Where is Credit Due?
Legal Institutions, Connections, and the Efficiency of Bank Lending in Vietnam

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Robustness 1: Bivariate Correlations between Key Dependent and Independent Variables

Variable	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1 Profit	1.00															
2 Profit Growth	0.3293*	1.00														
3 Investment Growth	0.1051*	0.1256*	1.00													
4 Bank Loan	0.0552*	-0.04	0.0656*	1.00												
5 Privatized LSOE	0.0506*	0.00	-0.02	0.0360*	1.00											
6 Privatized CSOE	0.02	-0.01	-0.01	0.03	-0.02	1.00										
7 Equity Size 2005	0.2193*	0.00	0.3057*	0.2356*	0.03	0.0505*	1.00									
8 Equity Size 2004	0.1765*	-0.0587*	-0.1327*	0.2086*	0.0466*	0.0453*	0.9031*	1.00								
9 Employees 2005	0.2630*	-0.01	0.1129*	0.1939*	0.0470*	0.0524*	0.6111*	0.5991*	1.00							
10 Employees 2004	0.2350*	-0.0811*	0.00	0.1810*	0.0536*	0.0580*	0.5884*	0.6156*	0.9260*	1.00						
11 % Manufacturing	0.03	-0.01	0.03	0.0796*	0.01	0.03	0.1732*	0.1646*	0.3064*	0.3026*	1.00					
12 % Construction	0.0700*	0.02	-0.01	-0.01	-0.03	-0.01	0.0870*	0.0967*	0.1740*	0.1660*	-0.2638*	1.00				
13 % Services	-0.0525*	0.00	-0.02	-0.02	0.01	-0.02	-0.2035*	-0.2115*	-0.4017*	-0.4075*	-0.4624*	-0.5175*	1.00			
14 % Agriculture	-0.02	-0.01	0.01	-0.02	0.00	-0.01	0.00	0.00	0.0388*	0.03	-0.0920*	-0.1113*	-0.1963*	1.00		
15 Land Use Rights	0.02	-0.02	0.03	0.0553*	-0.01	-0.03	0.02	0.01	0.01	-0.01	0.00	0.00	0.01	0.00	1.00	
16 Years Since Established	0.03	-0.02	-0.01	0.0400*	0.1831*	0.0981*	0.0363*	0.04	0.02	0.02	0.00	-0.01	0.01	0.01	0.0992*	1.00
17 Export Directly	0.03	0.00	0.00	0.01	0.0337*	0.0682*	0.0472*	0.0478*	0.0455*	0.0434*	0.0521*	-0.0545*	-0.01	0.02	-0.01	0.0710*
18 Export Indirectly	0.01	0.01	0.02	0.03	0.0382*	0.01	0.02	0.02	0.0433*	0.0446*	0.0576*	-0.0402*	-0.02	0.0477*	0.00	0.00
19 Distance	0.0471*	-0.02	0.01	0.0378*	-0.01	-0.01	-0.0433*	-0.0438*	-0.03	-0.04	-0.0548*	0.0877*	-0.02	0.00	0.0392*	-0.0422*
20 High School Graduates	0.01	0.0408*	-0.02	-0.01	0.00	0.0393*	0.0368*	0.0491*	0.0562*	0.0592*	0.03	-0.0624*	0.0480*	-0.0511*	-0.1722*	0.01
21 Tel/Capita	0.01	0.02	-0.03	-0.0400*	-0.0522*	0.02	0.01	0.02	0.01	0.01	0.00	-0.0494*	0.0518*	-0.0329*	-0.1332*	0.02
22 Population	0.01	0.04	0.00	-0.01	0.00	0.0645*	0.0578*	0.0690*	0.0677*	0.0751*	0.0519*	-0.0811*	0.03	-0.02	-0.1153*	0.0745*
23 Loans to SOEs/Total	0.02	0.03	-0.01	-0.02	-0.02	-0.01	0.00	0.01	0.01	0.00	-0.02	-0.02	0.0534*	-0.0455*	-0.0900*	-0.02
24 Enterprises/1000 Citizens	0.01	0.04	-0.02	-0.0370*	-0.0535*	0.03	0.01	0.02	0.02	0.02	0.03	-0.0751*	0.0538*	-0.0328*	-0.1303*	0.0598*
25 Competition	0.01	0.0437*	-0.03	-0.0495*	-0.0365*	0.01	0.01	0.03	0.03	0.03	0.01	-0.0473*	0.0542*	-0.0465*	-0.1342*	0.01
26 Degree of Connection	0.02	0.03	0.01	0.0331*	0.00	0.0400*	0.02	0.02	0.0492*	0.03	-0.01	0.0664*	-0.0442*	0.00	0.01	-0.02
27 Connection Dummy	0.02	0.02	0.01	0.0327*	0.00	0.03	0.02	0.02	0.0494*	0.03	-0.01	0.0638*	-0.0428*	0.00	0.01	-0.02
28 Self-Reported Relation	-0.03	-0.02	0.01	0.01	-0.02	0.00	-0.03	-0.03	-0.03	-0.02	-0.02	0.01	0.01	-0.02	0.0349*	-0.02
29 Private Cases/Total	0.02	0.01	0.0444*	-0.01	0.01	-0.01	0.0355*	0.02	0.0399*	0.03	-0.01	0.0412*	-0.02	-0.01	-0.0699*	0.01
30 Informal Charges	0.00	-0.01	0.02	0.03	0.00	0.01	-0.02	-0.0412*	-0.0445*	-0.0604*	-0.01	0.00	0.00	0.02	0.0711*	0.03
31 Total PCI	0.02	0.01	0.02	0.01	-0.03	0.03	-0.03	-0.0442*	-0.0435*	-0.0516*	0.00	-0.03	0.01	0.00	-0.01	0.02

Variable	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
1 Profit																
2 Profit Growth																
3 Investment Growth																
4 Bank Loan																
5 Equitized LSOE																
6 Equitized CSOE																
7 Equity Size 2005																
8 Equity Size 2004																
9 Employees 2005																
10 Employees 2004																
11 % Manufacturing																
12 % Construction																
13 % Services																
14 % Agriculture																
15 Land Use Rights																
16 Years Since Established																
17 Export Directly	1.00															
18 Export Indirectly	0.0547*	1.00														
19 Distance	-0.0388*	-0.01	1.00													
20 High School Graduates	0.0782*	0.01	-0.2138*	1.00												
21 Tel/Capita	0.0818*	0.00	-0.1415*	0.7231*	1.00											
22 Population	0.0828*	0.0341*	-0.3276*	0.5681*	0.3736*	1.00										
23 Loans to SOEs/Total	0.01	-0.01	0.1827*	0.5508*	0.4176*	0.1021*	1.00									
24 Enterprises/1000 Citizens	0.1061*	0.00	-0.1910*	0.7529*	0.8516*	0.5975*	0.3617*	1.00								
25 Competition	0.0520*	0.00	-0.0973*	0.8305*	0.7926*	0.4367*	0.6226*	0.8178*	1.00							
26 Degree of Connection	-0.03	0.02	0.01	0.0611*	-0.01	-0.01	0.0399*	-0.0343*	0.01	1.00						
27 Connection Dummy	-0.02	0.02	0.01	0.0627*	-0.01	-0.01	0.0411*	-0.0358*	0.01	0.9880*	1.00					
28 Self-Reported Relation	-0.0513*	-0.03	0.02	-0.01	-0.01	-0.02	0.00	-0.02	0.01	0.02	0.02	1.00				
29 Private Cases/Total	0.0497*	0.01	-0.1630*	0.2705*	0.2703*	0.2870*	0.1968*	0.2657*	0.2291*	-0.02	-0.02	-0.0349*	1.00			
30 Informal Charges	0.00	0.00	-0.1586*	-0.3170*	-0.2335*	-0.2072*	-0.1931*	-0.1191*	-0.2283*	-0.0580*	-0.0552*	-0.03	0.00	1.00		
31 Total PCI	0.0876*	0.01	-0.0851*	0.1082*	0.2361*	0.1560*	0.00	0.3256*	0.0933*	-0.0409*	-0.0387*	-0.0589*	0.1512*	0.3991*	1.00	

* Significant at .01 level

Robustness Test 2: Determinants of Bank Lending in Vietnam (Using Capital and Labor Size from 2004)

(Marginal Probabilities with Robust Standard Errors in Parentheses)

Model	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*
Dependent Variable: Firm presently has bank loan from a state owned or joint-stock commercial bank.	*Baseline*	*Relations*	*Competition*	*Interaction*	*Provincial Controls*	*Lagged Profitability*	*SOE Loans Interaction*	*Triple Interaction*	*Family Connections*
Degree of Personal Connection with Local Government		0.0354**	0.0346**	0.0368***	0.0311**	0.0216			
		(0.014)	(0.014)	(0.014)	(0.014)	(0.015)			
Connection Dummy							0.0311**	0.00561	
							(0.014)	(0.027)	
Self Reported Reliance on Family and Friends in Government†									0.00823
									(0.0071)
Total Firm Equity in 2005	0.0733***	0.0732***	0.0737***	0.0736***	0.0736***	0.0751***	0.0729***	0.0728***	0.0734***
	(0.0087)	(0.0087)	(0.0087)	(0.0087)	(0.0085)	(0.0089)	(0.0085)	(0.0086)	(0.0088)
Total Employment Size in 2005	0.0373***	0.0370***	0.0379***	0.0388***	0.0381***	0.0383***	0.0378***	0.0379***	0.0373***
	(0.011)	(0.011)	(0.010)	(0.010)	(0.010)	(0.011)	(0.010)	(0.010)	(0.011)
Profitability in 2004						-0.00455			
						(0.0062)			
Years since Establishment	0.000130	-0.000268	0.0000384	-0.000400	-0.000270	-0.000235	-0.000221	-0.000223	-0.000362
	(0.0018)	(0.0018)	(0.0019)	(0.0019)	(0.0018)	(0.0018)	(0.0018)	(0.0018)	(0.0018)
% of Firm Business from Manufacturing	0.000937**	0.000917**	0.000926**	0.000945**	0.00103**	0.000933**	0.00102**	0.00102**	0.000896**
	(0.00043)	(0.00044)	(0.00044)	(0.00044)	(0.00047)	(0.00045)	(0.00047)	(0.00047)	(0.00043)
% of Firm Business from Construction	0.000558	0.000516	0.000481	0.000510	0.000548	0.000486	0.000516	0.000518	0.000519
	(0.00046)	(0.00047)	(0.00047)	(0.00047)	(0.00050)	(0.00048)	(0.00050)	(0.00050)	(0.00047)
% of Firm Business from Service/Commerce	0.000987**	0.000962**	0.000981**	0.000993**	0.00109**	0.00101**	0.00107**	0.00107**	0.000945**
	(0.00045)	(0.00046)	(0.00046)	(0.00046)	(0.00048)	(0.00047)	(0.00048)	(0.00048)	(0.00045)
% of Firm Business from Agriculture/Forestry/Aquaculture	0.000129	0.000101	0.0000701	0.0000610	0.000166	0.000419	0.000166	0.000168	0.000107
	(0.00064)	(0.00063)	(0.00064)	(0.00064)	(0.00067)	(0.00067)	(0.00067)	(0.00067)	(0.00064)
Land Use Rights Certificate	0.0459**	0.0458**	0.0391*	0.0395*	0.0424**	0.0459**	0.0416**	0.0416**	0.0453**
	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)
Privatized Local State Owned Enterprise		0.0422	0.0348	0.0379	0.0394	0.0409	0.0405	0.0409	0.0447
		(0.032)	(0.032)	(0.032)	(0.032)	(0.033)	(0.032)	(0.032)	(0.032)
Privatized Central State Owned Enterprise		0.0678	0.0683	0.0687	0.0652	0.104	0.0698	0.0708	0.0724
		(0.082)	(0.082)	(0.081)	(0.081)	(0.084)	(0.081)	(0.081)	(0.082)
Number of Registered Private Enterprises per 1000 citizens (ln)			-0.0716	0.0568	0.0658	0.0489	-0.0209	-0.0369	
			(0.051)	(0.049)	(0.075)	(0.078)	(0.072)	(0.074)	
Loans of 4 State Commercial Banks to SOEs/Total Lending			0.00695	0.173	0.00179	-0.0129			
			(0.12)	(0.14)	(0.095)	(0.098)			
Interaction (Loans to SOEs * Number of Enterprises)				-0.171***	-0.224***	-0.243***			
				(0.066)	(0.064)	(0.067)			
Distance from Hanoi or HCMC (km)					0.000176***	0.000199***	0.000159**	0.000159**	
					(0.000067)	(0.000067)	(0.000071)	(0.000071)	
Telephones per Capita in 2004					-0.000183	-0.0000809	-0.0000979	-0.0000947	
					(0.00038)	(0.00037)	(0.00040)	(0.00040)	
Employed who Finished High School (%)					0.00651***	0.00717***	0.00491**	0.00495**	
					(0.0024)	(0.0024)	(0.0023)	(0.0023)	
Population in 2004 (thousands)					-0.00000568	-0.00000192	-0.0000137	-0.0000138	
					(0.000013)	(0.000013)	(0.000014)	(0.000014)	
Loans to SOEs above 75th Percentile (SOE Loans Dummy)							0.0987	0.0901	
							(0.065)	(0.061)	
Interaction (SOE Loans Dummy * Number of Enterprises)							-0.237**	-0.228**	
							(0.10)	(0.10)	
Interaction (SOE Loans Dummy * Connections Dummy)								0.0277	
								(0.054)	
Interaction (Number of Enterprises (ln)* Connections Dummy)								0.0471	
								(0.038)	
Interaction (SOE Loans Dummy * Number of Enterprises * Connections Dummy)								-0.0357	
								(0.055)	
Observations	4274	4263	4263	4263	4180	4024	4180	4180	4263
Provincial Clusters	64	64	64	64	61	61	61	61	64
Pseudo R-squared	0.0385	0.0399	0.0413	0.0433	0.0465	0.0472	0.0453	0.0455	0.0392
Log Likelihood	-2843	-2831	-2827	-2821	-2757	-2652	-2761	-2760	-2833
Degrees of Freedom	8	11	13	14	18	19	18	21	11
Chi Squared	271.7***	286.3***	312.0***	340.7***	475.5***	416.1***	440.4***	447.4***	286.4***

Probit analysis with Robust standard errors (clustered at province level) in parentheses; *** p<0.01, ** p<0.05, * p<0.1; (ln) Natural Log; SOE: State Owned Enterprise

Vietnam created three new provinces in 2004 (Dien Bien, Dak Nong, and Hau Giang). Some control data is not available for these provinces, leading to reduction in the number of provincial clusters.

† 6. How important are your family and friends in bargaining with government officials? (1Not Important - 4 Very Important)

Robustness 3: Bivariate Correlations between State Connections Measures

Variable	1	2	3	4	5	6	7	8
1 Bank Loan	1.00							
2 Profit	0.0552*	1.00						
3 Privatized LSOE	0.0360*	0.0506*	1.00					
4 Privatized CSOE	0.0314*	0.0237	-0.0189	1.00				
5 Former Military/Government	-0.0032	0.0127	-0.0366*	-0.0001	1.00			
6 Former SOE Manager	0.0203	0.0168	0.1422*	0.1194*	-0.0355*	1.00		
7 Former SOE Employee	0.0281*	0.0115	-0.0702*	-0.0317*	-0.1001*	-0.1301*	1.00	
8 Local Government Owns Shares of Firm	0.0536*	0.0551*	0.2606*	0.2510*	-0.0151	0.2089*	-0.0286*	1.00
9 Self Reported Reliance on Family and Friends in Government	0.0071	-0.0270*	-0.0238	0.0009	0.0305*	-0.0007	0.0055	-0.0251

* Significant at .05 level

Robustness 4: Heckman 2-Stage Section Bias Test						
Model	***1a (Probit)***	***1b (OLS)***	***2a (Probit)***	***2b (OLS)***	***3a (Probit)***	***3b (OLS)***
Dependent Variable/ Independent Variables	Firm Presently Has Bank Loan	Profit in 2005	Firm Presently Has Bank Loan	Profit Growth (2004 to 2005)	Firm Presently Has Bank Loan	Investment Growth (2004 to 2005)
Degree of Personal Connection with Local Government	0.0851**	0.0812	0.0702*	-0.0570	0.0798**	-0.00273
	(0.036)	(0.055)	(0.036)	(0.043)	(0.035)	(0.023)
Loans of 4 State Commercial Banks to SOEs/Total Lending	-0.0244	-0.182	-0.0478	0.302	0.0108	-0.0791
	(0.23)	(0.34)	(0.23)	(0.21)	(0.24)	(0.11)
Number of Registered Private Enterprises per 1000 citizens (ln)	0.138	-0.116	0.0655	0.278**	0.148	-0.0558
	(0.17)	(0.30)	(0.18)	(0.13)	(0.19)	(0.080)
Interaction (Loans to SOEs * Number of Enterprises)	-0.514***		-0.499***		-0.548***	
	(0.14)		(0.14)		(0.16)	
Privatized Local State Owned Enterprise	0.127	0.287*	0.0987	0.0393	0.112	-0.0396
	(0.084)	(0.15)	(0.083)	(0.086)	(0.081)	(0.038)
Privatized Central State Owned Enterprise	0.131	0.0779	0.273	-0.149	0.143	0.0674
	(0.21)	(0.30)	(0.24)	(0.30)	(0.22)	(0.12)
Total Firm Equity in 2004	0.181***	0.134***	0.166***	-0.0892***	0.187***	-0.121***
	(0.021)	(0.042)	(0.022)	(0.027)	(0.022)	(0.015)
Total Employment Size in 2004	0.106***	0.328***	0.115***	-0.146***	0.0992***	0.0426***
	(0.026)	(0.037)	(0.025)	(0.033)	(0.026)	(0.012)
% of Firm Business from Manufacturing	0.00304**	0.00245**	0.00309***	-0.000393	0.00307**	0.000159
	(0.0012)	(0.0011)	(0.0011)	(0.00072)	(0.0013)	(0.00034)
% of Firm Business from Construction	0.00169	0.00423***	0.00160	0.000702	0.00201	-0.000520
	(0.0013)	(0.0014)	(0.0012)	(0.00096)	(0.0013)	(0.00046)
% of Firm Business from Service/Commerce	0.00313**	0.00513***	0.00325***	-0.00166	0.00339***	-0.000192
	(0.0012)	(0.0014)	(0.0011)	(0.0011)	(0.0013)	(0.00046)
% of Firm Business from Agriculture/Forestry/Aquaculture	0.000969	0.000438	0.00116	-0.0000400	0.000938	-0.000320
	(0.0017)	(0.0020)	(0.0016)	(0.0016)	(0.0017)	(0.00057)
Land Use Rights Certificate	0.109**	0.114*	0.119**	-0.0170	0.105**	0.0487**
	(0.052)	(0.065)	(0.050)	(0.049)	(0.052)	(0.024)
Years Since Registration	-0.000397	0.000429	0.000314	-0.00526	-0.000173	-0.00183
	(0.0045)	(0.0057)	(0.0045)	(0.0044)	(0.0046)	(0.0024)
Firm Exports Directly		0.00235		-0.0000498		0.00000908
		(0.0016)		(0.00095)		(0.00069)
Firm Exports through Distributor		0.00147		0.00228		-0.0000283
		(0.0025)		(0.0019)		(0.00074)
Distance from Hanoi or HCMC (km)	**0.000435*** **	**0.000408***	**0.000441*** **	**-0.000397*** **	**0.000441*** **	**-0.0000382**
	(0.00016)	(0.00022)	(0.00016)	(0.000099)	(0.00017)	(0.000069)
Telephones per Capita in 2004	0.0158***	0.000584	0.0138**	-0.00252	0.0164***	0.00337
	(0.0056)	(0.0073)	(0.0057)	(0.0046)	(0.0060)	(0.0032)
Employed who Finished High School (%)	-0.000393	-0.000658	-0.000114	-0.00155**	-0.000431	-0.000599**
	(0.00093)	(0.0013)	(0.00090)	(0.00075)	(0.00093)	(0.00024)
Population in 2004 (thousands)	-0.0000226	0.00531	0.00000691	0.00487**	0.0000770	0.00216
	(0.000026)	(0.0050)	(0.000027)	(0.0022)	(0.00043)	(0.0014)
PCI Sub-Index 5: Informal Charges		-0.0373		-0.0510**		0.00657
		(0.051)		(0.023)		(0.023)
Ratio of Economic Cases Filed by Private Firms in Provincial People's Courts		0.000847				0.000528**
		(0.00092)				(0.00026)
Constant	-1.352***	2.102***	-1.364***	1.995***	-1.388***	0.478***
	(0.15)	(0.49)	(0.15)	(0.25)	(0.16)	(0.17)
Alt_Rho	0.711***		-1.018***		-0.0500	
	(0.13)		(0.11)		(0.035)	
LN_Sigma	0.406***		0.0709		-0.666***	
	(0.045)		(0.062)		(0.021)	
Observations	4131		4081		4123	
Censored Observations		1981		1981		1981
Wald Test of Independent Equations (Chi2)	29.39***		92.8***		2.01	

Robust standard errors (clustered at province level) in parentheses; *** p<0.01, ** p<0.05, * p<0.1; (ln) Natural Log; SOE: State Owned Enterprise

Robustness 5: Determinants of Firm Profit Growth

(Ordinary Least Squares Analysis)

Model	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*
Dependent Variable: Profit Growth (Change between 2004 and 2005 on 8-Point Scale).	*Baseline*	*Firm Controls*	*Provincial Controls*	*Competition*	*Legal*	*Governance*	*Corruption*	*Connection*	*Connection/ Corruption*
Firm Presently Has Bank Loan	-0.0404	-0.0291	-0.0220	-0.0188	-0.0186	-0.0195	-0.0165		
	(0.031)	(0.032)	(0.031)	(0.032)	(0.032)	(0.032)	(0.032)		
Degree of Personal Connection with Local Government								0.0392	0.0385
								(0.027)	(0.027)
Total Firm Equity in 2004	-0.00643	-0.0107	-0.0132	-0.0130	-0.0131	-0.0126	-0.0134	-0.0147	-0.0150
	(0.015)	(0.016)	(0.016)	(0.016)	(0.015)	(0.016)	(0.016)	(0.016)	(0.016)
Total Employment Size in 2004	-0.0548***	-0.0650***	-0.0720***	-0.0714***	-0.0713***	-0.0710***	-0.0724***	-0.0725***	-0.0734***
	(0.018)	(0.018)	(0.019)	(0.019)	(0.019)	(0.019)	(0.019)	(0.019)	(0.019)
% of Firm Business from Manufacturing		0.000464	0.000600	0.000564	0.000567	0.000575	0.000564	0.000624	0.000628
		(0.00056)	(0.00061)	(0.00060)	(0.00060)	(0.00060)	(0.00060)	(0.00063)	(0.00063)
% of Firm Business from Construction		0.000430	0.000689	0.000688	0.000719	0.000700	0.000708	0.000724	0.000747
		(0.00055)	(0.00059)	(0.00058)	(0.00058)	(0.00058)	(0.00059)	(0.00059)	(0.00059)
% of Firm Business from Service/Commerce		-0.000431	-0.000414	-0.000466	-0.000466	-0.000446	-0.000466	-0.000415	-0.000412
		(0.00056)	(0.00061)	(0.00060)	(0.00060)	(0.00060)	(0.00060)	(0.00062)	(0.00062)
% of Firm Business from Agriculture/Forestry/Aquaculture		-0.000511	-0.000223	-0.000256	-0.000244	-0.000249	-0.000230	-0.000221	-0.000192
		(0.00092)	(0.00097)	(0.00096)	(0.00096)	(0.00096)	(0.00096)	(0.00098)	(0.00098)
Land Use Rights Certificate		-0.0231	-0.0129	-0.0131	-0.0139	-0.0134	-0.0122	-0.0146	-0.0135
		(0.032)	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)
Years Since Registration		-0.00311	-0.00137	-0.00224	-0.00230	-0.00228	-0.00202	-0.00213	-0.00192
		(0.0044)	(0.0042)	(0.0042)	(0.0042)	(0.0042)	(0.0042)	(0.0042)	(0.0042)
Firm Exports Directly		0.000675	0.000410	0.000374	0.000396	0.000344	0.000391	0.000414	0.000430
		(0.00058)	(0.00065)	(0.00064)	(0.00064)	(0.00064)	(0.00064)	(0.00065)	(0.00065)
Firm Exports through Distributor		0.00124	0.00148	0.00147	0.00147	0.00146	0.00148	0.00139	0.00140
		(0.0013)	(0.0013)	(0.0013)	(0.0013)	(0.0013)	(0.0013)	(0.0013)	(0.0013)
Distance from Hanoi or HCMC (km)			-0.0000589	-0.0000561	-0.0000639	-0.0000537	-0.0000848	-0.0000590	-0.0000878
			(0.000055)	(0.000062)	(0.000059)	(0.000061)	(0.000064)	(0.000061)	(0.000063)
Telephones per Capita in 2004			0.00798***	0.00472	0.00472	0.00517	0.00311	0.00417	0.00254
			(0.0028)	(0.0033)	(0.0033)	(0.0031)	(0.0032)	(0.0033)	(0.0033)
Employed who Finished High School (%)			-0.000772**	-0.00103***	-0.00102***	-0.00102***	-0.00117***	-0.00100***	-0.00115***
			(0.00033)	(0.00029)	(0.00029)	(0.00029)	(0.00033)	(0.00029)	(0.00032)
Population in 2004 (thousands)			0.00164	-0.000698	-0.000699	-0.000850	-0.000644	-0.000887	-0.000827
			(0.0013)	(0.0013)	(0.0012)	(0.0013)	(0.0012)	(0.0013)	(0.0012)
Number of Registered Private Enterprises per 1000 citizens (ln)				0.237***	0.243***	0.223***	0.277***	0.257***	0.296***
				(0.075)	(0.072)	(0.074)	(0.079)	(0.076)	(0.080)
Loans of 4 State Commercial Banks to SOEs/Total Lending				0.165	0.181	0.167	0.189	0.172	0.197
				(0.14)	(0.13)	(0.14)	(0.13)	(0.14)	(0.13)
Privatized Local State Owned Enterprise								0.0151	0.0163
								(0.062)	(0.062)
Privatized Central State Owned Enterprise								-0.0169	-0.0123
								(0.20)	(0.20)
Ratio of Economic Cases Filed by Private Firms in Provincial People's Courts					-0.000308				
					(0.00033)				
Total PCI Score - Unweighted						0.00193			
						(0.0019)			
PCI Sub-Index 5: Informal Charges							-0.0357*		-0.0362*
							(0.020)		(0.020)
Constant	0.521***	0.579***	0.470***	0.459***	0.469***	0.349***	0.709***	0.440***	0.694***
	(0.049)	(0.071)	(0.082)	(0.081)	(0.082)	(0.12)	(0.16)	(0.079)	(0.16)
Observations	4328	4083	3989	3989	3989	3989	3989	3982	3982
R-squared	0.01	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02

Robust standard errors (clustered at province level) in parentheses; *** p<0.01, ** p<0.05, * p<0.1; (ln) Natural Log; SOE: State Owned Enterprise