

COMPPRESS Framework 5 project

Competitive pressure and its social consequences
in EU member states and in associated countries

Workpackage 3: Competition-driven labour market developments,
their institutional and policy implications

Deliverable 17

**Competitive pressure, labour demand and wage formation
in the Romanian corporate sector**

Tables summarizing statistical evidence

by

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Database

The database consists in financial reports from a sample of companies covering 80% of the total turnover in the corporate sector. Data has annual frequency, employment is reported at the end of the year, and cover the period 1998-2002.

The data is not representative on size of the company, in the sense that it excludes most of the micro (below 10 employees) companies, and significantly most of the small (below 50 employees). Employment is reported at the end of the year,

The data is not equally representative on sections, subsections and divisions. However, for most sectors, available data cover between 70% and 90% of the sectoral turnover. In no case, the coverage is below 50%. The lowest coverage rates are in services sectors.

Table 1: Sample means of all firms

Variable	1999	2000	2001	2002
Entire sample				
Number of observations	10642	10665	10826	10159
Employment	249	224	218	214
Employment (% change)	-10.5	-5.6	-1.2	-5.1
Wage (bn. Leu/person)	21.5	20.4	29.0	34.3
Wage (% change)	-31.1	-5.3	43.2	12.7
Output (bn. Leu)	39291.3	34871.5	46954.5	59052.2
Output (% change)	-0.6	-0.6	34.8	24.3
Labour productivity (bn. Leu/p)	661.3	615.2	898.1	1161.7
Labour productivity (% change)	11.0	5.3	36.4	30.9
Change of output > 0				
Number of observations	3823	4977	8615	7674
Employment	287	204	179	181
Employment (% change)	2.4	3.7	3.2	0.0
Wage (bn. Leu/person)	23.3	21.2	29.9	36.0
Wage (% change)	-16.0	-1.9	51.3	24.0
Output (bn. Leu)	56421.1	39688.6	47716.8	62674.0
Output (% change)	60.3	31.1	64.4	50.6
Labour productivity (bn. Leu/p)	881.9	790.9	1005.7	1321.0
Labour productivity (% change)	56.5	26.4	59.3	50.6
Change of output ≤ 0				
Number of observations	6819	5688	2211	2485
Employment	227	241	370	316
Employment (% change)	-17.8	-11.5	-8.5	-12.9
Wage (bn. Leu/person)	20.5	19.8	25.4	29.3
Wage (% change)	-38.1	-8.3	15.1	-16.2
Output (bn. Leu)	29687.7	30656.5	43983.9	47867.4
Output (% change)	-29.2	-21.9	-23.4	-27.2
Labour productivity (bn. Leu/p)	537.6	461.4	478.7	669.8
Labour productivity (% change)	-13.9	-11.8	-16.3	-16.4

Sample means of all firms (continued)

Variable	1999	2000	2001	2002
Ownership: private				
Number of observations	9547	9921	10185	9673
Employment	156	153	152	153
Employment (% change)	-8.6	-3.1	-0.6	-2.7
Wage (bn. Leu/person)	21.4	20.3	28.9	34.4
Wage (% change)	-22.2	-5.4	43.7	19.8
Output (bn. Leu)	29034.4	28002.3	37784.2	49933.8
Output (% change)	-3.2	1.2	36.7	31.5
Labour productivity (bn. Leu/p)	723.8	649.3	941.9	1212.3
Labour productivity (% change)	5.9	4.4	37.4	35.1
— state				
Number of observations	1095	744	641	486
Employment	1059	1164	1274	1429
Employment (% change)	-12.7	-9.6	-2.3	-9.9
Wage (bn. Leu/person)	22.6	22.7	30.8	33.6
Wage (% change)	-64.5	-4.5	37.4	-48.8
Output (bn. Leu)	128719.0	126469.8	192662.9	240537.7
Output (% change)	5.0	-5.3	29.4	1.3
Labour productivity (bn. Leu/p)	116.0	160.6	201.3	155.3
Labour productivity (% change)	20.3	4.8	32.4	12.4
Size: small				
Number of observations	6007	5992	5418	4696
Employment	33	34	27	25
Employment (% change)	-20.8	-1.6	-0.6	-1.9
Wage (bn. Leu/person)	19.9	18.7	28.4	34.0
Wage (% change)	-31.3	-5.2	56.3	26.9
Output (bn. Leu)	10582.8	10429.1	14636.1	18576.8
Output (% change)	-18.2	-5.8	44.5	27.0
Labour productivity (bn. Leu/p)	899.8	826.1	1237.0	1633.2
Labour productivity (% change)	3.2	-4.3	45.4	29.4
— medium				
Number of observations	3013	3093	3442	3176
Employment	182	176	161	157
Employment (% change)	-13.2	-6.0	-2.2	-6.2
Wage (bn. Leu/person)	20.0	18.9	23.4	26.9
Wage (% change)	-4.9	-7.8	29.9	10.7
Output (bn. Leu)	18494.2	18410.4	19692.9	21496.2
Output (% change)	-16.2	-7.7	23.1	12.4
Labour productivity (bn. Leu/p)	145.2	150.0	172.4	193.2
Labour productivity (% change)	-3.5	-1.9	25.8	19.9
— large				
Number of observations	1622	1580	1966	2287
Employment	1171	1037	844	682
Employment (% change)	-8.4	-5.9	-0.9	-5.0
Wage (bn. Leu/person)	29.9	29.7	40.6	45.3
Wage (% change)	-48.3	-2.2	35.4	-2.6
Output (bn. Leu)	184244.4	159791.0	183747.3	194316.7
Output (% change)	8.1	2.7	35.3	25.8
Labour productivity (bn. Leu/p)	736.6	725.9	1234.3	1538.5
Labour productivity (% change)	18.0	9.1	36.5	32.4

Table 2: Sample means of manufacturing firms

Variable	1999	2000	2001	2002
Entire sample				
Number of observations	3038	3090	3233	3187
Employment	431	389	362	343
Employment (% change)	-12.4	-7.6	-2.6	-4.1
Wage (bn. Leu/person)	21.7	21.8	22.5	22.8
Wage (% change)	-38.7	-1.7	6.4	-20.4
Output (bn. Leu)	50155.9	50138.9	49014.7	51855.2
Output (% change)	-5.9	-0.5	4.4	5.6
Labour productivity (bn. Leu/p)	281.7	279.9	295.3	343.8
Labour productivity (% change)	7.4	7.7	7.1	10.0
Change of output > 0				
Number of observations	1560	1488	1698	1688
Employment	363	349	319	299
Employment (% change)	-1.1	1.9	5.2	4.6
Wage (bn. Leu/person)	22.1	21.9	23.2	23.4
Wage (% change)	-34.9	1.3	10.4	2.7
Output (bn. Leu)	47390.3	56878.5	54609.1	62784.9
Output (% change)	33.1	29.1	30.5	31.2
Labour productivity (bn. Leu/p)	341.1	359.0	350.2	426.9
Labour productivity (% change)	34.6	26.7	24.0	25.5
Change of output ≤ 0				
Number of observations	1478	1602	1535	1499
Employment	503	427	409	392
Employment (% change)	-19.4	-13.7	-8.4	-10.5
Wage (bn. Leu/person)	21.3	21.7	21.8	22.2
Wage (% change)	-42.4	-4.3	1.9	-37.2
Output (bn. Leu)	53074.9	43878.8	42826.1	39547.5
Output (% change)	-26.3	-22.0	-18.5	-21.8
Labour productivity (bn. Leu/p)	219.1	206.5	234.6	250.3
Labour productivity (% change)	-8.6	-9.6	-11.1	-12.7
Ownership: private				
Number of observations	2671	2879	3050	3052
Employment	332	326	315	303
Employment (% change)	-9.5	-5.4	-2.0	-3.8
Wage (bn. Leu/person)	21.8	21.6	22.5	22.8
Wage (% change)	-42.0	-2.1	6.6	-1.5
Output (bn. Leu)	41715.7	42946.5	44623.7	48785.9
Output (% change)	2.1	0.9	4.4	6.3
Labour productivity (bn. Leu/p)	308.4	286.3	303.8	353.7
Labour productivity (% change)	12.8	6.6	6.5	10.4
— state				
Number of observations	367	211	183	135
Employment	1150	1256	1151	1239
Employment (% change)	-17.9	-14.5	-5.1	-5.8
Wage (bn. Leu/person)	21.1	23.7	23.0	24.1
Wage (% change)	7.0	3.4	3.0	-84.4
Output (bn. Leu)	111582.9	148275.8	122197.8	121244.6
Output (% change)	-22.5	-5.4	4.4	-0.5
Labour productivity (bn. Leu/p)	87.7	193.0	154.3	119.9
Labour productivity (% change)	-5.6	10.6	10.0	5.7

Sample means of manufacturing firms (continued)

Variable	1999	2000	2001	2002
Size: small				
Number of observations	898	841	911	827
Employment	53	54	56	50
Employment (% change)	-16.8	-8.1	-6.8	-8.9
Wage (bn. Leu/person)	20.8	22.2	23.7	25.2
Wage (% change)	8.6	0.5	15.9	2.7
Output (bn. Leu)	10765.8	11163.8	11220.9	12418.4
Output (% change)	-0.9	-2.0	-3.9	-5.0
Labour productivity (bn. Leu/p)	500.5	504.0	512.0	664.8
Labour productivity (% change)	19.1	6.7	3.2	4.2
— medium				
Number of observations	1219	1352	1450	1508
Employment	196	192	185	179
Employment (% change)	-13.4	-8.0	-1.4	-3.1
Wage (bn. Leu/person)	20.0	19.3	19.5	19.6
Wage (% change)	9.6	-3.6	1.2	-4.0
Output (bn. Leu)	18613.6	18347.6	18447.8	18594.3
Output (% change)	-3.6	-6.1	0.8	-1.8
Labour productivity (bn. Leu/p)	136.6	133.8	139.2	148.1
Labour productivity (% change)	11.3	2.1	2.3	1.3
— large				
Number of observations	921	897	872	852
Employment	1110	1002	976	917
Employment (% change)	-11.9	-7.4	-2.6	-4.1
Wage (bn. Leu/person)	24.9	25.1	26.4	26.2
Wage (% change)	-66.3	-1.3	4.8	-44.6
Output (bn. Leu)	130310.4	134598.0	139326.6	149005.2
Output (% change)	-6.7	0.9	6.0	8.3
Labour productivity (bn. Leu/p)	260.5	290.1	328.6	378.8
Labour productivity (% change)	5.9	9.0	8.9	13.0

Table 3: Sample means of non-manufacturing firms

Variable	1999	2000	2001	2002
Entire sample				
Number of observations	7604	7575	7593	6972
Employment	176	156	157	156
Employment (% change)	-8.5	-3.5	0.2	-6.1
Wage (bn. Leu/person)	21.4	19.9	31.8	39.6
Wage (% change)	-27.4	-6.9	60.0	26.6
Output (bn. Leu)	34950.6	28643.6	46077.2	62342.0
Output (% change)	2.7	-0.6	55.3	33.3
Labour productivity (bn. Leu/p)	812.9	751.9	1154.7	1535.6
Labour productivity (% change)	12.3	2.9	55.0	41.9
Change of output > 0				
Number of observations	2263	3489	6917	5986
Employment	235	142	144	148
Employment (% change)	6.5	5.7	2.1	-2.5
Wage (bn. Leu/person)	24.1	20.9	31.6	39.5
Wage (% change)	2.8	-3.3	62.1	28.4
Output (bn. Leu)	62646.4	32357.4	46024.9	62642.7
Output (% change)	79.4	32.6	77.8	57.2
Labour productivity (bn. Leu/p)	1254.8	975.1	1166.6	1573.1
Labour productivity (% change)	68.5	25.4	74.1	61.1
Change of output ≤ 0				
Number of observations	5341	4086	676	986
Employment	151	168	282	202
Employment (% change)	-16.3	-9.2	-8.8	-19.5
Wage (bn. Leu/person)	20.2	19.0	33.8	40.0
Wage (% change)	-36.8	-10.0	42.0	16.7
Output (bn. Leu)	23215.9	25472.4	46612.9	60516.2
Output (% change)	-31.0	-21.9	-31.8	-31.9
Labour productivity (bn. Leu/p)	625.7	561.4	1033.0	1307.5
Labour productivity (% change)	-17.5	-14.0	-25.3	-15.4
Ownership: private				
Number of observations	6876	7042	7135	6621
Employment	87	83	82	84
Employment (% change)	-7.4	0.8	1.8	-0.8
Wage (bn. Leu/person)	21.2	19.7	31.7	39.7
Wage (% change)	-9.8	-6.8	60.6	27.0
Output (bn. Leu)	24108.3	21892.6	34860.5	50462.9
Output (% change)	-6.5	1.4	64.5	47.0
Labour productivity (bn. Leu/p)	885.2	797.7	1214.7	1608.0
Labour productivity (% change)	0.9	0.6	61.5	48.3
— state				
Number of observations	728	533	458	351
Employment	1013	1128	1324	1502
Employment (% change)	-9.5	-7.3	-1.3	-11.1
Wage (bn. Leu/person)	23.3	22.3	33.9	37.2
Wage (% change)	-72.8	-7.5	51.0	19.0
Output (bn. Leu)	137357.6	117837.5	220818.2	286419.7
Output (% change)	22.8	-5.2	36.6	1.6
Labour productivity (bn. Leu/p)	130.2	147.8	220.1	168.9
Labour productivity (% change)	35.7	2.2	38.4	14.3

Sample means of non-manufacturing firms (continued)

Variable	1999	2000	2001	2002
Size: small				
Number of observations	5109	5151	4507	3869
Employment	30	31	21	20
Employment (% change)	-22.0	0.4	3.0	2.3
Wage (bn. Leu/person)	19.8	18.2	29.3	35.9
Wage (% change)	-35.7	-6.3	65.8	31.5
Output (bn. Leu)	10550.6	10309.1	15326.5	19893.2
Output (% change)	-20.7	-6.5	56.2	33.0
Labour productivity (bn. Leu/p)	970.0	878.7	1383.6	1840.2
Labour productivity (% change)	1.6	-6.9	51.6	29.9
— medium				
Number of observations	1794	1741	1992	1668
Employment	172	164	144	138
Employment (% change)	-13.1	-4.0	-2.9	-9.6
Wage (bn. Leu/person)	20.0	18.6	26.3	33.5
Wage (% change)	-12.7	-11.0	53.4	20.5
Output (bn. Leu)	18413.1	18459.3	20599.3	24119.8
Output (% change)	-23.1	-9.0	43.8	25.1
Labour productivity (bn. Leu/p)	151.0	162.5	196.7	234.0
Labour productivity (% change)	-11.6	-5.2	48.0	38.3
— large				
Number of observations	701	683	1094	1435
Employment	1250	1083	740	542
Employment (% change)	-3.8	-4.1	1.0	-5.8
Wage (bn. Leu/person)	36.5	35.7	52.0	56.6
Wage (% change)	-0.1	-3.1	53.6	23.0
Output (bn. Leu)	255104.8	192877.6	219154.0	221219.4
Output (% change)	21.0	4.3	57.2	34.4
Labour productivity (bn. Leu/p)	1362.1	1298.4	1956.3	2227.0
Labour productivity (% change)	25.9	8.8	55.6	42.7

Job flows

Table 4: ‘Narrow’ job creation and destruction, (percent)

Sector	1999	2000	2001	2002
Job creation				
Agriculture	1.8	3.8	4.1	7.4
Mining and energy	0.6	1.0	1.1	0.4
Manufacturing	3.2	4.9	6.1	5.6
— TCF	6.8	6.8	7.5	6.0
— Chemical	2.0	2.8	3.6	4.0
— Engineering	1.4	3.1	4.0	5.5
Trade	11.8	14.8	14.5	14.5
Construction	3.6	7.8	14.8	6.3
Services	2.2	4.5	8.4	4.5
Total	4.6	5.5	7.2	5.8
Size: large firms	3.3	2.8	5.6	3.5
— medium sized	6.2	9.3	9.1	9.0
— small firms	14.0	18.9	17.1	13.8
Marginal firm	6.9	9.9	11.7	8.2
Dominant firm	4.7	1.9	4.4	2.8
Job destruction				
Agriculture	16.1	13.8	14.9	8.6
Mining and energy	13.8	6.5	1.8	16.4
Manufacturing	16.1	12.8	8.8	9.9
— TCF	11.6	9.8	8.0	8.8
— Chemical	17.0	12.2	7.5	11.1
— Engineering	17.7	14.5	9.6	10.5
Trade	24.7	10.0	7.4	7.0
Construction	20.1	9.0	10.2	19.5
Services	9.4	10.0	5.9	8.5
Total	15.5	11.2	7.8	11.1
Size: large firms	12.4	9.6	5.8	10.0
— medium sized	18.8	14.3	10.6	12.5
— small firms	42.6	13.5	16.8	17.0
Marginal firm	21.3	12.9	9.8	13.1
Dominant firm	10.0	9.6	4.9	10.3

Note: TCF stands for Textile, Clothing and Footwear. Marginal firm: market share is less than 1%; Dominant firm: market share is greater than 10%.

‘Narrow’ job creation and destruction, continued

Sector	1999	2000	2001	2002
Net job creation				
Agriculture	-14.3	-10.1	-10.8	-1.3
Mining and energy	-13.2	-5.5	-0.7	-16.0
Manufacturing	-12.9	-7.9	-2.7	-4.3
— TCF	-4.8	-3.0	-0.5	-2.8
— Chemical	-15.1	-9.5	-3.9	-7.0
— Engineering	-16.3	-11.4	-5.6	-5.0
Trade	-12.9	4.7	7.1	7.5
Construction	-16.6	-1.2	4.6	-13.2
Services	-7.2	-5.6	2.5	-4.0
Total	-10.9	-5.7	-0.6	-5.4
Size: large firms	-9.1	-6.7	-0.2	-6.5
— medium sized	-12.7	-5.0	-1.4	-3.5
— small firms	-28.6	5.4	0.3	-3.2
Marginal firm	-14.4	-3.0	1.8	-4.9
Dominant firm	-5.3	-7.6	-0.5	-7.5
Job reallocation				
Agriculture	17.8	17.6	19.0	16.0
Mining and energy	14.4	7.4	2.9	16.7
Manufacturing	19.2	17.8	14.8	15.5
— TCF	18.4	16.5	15.6	14.8
— Chemical	19.0	15.0	11.1	15.1
— Engineering	19.1	17.6	13.6	16.0
Trade	36.5	24.8	21.8	21.5
Construction	23.7	16.9	24.9	25.7
Services	11.6	14.5	14.2	12.9
Total	20.1	16.7	15.1	16.9
Size: large firms	15.7	12.4	11.4	13.5
— medium sized	25.0	23.6	19.7	21.5
— small firms	56.5	32.3	33.8	30.8
Marginal firm	28.2	22.8	21.5	21.3
Dominant firm	14.7	11.5	9.2	13.1
Excess job reall.				
Agriculture	3.5	7.6	8.3	14.7
Mining and energy	1.2	1.9	2.2	0.7
Manufacturing	6.3	9.8	12.2	11.2
— TCF	13.5	13.5	15.1	12.0
— Chemical	3.9	5.5	7.2	8.1
— Engineering	2.8	6.2	8.0	11.0
Trade	23.6	20.1	14.8	14.1
Construction	7.1	15.7	20.3	12.5
Services	4.4	8.9	11.7	8.9
Total	9.2	11.0	14.5	11.5
Size: large firms	6.6	5.6	11.2	7.0
— medium sized	12.3	18.6	18.3	18.0
— small firms	27.9	26.9	33.5	27.6
Marginal firm	13.7	19.9	19.7	16.3
Dominant firm	9.4	3.9	8.7	5.6

Table 5: ‘Narrow’ job creation and destruction, state owned (percent)

Sector	1999	2000	2001	2002
Job creation				
Agriculture	0.8	2.2	2.1	4.5
Mining and energy	0.2	0.4	0.6	0.0
Manufacturing	0.3	0.6	2.5	4.8
— TCF	0.0	0.2	1.6	0.2
— Chemical	0.0	0.0	0.9	0.2
— Engineering	0.4	0.0	1.1	8.4
Trade	2.1	0.4	1.8	2.5
Construction	0.9	1.7	1.8	0.9
Services	0.4	0.9	6.0	0.4
Total	0.6	0.9	2.9	1.8
Size: large firms	0.5	0.6	2.9	1.8
— medium sized	1.3	2.5	2.5	1.9
— small firms	6.9	1.2	7.1	1.1
Marginal firm	1.2	3.7	2.3	1.2
Dominant firm	0.6	0.3	3.4	1.3
Job destruction				
Agriculture	14.5	12.8	14.8	3.3
Mining and energy	12.7	4.9	0.7	16.4
Manufacturing	20.0	16.3	7.9	10.8
— TCF	37.3	53.7	10.9	5.6
— Chemical	13.4	13.3	5.0	4.6
— Engineering	18.0	14.7	9.7	14.3
Trade	18.5	15.5	10.2	17.3
Construction	28.5	12.5	5.9	28.3
Services	7.2	9.2	3.9	8.1
Total	14.2	10.9	5.2	12.3
Size: large firms	12.3	9.6	4.2	11.4
— medium sized	24.5	17.3	11.3	17.4
— small firms	42.7	159.9	108.0	157.5
Marginal firm	22.0	17.6	9.3	16.0
Dominant firm	9.6	8.5	3.6	11.3

Note: TCF stands for Textile, Clothing and Footwear. Marginal firm: market share is less than 1%; Dominant firm: market share is greater than 10%.

‘Narrow’ job creation and destruction, state owned, continued

Sector	1999	2000	2001	2002
Net job creation				
Agriculture	-13.7	-10.6	-12.7	1.3
Mining and energy	-12.5	-4.5	-0.1	-16.4
Manufacturing	-19.7	-15.7	-5.4	-6.0
— TCF	-37.3	-53.5	-9.3	-5.4
— Chemical	-13.3	-13.3	-4.1	-4.4
— Engineering	-17.6	-14.6	-8.6	-5.9
Trade	-16.4	-15.1	-8.4	-14.8
Construction	-27.6	-10.8	-4.2	-27.4
Services	-6.8	-8.3	2.1	-7.6
Total	-13.6	-10.0	-2.3	-10.5
Size: large firms	-11.8	-9.0	-1.3	-9.6
— medium sized	-23.2	-14.8	-8.8	-15.5
— small firms	-35.8	-158.7	-100.9	-156.5
Marginal firm	-20.8	-13.9	-7.0	-14.9
Dominant firm	-9.0	-8.2	-0.3	-10.0
Job reallocation				
Agriculture	15.3	15.1	16.9	7.8
Mining and energy	12.9	5.2	1.3	16.4
Manufacturing	20.3	16.9	10.4	15.7
— TCF	37.4	53.9	12.6	5.8
— Chemical	13.5	13.3	5.9	4.8
— Engineering	18.3	14.8	10.8	22.7
Trade	20.6	15.9	12.0	19.8
Construction	29.4	14.2	7.7	29.2
Services	7.6	10.2	9.9	8.5
Total	14.7	11.7	8.1	14.1
Size: large firms	12.8	10.2	7.1	13.2
— medium sized	25.7	19.8	13.8	19.4
— small firms	49.7	161.1	115.1	158.6
Marginal firm	23.2	21.4	11.7	17.2
Dominant firm	10.1	8.8	7.0	12.6
Excess job reall.				
Agriculture	1.6	4.5	4.2	6.5
Mining and energy	0.4	0.7	1.2	0.0
Manufacturing	0.6	1.2	5.0	9.7
— TCF	0.1	0.4	3.2	0.4
— Chemical	0.1	0.0	1.8	0.4
— Engineering	0.7	0.2	2.1	16.8
Trade	4.2	0.8	3.6	5.0
Construction	1.8	3.3	3.5	1.7
Services	0.8	1.9	7.8	0.9
Total	1.2	1.7	5.7	3.6
Size: large firms	0.9	1.2	5.8	3.6
— medium sized	2.5	4.9	5.1	3.9
— small firms	13.9	2.3	14.1	2.1
Marginal firm	2.3	7.5	4.7	2.3
Dominant firm	1.1	0.6	6.8	2.6

Table 6: ‘Narrow’ job creation and destruction, private (percent)

Sector	1999	2000	2001	2002
Job creation				
Agriculture	4.3	6.8	7.2	10.2
Mining and energy	6.6	7.5	6.5	4.3
Manufacturing	4.6	6.2	6.9	5.7
— TCF	7.5	7.0	7.7	6.1
— Chemical	3.1	4.0	4.9	5.3
— Engineering	2.5	4.9	5.4	4.5
Trade	12.4	15.3	15.0	14.9
Construction	4.1	8.6	16.2	6.8
Services	7.3	13.0	12.9	12.3
Total	7.8	8.3	9.6	7.7
Size: large firms	7.0	5.1	8.1	5.0
— medium sized	7.6	10.6	10.1	9.8
— small firms	14.0	19.2	17.2	14.0
Marginal firm	8.4	11.0	13.0	8.9
Dominant firm	17.3	6.6	6.5	6.0
Job destruction				
Agriculture	20.2	15.8	15.1	14.0
Mining and energy	29.6	23.8	13.8	16.6
Manufacturing	14.1	11.8	9.0	9.7
— TCF	8.9	8.2	7.9	8.9
— Chemical	19.2	11.7	8.7	13.2
— Engineering	17.4	14.4	9.6	9.2
Trade	25.1	9.8	7.2	6.7
Construction	18.6	8.6	10.6	18.5
Services	15.7	11.9	9.6	9.3
Total	16.6	11.4	9.2	10.6
Size: large firms	12.5	9.5	7.3	8.8
— medium sized	17.1	13.7	10.4	11.9
— small firms	42.6	10.7	15.7	15.2
Marginal firm	21.1	12.1	9.9	12.8
Dominant firm	11.5	12.6	7.5	8.0

Note: TCF stands for Textile, Clothing and Footwear. Marginal firm: market share is less than 1%; Dominant firm: market share is greater than 10%.

‘Narrow’ job creation and destruction, private, continued

Sector	1999	2000	2001	2002
Net job creation				
Agriculture	-15.9	-9.0	-7.8	-3.8
Mining and energy	-23.1	-16.3	-7.2	-12.3
Manufacturing	-9.5	-5.5	-2.1	-4.0
— TCF	-1.4	-1.2	-0.2	-2.7
— Chemical	-16.1	-7.7	-3.8	-7.9
— Engineering	-15.0	-9.5	-4.2	-4.7
Trade	-12.7	5.4	7.8	8.3
Construction	-14.6	-0.0	5.6	-11.7
Services	-8.3	1.1	3.2	3.0
Total	-8.8	-3.0	0.4	-2.9
Size: large firms	-5.4	-4.4	0.8	-3.8
— medium sized	-9.5	-3.1	-0.3	-2.1
— small firms	-28.6	8.4	1.4	-1.2
Marginal firm	-12.7	-1.1	3.1	-3.9
Dominant firm	5.8	-6.0	-1.0	-2.0
Job reallocation				
Agriculture	24.4	22.7	22.3	24.2
Mining and energy	36.2	31.4	20.3	20.9
Manufacturing	18.7	18.0	15.9	15.5
— TCF	16.4	15.2	15.7	15.0
— Chemical	22.3	15.7	13.5	18.5
— Engineering	19.9	19.3	14.9	13.7
Trade	37.5	25.1	22.3	21.6
Construction	22.7	17.2	26.8	25.4
Services	23.0	25.0	22.5	21.5
Total	24.3	19.7	18.8	18.3
Size: large firms	19.5	14.6	15.5	13.8
— medium sized	24.8	24.3	20.6	21.7
— small firms	56.6	29.9	32.9	29.1
Marginal firm	29.5	23.1	22.9	21.7
Dominant firm	28.8	19.2	14.1	13.9
Excess job reall.				
Agriculture	8.5	13.7	14.5	20.4
Mining and energy	13.2	15.0	13.1	8.6
Manufacturing	9.2	12.5	13.8	11.5
— TCF	15.0	14.0	15.4	12.2
— Chemical	6.2	8.0	9.7	10.6
— Engineering	4.9	9.8	10.7	9.0
Trade	24.7	19.7	14.5	13.3
Construction	8.1	17.2	21.2	13.7
Services	14.7	23.9	19.2	18.5
Total	15.6	16.7	18.5	15.4
Size: large firms	14.0	10.2	14.7	10.0
— medium sized	15.3	21.1	20.3	19.6
— small firms	28.0	21.5	31.5	27.9
Marginal firm	16.8	21.9	19.8	17.8
Dominant firm	23.0	13.2	13.0	11.9

Table 7: Persistence of job creation and destruction, (percent)

Sector	Job creation			Job destruction		
	2000	2001	2002	2000	2001	2002
All firms						
Agriculture	70.2	53.2	69.0	93.0	90.2	76.9
Mining and energy	97.2	78.5	32.8	98.3	91.3	97.1
Manufacturing	75.6	81.6	77.3	95.7	93.7	90.4
— TCF	69.9	85.0	76.8	93.6	93.0	91.5
— Chemical	84.0	86.7	86.8	96.0	93.7	94.0
— Engineering	82.5	82.1	77.5	97.1	95.7	91.3
Trade	84.4	84.2	86.2	95.8	88.6	83.3
Construction	75.5	64.5	31.2	83.0	84.4	88.1
Services	91.6	76.8	78.0	95.0	59.8	93.4
Total	79.8	78.5	69.7	94.2	87.2	89.1
Size: large firms	86.2	82.6	78.0	94.8	83.1	90.3
— medium sized	75.1	76.5	62.3	92.3	92.6	87.5
— small firms	81.6	74.0	69.2	97.6	92.8	90.4
Marginal firm	75.0	77.6	61.0	93.2	90.8	89.7
Dominant firm	91.7	83.2	78.8	97.4	74.5	88.2
State owned firms						
Agriculture	67.8	40.6	10.6	92.7	88.7	70.2
Mining and energy	97.4	0.0	0.0	100.0	91.9	100.0
Manufacturing	65.8	78.7	81.6	98.9	92.0	88.1
— TCF	0.0	0.0	18.3	99.7	98.6	100.0
— Chemical	0.0	100.0	18.1	99.9	94.2	96.9
— Engineering	55.0	49.5	76.8	99.7	96.0	80.6
Trade	61.7	31.5	36.7	98.1	96.4	98.6
Construction	82.6	68.2	26.6	96.3	94.0	88.8
Services	87.9	57.2	77.0	96.1	43.0	97.5
Total	78.5	65.5	73.2	97.8	77.2	88.2
Size: large firms	82.2	74.0	74.1	98.3	71.0	85.1
— medium sized	73.6	47.0	61.5	96.2	94.8	94.9
— small firms	100.0	72.9	3.4	99.7	100.0	100.0
Marginal firm	72.3	68.6	55.3	95.0	95.1	96.3
Dominant firm	90.5	72.0	73.3	99.1	57.8	83.7
Private firms						
Agriculture	70.8	56.2	76.3	93.6	92.0	84.9
Mining and energy	97.0	78.5	66.2	92.4	89.8	95.3
Manufacturing	75.9	81.7	76.9	94.1	94.2	90.8
— TCF	69.9	85.0	77.0	91.9	91.7	91.1
— Chemical	84.7	86.7	90.4	94.6	93.5	93.6
— Engineering	85.2	82.3	77.6	95.5	95.7	94.5
Trade	84.5	84.4	86.6	95.7	88.1	82.3
Construction	75.3	64.4	31.3	79.8	82.7	88.1
Services	92.2	80.9	79.1	93.7	92.7	89.3
Total	79.8	79.3	69.1	92.4	92.2	89.4
Size: large firms	86.6	83.6	79.8	91.7	92.6	92.7
— medium sized	75.1	77.6	62.3	91.1	92.1	86.2
— small firms	81.6	74.0	69.3	97.4	89.3	89.8
Marginal firm	75.1	78.1	61.1	92.8	89.7	88.9
Dominant firm	91.9	84.6	85.3	94.4	95.2	93.2

Labour demand model, broad specification

Table 8: Labour demand equations: base model, all firms

Variable	1999	2000	2001	2002
log employment, lagged	0.91 **	0.91 **	0.91 **	0.92 **
log production	0.43 **	0.35 **	0.44 **	0.42 **
log production, lagged	-0.36 **	-0.30 **	-0.37 **	-0.35 **
log labour cost	-0.29	0.18	-0.42 **	-0.62 **
log labour cost, lagged	0.34 *	-0.14	0.34 **	0.58 **
unemployment rate	0.80	0.48	1.02 **	0.25
market concentration	0.00	-0.21	0.74 **	-0.07
market share	0.00	0.00	-0.01 **	0.00
dominant firm	-0.02	-0.04	0.02	-0.05 *
marginal firm	0.02 *	0.00	0.01	-0.04 **
private owner	0.04 **	0.04 *	-0.01	-0.02
constant	-0.50 **	-0.13	-0.12 *	-0.11 *
long-run production elasticity	0.78 **	0.47 **	0.81 **	0.83 **
long-run labour cost elasticity	0.52	0.51	-0.93 **	-0.51 **
Nob	10621	10650	10823	10143
Mean of dep. variable	4.03	4.04	4.02	4.05
S.dev of dep. variable	1.62	1.55	1.52	1.50
R ²	0.95	0.93	0.95	0.96
SEE	0.37	0.41	0.34	0.32
Overidentification test	8.71 **	12.92 **	18.79 **	23.90 **
Wald test for market structure	13.58 *	10.23	24.72 **	20.39 **
Wald test for capital cost	19.84 **	28.44 **	38.08 **	32.83 **
Wald test for lab.= cap. cost	35.43 **	1.78	241.04 **	282.86 **
Wald test for sectors	8.41	14.56 *	30.73 **	9.78
Wald test for differenced form	171.34 **	323.86 **	287.32 **	147.89 **
Wald test for quasy diff.	73.49 **	12.31 **	60.52 **	42.38 **
Break at $q_t > q_{t-1}$	6.83	15.88 **	48.12 **	25.16 **

Table 9: Labour demand equations: base model, manufacturing

Variable	1999	2000	2001	2002
log employment, lagged	0.90 **	0.83 **	0.87 **	0.91 **
log production	0.65 **	0.59 **	0.45 **	0.54 **
log production, lagged	-0.51 **	-0.38 **	-0.36 **	-0.42 **
log labour cost	-1.14 **	-0.62	-0.39 **	-1.45 **
log labour cost, lagged	0.93 **	0.41	0.31 **	1.21 **
unemployment rate	-2.26	0.19	0.31	-0.79
market concentration	1.90	3.77	0.18	0.37
market share	-0.02	-0.03	0.00	0.00
dominant firm	0.08	-0.04	-0.05	-0.01
marginal firm	0.06	0.11	0.01	-0.03
private owner	0.07	0.09	-0.06	-0.09
constant	-0.22	-0.88 *	0.00	0.13
long-run production elasticity	1.39 **	1.18 **	0.72 **	1.32 **
long-run labour cost elasticity	-2.18 *	-1.20 *	-0.61	-2.64 **
Nob	3035	3085	3231	3178
Mean of dep. variable	5.08	5.07	5.00	4.96
S.dev of dep. variable	1.45	1.36	1.34	1.33
R ²	0.93	0.89	0.94	0.92
SEE	0.39	0.46	0.32	0.39
Overidentification test	3.54 **	3.99 **	1.16	0.94
Wald test for market structure	3.73	3.84	16.46 **	11.00
Wald test for capital cost	9.98 **	7.72 *	3.60	2.40
Wald test for lab.= cap. cost	162.54 **	3.59	7.17 *	19.76 **
Wald test for sectors	0.22	3.90 *	0.00	0.13
Wald test for differenced form	24.92 **	64.87 **	84.68 **	22.11 **
Wald test for quasy diff.	5.55	9.39 **	1.79	3.83
Break at $q_t > q_{t-1}$	1.37	0.00	2.20	5.10

Table 10: Labour demand equations: base model, engineering

Variable	1999	2000	2001	2002
log employment, lagged	0.85 **	0.73 **	0.93 **	0.94 **
log production	0.31 *	0.86	0.40 **	0.48 **
log production, lagged	-0.30 **	-0.39 *	-0.36 **	-0.41 **
log labour cost	0.06	-2.08	-0.23	-1.03 **
log labour cost, lagged	-0.01	1.52	0.24	0.93 **
unemployment rate	3.21	2.09	0.78	0.16
market concentration	-2.63	3.76	-0.20	0.43
market share	0.02	-0.02	0.00	0.00
dominant firm	0.04	-0.21	-0.04	-0.01
marginal firm	-0.20	0.27	-0.03	0.01
private owner	-0.12	-0.15	-0.03	-0.13 **
constant	0.65	-1.99 *	-0.09	-0.05
long-run production elasticity	0.05	1.73 **	0.64	1.29
long-run labour cost elasticity	0.37	-2.05	0.07	-1.82 *
Nob	672	675	691	706
Mean of dep. variable	5.35	5.26	5.23	5.21
S.dev of dep. variable	1.58	1.49	1.46	1.46
R ²	0.92	0.88	0.97	0.97
SEE	0.44	0.55	0.27	0.27
Overidentification test	0.77	0.11	0.16	1.37
Wald test for market structure	5.05	4.35	1.97	9.85
Wald test for capital cost	5.28	0.23	0.45	9.31 *
Wald test for lab.= cap. cost	1.42	2.55	2.27	515.80 **
Wald test for sectors	0.12	3.87 *	0.18	0.01
Wald test for differenced form	29.96 **	19.06 **	8.86 *	4.28
Wald test for quasy diff.	0.70	13.26 **	1.81	1.03
Break at $q_t > q_{t-1}$	1.33	0.17	0.28	8.06

Table 11: Labour demand equations: base model, chemical industry

Variable	1999	2000	2001	2002
log employment, lagged	0.86 **	0.88 **	0.87 **	0.94 **
log production	0.41 **	0.30 **	0.40 **	0.30 **
log production, lagged	-0.30 *	-0.20	-0.30 **	-0.27 **
log labour cost	-0.29	0.46	-0.48 **	-0.41
log labour cost, lagged	0.28	-0.44	0.40 **	0.37
unemployment rate	-0.98	5.39	2.22	1.63
market concentration	-0.21	0.30	0.25	0.35
market share	0.00	0.00	0.00	0.00
dominant firm	0.12	-0.05	-0.01	-0.05
marginal firm	0.02	0.07	-0.02	-0.05
private owner	-0.11	0.02	-0.06	-0.01
constant	-0.27	-0.84 *	-0.17	-0.04
long-run production elasticity	0.80 **	0.78 **	0.77 **	0.57
long-run labour cost elasticity	-0.13	0.22	-0.67 *	-0.66
Nob	277	278	293	284
Mean of dep. variable	4.67	4.72	4.59	4.55
S.dev of dep. variable	1.59	1.49	1.42	1.39
R ²	0.97	0.96	0.97	0.97
SEE	0.29	0.31	0.23	0.26
Overidentification test	1.32	0.16	0.50	0.33
Wald test for market structure	16.27 **	5.37	2.86	3.42
Wald test for capital cost	1.85	4.63	1.47	2.38
Wald test for lab.= cap. cost	5.36	0.80	6.29 *	1.61
Wald test for sectors	0.54	5.86 *	0.18	0.03
Wald test for differenced form	13.54 **	5.48	20.67 **	4.12
Wald test for quasy diff.	5.15	0.68	5.44	0.41
Break at $q_t > q_{t-1}$	4.41	0.36	0.85	0.05

Table 12: Labour demand equations: base model, food industry

Variable	1999	2000	2001	2002
log employment, lagged	0.85 **	0.77 **	0.86 **	0.85 **
log production	0.44 **	0.52 **	0.44 **	0.38 **
log production, lagged	-0.35 **	-0.24 **	-0.31 **	-0.30 **
log labour cost	-0.84	-0.39	-0.38 **	-0.44 *
log labour cost, lagged	0.78	0.26	0.31 **	0.39 *
unemployment rate	-1.68	0.03	1.03	-0.80
market concentration	-3.81	6.31	-0.51	-3.94
market share	0.02	-0.06	0.01	0.03
dominant firm	0.30	0.15	-0.04	-0.12
marginal firm	-0.10	0.14	0.11 *	-0.05
private owner	-0.06	-0.30 **	-0.02	0.03
constant	0.37	-1.35	-0.55	0.16
long-run production elasticity	0.61	1.22 **	0.89 **	0.59 *
long-run labour cost elasticity	-0.42	-0.56 *	-0.45	-0.33
Nob	789	719	712	648
Mean of dep. variable	4.51	4.58	4.52	4.44
S.dev of dep. variable	1.20	1.11	1.11	1.13
R ²	0.92	0.86	0.92	0.90
SEE	0.35	0.42	0.33	0.36
Overidentification test	0.54	0.35	0.41	0.49
Wald test for market structure	3.18	13.56 *	9.41	1.87
Wald test for capital cost	5.77	1.64	2.24	4.79
Wald test for lab.= cap. cost	15.75 **	10.28 **	10.78 **	4.54
Wald test for sectors	0.24	3.78	2.77	0.12
Wald test for differenced form	28.29 **	65.21 **	15.67 **	25.29 **
Wald test for quasy diff.	1.08	11.94 **	5.59	1.15
Break at $q_t > q_{t-1}$	0.89	3.32	0.61	0.99

Table 13: Labour demand equations: base model, TCF

Variable	1999	2000	2001	2002
log employment, lagged	0.96 **	0.62 **	0.79 **	0.69 **
log production	0.73 **	0.78 **	0.58 **	1.06 *
log production, lagged	-0.65 **	-0.29 *	-0.43 **	-0.48
log labour cost	-1.15 **	-2.26 **	-0.83 *	-2.82
log labour cost, lagged	0.96 **	1.66 **	0.60 *	2.12
unemployment rate	-6.43 *	-5.75	0.62	-5.90
market concentration	0.33	2.71	-1.07	11.35
market share	0.00	-0.02	0.01	-0.09
dominant firm	-0.08	-0.21	-0.15	-0.22
marginal firm	0.09	0.18	0.01	0.15
private owner	0.12 *	-0.05	-0.06	-0.18
constant	0.20	-0.80	0.31	-1.95
long-run production elasticity	1.93	1.33 **	0.73	1.85 **
long-run labour cost elasticity	-4.17	-1.61 **	-1.07 **	-2.21
Nob	889	940	1022	1012
Mean of dep. variable	5.35	5.34	5.22	5.20
S.dev of dep. variable	1.30	1.25	1.27	1.23
R ²	0.92	0.77	0.92	0.61
SEE	0.38	0.62	0.35	0.88
Overidentification test	0.58	0.90	0.69	0.21
Wald test for market structure	19.62 **	4.68	4.75	3.31
Wald test for capital cost	4.94	6.41 *	1.50	7.71 *
Wald test for lab.= cap. cost	579.10 **	7.84 *	1.10	3.73
Wald test for sectors	0.03	0.30	0.13	1.93
Wald test for differenced form	3.46	23.56 **	35.87 **	14.33 **
Wald test for quasy diff.	3.25	3.59	3.94	5.96
Break at $q_t > q_{t-1}$	0.27	5.74	0.27	0.59

Table 14: Labour demand equations: base model, other industries

Variable	1999	2000	2001	2002
log employment, lagged	0.94 **	0.77 **	0.90 **	0.88 **
log production	0.57 **	0.42 **	0.34 **	0.41 **
log production, lagged	-0.51 **	-0.22 **	-0.28 **	-0.33 **
log labour cost	-1.15 **	-0.53	0.01	-0.24
log labour cost, lagged	0.95 **	0.35	0.03	0.34
unemployment rate	-0.35	1.62	0.66	0.50
market concentration	-0.21	-0.20	-0.68	-0.33
market share	0.01 **	0.00	0.01	0.00 *
dominant firm	-0.11	0.07	-0.18	-0.09 *
marginal firm	0.04	0.08 *	0.05	-0.01
private owner	-0.02	-0.06	-0.06	-0.04
constant	0.36	-0.33	-0.19	-0.37
long-run production elasticity	0.99 **	0.88 **	0.63 *	0.58 **
long-run labour cost elasticity	-3.20	-0.83 *	0.37	0.81
Nob	629	697	732	730
Mean of dep. variable	5.58	5.38	5.31	5.24
S.dev of dep. variable	1.43	1.36	1.39	1.37
R ²	0.96	0.94	0.94	0.96
SEE	0.30	0.33	0.35	0.29
Overidentification test	0.86	6.70 **	0.98	1.78 *
Wald test for market structure	18.91 **	15.53 **	13.58 *	6.37
Wald test for capital cost	0.04	7.06 *	6.00	2.84
Wald test for lab.= cap. cost	48.89 **	17.96 **	0.76	17.29 **
Wald test for sectors	3.03	2.95	1.31	8.45 *
Wald test for differenced form	4.75	25.16 **	18.90 **	5.15
Wald test for quasy diff.	3.43	10.64 **	4.64	3.15
Break at $q_t > q_{t-1}$	5.08	3.79	0.46	2.79

Table 15: Labour demand equations: base model, agriculture

Variable	1999	2000	2001	2002
log employment, lagged	0.87 **	0.75 **	0.85 **	0.84 **
log production	0.43 **	0.43 **	0.48 **	0.49 **
log production, lagged	-0.26 **	-0.25 *	-0.36 **	-0.29 *
log labour cost	-0.47	0.38	-0.44 *	-0.79
log labour cost, lagged	0.45 *	-0.08	0.25	0.63
unemployment rate	0.96	1.67	4.57	-0.17
market concentration	1.13	0.98	0.89	0.47
market share	-0.01	-0.01	-0.01	-0.01
dominant firm	-0.04	-0.14	-0.13	0.16
marginal firm	0.10 *	-0.10	-0.03	-0.05
private owner	-0.04	-0.10	-0.09	-0.06
constant	-1.18 **	-1.41	-0.19	-0.60
long-run production elasticity	1.37 **	0.70 *	0.81 *	1.21 *
long-run labour cost elasticity	-0.13	1.23	-1.26	-0.94
Nob	417	356	305	285
Mean of dep. variable	4.93	4.82	4.67	4.55
S.dev of dep. variable	1.03	1.09	1.16	1.30
R ²	0.92	0.83	0.92	0.91
SEE	0.29	0.46	0.33	0.39
Overidentification test	0.08	1.28	0.34	0.32
Wald test for market structure	7.19	4.91	6.74	2.25
Wald test for capital cost	0.87	4.04	1.46	0.99
Wald test for lab.= cap. cost	7.10 *	4.72	10.06 **	1.86
Wald test for sectors	14.43 **	1.50	0.61	0.34
Wald test for differenced form	24.65 **	18.80 **	10.54 *	15.03 **
Wald test for quasy diff.	17.69 **	3.09	2.75	2.09
Break at $q_t > q_{t-1}$	0.33	10.68	0.70	0.49

Table 16: Labour demand equations: base model, construction

Variable	1999	2000	2001	2002
log employment, lagged	0.68 **	0.79 **	0.86 **	0.76 **
log production	0.45 **	0.37 **	0.56 **	0.39 **
log production, lagged	-0.23 *	-0.26 **	-0.42 **	-0.19 **
log labour cost	-0.52 *	-0.12	-0.87	-0.71 **
log labour cost, lagged	0.45 *	0.10	0.67 *	0.59 **
unemployment rate	5.31 *	1.03	0.87	1.43
market concentration	-10.96 *	-4.92	5.31	-0.89
market share	0.03	0.03	0.00	-0.01
dominant firm	-0.25	-0.23	-0.11	0.10
marginal firm	-0.38 **	-0.04	0.19	-0.11
private owner	-0.08	-0.02	0.01	-0.08
constant	-0.06	0.11	-0.26	-0.30
long-run production elasticity	0.67 **	0.55	1.02 **	0.84 **
long-run labour cost elasticity	-0.24	-0.13	-1.52 **	-0.50
Nob	865	822	836	857
Mean of dep. variable	4.87	4.90	4.83	4.76
S.dev of dep. variable	1.04	0.99	1.03	1.04
R ²	0.89	0.91	0.89	0.89
SEE	0.35	0.30	0.35	0.35
Overidentification test	0.92	1.24	2.14 **	0.44
Wald test for market structure	12.38 *	3.92	2.02	2.41
Wald test for capital cost	9.30 *	4.53	6.38 *	0.19
Wald test for lab.= cap. cost	48.95 **	0.54	6.57 *	18.54 **
Wald test for differenced form	18.08 **	30.82 **	1.74	15.70 **
Wald test for quasy diff.	6.14 *	1.63	3.90	8.07 *
Break at $q_t > q_{t-1}$	0.00	0.17	3.38	0.07

Table 17: Labour demand equations: base model, trade

Variable	1999	2000	2001	2002
log employment, lagged	0.86 **	0.88 **	0.88 **	0.89 **
log production	0.45 **	0.37 **	0.40 **	0.39 **
log production, lagged	-0.26 **	-0.25 **	-0.30 **	-0.29 **
log labour cost	-0.62 **	-0.06	-0.05	-0.21
log labour cost, lagged	0.55 **	0.04	0.05	0.23
unemployment rate	-1.13	-0.21	-1.05	0.47
market concentration	5.59 **	2.07 **	2.50 **	2.89
market share	-0.01	-0.02 *	-0.02 **	-0.02
dominant firm	-0.13	0.26	0.25 *	0.11
marginal firm	0.16 **	0.00	0.05	-0.02
private owner	0.07	0.06	0.00	-0.06
constant	-1.39 **	-0.58 **	-0.65 **	-0.66 **
long-run production elasticity	1.38 **	0.92 **	0.86 **	0.88 **
long-run labour cost elasticity	-0.53 *	-0.15	-0.04	0.13
Nob	4982	5020	5043	4516
Mean of dep. variable	3.01	3.07	3.10	3.14
S.dev of dep. variable	1.18	1.13	1.10	1.11
R ²	0.88	0.88	0.88	0.90
SEE	0.42	0.39	0.38	0.34
Overidentification test	6.32 **	4.54 **	5.14 **	5.60 **
Wald test for market structure	17.97 **	13.46 *	9.33	3.88
Wald test for capital cost	23.21 **	39.77 **	30.94 **	22.85 **
Wald test for lab.= cap. cost	33.28 **	1.39	3.72	22.20 **
Wald test for differenced form	38.68 **	94.49 **	94.05 **	58.56 **
Wald test for quasy diff.	24.84 **	31.81 **	30.03 **	20.75 **
Break at $q_t > q_{t-1}$	1.88	6.46	0.99	2.27

Table 18: Labour demand equations: base model, services

Variable	1999	2000	2001	2002
log employment, lagged	0.96 **	0.86 **	0.95 **	0.95 **
log production	0.48 **	0.46 **	0.46 **	0.42 **
log production, lagged	-0.46 **	-0.39 **	-0.43 **	-0.38 **
log labour cost	-0.24	-0.65 *	-0.08	-0.41 *
log labour cost, lagged	0.24	0.54 *	0.08	0.41 *
unemployment rate	-1.82	0.55	2.20	0.32
market concentration	0.68	-0.25	-0.57	0.37
market share	-0.01	0.00	0.00	0.00
dominant firm	-0.01	0.03	0.00	-0.06
marginal firm	0.03	-0.08 *	0.03	-0.04
private owner	0.04	-0.07	0.06	0.02
constant	0.02	0.41 *	-0.43	-0.20
long-run production elasticity	0.57	0.48 **	0.61 *	0.73 **
long-run labour cost elasticity	0.04	-0.77 **	0.11	0.03
Nob	1101	1143	1189	1105
Mean of dep. variable	4.37	4.32	4.25	4.14
S.dev of dep. variable	1.49	1.46	1.47	1.47
R ²	0.96	0.94	0.93	0.95
SEE	0.32	0.35	0.38	0.32
Overidentification test	3.18 **	1.54	1.13	2.97 **
Wald test for market structure	4.20	9.05	4.62	8.10
Wald test for capital cost	5.98	1.83	2.65	14.63 **
Wald test for lab.= cap. cost	3.53	4.20	2.66	14.37 **
Wald test for differenced form	3.25	27.32 **	4.92	8.32 *
Wald test for quasy diff.	0.71	0.66	0.42	5.63
Break at $q_t > q_{t-1}$	8.44	1.78	2.53	12.08 *

Table 19: Labour demand equations: base model, private ownership

Variable	1999	2000	2001	2002
log employment, lagged	0.91 **	0.91 **	0.92 **	0.93 **
log production	0.43 **	0.34 **	0.44 **	0.41 **
log production, lagged	-0.35 **	-0.30 **	-0.37 **	-0.34 **
log labour cost	-0.27	0.21	-0.42 **	-0.54 **
log labour cost, lagged	0.32	-0.16	0.34 **	0.51 **
unemployment rate	1.03	0.35	1.13 **	0.26
market concentration	-0.06	-0.34 *	0.59 **	-0.06
market share	0.00	0.00	0.00 *	0.00
dominant firm	-0.01	-0.04	0.00	-0.04
marginal firm	0.02	0.00	0.00	-0.03 **
private owner	0.00	0.00	0.00	0.00
constant	-0.49 **	-0.05	-0.09	-0.15 **
long-run production elasticity	0.76 **	0.43 **	0.76 **	0.84 **
long-run labour cost elasticity	0.59	0.57	-0.92 **	-0.44 **
Nob	9527	9907	10182	9660
Mean of dep. variable	3.82	3.90	3.91	3.95
S.dev of dep. variable	1.53	1.48	1.45	1.44
R ²	0.94	0.92	0.94	0.95
SEE	0.38	0.42	0.35	0.32
Overidentification test	8.62 **	11.14 **	18.80 **	19.16 **
Wald test for market structure	2.65	6.52	14.62 **	12.83 *
Wald test for capital cost	15.81 **	39.39 **	37.88 **	30.22 **
Wald test for lab.= cap. cost	34.68 **	1.67	203.63 **	212.13 **
Wald test for sectors	17.48 *	13.31	131.83 **	9.86
Wald test for differenced form	193.60 **	312.38 **	260.16 **	188.14 **
Wald test for quasy diff.	67.48 **	9.23 *	44.69 **	42.80 **
Break at $q_t > q_{t-1}$	6.65	27.35 **	47.14 **	14.04 *

Table 20: Labour demand equations: base model, state-owned

Variable	1999	2000	2001	2002
log employment, lagged	1.00 **	0.84 **	0.88 **	0.85 **
log production	0.39 **	0.74 **	0.41 **	0.48 **
log production, lagged	-0.40 **	-0.56 **	-0.30 **	-0.39 **
log labour cost	-0.24 *	-1.82 **	-0.48 **	-0.79 **
log labour cost, lagged	0.33 **	1.44 **	0.33 **	0.75 **
unemployment rate	0.89	-0.57	0.35	-0.47
market concentration	-0.14	0.04	0.43	-0.17
market share	0.00 *	0.00	0.00	0.00
dominant firm	-0.05	0.04	0.07	-0.08
marginal firm	0.02	-0.02	0.01	-0.08 **
private owner	0.00	0.00	0.00	0.00
constant	-0.39 **	0.28	-0.07	0.18
long-run production elasticity	3.95	1.09 **	0.95 **	0.60 **
long-run labour cost elasticity	-53.08	-2.37 **	-1.26 **	-0.29
Nob	1094	743	641	483
Mean of dep. variable	5.84	5.90	5.91	6.05
S.dev of dep. variable	1.23	1.26	1.35	1.30
R ²	0.97	0.93	0.98	0.97
SEE	0.22	0.33	0.20	0.24
Overidentification test	3.10 **	4.73 **	1.76 *	4.74 **
Wald test for market structure	11.47 *	1.31	4.92	12.97 *
Wald test for capital cost	2.47	6.01	2.41	7.86 *
Wald test for lab.= cap. cost	23.07 **	40.21 **	57.25 **	173.82 **
Wald test for sectors	20.57 **	13.86	13.20	39.63 **
Wald test for differenced form	7.00	6.77	25.22 **	19.54 **
Wald test for quasy diff.	6.98 *	13.43 **	20.66 **	5.71
Break at $q_t > q_{t-1}$	12.06 *	13.04 *	8.97	28.36 **

Table 21: Labour demand equations: base model, small firms

Variable	1999	2000	2001	2002
log employment, lagged	0.92 **	0.91 **	0.87 **	0.87 **
log production	0.44 **	0.35 **	0.39 **	0.35 **
log production, lagged	-0.36 **	-0.33 **	-0.35 **	-0.32 **
log labour cost	-0.52 *	-0.02	-0.40 **	-0.38 **
log labour cost, lagged	0.49 *	0.03	0.32 **	0.37 **
unemployment rate	-0.68	0.34	1.25 *	0.42
market concentration	0.46	-0.27	0.86 **	0.10
market share	0.00	0.00	-0.01 *	0.00
dominant firm	0.08	-0.10	0.06	-0.08
marginal firm	0.04	-0.04	0.03	-0.03
private owner	0.04	0.10	0.02	-0.08
constant	-0.36	0.09	0.12	0.23
long-run production elasticity	1.03	0.27	0.36 **	0.25 *
long-run labour cost elasticity	-0.43	0.10	-0.60 **	-0.09
Nob	5994	5983	5416	4688
Mean of dep. variable	2.97	3.03	2.90	2.87
S.dev of dep. variable	1.04	1.01	0.91	0.88
R ²	0.86	0.84	0.83	0.84
SEE	0.40	0.41	0.38	0.35
Overidentification test	8.31 **	9.63 **	14.26 **	6.10 **
Wald test for market structure	5.15	8.52	9.29	6.67
Wald test for capital cost	20.93 **	19.37 **	40.58 **	15.72 **
Wald test for lab.= cap. cost	26.99 **	1.13	72.70 **	53.05 **
Wald test for sectors	1.87	10.53	27.86 **	6.04
Wald test for differenced form	123.94 **	96.24 **	92.75 **	68.56 **
Wald test for quasy diff.	14.33 **	1.14	8.61 *	14.15 **
Break at $q_t > q_{t-1}$	7.09	4.57	35.78 **	12.12 *

Table 22: Labour demand equations: base model, medium-sized firms

Variable	1999	2000	2001	2002
log employment, lagged	0.78 **	0.71 **	0.76 **	0.76 **
log production	0.45 **	0.39 **	0.42 **	0.38 **
log production, lagged	-0.35 **	-0.33 **	-0.35 **	-0.30 **
log labour cost	-0.36 **	-0.32 *	-0.50 **	-0.67 **
log labour cost, lagged	0.35 **	0.26 *	0.42 **	0.62 **
unemployment rate	-0.71	-0.23	0.72	0.07
market concentration	0.15	0.00	-0.05	-0.28
market share	0.00	0.00	0.00	0.00 *
dominant firm	0.01	0.10 *	-0.06	-0.08 *
marginal firm	0.01	-0.05 **	-0.02	-0.06 **
private owner	-0.02	-0.06 **	-0.08 **	-0.08 **
constant	0.27 *	1.17 **	0.85 **	0.70 **
long-run production elasticity	0.43 **	0.21 **	0.29 **	0.34 **
long-run labour cost elasticity	-0.06	-0.19 *	-0.37 **	-0.21 **
Nob	3008	3087	3442	3171
Mean of dep. variable	5.00	4.97	4.89	4.87
S.dev of dep. variable	0.64	0.64	0.62	0.61
R ²	0.83	0.80	0.84	0.82
SEE	0.27	0.28	0.25	0.26
Overidentification test	8.42 **	8.35 **	9.54 **	7.46 **
Wald test for market structure	2.85	25.41 **	30.87 **	34.28 **
Wald test for capital cost	0.93	11.05 **	15.14 **	14.23 **
Wald test for lab.= cap. cost	36.77 **	5.59	242.78 **	213.48 **
Wald test for sectors	18.69 **	18.07 *	18.89 **	9.35
Wald test for differenced form	60.81 **	139.94 **	196.64 **	76.54 **
Wald test for quasy diff.	8.39 *	23.89 **	12.50 **	26.71 **
Break at $q_t > q_{t-1}$	43.48 **	10.70	20.18 **	21.61 **

Table 23: Labour demand equations: base model, large firms

Variable	1999	2000	2001	2002
log employment, lagged	0.90 **	0.90 **	0.93 **	0.91 **
log production	0.46 **	0.31 **	0.35 **	0.41 **
log production, lagged	-0.42 **	-0.27 **	-0.33 **	-0.35 **
log labour cost	-0.61 **	-0.34 *	-0.32 **	-0.69 **
log labour cost, lagged	0.62 **	0.29	0.26 **	0.62 **
unemployment rate	0.73	0.34	0.60	0.24
market concentration	0.00	0.13	0.63	0.10
market share	0.00	0.00	0.00	0.00
dominant firm	-0.03	-0.02	0.04	0.00
marginal firm	0.01	0.00	0.00	-0.02
private owner	0.02	-0.01	0.00	-0.02
constant	0.05	0.35 *	0.25 *	0.20
long-run production elasticity	0.40 **	0.38 **	0.38 **	0.61 **
long-run labour cost elasticity	0.19	-0.56	-0.85 **	-0.81 **
Nob	1619	1580	1965	2284
Mean of dep. variable	6.14	6.05	5.62	5.35
S.dev of dep. variable	1.41	1.40	1.55	1.54
R ²	0.95	0.96	0.96	0.96
SEE	0.31	0.29	0.30	0.30
Overidentification test	6.68 **	5.14 **	1.92 *	11.78 **
Wald test for market structure	11.52 *	3.20	7.02	1.98
Wald test for capital cost	12.96 **	8.81 *	3.43	27.60 **
Wald test for lab.= cap. cost	32.61 **	5.86	34.11 **	48.04 **
Wald test for sectors	7.16	6.57	5.54	23.72 **
Wald test for differenced form	36.42 **	71.79 **	36.43 **	46.91 **
Wald test for quasy diff.	5.10	1.29	7.35 *	3.45
Break at $q_t > q_{t-1}$	7.67	8.28	14.80 *	16.06 **

Labour demand model, narrow specification

Table 24: Labour demand equations: restricted model, all firms

Variable	1999	2000	2001	2002
log employment, lagged	0.91 **	0.91 **	0.91 **	0.92 **
log production	0.43 **	0.35 **	0.43 **	0.43 **
log production, lagged	-0.36 **	-0.30 **	-0.37 **	-0.35 **
log labour cost	-0.29	0.18	-0.42 **	-0.62 **
log labour cost, lagged	0.34 *	-0.14	0.34 **	0.58 **
market concentration	-0.07	-0.19	0.64 **	0.16
market share	0.00	0.00	0.00 **	0.00
private owner	0.03 **	0.04 *	-0.01	-0.01
constant	-0.44 **	-0.12	-0.09	-0.21 **
long-run production elasticity	0.74 **	0.47 **	0.79 **	0.92 **
long-run labour cost elasticity	0.51	0.50	-0.92 **	-0.53 **
Nob	10621	10650	10823	10143
Mean of dep. variable	4.03	4.04	4.02	4.05
S.dev of dep. variable	1.62	1.55	1.52	1.50
R ²	0.95	0.93	0.95	0.96
SEE	0.37	0.41	0.34	0.32
Overidentification test	8.03 **	11.67 **	16.94 **	22.09 **
Wald test for market structure	10.00 *	8.38 *	23.51 **	1.94
Wald test for capital cost	19.84 **	28.44 **	38.08 **	32.83 **
Wald test for lab.= cap. cost	35.43 **	1.78	241.04 **	282.86 **
Wald test for sectors	16.15 *	22.04 **	30.02 **	15.49 *
Wald test for differenced form	167.35 **	361.55 **	322.43 **	141.88 **
Wald test for quasy diff.	66.61 **	17.17 **	63.10 **	55.88 **
Break at $q_t > q_{t-1}$	8.01	19.86 **	47.58 **	18.29 **

Table 25: Labour demand equations: restricted model, manufacturing

Variable	1999	2000	2001	2002
log employment, lagged	0.89 **	0.83 **	0.87 **	0.90 **
log production	0.58 **	0.47 **	0.45 **	0.55 **
log production, lagged	-0.47 **	-0.33 **	-0.36 **	-0.41 **
log labour cost	-1.08 **	-0.40	-0.43 **	-1.45 **
log labour cost, lagged	0.90 **	0.27	0.34 **	1.19 **
market concentration	0.23	1.02	0.20	1.04
market share	0.00	-0.01	0.00	-0.01
private owner	0.01	0.02	-0.06 **	-0.07
constant	0.12	-0.25 *	0.05	-0.02
long-run production elasticity	1.05 **	0.81 **	0.70 **	1.42 **
long-run labour cost elasticity	-1.62 **	-0.71	-0.68 **	-2.64 **
Nob	3035	3085	3231	3178
Mean of dep. variable	5.08	5.07	5.00	4.96
S.dev of dep. variable	1.45	1.36	1.34	1.33
R ²	0.94	0.93	0.95	0.92
SEE	0.36	0.35	0.31	0.39
Overidentification test	3.88 **	6.64 **	1.18	0.85
Wald test for market structure	2.82	2.72	11.97 **	6.07
Wald test for capital cost	9.98 **	7.72 *	3.60	2.40
Wald test for lab.= cap. cost	162.54 **	3.59	7.17 *	19.76 **
Wald test for sectors	0.27	4.17 *	0.42	0.05
Wald test for differenced form	34.29 **	115.33 **	108.51 **	15.24 **
Wald test for quasy diff.	11.08 **	17.99 **	6.70 *	11.74 **
Break at $q_t > q_{t-1}$	2.26	1.50	1.90	5.64

Table 26: Labour demand equations: restricted model, engineering

Variable	1999	2000	2001	2002
log employment, lagged	0.84 **	0.85 **	0.92 **	0.95 **
log production	0.42 **	0.36 *	0.42 **	0.48 **
log production, lagged	-0.30 **	-0.24 **	-0.36 **	-0.41 **
log labour cost	0.07	-0.27	-0.27	-1.03 **
log labour cost, lagged	-0.01	0.25	0.26	0.93 **
market concentration	0.04	-0.11	0.12	0.30
market share	0.00	0.00	0.00	0.00
private owner	-0.12	-0.07	-0.04	-0.13 **
constant	-0.72 **	-0.41 *	-0.18	0.01
long-run production elasticity	0.73 **	0.83 *	0.81 **	1.19 **
long-run labour cost elasticity	0.37	-0.15	-0.19	-1.79 *
Nob	672	675	691	706
Mean of dep. variable	5.35	5.26	5.23	5.21
S.dev of dep. variable	1.58	1.49	1.46	1.46
R ²	0.94	0.97	0.97	0.97
SEE	0.40	0.26	0.27	0.27
Overidentification test	0.91	1.22	0.17	1.25
Wald test for market structure	4.30	4.70	1.99	9.09 *
Wald test for capital cost	5.28	0.23	0.45	9.31 *
Wald test for lab.= cap. cost	1.42	2.55	2.27	515.80 **
Wald test for sectors	8.94 **	3.93 *	1.52	0.01
Wald test for differenced form	25.09 **	41.02 **	14.18 **	4.43
Wald test for quasy diff.	6.96 *	10.81 **	2.53	2.91
Break at $q_t > q_{t-1}$	1.83	1.59	0.90	7.95

Table 27: Labour demand equations: restricted model, chemical industry

Variable	1999	2000	2001	2002
log employment, lagged	0.85 **	0.89 **	0.87 **	0.94 **
log production	0.37 **	0.31 **	0.41 **	0.32 **
log production, lagged	-0.26 *	-0.24	-0.30 **	-0.29 **
log labour cost	-0.27	0.30	-0.45 **	-0.16
log labour cost, lagged	0.25	-0.30	0.37 **	0.14
market concentration	-0.97	0.59	0.48	1.36
market share	0.01	-0.01	0.00	-0.01
private owner	-0.15 *	0.03	-0.05	-0.02
constant	-0.13	-0.58	-0.29	-0.22
long-run production elasticity	0.74 **	0.60 *	0.81 **	0.55
long-run labour cost elasticity	-0.12	0.03	-0.64 **	-0.27
Nob	277	278	293	284
Mean of dep. variable	4.67	4.72	4.59	4.55
S.dev of dep. variable	1.59	1.49	1.42	1.39
R ²	0.97	0.96	0.97	0.96
SEE	0.29	0.29	0.24	0.30
Overidentification test	1.21	0.25	0.43	0.29
Wald test for market structure	5.83	4.76	2.70	1.02
Wald test for capital cost	1.85	4.63	1.47	2.38
Wald test for lab.= cap. cost	5.36	0.80	6.29 *	1.61
Wald test for sectors	0.27	3.76	1.83	0.92
Wald test for differenced form	20.35 **	14.53 **	21.97 **	3.26
Wald test for quasy diff.	6.96 *	0.50	6.53 *	0.15
Break at $q_t > q_{t-1}$	4.17	2.18	0.77	0.80

Table 28: Labour demand equations: restricted model, food industry

Variable	1999	2000	2001	2002
log employment, lagged	0.82 **	0.76 **	0.86 **	0.85 **
log production	0.41 **	0.45 **	0.41 **	0.42 **
log production, lagged	-0.26 **	-0.22 **	-0.32 **	-0.30 **
log labour cost	-0.57	-0.43 *	-0.39 **	-0.43 *
log labour cost, lagged	0.54	0.30	0.34 **	0.37 *
market concentration	0.11	2.34 *	-3.57	-1.64
market share	0.00	-0.02 *	0.02	0.01
private owner	-0.04	-0.23 **	0.02	0.01
constant	-0.53 *	-0.71 **	-0.11	-0.17
long-run production elasticity	0.83 **	0.94 **	0.66 **	0.78 **
long-run labour cost elasticity	-0.16	-0.53 **	-0.35	-0.42
Nob	789	719	712	648
Mean of dep. variable	4.51	4.58	4.52	4.44
S.dev of dep. variable	1.20	1.11	1.11	1.13
R ²	0.94	0.91	0.91	0.91
SEE	0.30	0.33	0.34	0.34
Overidentification test	0.80	0.64	0.56	0.53
Wald test for market structure	1.16	17.29 **	2.70	1.11
Wald test for capital cost	5.77	1.64	2.24	4.79
Wald test for lab.= cap. cost	15.75 **	10.28 **	10.78 **	4.54
Wald test for sectors	4.16 *	11.17 **	0.28	0.40
Wald test for differenced form	32.72 **	98.53 **	14.37 **	25.59 **
Wald test for quasy diff.	14.47 **	28.98 **	2.48	5.14
Break at $q_t > q_{t-1}$	4.17	4.76	1.55	2.41

Table 29: Labour demand equations: restricted model, TCF

Variable	1999	2000	2001	2002
log employment, lagged	0.99 **	0.67 **	0.78 **	0.75 **
log production	0.65 **	0.67 **	0.60 **	0.86 *
log production, lagged	-0.67 **	-0.35 **	-0.44 **	-0.49 **
log labour cost	-1.16 **	-2.19 **	-0.93 **	-2.26
log labour cost, lagged	0.99 **	1.65 **	0.67 **	1.75
market concentration	-1.93	-1.45	-0.91	5.42
market share	0.02 *	0.01	0.01	-0.05
private owner	0.10	-0.06	-0.04	-0.13
constant	1.23 **	0.80	0.29	-0.61
long-run production elasticity	-1.34	0.98 **	0.75 **	1.48 **
long-run labour cost elasticity	-11.81	-1.66 **	-1.16 **	-2.07
Nob	889	940	1022	1012
Mean of dep. variable	5.35	5.34	5.22	5.20
S.dev of dep. variable	1.30	1.25	1.27	1.23
R ²	0.92	0.80	0.92	0.76
SEE	0.40	0.58	0.36	0.63
Overidentification test	0.53	1.09	0.71	0.55
Wald test for market structure	16.05 **	2.35	2.16	3.21
Wald test for capital cost	4.94	6.41 *	1.50	7.71 *
Wald test for lab.= cap. cost	579.10 **	7.84 *	1.10	3.73
Wald test for sectors	10.59 **	1.98	1.34	0.95
Wald test for differenced form	7.74	23.12 **	39.87 **	16.57 **
Wald test for quasy diff.	5.99	4.46	5.56	5.72
Break at $q_t > q_{t-1}$	0.32	4.20	2.27	1.51

Table 30: Labour demand equations: restricted model, other industries

Variable	1999	2000	2001	2002
log employment, lagged	0.95 **	0.78 **	0.84 **	0.87 **
log production	0.57 **	0.42 **	0.41 **	0.41 **
log production, lagged	-0.53 **	-0.24 **	-0.29 **	-0.33 **
log labour cost	-1.18 **	-0.59	-0.38	-0.27
log labour cost, lagged	0.98 **	0.38	0.27	0.35
market concentration	-0.13	-0.14	0.37	-0.26
market share	0.00 *	0.00	0.00	0.00
private owner	-0.03	-0.07 *	-0.09 **	-0.04
constant	0.56	-0.05	0.10	-0.36
long-run production elasticity	0.79 **	0.82 **	0.73 **	0.60 **
long-run labour cost elasticity	-3.96	-0.98 **	-0.71	0.69
Nob	629	697	732	730
Mean of dep. variable	5.58	5.38	5.31	5.24
S.dev of dep. variable	1.43	1.36	1.39	1.37
R ²	0.96	0.94	0.96	0.96
SEE	0.30	0.33	0.29	0.29
Overidentification test	0.98	6.35 **	1.64 *	1.76 *
Wald test for market structure	7.67	6.34	9.29 *	2.44
Wald test for capital cost	0.04	7.06 *	6.00	2.84
Wald test for lab.= cap. cost	48.89 **	17.96 **	0.76	17.29 **
Wald test for sectors	4.70	3.96	6.12	10.43 *
Wald test for differenced form	6.67	38.71 **	46.86 **	6.28
Wald test for quasy diff.	2.93	9.97 **	3.86	3.31
Break at $q_t > q_{t-1}$	8.31	4.82	4.10	1.11

Table 31: Labour demand equations: restricted model, agriculture

Variable	1999	2000	2001	2002
log employment, lagged	0.86 **	0.75 **	0.85 **	0.85 **
log production	0.40 **	0.47 **	0.49 **	0.51 **
log production, lagged	-0.25 **	-0.25	-0.36 **	-0.30 **
log labour cost	-0.50 *	0.40	-0.49 **	-0.78
log labour cost, lagged	0.46 **	-0.09	0.27 *	0.62
market concentration	0.41	2.38	1.34	0.56
market share	0.00	-0.02	-0.01	-0.01
private owner	-0.05	-0.12	-0.10	-0.04
constant	-0.77 **	-2.10	-0.28	-0.78
long-run production elasticity	1.10 **	0.91 **	0.91 **	1.33 **
long-run labour cost elasticity	-0.26	1.25	-1.44 *	-1.05
Nob	417	356	305	285
Mean of dep. variable	4.93	4.82	4.67	4.55
S.dev of dep. variable	1.03	1.09	1.16	1.30
R ²	0.93	0.79	0.92	0.91
SEE	0.28	0.52	0.33	0.39
Overidentification test	0.41	1.01	0.34	0.34
Wald test for market structure	1.80	1.64	3.75	0.90
Wald test for capital cost	0.87	4.04	1.46	0.99
Wald test for lab.= cap. cost	7.10 *	4.72	10.06 **	1.86
Wald test for sectors	9.74 **	2.68	0.46	3.01
Wald test for differenced form	27.31 **	15.58 **	12.72 **	14.79 **
Wald test for quasy diff.	17.71 **	3.94	5.59	7.65 *
Break at $q_t > q_{t-1}$	1.15	3.35	2.36	1.65

Table 32: Labour demand equations: restricted model, construction

Variable	1999	2000	2001	2002
log employment, lagged	0.69 **	0.79 **	0.86 **	0.77 **
log production	0.53 **	0.38 **	0.55 **	0.40 **
log production, lagged	-0.24 *	-0.26 **	-0.43 **	-0.20 **
log labour cost	-0.64 **	-0.17	-0.84	-0.70 **
log labour cost, lagged	0.50 **	0.13	0.65 *	0.59 **
market concentration	0.99	-2.70	0.86	0.49
market share	-0.01	0.02	0.00	-0.01
private owner	-0.10	-0.02	0.00	-0.07
constant	-1.08 **	-0.05	0.23	-0.50
long-run production elasticity	0.93 **	0.62 *	0.81 **	0.87 **
long-run labour cost elasticity	-0.43 *	-0.20	-1.37 **	-0.49
Nob	865	822	836	857
Mean of dep. variable	4.87	4.90	4.83	4.76
S.dev of dep. variable	1.04	0.99	1.03	1.04
R ²	0.89	0.91	0.89	0.89
SEE	0.34	0.30	0.34	0.35
Overidentification test	1.24	1.17	2.12 **	0.44
Wald test for market structure	3.74	3.01	0.71	1.48
Wald test for capital cost	9.30 *	4.53	6.38 *	0.19
Wald test for lab.= cap. cost	48.95 **	0.54	6.57 *	18.54 **
Wald test for differenced form	15.71 **	35.97 **	5.12	14.99 **
Wald test for quasy diff.	7.59 *	2.51	3.77	8.91 *
Break at $q_t > q_{t-1}$	2.28	3.73	4.69	0.94

Table 33: Labour demand equations: restricted model, trade

Variable	1999	2000	2001	2002
log employment, lagged	0.89 **	0.88 **	0.88 **	0.89 **
log production	0.44 **	0.37 **	0.39 **	0.39 **
log production, lagged	-0.30 **	-0.26 **	-0.30 **	-0.29 **
log labour cost	-0.64 **	-0.06	-0.04	-0.20
log labour cost, lagged	0.57 **	0.04	0.04	0.22
market concentration	1.92	1.58 **	1.45 *	2.57
market share	-0.01	-0.01 *	-0.01 *	-0.02
private owner	0.07 *	0.06	-0.02	-0.05
constant	-0.82 **	-0.53 **	-0.46 **	-0.69 **
long-run production elasticity	1.35 **	0.89 **	0.78 **	0.88 **
long-run labour cost elasticity	-0.64 *	-0.14	-0.03	0.14
Nob	4982	5020	5043	4516
Mean of dep. variable	3.01	3.07	3.10	3.14
S.dev of dep. variable	1.18	1.13	1.10	1.11
R ²	0.89	0.88	0.88	0.90
SEE	0.40	0.39	0.38	0.34
Overidentification test	7.04 **	4.25 **	4.85 **	5.11 **
Wald test for market structure	12.47 **	9.97 *	6.02	2.55
Wald test for capital cost	23.21 **	39.77 **	30.94 **	22.85 **
Wald test for lab.= cap. cost	33.28 **	1.39	3.72	22.20 **
Wald test for differenced form	34.08 **	93.23 **	95.20 **	56.57 **
Wald test for quasy diff.	21.59 **	34.01 **	30.57 **	22.46 **
Break at $q_t > q_{t-1}$	2.45	7.17	1.18	3.77

Table 34: Labour demand equations: restricted model, services

Variable	1999	2000	2001	2002
log employment, lagged	0.95 **	0.87 **	0.93 **	0.95 **
log production	0.48 **	0.43 **	0.45 **	0.40 **
log production, lagged	-0.47 **	-0.36 **	-0.42 **	-0.37 **
log labour cost	-0.27	-0.38	-0.15	-0.27
log labour cost, lagged	0.27	0.32	0.14	0.29 *
market concentration	0.49	0.14	-0.62 *	0.56
market share	0.00	0.00	0.01 *	-0.01
private owner	0.04	-0.08	0.04	0.02
constant	0.13	0.16	-0.25	-0.32 *
long-run production elasticity	0.40	0.57 **	0.51 *	0.72 **
long-run labour cost elasticity	-0.05	-0.49 *	-0.17	0.41
Nob	1101	1143	1189	1105
Mean of dep. variable	4.37	4.32	4.25	4.14
S.dev of dep. variable	1.49	1.46	1.47	1.47
R ²	0.96	0.94	0.94	0.95
SEE	0.31	0.35	0.37	0.33
Overidentification test	3.06 **	1.67 *	1.13	2.50 **
Wald test for market structure	2.73	4.03	4.36	4.46
Wald test for capital cost	5.98	1.83	2.65	14.63 **
Wald test for lab.= cap. cost	3.53	4.20	2.66	14.37 **
Wald test for differenced form	4.63	16.59 **	8.25 *	9.85 *
Wald test for quasy diff.	0.28	1.53	0.05	9.76 **
Break at $q_t > q_{t-1}$	8.20	2.33	3.76	11.06

Table 35: Labour demand equations: restricted model, private ownership

Variable	1999	2000	2001	2002
log employment, lagged	0.90 **	0.91 **	0.92 **	0.93 **
log production	0.42 **	0.34 **	0.43 **	0.41 **
log production, lagged	-0.35 **	-0.30 **	-0.37 **	-0.35 **
log labour cost	-0.27	0.22	-0.42 **	-0.54 **
log labour cost, lagged	0.32	-0.16	0.34 **	0.51 **
market concentration	-0.14	-0.31	0.56 **	0.14
market share	0.00	0.00	0.00 **	0.00
private owner	0.00	0.00	0.00	0.00
constant	-0.44 **	-0.05	-0.08	-0.23 **
long-run production elasticity	0.72 **	0.43 **	0.76 **	0.93 **
long-run labour cost elasticity	0.59	0.57	-0.92 **	-0.45 **
Nob	9527	9907	10182	9660
Mean of dep. variable	3.82	3.90	3.91	3.95
S.dev of dep. variable	1.53	1.48	1.45	1.44
R ²	0.94	0.92	0.94	0.95
SEE	0.38	0.42	0.35	0.32
Overidentification test	7.82 **	10.00 **	16.84 **	17.56 **
Wald test for market structure	0.33	4.76	14.48 **	1.54
Wald test for capital cost	15.81 **	39.39 **	37.88 **	30.22 **
Wald test for lab.= cap. cost	34.68 **	1.67	203.63 **	212.13 **
Wald test for sectors	160.37 **	27.22 **	196.69 **	17.61 *
Wald test for differenced form	190.36 **	345.09 **	288.18 **	182.08 **
Wald test for quasy diff.	64.32 **	13.69 **	48.75 **	60.08 **
Break at $q_t > q_{t-1}$	8.28	30.86 **	46.94 **	12.17 *

Table 36: Labour demand equations: restricted model, state-owned

Variable	1999	2000	2001	2002
log employment, lagged	0.99 **	0.85 **	0.89 **	0.87 **
log production	0.39 **	0.75 **	0.42 **	0.48 **
log production, lagged	-0.39 **	-0.57 **	-0.31 **	-0.40 **
log labour cost	-0.23 *	-1.82 **	-0.48 **	-0.80 **
log labour cost, lagged	0.32 **	1.44 **	0.34 **	0.77 **
market concentration	-0.12	-0.01	0.27	-0.07
market share	0.00	0.00	0.00	0.00
private owner	0.00	0.00	0.00	0.00
constant	-0.32 **	0.21	-0.07	0.07
long-run production elasticity	-1.03	1.14 **	0.97 **	0.60 **
long-run labour cost elasticity	12.77	-2.43 **	-1.25 **	-0.17
Nob	1094	743	641	483
Mean of dep. variable	5.84	5.90	5.91	6.05
S.dev of dep. variable	1.23	1.26	1.35	1.30
R ²	0.97	0.93	0.98	0.97
SEE	0.22	0.33	0.20	0.24
Overidentification test	3.00 **	4.33 **	1.73 *	4.74 **
Wald test for market structure	4.13	0.31	2.61	2.98
Wald test for capital cost	2.47	6.01	2.41	7.86 *
Wald test for lab.= cap. cost	23.07 **	40.21 **	57.25 **	173.82 **
Wald test for sectors	26.01 **	17.38 *	16.61 *	44.73 **
Wald test for differenced form	7.26	7.10	24.74 **	16.48 **
Wald test for quasy diff.	6.14 *	16.27 **	21.22 **	5.96
Break at $q_t > q_{t-1}$	12.52 *	13.86 *	8.21	33.58 **

Table 37: Labour demand equations: restricted model, small firms

Variable	1999	2000	2001	2002
log employment, lagged	0.92 **	0.91 **	0.87 **	0.87 **
log production	0.43 **	0.35 **	0.39 **	0.35 **
log production, lagged	-0.36 **	-0.32 **	-0.35 **	-0.32 **
log labour cost	-0.52 *	-0.01	-0.40 **	-0.39 **
log labour cost, lagged	0.49 *	0.02	0.32 **	0.37 **
market concentration	0.24	-0.11	0.69 **	0.31
market share	0.00	0.00	-0.01 *	0.00
private owner	0.04	0.11	0.01	-0.08
constant	-0.28	0.02	0.18	0.17
long-run production elasticity	0.98	0.29	0.34 **	0.27 *
long-run labour cost elasticity	-0.42	0.12	-0.60 **	-0.10
Nob	5994	5983	5416	4688
Mean of dep. variable	2.97	3.03	2.90	2.87
S.dev of dep. variable	1.04	1.01	0.91	0.88
R ²	0.86	0.84	0.83	0.84
SEE	0.40	0.41	0.38	0.35
Overidentification test	7.64 **	8.76 **	12.88 **	5.55 **
Wald test for market structure	1.64	3.85	7.86 *	4.13
Wald test for capital cost	20.93 **	19.37 **	40.58 **	15.72 **
Wald test for lab.= cap. cost	26.99 **	1.13	72.70 **	53.05 **
Wald test for sectors	83.85 **	13.16	58.34 **	21.73 **
Wald test for differenced form	119.86 **	100.32 **	92.39 **	72.69 **
Wald test for quasy diff.	12.59 **	1.32	9.05 *	14.23 **
Break at $q_t > q_{t-1}$	7.68	6.01	35.57 **	13.51 *

Table 38: Labour demand equations: restricted model, medium-sized firms

Variable	1999	2000	2001	2002
log employment, lagged	0.77 **	0.71 **	0.77 **	0.77 **
log production	0.44 **	0.40 **	0.43 **	0.40 **
log production, lagged	-0.35 **	-0.33 **	-0.36 **	-0.31 **
log labour cost	-0.35 **	-0.27	-0.50 **	-0.67 **
log labour cost, lagged	0.34 **	0.23	0.42 **	0.62 **
market concentration	0.08	0.28	0.15	-0.06
market share	0.00	0.00	0.00	0.00
private owner	-0.02	-0.06 **	-0.08 **	-0.07 **
constant	0.31 *	1.01 **	0.76 **	0.49 **
long-run production elasticity	0.42 **	0.23 **	0.31 **	0.40 **
long-run labour cost elasticity	-0.06	-0.16 *	-0.38 **	-0.21 **
Nob	3008	3087	3442	3171
Mean of dep. variable	5.00	4.97	4.89	4.87
S.dev of dep. variable	0.64	0.64	0.62	0.61
R ²	0.83	0.80	0.84	0.82
SEE	0.27	0.29	0.25	0.26
Overidentification test	7.60 **	8.02 **	8.71 **	7.80 **
Wald test for market structure	1.45	14.30 **	28.60 **	11.34 *
Wald test for capital cost	0.93	11.05 **	15.14 **	14.23 **
Wald test for lab.= cap. cost	36.77 **	5.59	242.78 **	213.48 **
Wald test for sectors	25.03 **	24.76 **	23.00 **	18.17 *
Wald test for differenced form	60.69 **	131.79 **	208.02 **	67.97 **
Wald test for quasy diff.	8.07 *	20.60 **	10.99 **	22.77 **
Break at $q_t > q_{t-1}$	38.83 **	10.39	16.54 **	17.44 **

Table 39: Labour demand equations: restricted model, large firms

Variable	1999	2000	2001	2002
log employment, lagged	0.90 **	0.90 **	0.93 **	0.91 **
log production	0.46 **	0.31 **	0.36 **	0.41 **
log production, lagged	-0.42 **	-0.27 **	-0.33 **	-0.35 **
log labour cost	-0.62 **	-0.36 *	-0.33 **	-0.69 **
log labour cost, lagged	0.63 **	0.30 *	0.27 **	0.62 **
market concentration	0.07	0.19	0.45	0.17
market share	0.00	0.00	0.00	0.00
private owner	0.02	-0.01	-0.01	-0.02
constant	0.11	0.38 **	0.24 *	0.14
long-run production elasticity	0.38 **	0.37 **	0.41 **	0.64 **
long-run labour cost elasticity	0.08	-0.60 *	-0.85 **	-0.82 **
Nob	1619	1580	1965	2284
Mean of dep. variable	6.14	6.05	5.62	5.35
S.dev of dep. variable	1.41	1.40	1.55	1.54
R ²	0.95	0.96	0.96	0.96
SEE	0.31	0.29	0.30	0.30
Overidentification test	6.04 **	4.65 **	1.79 *	10.60 **
Wald test for market structure	5.48	1.80	7.01	1.07
Wald test for capital cost	12.96 **	8.81 *	3.43	27.60 **
Wald test for lab.= cap. cost	32.61 **	5.86	34.11 **	48.04 **
Wald test for sectors	12.15	6.15	5.86	25.87 **
Wald test for differenced form	34.85 **	83.64 **	41.31 **	47.99 **
Wald test for quasy diff.	4.30	1.64	7.15 *	4.30
Break at $q_t > q_{t-1}$	7.42	8.74	21.54 **	15.90 **

Wage determination, initial specification

Table 40: Wage determination: base model, all firms

Variable	1999	2000	2001	2002
log lagged wage	0.77 **	0.81 **	0.76 **	0.89 **
log of productivity	0.63 **	0.58 **	1.37 **	0.87 **
log of lagged productivity	-0.30 **	-0.10 **	-0.51 **	-0.39 **
log of employment	-0.20	0.13 **	-0.71 **	-0.49 **
log of lagged employment	0.24 *	-0.10 *	0.64 **	0.48 **
unemployment rate	-2.97 **	-0.94	3.19 **	0.51
market concentration	0.25 **	0.16 **	0.12	0.04
market share	0.00	-0.03 *	-0.02	-0.02 *
dominant firm	-1.02	1.73 **	2.73 **	1.09
marginal firm	1.15 **	0.65 **	1.78 **	0.30
private ownership	0.20	1.45 *	2.07 **	1.51 **
dominant×productivity	0.18	-0.32 *	-0.48 **	-0.19
marginal×productivity	-0.23 **	-0.14 **	-0.33 **	-0.06
private×productivity	-0.07	-0.35 *	-0.49 **	-0.34 **
constant	-0.86	-1.65 **	-3.09 **	-1.84 **
long-run employment elast.	0.16 **	0.17 **	-0.26 **	-0.06
long-run productivity elast.	1.44 *	2.55 **	3.57 **	4.29 **
Nob	10621	10650	10823	10143
Mean of dep. variable	2.81	2.73	3.06	3.21
S.dev of dep. variable	0.66	0.70	0.70	0.73
R ²	0.68	0.73	0.63	0.78
SEE	0.38	0.36	0.50	0.35
Overidentification test	36.88 **	24.04 **	17.47 **	23.93 **
Wald test for market structure	150.94 **	72.94 **	102.34 **	31.15 **
Wald test for sectors	98.75 **	22.80 **	183.54 **	98.65 **
Test for differenced form	204.36 **	381.12 **	555.76 **	187.72 **
Test for Error Correction	38.81 **	13.74 **	72.26 **	75.10 **

Table 41: Wage determination: base model, manufacturing

Variable	1999	2000	2001	2002
log lagged wage	0.76 **	0.77 **	0.80 **	0.84 **
log of productivity	0.19	0.77 **	2.17	-0.15
log of lagged productivity	-0.34 **	-0.02	-0.74 **	-0.29 **
log of employment	-0.27 **	0.19	-1.10 **	-0.33 **
log of lagged employment	0.30 **	-0.17	1.01 **	0.35 **
unemployment rate	-2.03 *	-0.38	1.82	-0.87
market concentration	0.02	0.07	-0.01	0.13
market share	0.01	-0.01	-0.03	0.00
dominant firm	0.33	2.88	4.61	-0.87
marginal firm	1.55	1.42	0.74	-0.50
private ownership	-1.99 *	2.38 *	4.89	-2.10
dominant×productivity	-0.07	-0.55	-0.85	0.16
marginal×productivity	-0.32	-0.30	-0.15	0.09
private×productivity	0.47 *	-0.58 *	-1.18	0.48
constant	1.22	-2.66 *	-5.14	2.33
long-run employment elast.	0.09	0.09	-0.43	0.14 *
long-run productivity elast.	-0.62	3.33 *	7.05	-2.68
Nob	3035	3085	3231	3178
Mean of dep. variable	2.94	2.92	2.93	2.92
S.dev of dep. variable	0.51	0.53	0.56	0.58
R ²	0.59	0.57	0.45	0.77
SEE	0.35	0.37	0.69	0.28
Overidentification test	2.18 **	1.15	0.32	0.64
Wald test for market structure	8.07	20.19 *	6.47	23.58 **
Test for differenced form	28.32 **	56.24 **	30.94 **	48.63 **
Test for Error Correction	22.86 **	6.94 *	4.73	40.35 **

Table 42: Wage determination: base model, engineering

Variable	1999	2000	2001	2002
log lagged wage	0.72 **	0.76 **	0.72 **	0.95 **
log of productivity	-0.74	0.48	-0.75	-0.77
log of lagged productivity	-0.17	-0.16 *	-0.06	-0.39 **
log of employment	0.31	-0.15	0.01	-0.49 **
log of lagged employment	-0.27	0.18	0.09	0.50 **
unemployment rate	-4.63 *	1.01	3.70 *	-1.49
market concentration	-0.01	0.20	0.12	0.05
market share	0.01	-0.01	-0.06	0.00
dominant firm	-1.69	0.71	2.16 *	0.03
marginal firm	-0.58	0.39	3.68 *	-0.60
private ownership	-3.34	0.48	-5.44 *	-4.79
dominant×productivity	0.36	-0.15	-0.44 *	-0.01
marginal×productivity	0.11	-0.08	-0.76 *	0.12
private×productivity	0.86	-0.14	1.35 *	1.21
constant	4.60 *	-0.89	2.92	4.77
long-run employment elast.	0.15	0.12	0.36 **	0.21
long-run productivity elast.	-3.31	1.36	-2.89	-21.64
Nob	672	675	691	706
Mean of dep. variable	3.08	3.10	3.11	3.10
S.dev of dep. variable	0.44	0.47	0.47	0.54
R ²	0.41	0.77	0.40	0.72
SEE	0.36	0.23	0.47	0.32
Overidentification test	3.55 **	0.46	0.37	0.55
Wald test for market structure	4.37 *	0.38	1.82	3.01
Test for differenced form	16.02 **	40.88 **	24.86 **	6.75
Test for Error Correction	3.53	4.95	4.50	6.16 *

Table 43: Wage determination: base model, chemical industry

Variable	1999	2000	2001	2002
log lagged wage	0.89 **	0.91 **	0.87 **	0.94 **
log of productivity	0.06	-0.25	-0.14	0.01
log of lagged productivity	-0.21	0.10	-0.43 **	-0.07
log of employment	-0.32	0.56	-0.41	-0.21
log of lagged employment	0.26	-0.56	0.39	0.25
unemployment rate	-0.53	-3.02	1.28	-0.57
market concentration	-0.44	-0.30	-0.36	-0.35
market share	0.08 *	0.07	0.05	0.00
dominant firm	0.20	-0.70	1.02	2.39
marginal firm	-0.98	-0.97	-1.96	-0.11
private ownership	-0.71	0.07	-2.45	-0.61
dominant×productivity	-0.03	0.12	-0.18	-0.41
marginal×productivity	0.17	0.15	0.34	0.02
private×productivity	0.14	-0.03	0.51	0.15
constant	1.56	1.39	3.41	0.27
long-run employment elast.	-0.47	-0.01	-0.14	0.55
long-run productivity elast.	-1.35	-1.68	-4.29	-0.94
Nob	277	278	293	284
Mean of dep. variable	3.14	3.07	3.08	3.19
S.dev of dep. variable	0.58	0.59	0.60	0.65
R ²	0.75	0.62	0.78	0.86
SEE	0.30	0.39	0.31	0.25
Overidentification test	1.69 *	0.15	0.33	0.32
Wald test for market structure	16.23 *	5.76	8.79	2.60
Test for differenced form	15.02 **	2.06	17.90 **	4.67
Test for Error Correction	0.66	1.37	2.87	4.33

Table 44: Wage determination: base model, food industry

Variable	1999	2000	2001	2002
log lagged wage	0.77 **	0.76 **	0.81 **	0.85 **
log of productivity	0.17	0.14	-0.73	-1.94
log of lagged productivity	-0.15	-0.18 **	-0.34 **	-0.36 **
log of employment	-0.05	-0.11	-0.54 **	-0.51
log of lagged employment	0.10	0.13	0.54 **	0.54 *
unemployment rate	-2.41	2.29	-0.80	-1.82
market concentration	-0.38	0.35	1.88 *	0.19
market share	0.02	-0.02	0.12	0.06
dominant firm	-2.11	1.41	1.10	3.36
marginal firm	0.16	1.39	-0.12	-1.98
private ownership	-0.42	-1.59	-5.98	-11.69
dominant×productivity	0.32	-0.21	-0.19	-0.52
marginal×productivity	-0.04	-0.25	0.04	0.34
private×productivity	0.08	0.32	1.24	2.31
constant	0.59	0.44	5.47	12.18
long-run employment elast.	0.22	0.08	0.03	0.25
long-run productivity elast.	0.07	-0.18	-5.58	-15.72
Nob	789	719	712	648
Mean of dep. variable	2.86	2.78	2.81	2.87
S.dev of dep. variable	0.60	0.60	0.61	0.63
R ²	0.72	0.80	0.68	0.54
SEE	0.32	0.27	0.39	0.53
Overidentification test	0.52	2.66 **	1.28	0.42
Wald test for market structure	10.41	12.32	9.40	5.77
Test for differenced form	17.99 **	65.23 **	32.30 **	17.76 **
Test for Error Correction	3.78	3.18	6.53 *	4.04

Table 45: Wage determination: base model, TCF

Variable	1999	2000	2001	2002
log lagged wage	0.83 **	0.84 **	0.75 **	0.87 **
log of productivity	0.45	1.07 **	0.77 *	1.81
log of lagged productivity	-0.54 **	-0.01	-0.39 **	-0.19
log of employment	-0.22 *	0.29	-0.16	0.08
log of lagged employment	0.29 **	-0.27	0.15	0.00
unemployment rate	-3.37	-4.30 *	2.55	-0.87
market concentration	0.03	-0.36	-0.31	-0.32
market share	0.05	0.10	-0.02	-0.04
dominant firm	2.68	3.96	5.42	3.65
marginal firm	-0.25	0.16	0.31	-1.48
private ownership	-0.95	4.31 *	0.85	7.36
dominant×productivity	-0.56	-0.85	-0.99	-0.71
marginal×productivity	0.09	-0.03	-0.07	0.32
private×productivity	0.25	-1.05 *	-0.20	-1.71
constant	0.47	-3.73	-1.08	-6.94
long-run employment elast.	0.42 *	0.12	-0.02	0.67
long-run productivity elast.	-0.50	6.84	1.54	12.24
Nob	889	940	1022	1012
Mean of dep. variable	2.81	2.84	2.81	2.75
S.dev of dep. variable	0.45	0.50	0.54	0.55
R ²	0.49	0.45	0.65	0.49
SEE	0.37	0.41	0.34	0.44
Overidentification test	0.43	0.33	0.63	0.17
Wald test for market structure	13.40	6.05	3.86	7.70
Test for differenced form	6.37	21.17 **	63.47 **	16.19 **
Test for Error Correction	6.34 *	4.88	2.20	3.77

Table 46: Wage determination: base model, other industries

Variable	1999	2000	2001	2002
log lagged wage	0.72 **	0.67 **	0.72 **	0.75 **
log of productivity	0.45 *	0.42 *	0.64 *	0.22
log of lagged productivity	-0.29 **	-0.22 **	-0.27 **	-0.11
log of employment	-0.11	0.07	-0.11	-0.15
log of lagged employment	0.15	-0.04	0.10	0.20
unemployment rate	-0.65	0.43	0.80	-0.66
market concentration	0.03	-0.04	0.20	0.15 *
market share	0.01	0.02	-0.02	-0.01
dominant firm	1.47	1.14	1.16	2.15
marginal firm	1.43	-0.10	0.44	-0.62
private ownership	-0.38	0.65	1.23	0.47
dominant×productivity	-0.31	-0.23	-0.21	-0.42
marginal×productivity	-0.30	0.02	-0.09	0.12
private×productivity	0.09	-0.15	-0.29	-0.09
constant	-0.06	-0.11	-0.82	0.05
long-run employment elast.	0.13	0.09	-0.01	0.18 *
long-run productivity elast.	0.56	0.61	1.31	0.41
Nob	629	697	732	730
Mean of dep. variable	3.06	3.01	3.02	2.97
S.dev of dep. variable	0.42	0.42	0.49	0.47
R ²	0.61	0.68	0.74	0.74
SEE	0.27	0.24	0.25	0.24
Overidentification test	0.33	4.13 **	3.27 **	1.33
Wald test for market structure	12.88	5.44	30.30 **	30.69 **
Test for differenced form	23.73 **	67.80 **	74.69 **	33.64 **
Test for Error Correction	3.54	0.55	1.45	9.27 *

Table 47: Wage determination: base model, agriculture

Variable	1999	2000	2001	2002
log lagged wage	0.71 **	0.55 **	0.59 **	0.77 **
log of productivity	0.61 **	0.01	0.38	0.03
log of lagged productivity	-0.14	-0.01	-0.32 **	-0.27 **
log of employment	-0.36	0.13	-0.30	-0.22
log of lagged employment	0.42	-0.10	0.31	0.24
unemployment rate	0.96	-1.48	1.43	0.77
market concentration	0.12	0.12	-0.21 *	0.24
market share	0.00	0.01	0.02	-0.03
dominant firm	1.40	-0.86	0.67	-1.26
marginal firm	1.62	0.23	0.91	-0.30
private ownership	0.36	0.02	-0.91	-1.59
dominant×productivity	-0.28	0.20	-0.13	0.20
marginal×productivity	-0.31	-0.04	-0.16	0.04
private×productivity	-0.09	-0.01	0.17	0.29
constant	-1.76	1.28	0.97	2.13
long-run employment elast.	0.21 **	0.08	0.03	0.08
long-run productivity elast.	1.62 **	0.00	0.14	-1.00
Nob	417	356	305	285
Mean of dep. variable	3.09	3.01	3.44	3.64
S.dev of dep. variable	0.44	0.44	0.46	0.50
R ²	0.65	0.35	0.64	0.64
SEE	0.27	0.37	0.29	0.31
Overidentification test	0.24	0.83	0.91	0.35
Wald test for market structure	14.14	8.75	14.58	9.33
Test for differenced form	12.40 **	18.83 **	81.05 **	25.18 **
Test for Error Correction	5.52	0.07	4.35	2.91

Table 48: Wage determination: base model, construction

Variable	1999	2000	2001	2002
log lagged wage	0.78 **	0.73 **	0.75 **	0.80 **
log of productivity	0.35	1.62	1.21	0.60
log of lagged productivity	-0.34 **	-0.13	-0.15	-0.23 **
log of employment	-0.25	-0.23	-0.19	-0.56 **
log of lagged employment	0.26	0.22	0.20	0.55 **
unemployment rate	0.15	-2.77	1.97	1.08
market concentration	0.19	-0.92	1.02	-0.93
market share	-0.18	0.11	0.25	-0.27
dominant firm	-0.23	-0.20	-2.15	1.48
marginal firm	1.01	1.13	-0.28	-1.27
private ownership	-1.54	4.60	4.69	2.03
dominant×productivity	0.06	0.00	0.33	-0.18
marginal×productivity	-0.23	-0.25	0.06	0.20
private×productivity	0.37	-1.15	-1.03	-0.42
constant	0.28	-5.19	-3.93	-0.76
long-run employment elast.	0.06	-0.03	0.01	-0.03
long-run productivity elast.	0.05	5.48	4.26	1.84
Nob	865	822	836	857
Mean of dep. variable	2.82	2.73	3.19	3.45
S.dev of dep. variable	0.49	0.52	0.53	0.53
R ²	0.61	0.56	0.68	0.55
SEE	0.32	0.35	0.30	0.38
Overidentification test	1.27	0.50	1.02	0.41
Wald test for market structure	9.79	3.64	4.01	2.38
Test for differenced form	23.35 **	30.29 **	32.99 **	15.09 **
Test for Error Correction	6.27 *	5.55	7.15 *	5.40

Table 49: Wage determination: base model, trade

Variable	1999	2000	2001	2002
log lagged wage	0.84 **	0.82 **	0.77 **	0.83 **
log of productivity	-0.12	0.68	2.06	-14.09 *
log of lagged productivity	-0.26 **	-0.24 **	-0.12 *	-0.04
log of employment	-0.51 **	-0.27 **	0.04	0.18
log of lagged employment	0.57 **	0.30 **	-0.02	-0.07
unemployment rate	-2.08 **	-0.81	4.83 **	-1.23
market concentration	-0.19	-0.44	-0.19	-0.15
market share	0.16	0.11	0.27	0.11
dominant firm	-1.25	-4.44 **	-24.87	-1.61
marginal firm	-1.24 *	-2.23 **	-4.48	-0.58
private ownership	-2.14	2.85	14.02	-77.78 *
dominant×productivity	0.16	0.70 *	3.65	0.23
marginal×productivity	0.20 *	0.35 **	0.67	0.13
private×productivity	0.43	-0.63	-2.55	14.19 *
constant	2.24	-1.13	-9.27	77.57 *
long-run employment elast.	0.36 **	0.17 **	0.08	0.66 **
long-run productivity elast.	-2.41	2.38	8.47	-84.13 *
Nob	4982	5020	5043	4516
Mean of dep. variable	2.63	2.51	2.98	3.22
S.dev of dep. variable	0.71	0.74	0.73	0.74
R ²	0.63	0.71	0.52	0.19
SEE	0.46	0.41	0.55	1.18
Overidentification test	11.71 **	16.47 **	7.08 **	0.44
Wald test for market structure	19.82 *	17.25 *	3.27	11.48
Test for differenced form	127.88 **	279.52 **	220.10 **	29.25 **
Test for Error Correction	85.62 **	29.68 **	0.75	15.67 **

Table 50: Wage determination: base model, services

Variable	1999	2000	2001	2002
log lagged wage	0.89 **	0.84 **	0.84 **	0.91 **
log of productivity	-0.08	0.32	0.26	-0.10
log of lagged productivity	-0.26 **	-0.35 **	-0.20	-0.20 *
log of employment	0.08	-0.27 *	-0.25	0.01
log of lagged employment	-0.04	0.25 *	0.22	0.06
unemployment rate	-3.43 *	0.06	3.08 **	0.04
market concentration	0.32 *	0.38 **	0.18	0.36 *
market share	0.00	-0.04	-0.03	-0.01
dominant firm	-0.37	-0.27	0.59	-2.70 *
marginal firm	0.07	-0.80 *	-0.20	-2.10 **
private ownership	-1.75	-0.15	0.04	-0.76
dominant×productivity	0.07	0.06	-0.08	0.40 *
marginal×productivity	-0.02	0.14	0.03	0.34 *
private×productivity	0.44	0.03	-0.02	0.17
constant	1.59 *	0.73	0.60	1.80
long-run employment elast.	0.29	-0.14	-0.20 *	0.69 *
long-run productivity elast.	-2.95	-0.15	0.33	-3.19
Nob	1101	1143	1189	1105
Mean of dep. variable	3.11	3.03	3.54	3.74
S.dev of dep. variable	0.76	0.81	0.84	0.86
R ²	0.77	0.83	0.86	0.79
SEE	0.37	0.34	0.32	0.40
Overidentification test	1.85 *	1.70 *	3.47 **	0.91
Wald test for market structure	11.09	31.11 **	21.98 **	16.42 *
Test for differenced form	13.28 **	54.10 **	71.32 **	17.40 **
Test for Error Correction	3.24	1.12	0.13	8.42 *

Table 51: Wage determination: base model, private ownership

Variable	1999	2000	2001	2002
log lagged wage	0.78 **	0.81 **	0.76 **	0.88 **
log of productivity	0.42 **	0.23 **	0.92 **	0.59 **
log of lagged productivity	-0.27 **	-0.09 **	-0.50 **	-0.39 **
log of employment	-0.14	0.14 **	-0.68 **	-0.53 **
log of lagged employment	0.19	-0.11 *	0.62 **	0.53 **
unemployment rate	-3.76 **	-0.69	3.25 **	0.56
market concentration	0.36 **	0.20 **	0.08	0.08
market share	0.00	-0.01	0.00	-0.01
dominant firm	-3.25	1.22	2.89 **	0.93
marginal firm	0.44	0.71 **	2.15 **	0.66 **
dominant×productivity	0.58	-0.22	-0.50 **	-0.16
marginal×productivity	-0.09	-0.15 **	-0.39 **	-0.12 **
constant	0.00	0.00	0.00	0.00
long-run employment elast.	0.22 **	0.21 **	-0.24 **	0.00
long-run productivity elast.	0.65 *	0.79 **	1.78 **	1.73 **
Nob	9527	9907	10182	9660
Mean of dep. variable	2.79	2.71	3.04	3.20
S.dev of dep. variable	0.68	0.71	0.71	0.74
R ²	0.68	0.74	0.64	0.78
SEE	0.39	0.37	0.49	0.36
Overidentification test	37.13 **	24.15 **	18.18 **	21.55 **
Wald test for market structure	86.00 **	76.33 **	78.40 **	46.77 **
Wald test for sectors	134.70 **	40.03 **	1152.82 **	137.47 **
Test for differenced form	131.79 **	376.73 **	539.20 **	183.84 **
Test for Error Correction	23.75 **	13.34 **	66.68 **	72.34 **

Table 52: Wage determination: base model, state-owned

Variable	1999	2000	2001	2002
log lagged wage	0.68 **	0.82 **	0.79 **	0.94 **
log of productivity	0.88 **	0.28 **	0.64 **	0.30 **
log of lagged productivity	-0.42 **	-0.26 **	-0.59 **	-0.45 **
log of employment	-0.30 **	-0.01	-0.73 **	-0.52 **
log of lagged employment	0.31 **	0.04	0.73 **	0.48 **
unemployment rate	0.74	-0.51	2.63 *	1.36
market concentration	0.01	0.03	0.20	-0.03
market share	0.03 **	-0.01	-0.02	0.02
dominant firm	1.67 *	-0.06	-0.24	-0.88
marginal firm	2.45 **	-0.29	-0.45	-1.94 **
dominant×productivity	-0.41 *	0.02	0.07	0.18
marginal×productivity	-0.58 **	0.07	0.11	0.42 **
constant	-1.13 *	0.29	0.26	1.00 **
long-run employment elast.	0.02	0.16 **	0.00	-0.55
long-run productivity elast.	1.42 **	0.11	0.24	-2.54
Nob	1094	743	641	483
Mean of dep. variable	3.02	3.01	3.27	3.37
S.dev of dep. variable	0.40	0.42	0.49	0.50
R ²	0.60	0.80	0.75	0.75
SEE	0.28	0.19	0.28	0.27
Overidentification test	4.85 **	1.89 *	2.70 **	3.15 **
Wald test for market structure	23.95 **	1.91	7.44	24.32 **
Wald test for sectors	43.13 **	25.49 **	36.53 **	35.18 **
Test for differenced form	31.07 **	24.62 **	28.86 **	12.68 **
Test for Error Correction	13.43 **	13.24 **	9.32 **	4.24

Table 53: Wage determination: base model, small firms

Variable	1999	2000	2001	2002
log lagged wage	0.78 **	0.79 **	0.76 **	0.90 **
log of productivity	1.34 **	1.96 **	2.05 **	0.97 **
log of lagged productivity	-0.20 *	-0.12 **	-0.38 **	-0.39 **
log of employment	-0.19	0.10	-0.50 **	-0.67 **
log of lagged employment	0.25	-0.07	0.37 **	0.60 **
unemployment rate	-4.34 **	-0.08	4.39 **	0.31
market concentration	0.75 **	0.48 **	0.50 **	0.10
market share	-0.06	-0.05 *	-0.04	0.02
dominant firm	-0.20	2.27	2.70	4.11
marginal firm	2.81 **	2.62 **	3.51 **	1.21 *
private ownership	2.53	5.92 **	5.76 *	1.23
dominant×productivity	0.07	-0.36	-0.41	-0.65
marginal×productivity	-0.47 **	-0.45 **	-0.55 **	-0.19 *
private×productivity	-0.62	-1.42 **	-1.15 *	-0.31
constant	-4.94 **	-7.91 **	-8.05 **	-2.30 *
long-run employment elast.	0.24	0.15	-0.53 **	-0.73 **
long-run productivity elast.	5.06 *	8.70 **	6.98 **	5.57 *
Nob	5994	5983	5416	4688
Mean of dep. variable	2.69	2.59	2.98	3.16
S.dev of dep. variable	0.72	0.75	0.76	0.77
R ²	0.63	0.63	0.65	0.74
SEE	0.44	0.47	0.49	0.42
Overidentification test	19.11 **	13.05 **	12.93 **	9.18 **
Wald test for market structure	60.85 **	72.40 **	32.00 **	11.02
Wald test for sectors	22.52 **	8.14	58.95 **	36.23 **
Test for differenced form	107.32 **	239.97 **	379.91 **	104.17 **
Test for Error Correction	43.61 **	16.11 **	8.60 *	4.96

Table 54: Wage determination: base model, medium-sized firms

Variable	1999	2000	2001	2002
log lagged wage	0.76 **	0.77 **	0.79 **	0.91 **
log of productivity	1.11 **	0.55 **	0.72 **	0.93 **
log of lagged productivity	-0.37 **	-0.24 **	-0.58 **	-0.42 **
log of employment	-0.22	-0.11	-0.72 **	-0.68 **
log of lagged employment	0.19 *	0.11	0.50 **	0.54 **
unemployment rate	-2.12 **	-1.14	2.27 **	0.04
market concentration	0.36 **	-0.02	-0.05	-0.02
market share	-0.04	-0.01	0.03	0.02
dominant firm	-2.25	3.65	0.54	-1.30
marginal firm	2.42 **	1.42	0.45	0.01
private ownership	1.25	0.09	-0.38	1.68 *
dominant×productivity	0.51	-0.78	-0.12	0.23
marginal×productivity	-0.52 **	-0.32	-0.10	-0.01
private×productivity	-0.32	-0.03	0.05	-0.39 *
constant	-2.32 **	-0.65	1.09	-1.18
long-run employment elast.	-0.10	0.00	-1.05 **	-1.48 **
long-run productivity elast.	3.07 **	1.34	0.68	5.47 **
Nob	3008	3087	3442	3171
Mean of dep. variable	2.87	2.79	3.01	3.10
S.dev of dep. variable	0.49	0.53	0.51	0.59
R ²	0.58	0.71	0.61	0.73
SEE	0.34	0.29	0.37	0.33
Overidentification test	7.71 **	4.45 **	10.35 **	5.78 **
Wald test for market structure	80.17 **	28.31 **	81.92 **	25.74 **
Wald test for sectors	58.70 **	13.97	80.24 **	30.75 **
Test for differenced form	98.63 **	148.17 **	264.79 **	55.67 **
Test for Error Correction	16.22 **	1.78	10.12 **	13.60 **

Table 55: Wage determination: base model, large firms

Variable	1999	2000	2001	2002
log lagged wage	0.68 **	0.84 **	0.79 **	0.86 **
log of productivity	0.44 **	0.19	0.92 **	0.62 **
log of lagged productivity	-0.31 **	-0.19 **	-0.57 **	-0.39 **
log of employment	-0.09	0.06	-1.04 **	-0.39 **
log of lagged employment	0.09	-0.07	0.95 **	0.37 **
unemployment rate	-4.05 **	-3.04 **	3.12 *	0.98
market concentration	0.21	0.05	0.23	0.05
market share	0.00	0.01	-0.01	-0.01
dominant firm	-0.92	-0.62	1.17 *	-0.04
marginal firm	-0.30	-0.36	1.17 **	0.01
private ownership	0.42	-0.02	0.57	0.77
dominant×productivity	0.17	0.12	-0.20 *	0.00
marginal×productivity	0.05	0.06	-0.21 **	0.00
private×productivity	-0.10	0.00	-0.15	-0.17
constant	0.74	0.77 *	-0.61	-0.56
long-run employment elast.	-0.01	-0.02	-0.42 **	-0.14
long-run productivity elast.	0.40	-0.04	1.66	1.66
Nob	1619	1580	1965	2284
Mean of dep. variable	3.17	3.15	3.35	3.46
S.dev of dep. variable	0.60	0.62	0.74	0.76
R ²	0.70	0.83	0.68	0.84
SEE	0.33	0.26	0.51	0.31
Overidentification test	5.07 **	4.36 **	2.39 **	10.66 **
Wald test for market structure	12.21	19.00 *	33.78 **	3.26
Wald test for sectors	27.95 **	9.91	42.27 **	64.12 **
Test for differenced form	47.76 **	52.00 **	77.55 **	99.39 **
Test for Error Correction	0.58	1.12	11.57 **	11.68 **

Wage determination, restricted model

Table 56: Wage determination: restricted model, all firms

Variable	1999	2000	2001	2002
log lagged wage	0.78 **	0.83 **	0.79 **	0.86 **
log of productivity	0.33 **	0.20 **	0.44 **	0.38 **
log of lagged productivity	-0.25 **	-0.15 **	-0.37 **	-0.30 **
log of lagged employment	0.07 **	0.04 **	0.00	0.03 **
unemployment rate	-4.12 **	-0.57	4.52 **	0.88 **
market concentration	0.26 **	0.21 **	0.09 *	0.02
constant	0.16 *	0.01	0.11 **	-0.11 **
long-run productivity elast.	0.35 **	0.31 **	0.34 **	0.55 **
Nob	10621	10650	10823	10143
Mean of dep. variable	2.81	2.73	3.06	3.21
S.dev of dep. variable	0.66	0.70	0.70	0.73
R ²	0.71	0.78	0.79	0.82
SEE	0.36	0.33	0.32	0.31
Overidentification test	35.94 **	25.76 **	64.05 **	40.47 **
Wald test for sectors	206.33 **	37.13 **	773.07 **	584.79 **
Test for differenced form	201.68 **	447.79 **	969.83 **	371.18 **
Test for Error Correction	0.68	19.98 **	22.40 **	23.15 **

Table 57: Wage determination: restricted model, manufacturing

Variable	1999	2000	2001	2002
log lagged wage	0.73 **	0.80 **	0.80 **	0.79 **
log of productivity	0.44 **	0.22 **	0.26 **	0.26 **
log of lagged productivity	-0.34 **	-0.17 **	-0.21 **	-0.19 **
log of lagged employment	0.05 **	0.02 **	0.01 **	0.05 **
unemployment rate	-3.07 **	0.41	2.37 **	-0.09
market concentration	0.17 **	0.09	0.19 **	0.19 **
constant	0.33 **	0.18 *	0.09	0.03
long-run productivity elast.	0.35 **	0.26 **	0.29 **	0.34 **
Nob	3035	3085	3231	3178
Mean of dep. variable	2.94	2.92	2.93	2.92
S.dev of dep. variable	0.51	0.53	0.56	0.58
R ²	0.68	0.77	0.78	0.78
SEE	0.29	0.26	0.26	0.27
Overidentification test	10.29 **	4.31 **	7.01 **	4.85 **
Test for differenced form	74.36 **	165.88 **	233.19 **	69.60 **
Test for Error Correction	1.61	1.05	0.53	1.44

Table 58: Wage determination: restricted model, engineering

Variable	1999	2000	2001	2002
log lagged wage	0.71 **	0.75 **	0.76 **	0.79 **
log of productivity	0.30 **	0.23 **	0.28 **	0.48 **
log of lagged productivity	-0.23 **	-0.13 *	-0.20 **	-0.44 **
log of lagged employment	0.02 *	0.03 **	0.02 *	0.04 **
unemployment rate	-3.53 *	1.49	3.10 **	0.23
market concentration	0.18 *	0.19 *	0.09	0.16 *
constant	0.67 **	-0.03	0.07	0.19
long-run productivity elast.	0.25 **	0.44 **	0.33 **	0.22 **
Nob	672	675	691	706
Mean of dep. variable	3.08	3.10	3.11	3.10
S.dev of dep. variable	0.44	0.47	0.47	0.54
R ²	0.66	0.75	0.78	0.76
SEE	0.26	0.24	0.22	0.26
Overidentification test	7.24 **	0.60	3.34 **	6.88 **
Test for differenced form	9.61 **	66.74 **	40.05 **	31.04 **
Test for Error Correction	0.48	11.21 **	0.58	3.91 *

Table 59: Wage determination: restricted model, chemical industry

Variable	1999	2000	2001	2002
log lagged wage	0.86 **	0.87 **	0.86 **	0.91 **
log of productivity	0.21 **	0.11	0.30 **	0.01
log of lagged productivity	-0.16 *	-0.06	-0.26 **	0.02
log of lagged employment	0.00	0.02	0.02 *	0.03
unemployment rate	0.03	0.94	2.37	-0.50
market concentration	0.20	-0.29 *	-0.19	0.04
constant	0.24	-0.02	0.04	0.04
long-run productivity elast.	0.36	0.33 **	0.29 *	0.43
Nob	277	278	293	284
Mean of dep. variable	3.14	3.07	3.08	3.19
S.dev of dep. variable	0.58	0.59	0.60	0.65
R ²	0.74	0.82	0.88	0.85
SEE	0.30	0.25	0.21	0.25
Overidentification test	1.71 *	0.71	1.27	0.38
Test for differenced form	8.74 *	11.34 **	33.81 **	7.38 *
Test for Error Correction	0.63	2.36	0.00	2.35

Table 60: Wage determination: restricted model, food industry

Variable	1999	2000	2001	2002
log lagged wage	0.78 **	0.79 **	0.80 **	0.82 **
log of productivity	0.22 **	0.24 **	0.19 **	0.29 **
log of lagged productivity	-0.15 *	-0.16 **	-0.16 **	-0.21 **
log of lagged employment	0.07 **	0.05 **	0.03 **	0.05 **
unemployment rate	-2.53	2.01	0.49	-0.24
market concentration	-0.10	0.44 *	0.90 *	-0.12
constant	0.16	-0.24	0.24 *	-0.07
long-run productivity elast.	0.35 **	0.36 **	0.15	0.47 **
Nob	789	719	712	648
Mean of dep. variable	2.86	2.78	2.81	2.87
S.dev of dep. variable	0.60	0.60	0.61	0.63
R ²	0.71	0.82	0.79	0.80
SEE	0.32	0.26	0.28	0.28
Overidentification test	0.52	2.46 **	3.06 **	2.87 **
Test for differenced form	38.93 **	78.50 **	60.74 **	21.79 **
Test for Error Correction	2.81	3.72	0.18	4.08 *

Table 61: Wage determination: restricted model, TCF

Variable	1999	2000	2001	2002
log lagged wage	0.70 **	0.81 **	0.76 **	0.82 **
log of productivity	0.66 **	0.24 **	0.32 **	0.31 **
log of lagged productivity	-0.55 **	-0.18 **	-0.24 **	-0.25 **
log of lagged employment	0.04 **	0.02	0.01	0.03 **
unemployment rate	-5.43 **	-2.90 *	4.07 **	-1.11
market concentration	0.08	-0.09	0.11	0.28 *
constant	0.49 **	0.43 **	-0.03	0.09
long-run productivity elast.	0.37 **	0.31 **	0.36 **	0.37 **
Nob	889	940	1022	1012
Mean of dep. variable	2.81	2.84	2.81	2.75
S.dev of dep. variable	0.45	0.50	0.54	0.55
R ²	0.58	0.74	0.75	0.77
SEE	0.30	0.26	0.27	0.26
Overidentification test	2.79 **	1.45	1.39	1.12
Test for differenced form	51.31 **	35.81 **	96.24 **	55.15 **
Test for Error Correction	9.39 **	0.98	0.35	0.62

Table 62: Wage determination: restricted model, other industries

Variable	1999	2000	2001	2002
log lagged wage	0.69 **	0.69 **	0.72 **	0.70 **
log of productivity	0.24 **	0.27 **	0.33 **	0.10 *
log of lagged productivity	-0.20 **	-0.18 **	-0.26 **	-0.07
log of lagged employment	0.03 **	0.04 **	0.03 **	0.04 **
unemployment rate	-1.27	1.11	1.30	-1.13
market concentration	0.13	-0.02	0.19 **	0.20 **
constant	0.69 **	0.26	0.27 *	0.58 **
long-run productivity elast.	0.14 *	0.26 **	0.24 **	0.11 **
Nob	629	697	732	730
Mean of dep. variable	3.06	3.01	3.02	2.97
S.dev of dep. variable	0.42	0.42	0.49	0.47
R ²	0.70	0.69	0.76	0.73
SEE	0.23	0.24	0.24	0.24
Overidentification test	0.91	3.54 **	3.15 **	1.99 **
Test for differenced form	25.37 **	68.94 **	74.56 **	34.41 **
Test for Error Correction	2.08	0.01	1.58	0.00

Table 63: Wage determination: restricted model, agriculture

Variable	1999	2000	2001	2002
log lagged wage	0.81 **	0.61 **	0.61 **	0.75 **
log of productivity	0.15 *	0.04	0.26 **	0.26 **
log of lagged productivity	-0.11	-0.04	-0.20 **	-0.23 **
log of lagged employment	0.04 *	0.02	0.04 *	0.01
unemployment rate	-0.85	-2.83	0.76	0.71
market concentration	0.07	0.15	-0.19 *	0.19
constant	0.35	1.31 **	0.97 **	0.77 **
long-run productivity elast.	0.25	-0.02	0.15 *	0.12
Nob	417	356	305	285
Mean of dep. variable	3.09	3.01	3.44	3.64
S.dev of dep. variable	0.44	0.44	0.46	0.50
R ²	0.63	0.44	0.62	0.66
SEE	0.27	0.33	0.29	0.29
Overidentification test	0.78	0.98	1.29	0.63
Test for differenced form	18.39 **	16.37 **	73.20 **	37.05 **
Test for Error Correction	1.10	0.33	1.68	2.47

Table 64: Wage determination: restricted model, construction

Variable	1999	2000	2001	2002
log lagged wage	0.73 **	0.72 **	0.76 **	0.65 **
log of productivity	0.37 **	0.14	0.16 *	0.16 **
log of lagged productivity	-0.28 **	-0.04	-0.09	-0.08
log of lagged employment	0.03 *	0.04 *	0.03 *	0.07 **
unemployment rate	-2.18 *	-2.21	3.09 **	0.38
market concentration	0.27	-0.09	1.41	0.90
constant	0.27	0.19	0.34 *	0.56 *
long-run productivity elast.	0.34 **	0.38 **	0.29 **	0.22 **
Nob	865	822	836	857
Mean of dep. variable	2.82	2.73	3.19	3.45
S.dev of dep. variable	0.49	0.52	0.53	0.53
R ²	0.66	0.59	0.68	0.55
SEE	0.29	0.34	0.30	0.36
Overidentification test	1.70 *	0.63	1.17	1.60 *
Test for differenced form	29.67 **	34.19 **	43.92 **	40.28 **
Test for Error Correction	0.12	7.09 **	2.37	1.03

Table 65: Wage determination: restricted model, trade

Variable	1999	2000	2001	2002
log lagged wage	0.77 **	0.82 **	0.78 **	0.84 **
log of productivity	0.36 **	0.23 **	0.15 **	0.16 **
log of lagged productivity	-0.20 **	-0.14 **	-0.11 **	-0.12 **
log of lagged employment	0.10 **	0.05 **	0.02 *	0.04 **
unemployment rate	-4.78 **	-1.13	4.47 **	0.51
market concentration	-0.01	0.20	0.13	-0.20
constant	-0.43 **	-0.19 *	0.40 **	0.28 **
long-run productivity elast.	0.68 **	0.48 **	0.17 **	0.24 **
Nob	4982	5020	5043	4516
Mean of dep. variable	2.63	2.51	2.98	3.22
S.dev of dep. variable	0.71	0.74	0.73	0.74
R ²	0.69	0.76	0.76	0.80
SEE	0.40	0.36	0.36	0.33
Overidentification test	22.29 **	16.47 **	14.61 **	7.04 **
Test for differenced form	134.29 **	325.14 **	498.77 **	186.94 **
Test for Error Correction	63.87 **	39.57 **	0.30	2.72

Table 66: Wage determination: restricted model, services

Variable	1999	2000	2001	2002
log lagged wage	0.87 **	0.84 **	0.84 **	0.89 **
log of productivity	0.37 **	0.31 **	0.06	0.25 **
log of lagged productivity	-0.32 **	-0.24 **	-0.04	-0.22 **
log of lagged employment	0.01	0.01	-0.01	0.02 *
unemployment rate	-5.56 **	1.39	3.60 **	0.46
market concentration	0.22 **	0.24 **	0.23 **	0.12
constant	0.40	-0.04	0.61 **	0.27 *
long-run productivity elast.	0.38 *	0.42 **	0.12	0.27 **
Nob	1101	1143	1189	1105
Mean of dep. variable	3.11	3.03	3.54	3.74
S.dev of dep. variable	0.76	0.81	0.84	0.86
R ²	0.81	0.83	0.83	0.86
SEE	0.33	0.34	0.34	0.32
Overidentification test	3.26 **	2.28 **	2.84 **	2.25 **
Test for differenced form	14.51 **	44.91 **	81.35 **	37.89 **
Test for Error Correction	0.00	2.07	0.26	0.05

Table 67: Wage determination: restricted model, private ownership

Variable	1999	2000	2001	2002
log lagged wage	0.78 **	0.83 **	0.79 **	0.86 **
log of productivity	0.32 **	0.20 **	0.43 **	0.37 **
log of lagged productivity	-0.23 **	-0.15 **	-0.36 **	-0.29 **
log of lagged employment	0.08 **	0.04 **	-0.01	0.03 **
unemployment rate	-4.76 **	-0.63	4.40 **	0.74 *
market concentration	0.39 **	0.27 **	0.06	0.05
constant	0.09	-0.01	0.11 **	-0.14 **
long-run productivity elast.	0.40 **	0.33 **	0.35 **	0.60 **
Nob	9527	9907	10182	9660
Mean of dep. variable	2.79	2.71	3.04	3.20
S.dev of dep. variable	0.68	0.71	0.71	0.74
R ²	0.71	0.77	0.79	0.82
SEE	0.37	0.34	0.33	0.31
Overidentification test	32.09 **	24.61 **	58.01 **	37.69 **
Wald test for sectors	277.00 **	2189.59 **	2086.80 **	518.66 **
Test for differenced form	192.81 **	433.05 **	925.49 **	415.65 **
Test for Error Correction	8.19 **	24.71 **	12.86 **	43.42 **

Table 68: Wage determination: restricted model, state-owned

Variable	1999	2000	2001	2002
log lagged wage	0.62 **	0.82 **	0.79 **	0.73 **
log of productivity	0.44 **	0.31 **	0.57 **	0.62 **
log of lagged productivity	-0.35 **	-0.26 **	-0.52 **	-0.53 **
log of lagged employment	0.02 *	0.02 **	-0.01	0.00
unemployment rate	0.89	-0.65	4.63 **	1.74
market concentration	0.14 **	-0.01	0.07	0.01
constant	0.58 **	0.18	0.27 *	0.34
long-run productivity elast.	0.25 **	0.30 **	0.27 **	0.34 **
Nob	1094	743	641	483
Mean of dep. variable	3.02	3.01	3.27	3.37
S.dev of dep. variable	0.40	0.42	0.49	0.50
R ²	0.71	0.80	0.82	0.75
SEE	0.22	0.19	0.21	0.25
Overidentification test	7.99 **	1.53 *	7.08 **	8.71 **
Wald test for sectors	87.83 **	34.63 **	59.67 **	67.21 **
Test for differenced form	37.94 **	24.99 **	47.28 **	23.27 **
Test for Error Correction	4.12 *	0.01	13.63 **	2.59

Table 69: Wage determination: restricted model, small firms

Variable	1999	2000	2001	2002
log lagged wage	0.79 **	0.83 **	0.78 **	0.86 **
log of productivity	0.31 **	0.20 **	0.38 **	0.33 **
log of lagged productivity	-0.17 **	-0.13 **	-0.29 **	-0.19 **
log of lagged employment	0.14 **	0.06 **	0.02	0.10 **
unemployment rate	-4.85 **	0.22	4.69 **	0.22
market concentration	0.56 **	0.45 **	0.11	0.14
constant	-0.48 **	-0.24 *	-0.02	-0.67 **
long-run productivity elast.	0.69 **	0.44 **	0.40 **	1.02 **
Nob	5994	5983	5416	4688
Mean of dep. variable	2.69	2.59	2.98	3.16
S.dev of dep. variable	0.72	0.75	0.76	0.77
R ²	0.70	0.76	0.76	0.80
SEE	0.40	0.37	0.37	0.34
Overidentification test	22.20 **	21.36 **	26.15 **	16.56 **
Wald test for sectors	53.97 **	9.17	811.12 **	123.54 **
Test for differenced form	117.42 **	343.06 **	532.35 **	243.78 **
Test for Error Correction	53.15 **	19.48 **	0.12	70.29 **

Table 70: Wage determination: restricted model, medium-sized firms

Variable	1999	2000	2001	2002
log lagged wage	0.82 **	0.80 **	0.79 **	0.88 **
log of productivity	0.47 **	0.26 **	0.58 **	0.52 **
log of lagged productivity	-0.40 **	-0.22 **	-0.50 **	-0.37 **
log of lagged employment	0.04 **	0.05 **	0.00	0.10 **
unemployment rate	-1.79 **	-1.15	3.58 **	0.90 *
market concentration	0.21 **	0.09 *	0.09	0.03
constant	0.12	0.14	0.07	-0.84 **
long-run productivity elast.	0.36 **	0.20 **	0.39 **	1.16 **
Nob	3008	3087	3442	3171
Mean of dep. variable	2.87	2.79	3.01	3.10
S.dev of dep. variable	0.49	0.53	0.51	0.59
R ²	0.71	0.73	0.73	0.79
SEE	0.26	0.27	0.27	0.27
Overidentification test	14.44 **	5.16 **	28.06 **	17.92 **
Wald test for sectors	175.41 **	189.43 **	485.89 **	227.04 **
Test for differenced form	81.13 **	103.43 **	350.91 **	144.27 **
Test for Error Correction	2.79	1.48	15.86 **	52.73 **

Table 71: Wage determination: restricted model, large firms

Variable	1999	2000	2001	2002
log lagged wage	0.67 **	0.84 **	0.83 **	0.84 **
log of productivity	0.39 **	0.25 **	0.42 **	0.45 **
log of lagged productivity	-0.30 **	-0.21 **	-0.34 **	-0.37 **
log of lagged employment	0.04 *	0.01	0.02 *	0.03 *
unemployment rate	-4.11 **	-2.84 **	5.64 **	1.39 *
market concentration	0.16 *	0.12 *	0.03	-0.01
constant	0.65 **	0.40 **	-0.30 **	-0.12
long-run productivity elast.	0.27 **	0.28 **	0.50 **	0.49 **
Nob	1619	1580	1965	2284
Mean of dep. variable	3.17	3.15	3.35	3.46
S.dev of dep. variable	0.60	0.62	0.74	0.76
R ²	0.71	0.84	0.88	0.85
SEE	0.33	0.25	0.26	0.29
Overidentification test	4.44 **	4.02 **	15.74 **	12.72 **
Wald test for sectors	101.60 **	19.07 **	202.59 **	137.73 **
Test for differenced form	43.93 **	55.83 **	218.73 **	80.36 **
Test for Error Correction	6.75 **	0.24	2.58	0.54