets Orbis is our main dataset. These data are proprietary. Our firm-level data come from ORBIS, a worldwide dataset maintained by Bureau van Dijk that includes comprehensive information on firm's revenue and employment.

ii. Industry-country-level datasets: KLEMS

iii. Country-level datasets: Penn World Tables (10.0)

3.2 Intermediate Datasets

Intermediate datasets are reproduced by other programs in the course of replicating the full set of results, as indicated below. As the programs run, these datasets will be saved in *"dataver_files/data/intermediates/*.

3.3 Temporary Datasets

Temporary datasets are saved in *"dataver_files/data/tmp/"*

4 Output

- Results from the main text of the paper are output in *"dataver_files/results/main/"*
- Results from the Online Appendix are output in *"dataver_files/results/appendix/"*

5 Replication Instructions

i. Set the root directory path in two do files:

(a) *"dataver_files/code/acr_replicate.do"*

(b) *"dataver_files/code/set_directories.do"*

ii. Check that the STATA packages in *"dataver_files/code/set_directories.do"* are installed. These packages may not be exhaustive of all the required supplemental packages, and users may need to install additional ones when implementing the replication.

iii. To execute all programs and reproduce all tables and figures, run *"dataverse_files/code/acr_replicate.do"*.

iv. Alternately, to reproduce only a subset of all figures and tables, first run *"dataverse_files/code/set_directories.do"*, and then implement the corresponding programs in *"dataverse_files/code/main/"* and/or *"dataverse_files/code/appendix/"*.