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Eric D. Ramstetter
ICSEAD and Graduate School of Economics, Kyushu University
and
Dionisius Narjoko
Economic Research Institute for ASEAN and East Asia

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Eric D. Ramstetter
International Centre for the Study of East Asian Development
and Graduate School of Economics, Kyushu University
ramst@icsead.or.jp
and
Dionisius Narjoko
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Abstract

This paper reexamines the extent of wage differentials between medium-large (20 or more workers) foreign multinational enterprises (MNEs) and local, private plants in Indonesia's manufacturing industries in 1996 and compares them to corresponding differentials in 2006. Mean, unconditional differentials were quite large when the 17 industries sample industries are combined, and declined from 144 to 69 percent for production workers and from 201 to 84 percent for non-production workers. Conditional differentials that account for the tendency of MNEs to hire relatively educated workers, use relatively large amounts of energy and material inputs per worker, and be relatively large, were positive and statistically significant, but much smaller, falling from 26 to 3.5 percent for production workers and from 34 to 15 percent for non-production workers. Industry-level, conditional differentials were also positive in 10-11 industries in 1996, but tended to decline and most became insignificant by 2006. Both aggregate and industry-level results also suggest that differentials were relatively large for non-production workers, but the industry-level results were again relatively weak for 2006. Finally, the size of MNE-private differentials did not depend significantly on the extent of foreign ownership in most of the samples examined.

Keywords: Multinational corporations, Southeast Asia, manufacturing, wage determination
JEL categories: F23, J31, L60, O53
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1. Introduction

Lipsey and Sjöholm's (2004a) study of manufacturing plants in Indonesia in 1996 is one of the most sophisticated studies of wage differentials between foreign multinational enterprises (MNEs) and local plants, and the relationship of the differentials to labor quality, for host, developing economies.[1] They estimate Mincer-type equations at the plant level for white- and blue-collar workers and account for the influence of worker educational background, the share of female workers, as well as other as energy per worker, material inputs per worker, and size in sample plants. They found that that MNEs paid significantly higher wages than local plants even after accounting for the educational background of the plant's work force and these other plant-level characteristics, and that these conditional wage differentials were larger for white-collar workers than for blue-collar workers (22 versus 12 percent).

This paper's first contribution is to update this analysis to 2006, the next year for which similarly detailed data are available. This update is potentially important because Indonesia went through a wrenching economic crisis beginning in late 1997, with per capita GDP only recovering to 1996 levels in 2004 if measured in constant rupiah or current U.S. dollars, for example (World Bank 2014). The manufacturing sector also experienced a marked increase in the share of activity accounted for by MNEs, particularly heavily-foreign MNEs with foreign ownership shares of 90 percent or more. Increased MNE shares were a direct result of the crisis in many cases, partially because precipitous declines in Indonesian asset prices and the value of the rupiah created a fire sale, which MNEs were better able to take advantage of than local capitalists, many of whom faced severe financial constraints or bankruptcy. Accelerated implementation of policy reforms instituted in the mid-1990s made it easier for MNEs to own large shares in Indonesian manufacturing plants. Privatization of state-owned enterprises (SOEs) and the transfer of SOE ownership from the central government to provincial

[1] These authors also examined other aspects of wage differentials and how they change over time in Lipsey and Sjöholm (2004b, 2005, 2006) and Sjöholm and Lipsey (2006).

authorities also changed important aspects of competition in some manufacturing industries. Correspondingly, the economic and policy environment was substantially different in 2006 than in 1996 for both MNEs and local manufacturing plants. It is thus of interest to examine how MNE-local wage differentials changed during this decade.

Lipsey and Sjöholm (2004a) estimated equations for all manufacturing plants combined. They allowed intercepts to differ among industries, but assumed that the slope coefficients in their equations, including the conditional MNE-local wage differential (the coefficient on a dummy variable identifying MNEs), were uniform across industries. However, studies of MNE-local wage differentials in Malaysia (Ramstetter 2012a, 2013), Thailand (Movshuk and Matsuoka-Movshuk 2006; Ramstetter 2004), and Vietnam (Ramstetter and Phan 2007) provide strong evidence than many slope coefficients, including the MNE-local wage differential, also differ among industries. Studies of productivity also indicate that MNE-local differentials and other slope coefficients in the production function also differ among industries in Indonesia (Takii 2004; Takii and Ramstetter 2005), Thailand (Ramstetter 2004), and Vietnam (Ramstetter and Phan 2013). The second contribution of this study is thus to relax the assumption of slope coefficient uniformity among industries by estimating equations for 17 manufacturing industries separately, as well as for all plants combined. As might be expected, relaxing the assumption of slope coefficient uniformity reveals that MNE-local wage differentials were small or insignificant in several industries but large and significant in others.

The third contribution is to test whether MNE-local wage differentials differ among types of MNEs, that is if they differ for heavily-foreign MNEs, majority-foreign MNEs (foreign shares of 50-89 percent), and minority-foreign MNEs (foreign shares of 33-49 percent). The primary reason for this investigation is that MNE parents are often thought to be less reluctant to share their firm-specific assets related to production technology and marketing, for example,

with affiliates they do not control tightly. As a result some observers (e.g., Moran 2001) expect affiliates that are tightly controlled to be more closely integrated with the MNE's network and more efficient as a result. In some contrast, previous results for Indonesia suggest that heavily- or majority-foreign plants are actually less productive than minority-foreign plants in several industries, but that they tend to export relatively large portions of their output (Takii 2004; Takii and Ramstetter 2005; Ramstetter and Takii 2006).

The paper briefly reviews the existing literature in Section 2, and describes the data used and patterns revealed by key descriptive statistics, including unconditional MNE-private (local) differentials in wages and worker education, in Section 3. Section 4 then reviews the evidence emerging from estimates of earnings equations, focusing on patterns of conditional MNE-private wage differentials. Finally, Section 5 concludes and offers suggestions for further research.

2. Literature Review and Methodology

As described in the introduction, Lipsey and Sjöholm (2004a) studied large samples of plants in 1996, finding that MNEs paid higher wages than local plants and that statistically significant wage differentials persisted after accounting for the educational background of the plant's work force as well as plant size, material inputs per employee, energy per employee, and the female share of a plant's work force. Recent studies of Malaysian manufacturing plants in 2000-2004 by Ramstetter (2012a, 2013) also accounted for worker occupation, in addition to educational background, female shares, as well as plant size and capital intensity, again finding that significant MNE-local differentials remained in samples of all plants and in most of the industry-level samples examined.[2] Ramstetter and Phan (2007) also found

[2] The use of material inputs per worker and/or energy per worker is a common proxy for capital intensity in analyses of Indonesian manufacturing plants because the coverage of the

positive wage differentials between MNEs and local, private firms in Vietnam in 2000, 2002, and 2004, after accounting for firm's size, factor intensity, shares of technical workers, and female shares, both in the aggregate and in most industry group samples. In contrast, results from Lee and Nagaraj's (1995) sample of workers in the Klang Valley of Malaysia in 1991 suggest that foreign ownership of a plant had no significant effects on wages of either male or female workers, after several aspects of labor quality (education, experience, occupation, training) and numerous other worker- and plant-level variables were accounted for.[3]

Other studies of Malaysia (Lim 1977), Thailand (Movshuk and Matsuoka-Movshuk 2006, Ramstetter 2004), and Venezuela and Mexico (Aitken et al 1996) have found that MNE-local wage differentials tended to persist after accounting for similar plant- or firm-level characteristics, but were unable to account for the influences of labor force quality. There are also numerous studies of individuals that reveal significant returns to human capital, when measured by worker education, training, and experience, for example.[4] Still other studies focus on the gender wage gap, usually finding that females earn less than males, even after accounting for education, experience, and other determinants of earnings.[5]

There is thus substantial previous evidence that both plant ownership and worker quality have important influences on worker earnings. It is clear that relatively well educated, experienced, and well-trained workers generally expect relatively high returns to their work efforts. Firms or plants hiring high-quality workers usually expect relatively high productivity

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capital data is often poor. For example, Ramstetter and Narjoko (2012) report that 28-33 percent of sample plants in 12 large energy consuming industries (accounting for 75 percent of total employment and 80-82 percent of output) did not have data on fixed assets in 1996 and 43-48 percent lacked these data for 2006.

[3] These variables were union membership, marital status, migration status, total hours worked, plant size, and plant export-orientation.

[4] See Purnastuti, et al (2013) and Sohn (2013) for recent evidence on Indonesia.

[5] In addition to the study of plant-level data from Lipsey and Sjöholm (2004a), studies of individuals also provide evidence of a substantial gender pay gap in Indonesia (Feridhanusetyawan et al. 2001; Pirmana 2006).

and offer commensurate compensation. Correspondingly, the primary reason that MNEs pay higher wages than local plants is probably the well documented tendency for MNEs to be relatively technology- or skill-intensive compared to non-MNEs (Caves 2007; Dunning 1993; Markusen 2002). However, even relatively sophisticated studies like Lipsey and Sjöholm (2004a) fail to fully account for MNE-local differences in labor quality. For example, in addition to differences in worker education, there may be important differences in worker occupation, training, background, and experience, which are often accounted for in studies of wage determination among individuals, but are not measured in plant-level data. In this study of Indonesia, for example, it is possible to account for differences in worker education and sex, but the available data do not contain information on worker background (e.g., race, nationality), occupation, experience, or training.

Other reasons for MNE-local differentials are perhaps less clear, but there are at least three important possibilities. First, there is substantial evidence that MNEs often find it difficult to identify and retain suitably qualified workers. For example, in 1998, securing adequate quantity and quality of labor was the third most common of 27 possible problems for Japanese affiliates operating in the ASEAN-4 (the four largest developing economies in the Association of Southeast Asian Nations: Indonesia, Malaysia, the Philippines, and Thailand), this problem being cited by 8.5 percent of these MNEs (Japan, Ministry of Economy, Trade and Investment 2001, pp. 536-537).[6] Other surveys also indicated that securing labor supply was the third most frequently cited of 14 investment motives of Japanese affiliates in Indonesia, being cited by 16 percent of replying firms in 1996 and 13 percent in 2006 (Toyo Keizai, various years).[7] Correspondingly, many of the aforementioned studies suggest that

[6] The most commonly cited problems were (1) competition for local product markets (11.2 percent and (2) political instability (8.6 percent).

[7] The most commonly cited motives were (1) development of local markets (25 percent of replying affiliates in 1996 and 24 percent in 2006) and (2) strengthening of international competitiveness (19 percent in 1996 and 34 percent in 2006).

MNEs may pay relatively high wages to secure or retain labor in economies like Indonesia.

Second, workers in host economies are often relatively familiar with management practices in local firms and may therefore be relatively reluctant to work for MNEs that often use less familiar management styles. This may lead them to demand a premium for working in the relatively unfamiliar MNE environment. There is relatively little empirical evidence on this point, though many of the studies reviewed above mention it, but there have been well-documented cases where prominent MNEs from Japan (Guerin 2002) and Korea (Hwan 2011), for example, have been accused of labor rights violations in Indonesia. This creates the impression that related bad press may have made some Indonesian workers reluctant to work for MNEs.

Third, MNEs are often hypothesized to have important firm-specific assets in relatively large amounts compared to non-MNEs.[8] These firm-specific assets are generally intangible, and many of them are related worker quality. However, even when an MNE's intangible assets are not directly related to worker skills, they may facilitate higher worker productivity by improving a firm's marketing and management, for example. In other words, the MNE's possession of firm-specific assets has the potential to make workers more productive in MNEs than in non-MNEs, even if labor quality is identical in MNEs and non-MNEs. In such cases, MNEs may find it profitable to pay relatively high wages to compensate for their relatively high productivity, especially when the ability to utilize firm-specific assets is related to workers' firm-specific experience or motivation, for example.

Partially reflecting differences in firm-specific assets, MNE-local wage differentials are

[8] Some theorists (especially Dunning) view the possession of firm-specific assets or ownership advantages as a key necessary condition for a firm to become an MNE (in addition to internalization and location advantages). Other theorists (Buckley and Casson 1992; Casson 1987; Rugman 1980, 1985) dispute this view, choosing instead to emphasize the role of internalization as the key distinguishing characteristic between MNEs compared to non-MNEs. However, the important point is that all agree that MNCs tend to possess these kinds of firm-specific assets in relatively large amounts.

thought to result from differences in other plant-level characteristics that might affect labor productivity and/or wages. For example, much of the literature reviewed above suggests that firms or plants which are relatively large or capital- (or input-) intensive often pay relatively high wages and have relatively high labor productivity. In addition, location and industry affiliation are found to have important influences on the wage levels in firms or plants. Thus, this paper will follow the Lipsey and Sjöholm (2004a) and estimate earnings equations that account for the influences of worker quality and sex, plant size, material inputs and energy per worker, location, and industry affiliation, as well as ownership (MNE vs. local owners). The industry dimension will also be carefully considered by the use of industry dummies in samples of all plants in 17 industries combined and by estimating separate equations for each industry (thereby allowing both intercepts and slopes to vary across industries).

3. Data, Unconditional Wage Differentials, and Differences in Worker Education

Plant-level data underlying the industrial censuses of medium-large plants (those with 20 or more employees) for 1996 and 2006 are used in the analysis because they are comprehensive and contain detail on worker educational background which is excluded from annual surveys. Because a number of plants are jointly owned by MNEs, SOEs, and/or private firms, joint ventures with foreign shares of 33% or more are classified as MNEs and non-MNE joint ventures with state shares of 33% or more are classified as SOEs. This cutoff is somewhat higher than the standard one for defining MNEs (foreign shares of 10% or more), but we know of no similar standard for defining SOEs and need to avoid ambiguity. As noted in Table 1, plants with fewer than 20 paid workers and low values of output per worker or value added per worker (suggesting large, negative profits and/or wage levels well below the

minimum wage) were dropped from the samples.[9] The exclusion of these plants removes most outliers and simplifies the interpretation of MNE-local differentials because MNEs were generally large, whereas excluded plants were predominately small, local, private plants.[10]

The left column of Table 1 shows the number of paid workers in sample plants for total manufacturing, the 17 sample industries that this paper focuses on, and five excluded industries.[11] We exclude four industries (tobacco, leather, printing and publishing, oil and coal) because they had fewer than 10 MNEs in one or both years and another industry (miscellaneous manufacturing) because it is relatively small and heterogeneously defined. In order to insure sufficient sample size and to include competing plants in the same industry, industries are generally defined at the 2-digit level of revision 3 of Indonesia's Standard Industrial Classification (ISIC), but four industries are 3-digit categories (footwear, rubber, plastics, furniture) and one is combination of four related 2-digit categories (electronics-related machinery). However, industry definitions for 1996 are based on revision 2 of ISIC and sometimes differ substantially from 2006 definitions. Thus, caution is necessary when interpreting trends over time at the industry level.[12]

[9] The value added per worker cutoff was 7.9 percent of the estimated national average (including small plants; Asian Development Bank 2013) but only 4.5 percent of the published average for all medium-large plants (BPS-Statistics various years) in 1996. In 2006 these ratios were 6.5 percent and 4.5 percent, respectively, but excluded plants accounted for a larger share of the overall total in 2006 (19 percent) than in 1996 (15 percent). In other words, the exclusion criteria were slightly laxer in 2006 than in 1996, but the percentage of plants excluded was larger in 2006.

[10] 98 percent of excluded plants were private in both 1996 and 2006. In contrast, private plants accounted for only 91 percent of sample plants in 1996 and 89 percent in 2006 (authors' calculations).

[11] Paid workers were 99.7 percent of total employment (including unpaid workers; Appendix Table 1d) in both manufacturing and the 17 sample industries, in both 1996 and 2006.

[12] It is impossible to construct a precise correspondence between the two revisions, because several detailed categories (i.e., at the 5- or 4-digit level) in one classification are split among detailed categories in the other classification; see Appendix Table 7 for the detailed definitions used in this paper.

Plants in the 17 sample industries employed 4.0 million paid workers in 1996 and 4.3 million in 2006, or 92 and 90 percent, respectively, of all paid workers in plants meeting the sample criteria (Table 1). MNEs employed 19 percent of paid workers in the 17 sample industries in 1996 and 26 percent in 2006, slightly higher shares than in total manufacturing. There was a conspicuously large increase in the share of heavily-foreign MNEs from 6.2 to over 16 percent during this period, while shares of minority- and majority-foreign MNEs declined. As mentioned above, the increase in the share of heavily-foreign MNEs was closely related to the fire sale created by the financial crisis in the late 1990s and to changes in the policy environment. Conversely, the share of SOEs declined some, largely as a result of privatization.

In 1996, MNE shares were 25 percent or more only four of the 17 sample industries (electronics-related machinery, footwear, motor vehicles, and metal products) but by 2006 MNE shares exceeded this threshold in eight industries and were above 33 percent in five of them (electronics-related machinery, motor vehicles, non-electric machinery, footwear, and other transportation machinery). Thus, over this decade, MNEs have become more dominant in the four machinery categories (including motor vehicles) they often dominate in other Asian economies (Ramstetter 2012b), and remained relatively large in footwear. The dominance of MNEs in machinery is related to large shares of intangible asset costs (i.e., in technology and marketing) in these industries, because it is relatively easy (cheap) to share intangible assets among different geographical locations (Markusen 2002).

Table 2 shows unconditional wage differentials between MNEs and SOEs on the one hand, and private plants on the other, for both production and non-production workers.[13] In both years, the mean MNE-private differential in the 17 sample industries combined was larger for

[13] Wage are defined to include all compensation paid to workers including wages/salaries, overtime, gifts & bonuses, and social security, whether paid in cash or in kind.

non-production workers (201 and 84 percent, in 1996 and 2006, respectively) than for production workers (144 and 69 percent, respectively).[14] SOE-private differentials also declined for production workers (from 96 to 62 percent) but increased, and were relatively small for non-production workers (9 and 31 percent, respectively). At the industry level, MNE-private differentials of more than 50 percent were common in 1996 (13 of 17 industries for production workers, 16 of 17 for non-production workers), but rarer in 2006 (5 of 17 industries for production workers and 10 of 17 for non-production workers). However, the tendency for MNE-private wage differentials to be larger for non-production workers and to decline for both types of workers is clear in the industry-level data as well as the aggregate. There was only one negative MNE-local differential for non-production workers in basic metals in 2006; the corresponding differential was positive but very small in 1996 (2 percent).

When MNE ownership groups are distinguished, MNE-private differentials for production workers tended to be largest for minority-foreign plants (188 percent in 1996 and 97 percent in 2006) and smallest for heavily foreign plants (98 and 64 percent, respectively, Table 2). The pattern is also observed at the industry level. Differentials exceeding 50 percent were observed in 13 and eight industries, respectively, for minority-foreign MNEs and in eight and five industries, respectively, for heavily foreign MNEs. For non-production workers the pattern of MNE-private differentials was less consistent. In 1996, majority-foreign MNEs had the largest mean differentials when all 17 industries were combined, while differentials exceeded 50 percent in 14 industries and 100 percent in 11-12 industries for all ownership groups. In 2006, minority-foreign MNEs had the largest mean differentials, but majority-

[14] The 1996 differentials reported here are much larger than those reported by Lipsey and Sjöholm (2004a, p. 417). The major cause is probably our exclusion of plants with extremely low labor productivity and fewer than 20 paid employees (see above). In addition, Table 2 shows the difference between unweighted mean wages in sample MNEs and private plants, whereas Lipsey and Sjöholm's calculate average wages for different ownership groups at the three-digit level of ISIC revision 2, and aggregate up to two- and single-digit levels using shares of total blue-collar and white-collar employees as weights.

foreign-private differentials exceeded 50 percent in 12 industries, while minority-foreign-private differentials exceeded this threshold in only 10 industries.

Table 3 shows shares of paid workers with tertiary education. When all sample plants are combined, tertiary shares of production workers were 3.9 times larger in MNEs than in private plants in 1996 (3.7 vs. 0.95 percent), but this differential fell to 2.6 times in 2006 (4.6 vs. 1.7 percent). Not surprisingly, tertiary shares of non-production workers were substantially larger than shares of production workers. However, MNE-private differentials were smaller for non-production workers and declined less, from 2.2-fold (21 vs. 11 percent) in 1996 to 2.0-fold (36 vs. 18 percent) in 2006. Tertiary shares of non-production workers ranked consistently high (7^{th} or higher) for both MNEs and private plants in four industries (chemicals, non-electric machinery, electronics-related machinery, and motor vehicles) and consistently low (11^{th} or lower) in five industries (food and beverages, textiles, wood, rubber, and non-metallic mineral products). For production workers, ranks were consistently high in only two industries (chemicals and electronics-related machinery) and consistently low in four (textiles, apparel, footwear, and furniture). The correlation between MNE-local wage differentials and corresponding tertiary share differentials was strong (0.72-0.77) for production workers in 2006 and non-production workers in 1996, but much weaker (0.30-0.37) for production workers in 1996 and non-production workers in 2006.

Share of workers with secondary education were much larger than shares of workers with tertiary education, averaging over half of all paid workers for both production and non-production workers in MNEs in both years (Table 4). For production workers, mean shares in all sample plants were much larger than for private plants, but the difference narrowed over the decade (from 55 vs. 23 percent in 1996 to 67 vs. 37 percent in 2006). The correlation of percentage differences in these shares to MNE-private wage differentials was quite high in 2006 (0.81) but somewhat lower in 1996 (0.56). For non-production workers, mean secondary

shares in the 17 sample industries were actually a few percentage points lower in MNEs (53 percent in 1996, 52 percent in 2006) than in private plants (56 percent in both years). Nonetheless, the correlation of MNE-private differences in secondary shares to corresponding wage differentials was reasonably strong in 2006 (0.65). On the other hand, this correlation was weaker and negative in 1996 (-0.40).

4. Conditional Wage Differentials from Estimates of Earnings Equations

The discussion above illustrates substantial, unconditional MNE-private wage differentials, and that these wage differentials often appear related to the tendency for MNEs often tend to hire relatively large shares of educated workers and correlated with other plant-level characteristics. Correspondingly, we follow the specification of Lipsey and Sjöholm (2004a) and estimate mean earnings at the plant level as a function of the educational background of workers, worker sex, energy per worker, material inputs per worker, and plant size.

$$LCE = a0 + a1(LEE) + a2(LME) + a3(LO) + a4(S5) + a5(S4) + a6(S3) + a7(S1) + a8(SF) + a9(DS) + a10(DF) \quad (1)$$

where
LCE=log of compensation per employee (rupiah)
LEE=log of energy per employee (rupiah)
LME=log of materials (including parts) per employee (rupiah)
LO=plant size, measured as the log of output (rupiah)
S5=share of paid workers with tertiary education (percent)
S4=share of paid workers who completed secondary (high school) education (percent)
S3=share of paid workers who completed junior high school education (percent)
S1=share of paid workers who did not complete primary school education (percent)
SF=share of paid workers that are female (percent)
DS=dummy variable identifying SOE plants (=1 if MNE, 0 otherwise)
DF=dummy variable identifying MNE plants (=1 if MNE, 0 otherwise)

Because plants that are energy and material input intensive, large, and skilled-worker intensive are expected to pay relatively high mean wages, the signs of *a1*, *a2*, *a3*, *a4*, *a5*, and *a6* are expected to be positive and *a7* negative. The sign of *a8* is also expected to be negative because females generally receive less education and training than men, are often more

willing to accept lower wages than men in exchange for time off to care for family members, and are frequently discriminated against in the work place. If the MNE-private differential *a10* is significantly positive, MNEs pay relatively high wages after accounting for plant-level variation in energy and material input intensity, size, and workforce educational background. Equation (1) is estimated by OLS with robust standard errors for both production and non-production workers in 1996 and 2006. Estimates also include region and industry dummies to account for industry- and region-specific factors affecting mean wages at the plant level.[15] A second equation is then estimated to see if MNE-private wage differentials depend on the extent of foreign ownership.

$$LCE = a0 + a1(LEE) + a2(LME) + a3(LO) + a4(S5) + a5(S4) + a6(S3) + a7(S1) + a8(SF) + a9(DS) + a10(DF1) + a11(DF5) + a11(DF9) \quad (2)$$

where
DF1=dummy variable identifying minority-foreign MNE plants (=1 if minority, 0 otherwise)
DF5=dummy variable identifying majority-foreign MNE plants (=1 if majority, 0 otherwise)
DF9=dummy variable identifying heavily-foreign MNE plants (=1 if heavy, 0 otherwise)

Estimates are performed for sample plants in all 17 industries combined (Table 5), as well as for each of the 17 industries separately to allow all parameters, including wage differentials, to differ among industries (Table 6). In large samples of all 17 industries, estimates of equations (1) and (2) performed more or less as expected. Coefficients on energy and material input intensity, size, and shares of workers with junior high or higher education were positive and significant, while the coefficient on the female share was negative in all estimates. The coefficient on the share of workers not completing primary education was negative and significant for production workers in 1996, but surprisingly, it became significantly positive

[15] Industry dummies are defined at the 4-digit level of ISIC revision 2 for 1996 and revision 3 for 2006; this results in a larger number of dummies in 2006. Industry dummies are omitted from industry-level estimates when the industry is defined at the 4-digit level (footwear in 2006, plastics in both years, motor vehicles in 1996, furniture in 2006). Please see Appendix Tables 6a-6q for the exact number of industry dummies in each equation. Regional dummies identify plants in Sumatra, West Java, Central Java (including Yogyakarta), East Java, and East Indonesia (including Nusa Tenggara, Kalimantan, Sulawesi, Maluku, and Irian Jaya), using Jakarta as the reference region.

in 2006. However, this coefficient was not significant for non-production workers. R^2 was 0.33 or higher in all estimates, indicating that these equations explained the variation of wages among plants relatively well in these cross sections. When estimated at the industry level, correlations were weaker in some industries and years (Appendix Tables 6a-6q). For example, equation (1)'s R^2 was as low as 0.14-0.19 for production wages in furniture in 1996 and rubber in 2006 and for non-production wages in wood in 2006. Again focusing on equation (1), coefficients were usually significant with the expected sign for plant size (55 of 68 estimates), shares of workers with tertiary and secondary education (41 estimates each), and energy per worker (40 estimates). However, less than half of the industry-level estimates of coefficients on material inputs per worker and the shares of workers with junior high education or those not completing primary education were significant with expected signs.

Estimates of equation (1) for all industries combined yielded positive and significant MNE-private wage differentials for both production and non-production workers in both 1996 and 2006 (Table 5). These conditional differentials were all substantially smaller than the unconditional differentials in Table 2 and declined over the decade, from 26 to 3.4 percent for production workers and from 34 to 15 percent for non-production workers. In contrast, SOE-private differentials remained relatively constant for production workers (19 and 16 percent, respectively) and increased for non-production workers (from 6.3 [significant at 9 percent] to 13 percent, respectively). Estimates of equation (2) indicated that MNE-private differentials did not differ significantly among MNE ownership groups if a standard 5 percent level is used.

The 1996 estimates of MNE-private differentials are substantially larger than the 12 and 22 percent, respectively, estimated by Lipsey and Sjöholm (2004a, p. 421), probably because we excluded plants with exceedingly low labor productivity from the samples and because of

differences in the definitions of industry- and region dummies.[16] Nonetheless, the key qualitative patterns were similar in both sets of results; there were positive and significant MNE-private wage differentials that were relatively large for non-production workers. Results also indicated that this pattern persisted in 2006, but that both differentials declined substantially. These trends and patterns are also consistent with those observed in unconditional differentials (Table 2) and with the view that Indonesia's labor and manufacturing markets have become more competitive over this decade.

When equation (1) is estimated at the industry level, MNE-private wage differentials are found to vary greatly among industries (Table 6). For example, textiles was only industry in which wage differentials for both production and non-production workers were positive and significant (at the standard 5 percent level) in both years. Positive and significant differentials were also observed in both years for production workers in plastics, and for non-production workers in wood and rubber. On the other hand, MNE-private differentials were never significant at standard levels for production workers in six industries (footwear, wood, paper, basic metals, non-electric machinery, and motor vehicles) or non-production workers in five others (footwear, paper, basic metals, motor vehicles, and other transportation machinery). It is tempting to speculate about why differentials were consistently significant or insignificant in certain industries, but these industry groups are heterogeneous and there is no clear reason for distinguishing among them.

In 1996, positive and significant differentials were observed in 10 of the 17 industries for both production and non-production workers (Table 6). By 2006, positive and significant

[16] In Table 5, samples were 1,079 plants (5.8 percent) smaller for production workers and 347 (2.4 percent) smaller for non-production workers than in Lipsey and Sjöholm (2004a). As indicated above, we defined industry dummies at the 4-digit level and used only 6 regional dummies, whereas Lipsey and Sjöholm used 3-digit level industry definitions and a full set of provincial dummies. Our estimates of SOE-private differentials were also relatively large (19 vs. 6 percent for production workers and 6 vs. -13 percent for non-production workers).

differentials were only observed in four industries for production workers and five industries for non-production workers. There was a single negative and significant differential for production workers in electronics-related machinery in 2006, which contrasts with the positive differential in 1996. In other words, the industry level results suggest that positive and significant MNE-private wage differentials declined or became insignificant in 1996-2006 for production workers in 10 industries and non-production workers in 11 industries. The tendency for MNE-private differentials to decline or become insignificant is consistent with results for the large samples of 17 industries combined, but the industry-level results also suggest that MNE-private differentials were not pervasive, especially in 2006.

This is illustrated by substantial variation in the size of differentials among industries (Table 6). For production workers in 1996, positive and significant differentials were relatively large (30 percent or more) in chemicals, plastics, non-metallic mineral products, metal products, and other transportation machinery, but relatively small (17 percent or less) in textiles, wood, electronics-related machinery and furniture. By 2006, all positive and significant differentials were of similar magnitude (14-18 percent), suggesting that the positive and significant differential estimated when all plants were combined (3.5 percent) was driven by plants in the relatively few industries with significant differentials.

For non-production workers, the variation of differentials among industries was more pronounced in both years (Table 6). In 1996, positive and significant differentials were relatively large (40 percent or more) in seven industries (wood, chemicals, rubber, plastics, metal products, non-electric machinery, and electronics-related machinery) and relatively small (27 percent or less) in only two (textiles and apparel). In 2006, these differentials remained relatively large in rubber and became relatively large in non-metallic mineral products. The other three positive and significant differentials were also larger than the estimate for all plants combined (23-28 percent vs. 15 percent). Thus, as with production

workers, the relatively low differential observed for all industries are combined again suggests that the aggregate result reflects the combined influence of large positive differentials in a few industries and insignificant differentials in most industries. Because most differentials were insignificant, significantly positive wage differentials were larger for non-production workers in only five industries in 2006, compared to nine industries in 1996.

Tests of the hypothesis that conditional MNE-private wage differentials varied among foreign ownership groups were not rejected at the standard 5 percent level in about three fourths of the 17 industries in both years (Table 6). And when differentials varied among ownership groups, patterns varied greatly over time and among industries. For production workers in 1996, significant differentials were observed in four industries (wood, paper, non-metallic mineral products, and furniture). In the first three industries, differentials were relatively large for minority-foreign plants and insignificant for heavily-foreign plants, while this pattern was reversed in furniture, but only if a 10 percent significance level is used. In 2006, there were significant differences among MNE ownership groups in five industries. Three of these results involved negative differentials for majority-foreign (footwear) or minority-foreign (motor vehicles, other transportation machinery) MNEs. The other two involved positive differentials for heavily foreign MNEs (rubber, plastics).

For non-production workers in 1996, there were significant positive differentials involving minority-foreign MNEs in furniture, majority-foreign MNEs in wood, rubber, and non-metallic mineral products, as well as heavily-foreign MNEs in rubber. There was also a significantly negative differential for heavily foreign MNEs in wood. By 2006, there were only two significant differential coefficients, for minority-foreign MNEs in chemicals and majority-foreign MNEs in non-electric machinery. The Wald test of coefficient equality also indicated significant differences among ownership groups in plastics, but none of the

individual coefficients were significant at the standard level. Thus, these results suggest that MNE-private wage differentials were not strongly related to the foreign ownership share.

5. Conclusions and Future Research

This paper has extended research on wage differentials between MNEs and private plants in Indonesian manufacturing in three important respects. First, it added analysis of 2006 to 1996, finding that unconditional and conditional wage differentials in most industries appear to have declined during 1996-2006, but that wage differentials tended to be larger for non-production workers than for production workers in both periods. If all sample plants are combined, unconditional wage differentials fell from an average of 144 to 69 percent for production workers and from 201 to 84 percent for non-production workers. Conditional differentials that account for the influences or worker education and sex, as well as plant size, energy per worker, and material inputs per worker, were much smaller but revealed similar trends and patterns, falling from 26 to 3.5 percent for production workers and from 34 to 15 percent for non-production workers. These aggregate results suggest somewhat larger differentials than previous 1996 results in Lipsey and Sjöholm (2004a), mainly because several plants reporting unrealistically low labor productivity and a few small industries were excluded from the samples used in this study. However, both studies observe significantly positive, conditional differentials which were larger for non-production workers than for production workers.

Second, in addition to examining aggregate wage differentials, this study extended the analysis to cover 17 industries separately. This extension is probably the paper's most important contribution and indicates that significant, conditional wage differentials were not that pervasive among industries, especially for 2006. Even in 1996, industry-level differentials were not significant at standard levels in about two-fifths of the industries for both production and non-production workers. By 2006, insignificant differentials

predominated, with positive and significant differentials observed for just under one-fifth of the industries for production workers and one fourth for non-production workers. Similarly, wage differentials were larger for non-production workers than for production workers in only five industries in 2006, compared to nine in 1996. On the other hand, the industry-level analysis was consistent with the aggregate analysis in suggesting a tendency for MNE-private differentials to decline in most industries.

Third, the paper asked whether MNE-private differentials depended on the extent of foreign ownership in MNEs. The answer to this question was generally no. And in the few cases when there were significant differences in wage differentials among MNE ownership groups, the emerging patterns were not consistent among ownership groups, industries, or years. In other words, the distinction of MNE ownership groups does not appear particularly meaningful when analyzing MNE-private wage differentials in Indonesia.

As reported for other years in Lipsey and Sjöholm (2004b, 2005, 2006) and Sjöholm and Lipsey (2006), there are several related but equally important topics that should be examined in future research. For example, one can investigate how takeovers or changes in ownership affect both wages and employment, or the effect of MNE presence on wages in local plants (i.e., wage spillovers). All of these analyses require some degree of data panelization, which is particularly difficult after the 1998 crisis mainly because of large variations in sample coverage and the increased share of sample plants reporting unreasonable data. Long panels spanning the crisis are also likely to be misleading because of large changes in economic activity, as well as data collection. Nevertheless, it should be possible to create shorter panels combining the census year data on worker education with census and annual survey data for other variables in surrounding years, which can help address the issues mentioned above. In addition, the panel dimension could be used to account for potential simultaneity bias that is not easily accounted for in cross sections because of the lack of good instruments.

Unfortunately, however, as in Lipsey and Sjöholm (2004a), a potentially important omitted variable bias may remain because of the inability to account for aspects of worker quality not related to education such as experience, occupation, and training.

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Table 1: Total paid workers (production & non-production) in sample plants (all plants in 1000s; SOE & MNE shares in % of industry subtotals)

	1996						2006					
	All	SOE	MNE-	MNEs by foreign share			All	SOE	MNE-	MNEs by foreign share		
Industry	plants	shares	shares	33-49	50-89	90+	plants	shares	shares	33-49	50-89	90+
Manufacturing	3,955	7.0	18.2	3.4	8.7	6.1	4,258	5.5	25.1	2.4	7.0	15.6
17 sample industries	3,620	7.3	18.9	3.6	9.1	6.2	3,835	5.8	26.1	2.0	7.7	16.4
Food & beverages	525	22.6	9.9	3.2	4.7	2.1	665	11.2	17.5	2.1	6.2	9.3
Textiles	596	3.1	13.3	1.4	7.8	4.1	529	2.1	17.3	0.7	8.9	7.8
Apparel	373	1.0	23.2	4.8	6.8	11.7	500	3.1	30.6	2.8	2.8	25.0
Footwear	300	0.6	44.9	6.7	24.8	13.4	198	0.6	44.7	0.2	18.3	26.2
Wood products	396	1.2	9.2	3.1	3.7	2.4	279	0.7	13.0	1.1	3.8	8.0
Paper products	91	6.4	18.7	7.0	7.0	4.7	124	17.1	18.3	5.1	6.7	6.5
Chemicals	182	12.4	19.0	3.3	11.9	3.9	200	9.0	21.5	2.2	7.8	11.5
Rubber products	116	23.7	15.9	1.2	8.9	5.8	136	13.9	28.9	0.4	19.8	8.6
Plastic products	163	0.2	9.0	0.9	5.0	3.1	185	4.1	17.6	1.3	4.7	11.5
Non-metallic mineral products	169	6.9	12.0	6.8	5.0	0.2	161	8.0	22.0	7.8	8.8	5.4
Basic metals	50	14.5	20.7	1.8	14.5	4.5	65	4.7	20.5	2.9	7.8	9.8
Metal products	159	1.6	24.8	6.2	14.4	4.2	109	3.7	27.1	2.6	6.9	17.7
Non-electric machinery	43	19.0	20.6	1.9	14.3	4.4	105	4.4	49.1	0.4	11.4	37.3
Electronics-related machinery	178	1.9	51.4	1.8	19.8	29.8	232	1.4	65.6	1.5	5.5	58.6
Motor vehicles	61	0.5	29.0	15.9	11.7	1.4	85	-	54.8	5.1	20.8	28.9
Other transportation machinery	70	38.7	19.5	7.0	8.0	4.5	71	24.1	33.0	0.8	21.1	11.1
Furniture	149	0.3	6.6	0.3	3.0	3.3	191	4.1	12.8	0.4	1.2	11.2
5 excluded industries	335	3.2	10.4	0.6	4.9	5.0	423	3.2	16.0	6.3	1.2	8.5
Tobacco	172	0.7	1.6	-	0.4	1.2	241	2.5	12.4	10.8	0.1	1.6
Leather	25	2.3	14.6	1.2	7.9	5.5	25	0.5	36.2	1.0	3.2	31.9
Printing & publishing	69	12.0	4.4	0.9	3.6	-	62	7.5	1.8	0.9	0.7	0.3
Oil & coal products	3	16.0	22.0	3.5	-	18.5	6	4.8	8.5	0.6	0.4	7.5
Miscellaneous manufacturing	66	0.1	37.3	1.5	16.8	19.0	90	2.7	30.5	-	3.9	26.6

Notes and Sources: - = no plants in the category; samples exclude plants with less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Table 2: SOE-private and MNE-private wage differentials for paid workers by type in sample plants (percentage differences)

	1996					2006				
	SOE-	MNE-	MNE-private by share			SOE-	MNE-	MNE-private by share		
Industry	private	private	33-49	50-89	90+	private	private	33-49	50-89	90+
Production workers, manufacturing	95	137	182	159	93	63	66	95	73	61
17 sample industries	96	144	188	166	98	62	69	97	75	64
Food & beverages	122	154	157	181	112	88	93	122	94	89
Textiles	15	72	75	99	40	22	55	36	48	61
Apparel	-15	41	30	56	33	14	45	38	32	47
Footwear	14	40	49	34	48	14	24	646	7	8
Wood products	14	68	109	93	12	102	25	80	31	20
Paper products	142	107	224	39	186	35	44	-4	139	29
Chemicals	129	225	180	252	183	36	57	81	53	55
Rubber products	52	64	-3	100	36	19	24	54	-8	47
Plastic products	69	121	101	126	121	22	52	134	14	59
Non-metallic mineral products	162	247	575	172	14	109	106	245	94	78
Basic metals	191	42	120	64	-7	60	15	29	28	5
Metal products	54	135	198	153	76	9	48	55	53	45
Non-electric machinery	67	100	138	97	73	194	29	-13	37	28
Electronics-related machinery	204	73	95	45	94	62	17	5	23	16
Motor vehicles	129	87	133	74	38	-	28	-15	25	36
Other transportation machinery	97	171	141	169	222	62	30	-49	47	30
Furniture	5	24	7	44	17	29	8	24	28	6

Table 2 (continued)

	1996					2006				
	SOE-	MNE-	MNE-private by share			SOE-	MNE-	MNE-private by share		
Industry	private	private	33-49	50-89	90+	private	private	33-49	50-89	90+
Non-production workers, manufacturing	11	194	179	222	161	30	82	114	90	76
17 sample industries	9	201	190	230	166	31	84	117	92	78
Food & beverages	26	225	158	293	157	33	106	155	110	97
Textiles	14	144	46	215	82	-1	106	311	102	95
Apparel	-26	188	120	224	179	69	52	69	90	45
Footwear	68	82	11	82	104	43	95	-43	96	101
Wood products	-5	205	90	285	146	32	37	16	23	43
Paper products	19	66	111	42	87	28	28	18	55	23
Chemicals	-3	198	222	198	181	40	46	90	61	30
Rubber products	16	160	-30	222	126	51	91	23	95	93
Plastic products	-33	183	146	140	228	13	33	87	-11	43
Non-metallic mineral products	51	156	148	207	-14	80	162	198	143	170
Basic metals	-0	2	80	-5	-15	46	-13	7	-11	-18
Metal products	-38	218	185	291	92	9	66	71	77	63
Non-electric machinery	18	170	332	131	118	-36	56	27	83	47
Electronics-related machinery	89	107	80	84	132	-64	36	8	17	40
Motor vehicles	-22	171	170	148	270	-	72	80	68	72
Other transportation machinery	46	168	191	176	101	11	32	60	43	27
Furniture	-37	60	455	35	42	42	64	104	138	54

Notes and Sources: see Table 1.

Table 3: Shares of paid workers with tertiary education in sample plants (percent)

	1996			2006		
Industry	Private	SOEs	MNEs	Private	SOEs	MNEs
Production workers, manufacturing	1.015	2.407	3.656	2.045	3.572	4.533
17 sample industries	0.946	2.310	3.737	1.670	3.257	4.607
Food & beverages	0.786	1.976	3.043	1.508	3.054	5.274
Textiles	0.641	0.837	1.827	0.952	1.235	2.232
Apparel	0.449	0.694	2.176	0.659	0.592	1.706
Footwear	0.713	1.006	1.462	1.016	1.149	2.256
Wood products	0.594	0.331	1.906	1.339	2.042	3.839
Paper products	1.300	2.918	6.717	2.745	4.167	6.224
Chemicals	2.646	4.844	9.301	5.604	8.136	10.862
Rubber products	0.984	0.915	0.891	2.048	1.376	1.240
Plastic products	0.909	1.222	3.729	1.266	1.644	2.683
Non-metallic mineral products	0.713	2.234	2.401	1.188	4.016	4.731
Basic metals	2.337	5.476	2.846	4.576	7.494	5.084
Metal products	1.324	3.348	2.482	2.492	3.049	4.434
Non-electric machinery	2.225	1.564	3.617	3.788	7.005	3.799
Electronics-related machinery	2.763	14.690	4.406	4.606	1.120	6.109
Motor vehicles	1.757	0.000	6.394	2.927	-	3.200
Other transportation machinery	1.806	9.259	3.897	3.201	11.311	3.919
Furniture	0.537	0.600	0.692	1.007	0.623	1.937
Non-production workers, manufacturing	12.185	10.323	26.182	18.256	19.403	35.640
17 sample industries	11.853	9.606	26.191	17.740	18.452	35.990
Food & beverages	7.377	6.497	20.645	11.509	12.128	25.698
Textiles	10.996	10.459	21.176	16.594	17.102	36.624
Apparel	12.304	5.727	25.953	11.879	17.829	29.280
Footwear	13.438	15.914	21.946	20.402	32.594	37.321
Wood products	10.217	9.590	19.536	15.814	28.650	26.873
Paper products	16.492	27.867	20.732	23.887	23.842	36.659
Chemicals	17.493	15.102	31.760	29.731	26.735	40.143
Rubber products	10.039	5.195	11.884	18.046	11.544	20.201
Plastic products	13.184	14.565	25.908	21.666	18.155	39.101
Non-metallic mineral products	8.785	13.592	21.099	15.203	21.562	28.162
Basic metals	22.051	27.145	21.314	30.961	22.249	35.050
Metal products	16.429	9.331	32.231	23.352	31.343	38.064
Non-electric machinery	16.823	21.851	34.795	30.619	24.039	38.773
Electronics-related machinery	22.522	33.399	34.244	31.916	44.827	45.068
Motor vehicles	18.573	0.000	32.312	30.217	-	39.183
Other transportation machinery	14.533	19.038	27.225	23.745	26.941	42.016
Furniture	12.799	15.364	21.446	20.814	18.848	41.729

Notes and Sources: see Table 1.

Table 4: Shares of paid workers with secondary education in sample plants (percent)

	1996			2006		
Industry	Private	SOEs	MNEs	Private	SOEs	MNEs
Production workers, manufacturing	23.37	33.49	54.53	37.42	48.96	66.72
17 sample industries	22.85	32.03	55.12	37.35	48.55	67.11
Food & beverages	14.44	28.14	43.30	26.06	41.86	56.78
Textiles	22.15	24.59	41.37	35.71	53.44	63.02
Apparel	17.49	39.77	42.70	29.60	46.28	46.65
Footwear	24.22	62.65	46.64	37.48	45.09	58.78
Wood products	26.60	32.86	46.50	37.01	51.00	57.56
Paper products	35.77	62.77	54.08	56.77	56.77	74.29
Chemicals	33.00	45.17	55.98	51.01	53.35	62.87
Rubber products	23.99	17.15	23.21	44.77	35.02	57.20
Plastic products	24.47	38.80	64.32	51.43	61.16	75.79
Non-metallic mineral products	12.40	36.91	52.11	27.30	50.54	64.74
Basic metals	47.65	57.07	58.79	67.69	77.69	75.59
Metal products	33.32	36.74	70.36	53.02	67.53	73.28
Non-electric machinery	48.31	64.87	79.26	69.77	72.33	74.61
Electronics-related machinery	50.11	49.64	78.53	73.46	82.85	87.16
Motor vehicles	49.03	76.51	80.49	67.39	-	82.71
Other transportation machinery	33.63	57.19	61.89	61.63	50.97	79.59
Furniture	21.25	25.80	41.84	35.55	44.17	52.61
Non-production workers, manufacturing	56.54	44.07	53.00	55.85	53.48	52.38
17 sample industries	56.41	43.12	52.72	56.17	53.84	52.13
Food & beverages	47.47	39.00	47.89	49.52	52.47	55.65
Textiles	56.68	45.39	54.46	60.62	59.18	52.14
Apparel	60.91	74.80	55.58	65.27	57.90	53.12
Footwear	65.36	76.27	61.21	60.37	57.47	50.25
Wood products	60.17	53.81	51.98	57.88	46.57	53.62
Paper products	60.31	45.83	61.00	61.31	56.20	55.02
Chemicals	58.82	44.59	47.22	54.15	56.91	46.45
Rubber products	58.63	31.42	41.94	51.42	39.08	53.98
Plastic products	60.23	34.72	53.75	61.68	58.83	51.80
Non-metallic mineral products	48.23	51.88	56.73	45.21	45.76	58.22
Basic metals	57.05	59.81	57.29	58.08	68.49	53.88
Metal products	62.79	60.83	52.62	60.87	57.25	53.20
Non-electric machinery	66.39	46.06	55.05	58.86	64.34	53.55
Electronics-related machinery	58.97	47.87	52.20	56.62	50.97	49.33
Motor vehicles	63.28	78.74	56.01	59.88	-	54.93
Other transportation machinery	60.74	57.95	52.80	63.36	62.04	53.44
Furniture	60.71	63.73	62.42	55.56	57.25	47.94

Notes and Sources: see Table 1.

Table 5: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors; 17 sample industries combined

Independent	Production workers		Non-production workers	
variable, indicator	1996	2006	1996	2006
Equation (1)				
LEE	0.0567 a	0.0481 a	0.0969 a	0.0807 a
LME	0.0348 a	0.0294 a	0.0265 a	0.0371 a
LO	0.0841 a	0.0764 a	0.1410 a	0.1073 a
S5	0.0101 a	0.0068 a	0.0079 a	0.0085 a
S4	0.0015 a	0.0035 a	0.0035 a	0.0062 a
S3	0.0005 a	0.0027 a	0.0020 a	0.0053 a
S1	-0.0006 a	0.0009 b	-0.0006	-0.0004
SF	-0.0028 a	-0.0023 a	-0.0019 a	-0.0017 a
DS	0.1916 a	0.1653 a	0.0625 c	0.1255 a
DF	0.2586 a	0.0348 b	0.3364 a	0.1464 a
Observations	17,376	20,451	14,264	16,600
R^2	0.44	0.41	0.42	0.34
Equation (2)				
LEE	0.0567 a	0.0481 a	0.0969 a	0.0779 a
LME	0.0348 a	0.0295 a	0.0265 a	0.0371 a
LO	0.0838 a	0.0764 a	0.1409 a	0.1090 a
S5	0.0101 a	0.0068 a	0.0079 a	0.0089 a
S4	0.0015 a	0.0035 a	0.0035 a	0.0064 a
S3	0.0005 a	0.0027 a	0.0020 a	0.0053 a
S1	-0.0006 a	0.0009 b	-0.0006	-0.0006
SF	-0.0028 a	-0.0023 a	-0.0019 a	-0.0016 a
DS	0.1923 a	0.1651 a	0.0629 c	0.1032 b
DF1	0.3231 a	0.0865	0.3215 a	0.2363 a
DF5	0.2741 a	-0.0067	0.3633 a	0.1739 a
DF9	0.2142 a	0.0460 b	0.3053 a	0.1292 a
TestDFs	2.44 c	1.34	0.54	1.28
Observations	17,376	20,451	14,264	16,600
R^2	0.42	0.40	0.42	0.33

Note: a=signficant at the 1% level, b=significant at the 5% level, c=significant at the 10% level; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies and 91 (1996) or 102 (2006) industry dummies (see the text for definitions); full results including the constant and all dummy coefficients are available from the authors.

Table 6: OLS Estimates of MNE-Private Compensation Differentials from Equations (1) and (2); all p-values based on robust standard errors; industry-level estimates

	Production workers		Non-production workers	
Industry, variable, statistic	1996	2006	1996	2006
Equation (1)				
17 sample indusries combined	0.2586 a	0.0348 b	0.3364 a	0.1464 a
Food & beverages	0.2812 a	0.0255	0.2694 a	0.1232
Textiles	0.1648 a	0.1432 a	0.3488 a	0.2826 a
Apparel	0.0511	0.1725 a	0.1839 b	0.0135
Footwear	0.1093	-0.0698	0.1400	0.2013
Wood products	0.1244 c	-0.0304	0.4247 a	0.2493 b
Paper products	0.0582	-0.1286	0.1711	0.1147
Chemicals	0.4210 a	-0.0101	0.4491 a	0.0389
Rubber products	0.2314 a	0.0170	0.5269 a	0.4073 a
Plastic products	0.4215 a	0.1829 b	0.6451 a	0.0775
Non-metallic mineral products	0.3111 a	-0.0452	0.1537	0.4390 a
Basic metals	0.0302	0.1632 c	-0.0629	-0.0384
Metal products	0.3221 a	0.0850 c	0.3962 a	0.0981
Non-electric machinery	0.1347	0.0675	0.4137 a	0.1802 c
Electronics-related machinery	0.1730 a	-0.1480 a	0.3976 a	-0.0702
Motor vehicles	0.1376	-0.0396	0.1565	0.1234
Other transportation machinery	0.4106 a	-0.0877	0.1516	-0.1477
Furniture	0.1426 b	-0.0305	0.0272	0.2306 a
Equation (2); coefficients shown if at TestDFs was significant at 5% or better				
17 industries, TestDFs	2.44 c	1.34	0.54	1.28
Food & Beverages, Test DFs	1.49	0.83	2.46 c	0.80
Textiles, TestDFs	0.43	1.00	1.00	0.50
Apparel, TestDFs	0.27	1.51	0.97	0.27
Footwear, *DF1*	-	-	-	-
DF5	-	-0.2471 b	-	-
DF9	-	-0.0934	-	-
TestDFs	0.20	3.25 b	1.15	1.30
Wood products, *DF1*	0.3333 b	-	-0.1225	-
DF5	0.2058 c	-	0.5555 a	-
DF9	-0.1061	-	0.4934 a	-
TestDFs	5.67 a	0.32	3.74 b	0.42
Paper products, *DF1*	0.5344 a	-	-	-
DF5	0.0048	-	-	-
DF9	-0.1301	-	-	-
TestDFs	5.92 a	0.82	0.53	0.29
Chemicals, *DF1*	-	-	-	0.4312 b
DF5	-	-	-	0.1134
DF9	-	-	-	-0.0642
TestDFs	0.17	1.56	0.56	3.34 b

Table 6 (continued)

	Production workers		Non-production workers	
Industry, variable, statistic	1996	2006	1996	2006
Equation (2) continued				
Rubber products, *DF1*	-0.1099	0.0869	-0.0716	-
DF5	0.2741 b	-0.3747 c	0.6802 a	-
DF9	0.2994 a	0.2856 a	0.5024 a	-
TestDFs	2.55 c	5.28 a	6.40 a	0.24
Plastics, *DF1*	-	0.6122 b	-	0.3082
DF5	-	0.0159	-	-0.2344 c
DF9	-	0.2238 b	-	0.1897 c
TestDFs	0.42	3.05 b	1.28	3.28 b
Non-metallic mineral prod., *DF1*	0.6440 a	-	-0.3195	-
DF5	0.2254 b	-	0.3834 b	-
DF9	0.1649	-	0.0525	-
TestDFs	3.08 b	0.47	3.56 b	0.56
Basic metals, Test DFs	0.17	0.08	1.16	0.14
Metal products, TestDFs	1.64	0.49	0.85	0.33
Non-electric machinery, *DF1*	-	-	-	0.3155 c
DF5	-	-	-	0.4913 a
DF9	-	-	-	0.0390
TestDFs	0.88	0.29	0.31	3.41 b
Electronics-related mach., TestDFs	1.30	0.59	0.23	0.11
Motor vehicles, *DF1*	-	-0.3187 b	-	-
DF5	-	-0.2317	-	-
DF9	-	0.0947	-	-
TestDFs	0.53	5.84 a	0.51	0.32
Other transportation machinery	-	-0.9923 a	-	-
DF5	-	0.0282	-	-
DF9	-	-0.0767	-	-
TestDFs	0.81	10.85 a	0.05	0.03
Furniture, *DF1*	-0.0795	-	1.1484 b	-
DF5	0.1480	-	-0.2757	-
DF9	0.1577 c	-	0.0548	-
TestDFs	3.25 b	0.16	3.16 b	0.42

Notes: a=signficant at the 1% level, b=significant at the 5% level, c=significant at the 10% level; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; see Appendix Tables A6a-A6q for other slope coefficients and indicators; full results including all coefficients and equation details are available from the authors.

Appendix Table 1a: Paid workers in sample plants (thousands)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	2,959.7	275.07	720.01	133.48	345.88	240.65	2,954.5	235.80	1,067.8	101.98	299.84	665.99
17 sample industries	2,669.9	264.49	685.20	131.54	329.60	224.06	2,612.4	222.39	999.95	75.15	294.96	629.84
Food & beverages	353.74	118.67	52.19	16.67	24.70	10.82	474.45	74.15	116.42	13.83	41.07	61.53
Textiles	498.32	18.68	79.00	8.11	46.70	24.20	426.70	11.13	91.49	3.48	46.85	41.16
Apparel	282.47	3.56	86.53	17.84	25.28	43.41	331.64	15.49	153.35	14.09	13.99	125.27
Footwear	163.36	1.86	134.60	20.18	74.30	40.12	108.19	1.22	88.45	0.31	36.22	51.93
Wood products	354.85	4.61	36.59	12.40	14.84	9.35	240.37	2.05	36.16	3.20	10.65	22.31
Paper products	67.97	5.82	16.95	6.32	6.33	4.30	80.33	21.29	22.81	6.37	8.38	8.06
Chemicals	125.08	22.63	34.71	5.94	21.67	7.09	138.74	18.00	43.03	4.36	15.61	23.06
Rubber products	69.87	27.51	18.47	1.41	10.36	6.70	77.65	18.78	39.11	0.55	26.88	11.69
Plastic products	147.63	0.33	14.65	1.41	8.20	5.05	145.03	7.51	32.52	2.38	8.77	21.37
Non-metallic mineral products	137.31	11.59	20.25	11.48	8.52	0.26	112.73	12.82	35.43	12.51	14.21	8.70
Basic metals	32.47	7.25	10.37	0.89	7.24	2.24	48.55	3.05	13.30	1.89	5.08	6.34
Metal products	116.62	2.57	39.41	9.82	22.91	6.69	75.11	4.07	29.46	2.79	7.47	19.20
Non-electric machinery	26.28	8.25	8.94	0.83	6.20	1.91	48.92	4.67	51.65	0.40	12.04	39.20
Electronics-related machinery	83.34	3.30	91.50	3.23	35.20	53.07	76.69	3.26	152.52	3.39	12.86	136.27
Motor vehicles	42.65	0.29	17.58	9.64	7.09	0.84	38.27	-	46.34	4.28	17.58	24.48
Other transportation machinery	29.24	27.10	13.66	4.92	5.58	3.17	30.47	17.15	23.48	0.58	15.03	7.88
Furniture	138.71	0.47	9.80	0.44	4.52	4.85	158.52	7.75	24.44	0.76	2.28	21.39
5 excluded industries	289.79	10.58	34.81	1.94	16.27	16.59	342.11	13.42	67.85	26.82	4.88	36.15
Tobacco	168.08	1.24	2.82	-	0.68	2.14	205.24	5.94	29.98	26.00	0.12	3.86
Leather	20.91	0.58	3.66	0.29	2.00	1.37	15.58	0.12	8.90	0.25	0.79	7.86
Printing & publishing	57.74	8.27	3.05	0.59	2.46	-	56.44	4.65	1.13	0.54	0.42	0.17
Oil & coal products	1.60	0.41	0.57	0.09	-	0.48	5.00	0.28	0.49	0.04	0.03	0.43
Miscellaneous manufacturing	41.47	0.08	24.71	0.97	11.14	12.60	59.86	2.43	27.35	-	3.52	23.83

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 1b: Paid production workers in sample plants (thousands)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	2,494.4	165.06	610.23	105.84	290.33	214.07	2,482.4	176.19	900.40	77.17	247.64	575.59
17 sample industries	2,245.2	157.85	579.59	104.20	276.51	198.88	2,178.4	165.10	847.74	61.47	243.45	542.82
Food & beverages	277.50	65.73	37.93	13.04	17.90	6.99	372.30	51.97	96.41	10.84	34.80	50.77
Textiles	427.07	15.12	68.85	7.04	39.59	22.23	374.29	9.16	80.10	3.20	40.51	36.40
Apparel	253.78	3.28	77.74	13.60	23.52	40.61	300.27	14.41	142.00	13.67	13.06	115.27
Footwear	150.54	1.67	126.26	18.50	69.99	37.77	92.62	1.06	77.74	0.24	33.59	43.90
Wood products	301.96	3.66	31.61	11.26	12.24	8.11	205.62	1.82	31.38	2.92	8.91	19.55
Paper products	52.17	2.91	13.40	4.26	5.58	3.56	63.64	16.22	14.46	4.65	4.35	5.46
Chemicals	93.07	10.90	21.34	3.64	13.16	4.55	93.97	10.21	28.08	3.30	9.74	15.04
Rubber products	54.48	15.66	14.11	0.80	7.87	5.45	61.90	15.19	33.04	0.33	22.98	9.73
Plastic products	127.71	0.25	11.84	1.04	6.45	4.35	124.19	5.99	27.50	1.93	7.09	18.48
Non-metallic mineral products	111.79	8.01	15.76	8.31	7.21	0.23	92.42	9.65	26.75	8.73	10.05	7.97
Basic metals	25.84	5.14	7.99	0.67	5.42	1.89	38.92	2.19	10.38	1.49	3.81	5.09
Metal products	97.11	1.65	33.30	8.26	19.46	5.58	61.99	2.97	25.04	2.50	6.51	16.03
Non-electric machinery	21.40	5.04	6.22	0.44	4.34	1.44	39.83	3.53	42.80	0.35	9.62	32.83
Electronics-related machinery	68.36	1.13	80.07	2.41	29.57	48.09	62.69	0.41	133.51	2.69	10.42	120.40
Motor vehicles	34.24	0.19	13.16	6.79	5.61	0.76	30.63	-	38.18	3.63	13.79	20.76
Other transportation machinery	24.40	17.14	11.37	3.76	4.61	3.00	25.20	13.08	18.90	0.38	12.17	6.35
Furniture	123.78	0.38	8.66	0.39	3.99	4.28	137.92	7.25	21.49	0.64	2.05	18.80
5 excluded industries	249.21	7.21	30.65	1.64	13.82	15.19	303.96	11.09	52.66	15.70	4.19	32.77
Tobacco	147.87	1.16	2.20	-	0.50	1.70	191.09	5.68	18.51	15.00	0.09	3.42
Leather	18.32	0.52	3.40	0.26	1.85	1.30	13.40	0.09	8.14	0.22	0.66	7.27
Printing & publishing	44.67	5.30	2.37	0.54	1.83	-	43.41	3.20	0.93	0.46	0.32	0.14
Oil & coal products	1.19	0.17	0.48	0.05	-	0.44	3.73	0.12	0.27	0.02	0.02	0.24
Miscellaneous manufacturing	37.16	0.07	22.19	0.79	9.64	11.76	52.32	2.00	24.81	-	3.11	21.70

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 1c: Paid non-production workers in sample plants (thousands)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	465.29	110.01	109.77	27.64	55.55	26.59	472.11	59.61	167.41	24.81	52.20	90.41
17 sample industries	424.70	106.64	105.61	27.33	53.09	25.18	433.95	57.29	152.21	13.68	51.51	87.02
Food & beverages	76.24	52.94	14.26	3.63	6.80	3.83	102.15	22.18	20.01	2.99	6.27	10.75
Textiles	71.25	3.57	10.16	1.07	7.11	1.98	52.41	1.96	11.40	0.28	6.35	4.77
Apparel	28.69	0.29	8.79	4.24	1.76	2.80	31.37	1.08	11.35	0.42	0.92	10.01
Footwear	12.82	0.19	8.33	1.67	4.31	2.35	15.57	0.16	10.71	0.07	2.62	8.03
Wood products	52.89	0.95	4.98	1.14	2.60	1.24	34.75	0.23	4.78	0.28	1.74	2.76
Paper products	15.80	2.92	3.55	2.07	0.75	0.74	16.69	5.07	8.35	1.73	4.03	2.60
Chemicals	32.02	11.72	13.37	2.31	8.51	2.55	44.77	7.79	14.95	1.05	5.87	8.02
Rubber products	15.39	11.86	4.36	0.62	2.49	1.26	15.74	3.59	6.07	0.21	3.90	1.96
Plastic products	19.92	0.08	2.81	0.37	1.74	0.70	20.84	1.52	5.02	0.45	1.68	2.88
Non-metallic mineral products	25.52	3.58	4.49	3.17	1.30	0.03	20.31	3.17	8.68	3.78	4.16	0.74
Basic metals	6.63	2.11	2.39	0.23	1.82	0.34	9.63	0.87	2.92	0.40	1.27	1.26
Metal products	19.51	0.93	6.12	1.56	3.44	1.11	13.12	1.11	4.42	0.29	0.96	3.17
Non-electric machinery	4.88	3.21	2.72	0.38	1.87	0.47	9.09	1.14	8.85	0.05	2.42	6.37
Electronics-related machinery	14.98	2.16	11.43	0.82	5.63	4.98	14.00	2.85	19.02	0.70	2.45	15.87
Motor vehicles	8.41	0.09	4.42	2.86	1.48	0.09	7.64	-	8.16	0.65	3.79	3.72
Other transportation machinery	4.84	9.97	2.30	1.16	0.97	0.17	5.28	4.07	4.58	0.20	2.85	1.53
Furniture	14.93	0.08	1.14	0.05	0.52	0.57	20.60	0.50	2.95	0.13	0.23	2.60
5 excluded industries	40.59	3.37	4.16	0.31	2.46	1.40	38.16	2.32	15.20	11.13	0.69	3.38
Tobacco	20.21	0.08	0.62	-	0.17	0.45	14.15	0.27	11.48	11.00	0.03	0.44
Leather	2.59	0.06	0.26	0.03	0.15	0.08	2.18	0.03	0.76	0.03	0.13	0.59
Printing & publishing	13.06	2.98	0.68	0.05	0.63	-	13.03	1.44	0.20	0.07	0.10	0.03
Oil & coal products	0.41	0.24	0.08	0.04	-	0.04	1.27	0.15	0.22	0.02	0.01	0.19
Miscellaneous manufacturing	4.32	0.01	2.53	0.19	1.50	0.84	7.54	0.43	2.54	-	0.41	2.13

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 1d: Total (paid and non-paid) workers in sample plants (thousands)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	2,972.3	275.14	720.12	133.49	345.94	240.69	2,966.0	235.98	1,067.9	101.98	299.85	666.05
17 sample industries	2,681.6	264.55	685.30	131.55	329.66	224.10	2,622.8	222.44	1,000.0	75.16	294.96	629.90
Food & beverages	357.35	118.70	52.25	16.68	24.75	10.83	478.21	74.18	116.43	13.83	41.07	61.54
Textiles	499.59	18.69	79.02	8.11	46.70	24.21	427.92	11.13	91.50	3.48	46.85	41.16
Apparel	284.08	3.57	86.53	17.84	25.28	43.41	333.67	15.49	153.36	14.09	13.99	125.29
Footwear	163.55	1.86	134.60	20.18	74.30	40.12	108.37	1.22	88.45	0.31	36.22	51.93
Wood products	355.64	4.61	36.59	12.40	14.84	9.35	240.92	2.05	36.16	3.20	10.65	22.32
Paper products	68.05	5.82	16.95	6.32	6.33	4.30	80.42	21.29	22.81	6.37	8.38	8.06
Chemicals	125.38	22.63	34.71	5.95	21.67	7.10	138.94	18.00	43.03	4.36	15.61	23.07
Rubber products	69.96	27.51	18.47	1.41	10.36	6.70	77.69	18.78	39.11	0.55	26.88	11.69
Plastic products	148.09	0.33	14.65	1.41	8.20	5.05	145.23	7.52	32.52	2.38	8.77	21.37
Non-metallic mineral products	138.64	11.59	20.25	11.48	8.52	0.26	113.33	12.82	35.43	12.52	14.21	8.70
Basic metals	32.50	7.25	10.37	0.89	7.24	2.24	48.58	3.05	13.30	1.89	5.08	6.34
Metal products	117.17	2.58	39.42	9.82	22.91	6.69	75.39	4.07	29.46	2.79	7.48	19.20
Non-electric machinery	26.47	8.25	8.94	0.83	6.20	1.91	48.97	4.67	51.65	0.40	12.04	39.20
Electronics-related machinery	83.45	3.30	91.50	3.23	35.20	53.07	76.73	3.26	152.53	3.39	12.86	136.28
Motor vehicles	42.73	0.29	17.58	9.64	7.09	0.84	38.32	-	46.34	4.28	17.58	24.48
Other transportation machinery	29.40	27.10	13.66	4.92	5.58	3.17	30.53	17.17	23.48	0.58	15.03	7.88
Furniture	139.59	0.47	9.81	0.44	4.52	4.85	159.58	7.75	24.45	0.76	2.28	21.41
5 excluded industries	290.71	10.59	34.82	1.94	16.28	16.59	343.20	13.54	67.86	26.82	4.89	36.15
Tobacco	168.26	1.24	2.82	-	0.68	2.14	205.62	5.95	29.98	26.00	0.12	3.86
Leather	21.09	0.58	3.66	0.29	2.00	1.38	15.67	0.12	8.90	0.25	0.79	7.86
Printing & publishing	58.01	8.27	3.05	0.59	2.46	-	56.61	4.65	1.13	0.54	0.42	0.17
Oil & coal products	1.61	0.41	0.57	0.09	-	0.48	5.00	0.28	0.49	0.04	0.03	0.43
Miscellaneous manufacturing	41.74	0.08	24.72	0.97	11.15	12.60	60.30	2.54	27.35	-	3.52	23.83

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 1e: Output in sample plants (billion rupiah)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	155,413	21,599	65,980	12,801	36,970	16,210	740,353	83,243	459,562	43,170	156,309	260,083
17 sample industries	138,097	20,352	64,023	12,668	35,801	15,554	659,138	80,401	437,607	29,231	155,518	252,858
Food & beverages	24,213	3,388	5,957	1,010	3,664	1,284	167,402	18,796	74,954	3,584	20,047	51,323
Textiles	21,823	695	5,636	684	4,007	945	68,256	1,400	32,869	550	13,715	18,604
Apparel	5,892	67	2,328	556	714	1,058	27,233	1,299	16,036	1,384	1,335	13,317
Footwear	3,349	36	3,234	409	1,801	1,024	9,697	66	10,936	22	7,279	3,635
Wood products	14,162	126	1,867	724	913	230	31,009	118	6,748	1,031	2,393	3,324
Paper products	6,003	437	2,949	876	836	1,237	40,453	9,650	21,808	3,361	12,799	5,648
Chemicals	10,951	3,187	8,679	793	6,635	1,251	76,128	21,977	49,293	1,832	17,357	30,104
Rubber products	5,839	481	2,119	93	1,585	441	41,908	2,843	19,013	840	11,001	7,171
Plastic products	5,671	8	1,039	155	606	278	25,225	1,404	8,573	421	3,216	4,936
Non-metallic mineral products	5,390	1,150	2,224	1,675	544	4	17,303	10,488	11,564	3,777	5,589	2,198
Basic metals	5,290	7,845	3,904	235	3,513	156	66,470	2,675	12,614	3,525	5,448	3,641
Metal products	5,546	189	4,277	869	2,897	511	16,948	2,420	12,765	695	4,056	8,014
Non-electric machinery	1,751	181	1,857	94	1,574	189	10,557	582	13,185	94	3,416	9,675
Electronics-related machinery	7,750	655	10,627	352	3,621	6,653	22,979	275	59,683	2,739	4,896	52,048
Motor vehicles	3,852	8	5,258	3,220	1,972	65	13,043	-	56,742	4,427	18,336	33,979
Other transportation machinery	8,427	1,891	1,736	911	727	98	11,706	5,934	28,592	796	24,435	3,361
Furniture	2,186	7	332	10	192	129	12,819	475	2,233	153	200	1,879
5 excluded industries	17,316	1,247	1,957	133	1,168	656	81,214	2,842	21,955	13,939	791	7,224
Tobacco	13,562	7	723	-	563	160	55,209	202	14,339	13,735	302	302
Leather	600	30	166	5	142	19	1,502	8	907	30	66	810
Printing & publishing	2,207	1,065	272	29	242	-	10,746	1,872	229	168	52	9
Oil & coal products	97	144	33	12	-	22	6,803	57	1,031	6	11	1,013
Miscellaneous manufacturing	850	1	763	87	220	456	6,954	703	5,450	-	360	5,090

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 1f: Expenditures on raw materials and parts in sample plants (billion rupiah)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	85,248	6,580	32,329	4,919	18,633	8,777	382,874	34,524	221,540	17,166	72,671	131,703
17 sample industries	78,642	6,268	31,701	4,857	18,303	8,541	360,812	33,617	214,150	13,559	72,319	128,272
Food & beverages	15,778	1,829	3,148	528	2,076	544	108,204	11,388	39,833	1,859	6,377	31,596
Textiles	12,192	417	2,618	264	1,886	467	33,644	641	17,736	299	5,862	11,575
Apparel	3,289	47	1,112	240	369	503	12,213	468	6,887	846	329	5,712
Footwear	1,541	24	1,689	219	933	537	4,184	15	4,673	16	3,398	1,260
Wood products	7,664	81	965	434	393	138	15,922	42	4,162	734	1,434	1,995
Paper products	3,195	248	1,382	487	501	393	12,607	5,695	10,736	2,582	5,547	2,608
Chemicals	5,809	1,278	3,569	362	2,686	521	36,937	6,518	26,629	1,056	10,701	14,872
Rubber products	4,569	250	1,384	78	966	340	28,814	1,315	14,019	733	7,492	5,794
Plastic products	3,574	4	640	74	405	161	13,053	794	4,583	209	2,228	2,146
Non-metallic mineral products	1,874	255	372	215	156	2	5,445	1,397	2,385	620	995	769
Basic metals	3,524	1,321	1,211	136	988	88	46,838	1,334	6,502	793	3,471	2,238
Metal products	2,979	88	2,011	204	1,507	301	8,642	1,333	6,835	398	2,097	4,340
Non-electric machinery	904	86	1,206	49	1,064	94	5,553	246	6,550	16	1,508	5,025
Electronics-related machinery	3,538	66	6,845	221	2,308	4,316	12,146	137	34,394	1,690	1,932	30,772
Motor vehicles	2,168	6	2,390	872	1,471	47	5,686	-	10,987	1,154	4,516	5,317
Other transportation machinery	4,931	266	994	470	505	19	4,903	2,018	16,140	478	14,319	1,342
Furniture	1,113	3	163	5	89	69	6,019	276	1,100	77	112	912
5 excluded industries	6,605	311	628	61	330	237	22,062	906	7,389	3,607	352	3,431
Tobacco	4,655	3	181	-	125	56	12,605	95	3,642	3,488	100	54
Leather	350	26	88	2	79	8	790	1	463	15	25	423
Printing & publishing	1,093	259	35	13	22	-	4,264	480	124	100	21	4
Oil & coal products	42	23	10	7	-	3	1,125	12	784	4	6	774
Miscellaneous manufacturing	466	1	314	40	104	170	3,279	318	2,377	-	201	2,176

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 1g: Expenditures on energy (fuels and electricity) in sample plants (billion rupiah)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	4,875	853	1,577	415	861	301	35,616	4,982	16,224	3,357	6,364	6,502
17 sample industries	4,774	837	1,556	412	849	295	34,318	4,899	16,086	3,350	6,345	6,392
Food & beverages	544	99	158	22	101	35	5,390	583	1,668	223	638	807
Textiles	1,200	55	265	38	180	47	5,872	90	1,847	56	948	843
Apparel	56	0	19	3	7	9	1,380	65	491	10	30	452
Footwear	46	1	31	6	16	9	220	1	142	0	61	81
Wood products	430	3	41	16	19	6	1,263	6	252	27	67	159
Paper products	383	54	194	42	88	64	3,109	532	1,555	322	1,073	160
Chemicals	300	161	171	12	134	26	5,192	244	1,880	130	567	1,182
Rubber products	111	12	39	2	27	10	954	161	414	10	263	141
Plastic products	211	0	26	2	13	10	1,235	60	300	17	59	224
Non-metallic mineral products	817	198	259	217	42	0	2,568	2,574	2,239	538	1,468	233
Basic metals	273	158	111	3	102	6	3,625	204	487	56	241	191
Metal products	130	1	66	17	38	11	541	52	426	18	118	290
Non-electric machinery	27	4	19	1	11	8	468	5	438	1	134	303
Electronics-related machinery	94	60	102	4	51	47	540	1	1,068	11	225	833
Motor vehicles	46	1	33	20	11	2	361	-	2,466	1,928	260	278
Other transportation machinery	53	30	16	7	6	3	1,261	316	365	2	187	176
Furniture	53	0	7	0	5	2	338	7	47	2	5	40
5 excluded industries	101	15	21	3	11	7	1,298	83	138	7	20	111
Tobacco	35	0	2	-	1	1	556	0	19	5	1	13
Leather	10	0	3	0	2	0	40	0	37	0	4	33
Printing & publishing	37	13	5	0	4	-	270	23	3	1	1	1
Oil & coal products	7	1	3	1	-	2	315	19	20	1	0	20
Miscellaneous manufacturing	12	0	8	1	3	3	117	40	58	-	14	45

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 1h: Value added in sample plants (billion rupiah)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	54,506	12,681	25,865	6,427	13,609	5,829	278,480	37,018	196,659	20,404	69,774	106,481
17 sample industries	44,835	11,904	24,717	6,374	12,844	5,498	225,145	35,425	183,356	10,946	69,385	103,025
Food & beverages	5,567	1,260	1,876	362	957	557	44,920	6,236	30,335	1,275	11,937	17,123
Textiles	7,231	198	2,156	304	1,501	351	25,896	592	10,877	115	5,579	5,184
Apparel	2,187	15	1,041	285	285	471	11,531	585	6,835	465	920	5,450
Footwear	1,578	4	1,152	139	643	371	4,609	47	4,671	6	2,797	1,868
Wood products	5,131	38	687	206	421	60	12,495	56	1,974	232	785	957
Paper products	1,966	87	1,079	256	145	678	18,939	3,281	8,485	440	5,700	2,345
Chemicals	3,344	1,477	3,607	341	2,714	552	27,671	13,300	17,239	524	5,040	11,676
Rubber products	966	195	563	10	478	74	10,686	1,317	3,971	82	2,816	1,073
Plastic products	1,553	3	284	62	145	76	10,090	496	3,148	167	832	2,150
Non-metallic mineral products	1,997	443	1,284	1,033	249	2	7,935	4,630	6,225	2,153	3,001	1,071
Basic metals	1,353	6,090	2,408	85	2,282	41	14,222	801	5,081	2,577	1,545	959
Metal products	2,014	84	1,836	605	1,059	172	6,764	983	4,753	221	1,670	2,862
Non-electric machinery	734	77	537	31	437	70	3,291	316	5,391	37	1,643	3,711
Electronics-related machinery	3,608	479	2,954	97	952	1,905	9,346	112	21,940	998	2,601	18,341
Motor vehicles	1,462	1	2,542	2,160	368	15	6,137	-	40,225	1,308	12,776	26,140
Other transportation machinery	3,294	1,448	581	395	131	55	4,804	2,494	11,272	295	9,673	1,305
Furniture	849	3	129	4	77	49	5,808	178	934	52	71	811
5 excluded industries	9,671	778	1,148	52	764	331	53,335	1,593	13,303	9,458	389	3,457
Tobacco	8,298	4	479	-	415	64	39,219	105	9,764	9,405	201	159
Leather	216	2	69	3	55	10	596	6	384	11	35	338
Printing & publishing	809	651	217	15	202	-	5,222	1,166	72	41	28	4
Oil & coal products	42	120	15	1	-	13	5,041	20	212	2	5	206
Miscellaneous manufacturing	306	0	368	33	92	243	3,256	296	2,871	-	120	2,751

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 1i: Number of sample plants

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	17,745	532	1,229	165	601	463	21,211	621	1,990	121	483	1,386
17 sample industries	16,334	487	1,156	157	565	434	19,019	565	1,893	116	463	1,314
Food & beverages	3,733	225	139	24	69	46	4,927	201	245	20	75	150
Textiles	1,675	33	108	11	52	45	1,921	40	137	5	45	87
Apparel	1,831	6	107	10	35	62	2,383	33	139	7	15	117
Footwear	341	2	48	5	27	16	468	6	38	1	11	26
Wood products	1,514	22	56	9	28	19	1,364	17	74	3	18	53
Paper products	311	5	21	3	12	6	426	15	45	6	8	31
Chemicals	782	42	156	24	95	37	859	40	195	16	65	114
Rubber products	320	60	39	5	20	14	363	51	48	2	20	26
Plastic products	942	5	49	4	20	25	1,086	47	112	5	26	81
Non-metallic mineral products	1,490	33	39	10	22	7	1,172	31	64	8	27	29
Basic metals	139	5	32	4	15	13	211	4	57	6	18	33
Metal products	888	13	85	11	48	26	802	22	133	10	29	94
Non-electric machinery	275	9	43	9	25	9	314	10	132	5	36	91
Electronics-related machinery	398	4	144	11	60	73	321	5	230	7	29	194
Motor vehicles	237	2	30	9	17	4	242	-	82	9	20	53
Other transportation machinery	282	15	19	6	9	4	282	24	47	2	11	34
Furniture	1,176	6	41	2	11	28	1,878	19	115	4	10	101
5 excluded industries	1,411	45	73	8	36	29	2,192	56	97	5	20	72
Tobacco	256	5	7	1	2	5	479	5	9	1	1	7
Leather	200	6	8	3	4	3	187	2	22	1	5	16
Printing & publishing	590	32	8	2	5	-	789	31	8	2	3	3
Oil & coal products	30	1	4	2	-	2	55	6	9	1	1	7
Miscellaneous manufacturing	335	1	46	-	25	19	682	12	49	-	10	39

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 2a: Total compensation per paid, production worker in sample plants (thousand rupiah)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	2,075	4,039	4,928	5,861	5,378	4,014	11,146	18,127	18,546	21,753	19,338	17,990
17 sample industries	2,075	4,072	5,054	5,982	5,527	4,104	11,137	18,011	18,770	21,898	19,434	18,261
Food & beverages	1,742	3,864	4,429	4,477	4,896	3,701	9,515	17,852	18,394	21,135	18,415	18,018
Textiles	1,931	2,223	3,317	3,381	3,837	2,699	9,462	11,518	14,708	12,885	13,983	15,187
Apparel	1,937	1,656	2,722	2,521	3,024	2,584	9,657	11,030	14,033	13,362	12,708	14,243
Footwear	2,071	2,366	2,899	3,089	2,767	3,063	10,988	12,537	13,640	81,918	11,735	11,820
Wood products	2,002	2,279	3,360	4,191	3,856	2,237	11,325	22,858	14,198	20,435	14,863	13,620
Paper products	2,761	6,682	5,724	8,939	3,834	7,898	16,824	22,651	24,250	16,173	40,267	21,680
Chemicals	3,017	6,901	9,795	8,435	10,623	8,552	17,114	23,219	26,806	31,012	26,145	26,592
Rubber products	2,206	3,350	3,616	2,139	4,409	3,010	12,359	14,672	15,350	18,999	11,325	18,166
Plastic products	2,023	3,422	4,479	4,057	4,581	4,465	12,465	15,238	18,898	29,138	14,203	19,773
Non-metallic mineral products	1,813	4,749	6,286	12,229	4,926	2,072	9,439	19,718	19,401	32,586	18,295	16,794
Basic metals	3,461	10,073	4,912	7,613	5,672	3,204	26,754	42,884	30,640	34,475	34,172	28,017
Metal products	2,533	3,895	5,965	7,555	6,416	4,459	13,647	14,936	20,159	21,160	20,867	19,834
Non-electric machinery	2,754	4,589	5,508	6,567	5,435	4,769	14,385	42,251	18,532	12,535	19,746	18,382
Electronics-related machinery	2,770	8,430	4,799	5,395	4,005	5,361	16,606	26,891	19,409	17,466	20,493	19,317
Motor vehicles	3,121	7,134	5,825	7,266	5,416	4,320	14,607	-	18,691	12,421	18,326	19,893
Other transportation machinery	2,534	4,980	6,881	6,120	6,820	8,158	17,221	27,973	22,423	8,799	25,267	22,304
Furniture	1,947	2,036	2,412	2,081	2,795	2,285	9,256	11,912	10,027	11,471	11,842	9,790

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 2b: Total compensation per paid, non-production worker in sample plants (thousand rupiah)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	4,384	4,884	12,888	12,237	14,129	11,460	20,186	26,254	36,754	43,280	38,336	35,613
17 sample industries	4,380	4,768	13,189	12,709	14,472	11,633	20,272	26,559	37,267	43,945	38,836	36,103
Food & beverages	3,186	4,023	10,346	8,205	12,508	8,172	15,363	20,443	31,695	39,179	32,312	30,336
Textiles	5,295	6,027	12,927	7,705	16,702	9,633	16,966	16,868	34,882	69,777	34,215	33,065
Apparel	4,138	3,044	11,925	9,106	13,411	11,559	17,506	29,500	26,527	29,642	33,339	25,466
Footwear	4,333	7,266	7,869	4,811	7,869	8,826	17,493	24,983	34,189	10,035	34,345	35,093
Wood products	3,614	3,443	11,014	6,868	13,901	8,875	26,402	34,869	36,191	30,581	32,545	37,685
Paper products	5,400	6,452	8,956	11,389	7,667	10,102	30,270	38,694	38,852	35,717	47,056	37,186
Chemicals	6,820	6,620	20,318	21,934	20,352	19,181	30,645	42,771	44,691	58,360	49,379	39,975
Rubber products	4,029	4,680	10,481	2,832	12,960	9,106	20,637	31,067	39,370	25,289	40,193	39,858
Plastic products	4,305	2,869	12,202	10,575	10,328	14,115	25,232	28,603	33,456	47,216	22,567	36,203
Non-metallic mineral products	3,772	5,714	9,669	9,342	11,574	3,232	16,026	28,807	41,912	47,814	38,904	43,328
Basic metals	8,594	8,581	8,754	15,485	8,172	7,311	51,444	75,178	44,868	55,044	45,987	42,321
Metal products	5,491	3,412	17,463	15,653	21,481	10,545	24,708	27,007	41,054	42,281	43,669	40,182
Non-electric machinery	4,659	5,498	12,585	20,107	10,746	10,170	25,242	16,262	39,352	31,948	46,189	37,203
Electronics-related machinery	7,148	13,523	14,784	12,903	13,162	16,599	31,600	11,470	43,045	34,165	36,873	44,357
Motor vehicles	5,830	4,542	15,803	15,732	14,484	21,568	27,794	-	47,811	50,161	46,649	47,854
Other transportation machinery	4,176	6,107	11,207	12,149	11,520	8,382	25,874	28,708	34,228	41,505	36,918	32,849
Furniture	4,047	2,553	6,481	22,482	5,449	5,744	14,726	20,885	24,151	30,030	35,079	22,738

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 3a: Shares of paid, production workers with tertiary education in sample plants (percent)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	1.02	2.41	3.66	4.56	3.69	3.29	2.05	3.57	4.53	6.32	4.43	4.41
17 sample industries	0.95	2.31	3.74	4.11	3.87	3.43	1.67	3.26	4.61	6.48	4.55	4.46
Food & beverages	0.79	1.98	3.04	2.45	2.60	4.03	1.51	3.05	5.27	7.85	5.26	4.94
Textiles	0.64	0.84	1.83	1.58	1.96	1.74	0.95	1.24	2.23	2.79	2.46	2.08
Apparel	0.45	0.69	2.18	0.47	1.35	2.92	0.66	0.59	1.71	1.52	1.20	1.78
Footwear	0.71	1.01	1.46	0.56	2.08	0.69	1.02	1.15	2.26	0.00	1.35	2.73
Wood products	0.59	0.33	1.91	0.66	2.27	1.96	1.34	2.04	3.84	11.87	5.76	2.73
Paper products	1.30	2.92	6.72	8.00	1.56	16.39	2.75	4.17	6.22	6.52	14.56	4.02
Chemicals	2.65	4.84	9.30	8.11	10.28	7.57	5.60	8.14	10.86	8.81	10.11	11.58
Rubber products	0.98	0.92	0.89	0.11	1.70	0.01	2.05	1.38	1.24	1.20	1.72	0.88
Plastic products	0.91	1.22	3.73	2.53	2.72	4.73	1.27	1.64	2.68	5.41	1.28	2.97
Non-metallic mineral products	0.71	2.23	2.40	3.60	2.23	1.22	1.19	4.02	4.73	7.39	2.98	5.63
Basic metals	2.34	5.48	2.85	1.85	3.59	2.29	4.58	7.49	5.08	7.37	5.47	4.46
Metal products	1.32	3.35	2.48	2.70	2.60	2.18	2.49	3.05	4.43	11.44	2.23	4.37
Non-electric machinery	2.23	1.56	3.62	5.90	3.28	2.53	3.79	7.01	3.80	3.46	2.66	4.27
Electronics-related machinery	2.76	14.69	4.41	2.42	4.15	4.92	4.61	1.12	6.11	6.68	5.96	6.11
Motor vehicles	1.76	0.00	6.39	15.96	2.48	1.49	2.93	-	3.20	3.20	4.37	2.76
Other transportation machinery	1.81	9.26	3.90	5.17	4.57	0.48	3.20	11.31	3.92	6.35	1.24	4.64
Furniture	0.54	0.60	0.69	0.70	1.11	0.53	1.01	0.62	1.94	0.48	0.89	2.10

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 3b: Shares of paid, non-production workers with tertiary education in sample plants (percent)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	12.19	10.32	26.18	24.69	26.15	26.79	18.26	19.40	35.64	37.17	32.39	36.64
17 sample industries	11.85	9.61	26.19	24.66	26.34	26.57	17.74	18.45	35.99	37.73	32.94	36.91
Food & beverages	7.38	6.50	20.65	16.66	21.92	20.89	11.51	12.13	25.70	37.74	23.14	25.28
Textiles	11.00	10.46	21.18	14.11	22.24	21.75	16.59	17.10	36.62	43.30	37.92	35.56
Apparel	12.30	5.73	25.95	33.63	25.86	24.74	11.88	17.83	29.28	38.63	27.03	28.93
Footwear	13.44	15.91	21.95	24.66	25.95	14.35	20.40	32.59	37.32	29.23	47.66	33.51
Wood products	10.22	9.59	19.54	23.19	18.12	19.81	15.81	28.65	26.87	42.75	18.96	28.97
Paper products	16.49	27.87	20.73	13.54	16.23	32.59	23.89	23.84	36.66	34.17	21.38	41.15
Chemicals	17.49	15.10	31.76	30.50	30.72	35.19	29.73	26.74	40.14	28.69	39.21	42.34
Rubber products	10.04	5.20	11.88	19.83	12.60	8.11	18.05	11.54	20.20	10.56	18.46	22.46
Plastic products	13.18	14.57	25.91	20.69	24.47	28.07	21.67	18.16	39.10	28.60	34.83	41.20
Non-metallic mineral products	8.79	13.59	21.10	17.89	26.80	5.56	15.20	21.56	28.16	22.37	28.65	29.54
Basic metals	22.05	27.15	21.31	25.86	18.31	23.15	30.96	22.25	35.05	51.87	32.26	33.23
Metal products	16.43	9.33	32.23	22.70	34.69	31.70	23.35	31.34	38.06	54.47	35.01	37.01
Non-electric machinery	16.82	21.85	34.80	37.42	31.64	40.93	30.62	24.04	38.77	44.85	35.76	39.59
Electronics-related machinery	22.52	33.40	34.24	38.79	30.28	37.25	31.92	44.83	45.07	47.52	49.29	44.31
Motor vehicles	18.57	0.00	32.31	29.13	34.89	28.54	30.22	-	39.18	43.56	33.62	40.49
Other transportation machinery	14.53	19.04	27.23	16.67	34.10	27.70	23.75	26.94	42.02	39.08	23.15	48.68
Furniture	12.80	15.36	21.45	22.50	14.81	23.98	20.81	18.85	41.73	25.40	49.80	41.57

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 4a: Shares of paid, production workers with secondary education in sample plants (percent)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	23.37	33.49	54.53	52.13	55.76	53.78	37.42	48.96	66.72	67.19	65.43	67.13
17 sample industries	22.85	32.03	55.12	52.94	56.45	54.16	37.35	48.55	67.11	68.60	65.71	67.47
Food & beverages	14.44	28.14	43.30	44.13	42.90	43.46	26.06	41.86	56.78	62.53	56.15	56.33
Textiles	22.15	24.59	41.37	41.74	48.30	33.27	35.71	53.44	63.02	62.36	63.58	62.77
Apparel	17.49	39.77	42.70	34.29	47.18	41.53	29.60	46.28	46.65	62.14	49.22	45.40
Footwear	24.22	62.65	46.64	42.23	46.34	48.52	37.48	45.09	58.78	76.86	65.56	55.21
Wood products	26.60	32.86	46.50	47.71	45.52	47.36	37.01	51.00	57.56	67.04	51.99	58.92
Paper products	35.77	62.77	54.08	59.52	49.38	60.78	56.77	56.77	74.29	83.39	62.85	75.49
Chemicals	33.00	45.17	55.98	51.47	57.03	56.23	51.01	53.35	62.87	63.55	61.28	63.69
Rubber products	23.99	17.15	23.21	28.36	23.80	20.53	44.77	35.02	57.20	33.51	57.82	58.54
Plastic products	24.47	38.80	64.32	57.79	62.43	66.88	51.43	61.16	75.79	89.27	69.63	76.94
Non-metallic mineral products	12.40	36.91	52.11	66.09	57.28	15.89	27.30	50.54	64.74	75.83	65.67	60.82
Basic metals	47.65	57.07	58.79	50.87	67.19	51.53	67.69	77.69	75.59	74.87	73.55	76.83
Metal products	33.32	36.74	70.36	64.12	71.96	70.05	53.02	67.53	73.28	63.49	70.46	75.19
Non-electric machinery	48.31	64.87	79.26	71.45	81.08	81.15	69.77	72.33	74.61	62.36	73.50	75.72
Electronics-related machinery	50.11	49.64	78.53	62.01	71.81	86.55	73.46	82.85	87.16	86.07	83.36	87.77
Motor vehicles	49.03	76.51	80.49	71.10	83.69	88.03	67.39	-	82.71	75.06	84.40	83.37
Other transportation machinery	33.63	57.19	61.89	61.53	63.67	58.39	61.63	50.97	79.59	88.22	83.75	77.74
Furniture	21.25	25.80	41.84	68.57	41.81	39.95	35.55	44.17	52.61	48.80	67.88	51.25

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 4b: Shares of paid, non-production workers who completed secondary education in sample plants (percent)

	1996						2006					
	Private			MNEs by foreign share			Private			MNEs by foreign share		
Industry	plants	SOEs	MNEs	33-49	50-89	90+	plants	SOEs	MNEs	33-49	50-89	90+
Manufacturing	56.54	44.07	53.00	54.18	52.24	53.58	55.85	53.48	52.38	48.80	54.41	51.98
17 sample industries	56.41	43.12	52.72	54.27	51.59	53.67	56.17	53.84	52.13	48.84	53.93	51.78
Food & beverages	47.47	39.00	47.89	56.91	47.31	43.77	49.52	52.47	55.65	50.19	61.74	53.39
Textiles	56.68	45.39	54.46	57.76	52.67	55.81	60.62	59.18	52.14	42.32	50.58	53.53
Apparel	60.91	74.80	55.58	57.29	55.64	55.27	65.27	57.90	53.12	38.63	54.37	53.93
Footwear	65.36	76.27	61.21	59.19	59.01	65.56	60.37	57.47	50.25	47.69	46.57	51.82
Wood products	60.17	53.81	51.98	56.78	48.17	55.12	57.88	46.57	53.62	57.25	56.58	52.45
Paper products	60.31	45.83	61.00	52.31	62.39	62.80	61.31	56.20	55.02	63.55	70.69	49.42
Chemicals	58.82	44.59	47.22	44.87	48.46	45.65	54.15	56.91	46.45	47.02	49.34	44.67
Rubber products	58.63	31.42	41.94	26.33	41.64	47.63	51.42	39.08	53.98	41.20	52.79	56.03
Plastic products	60.23	34.72	53.75	50.90	53.34	54.60	61.68	58.83	51.80	64.69	49.96	51.59
Non-metallic mineral products	48.23	51.88	56.73	66.74	52.35	56.11	45.21	45.76	58.22	65.02	55.95	58.51
Basic metals	57.05	59.81	57.29	70.09	59.05	51.47	58.08	68.49	53.88	41.20	56.78	54.85
Metal products	62.79	60.83	52.62	54.13	52.75	51.71	60.87	57.25	53.20	35.11	53.65	55.17
Non-electric machinery	66.39	46.06	55.05	50.36	57.44	53.11	58.86	64.34	53.55	42.65	54.16	53.82
Electronics-related machinery	58.97	47.87	52.20	50.92	48.29	56.06	56.62	50.97	49.33	45.04	40.94	50.81
Motor vehicles	63.28	78.74	56.01	55.09	52.86	71.47	59.88	-	54.93	49.21	60.61	53.80
Other transportation machinery	60.74	57.95	52.80	61.95	47.68	49.82	63.36	62.04	53.44	56.29	71.70	46.99
Furniture	60.71	63.73	62.42	57.50	69.87	59.84	55.56	57.25	47.94	59.40	41.53	48.14

Notes and Sources: - = no plants in the category; samples exclude plants will less than 20 employees, output per worker less than exceeding 2.5 or 12.5 million rupiah in 1996 and 2006, respectively, and value added per worker less than 1.0 or 5.0 million rupiah, respectively; see Appendix Table 7 for detailed industry definitions, which differ in important respects between 1996 and 2006; authors' compilations from BPS-Statistics (various years).

Appendix Table 5: OLS Estimates of SOE-Private and MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors; 17 sample industries combined

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0567	0.00	0.0481	0.00	0.0969	0.00	0.0807	0.00
LME	0.0348	0.00	0.0294	0.00	0.0265	0.00	0.0371	0.00
LO	0.0841	0.00	0.0764	0.00	0.1410	0.00	0.1073	0.00
S5	0.0101	0.00	0.0068	0.00	0.0079	0.00	0.0085	0.00
S4	0.0015	0.00	0.0035	0.00	0.0035	0.00	0.0062	0.00
S3	0.0005	0.00	0.0027	0.00	0.0020	0.00	0.0053	0.00
S1	-0.0006	0.00	0.0009	0.01	-0.0006	0.30	-0.0004	0.62
SF	-0.0028	0.00	-0.0023	0.00	-0.0019	0.00	-0.0017	0.00
DS	0.1916	0.00	0.1653	0.00	0.0625	0.09	0.1255	0.00
DF	0.2586	0.00	0.0348	0.04	0.3364	0.00	0.1464	0.00
Obs./R^2	17,376	0.44	20,451	0.41	14,264	0.42	16,600	0.34
No. *DI* s	91	-	102	-	91	-	102	-
Equation (2)								
LEE	0.0567	0.00	0.0481	0.00	0.0969	0.00	0.0779	0.00
LME	0.0348	0.00	0.0295	0.00	0.0265	0.00	0.0371	0.00
LO	0.0838	0.00	0.0764	0.00	0.1409	0.00	0.1090	0.00
S5	0.0101	0.00	0.0068	0.00	0.0079	0.00	0.0089	0.00
S4	0.0015	0.00	0.0035	0.00	0.0035	0.00	0.0064	0.00
S3	0.0005	0.00	0.0027	0.00	0.0020	0.00	0.0053	0.00
S1	-0.0006	0.01	0.0009	0.01	-0.0006	0.30	-0.0006	0.49
SF	-0.0028	0.00	-0.0023	0.00	-0.0019	0.00	-0.0016	0.00
DS	0.1923	0.00	0.1651	0.00	0.0629	0.09	0.1032	0.02
DF1	0.3231	0.00	0.0865	0.19	0.3215	0.00	0.2363	0.00
DF5	0.2741	0.00	-0.0067	0.84	0.3633	0.00	0.1739	0.00
DF9	0.2142	0.00	0.0460	0.02	0.3053	0.00	0.1292	0.00
TestDFs	2.44	0.09	1.34	0.26	0.54	0.58	1.28	0.28
Obs./R^2	17,376	0.42	20,451	0.40	14,264	0.42	16,600	0.33
No. *DI* s	91	-	102	-	91	-	102	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; the No. *DI* s rows give the number of industry dummies included; all estimates include 5 regional dummies; see the text for definitions of industry and region dummies; full results including the constant and all dummies are available from the authors.

Appendix Table 6a: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors; food & beverages

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0675	0.00	0.0657	0.00	0.1004	0.00	0.1089	0.00
LME	0.0232	0.03	0.0738	0.00	0.0185	0.08	0.0183	0.05
LO	0.1051	0.00	0.0773	0.00	0.1516	0.00	0.1199	0.00
S5	0.0090	0.01	0.0025	0.21	0.0080	0.00	0.0077	0.00
S4	0.0011	0.02	0.0033	0.00	0.0040	0.00	0.0048	0.00
S3	0.0004	0.29	0.0023	0.00	0.0027	0.00	0.0037	0.00
S1	-0.0009	0.02	0.0013	0.01	-0.0009	0.29	-0.0004	0.74
SF	-0.0030	0.00	-0.0027	0.00	-0.0026	0.00	-0.0021	0.00
DS	0.1743	0.00	0.2065	0.00	0.0477	0.42	0.0635	0.43
DF	0.2812	0.00	0.0255	0.58	0.2694	0.00	0.1232	0.12
Obs./R^2	4,021	0.42	5,271	0.41	3,328	0.40	4,134	0.30
No. *DI* s	20	-	15	-	20	-	15	-
Equation (2)								
LEE	0.0677	0.00	0.0656	0.00	0.1010	0.00	0.1084	0.00
LME	0.0237	0.02	0.0742	0.00	0.0189	0.08	0.0190	0.05
LO	0.1042	0.00	0.0770	0.00	0.1504	0.00	0.1195	0.00
S5	0.0091	0.01	0.0024	0.23	0.0081	0.00	0.0077	0.00
S4	0.0011	0.02	0.0033	0.00	0.0040	0.00	0.0048	0.00
S3	0.0004	0.32	0.0023	0.00	0.0027	0.00	0.0037	0.00
S1	-0.0009	0.02	0.0013	0.01	-0.0009	0.28	-0.0004	0.74
SF	-0.0030	0.00	-0.0027	0.00	-0.0026	0.00	-0.0021	0.00
DS	0.1748	0.00	0.2068	0.00	0.0489	0.41	0.0640	0.43
DF1	0.4199	0.00	0.2159	0.17	0.4726	0.00	0.3330	0.07
DF5	0.3060	0.00	0.0224	0.78	0.3257	0.00	0.1732	0.11
DF9	0.1719	0.04	0.0022	0.97	0.0683	0.65	0.0693	0.53
TestDFs	1.49	0.23	0.83	0.44	2.46	0.09	0.80	0.45
Obs./R^2	4,021	0.42	5,271	0.41	3,328	0.40	4,134	0.30
No. *DI* s	20	-	15	-	20	-	15	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6b: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors; textiles

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0481	0.00	0.0458	0.00	0.1656	0.00	0.1472	0.00
LME	0.0167	0.20	0.0357	0.01	0.0421	0.04	0.0610	0.00
LO	0.0608	0.00	0.0433	0.00	0.0846	0.00	0.0699	0.00
S5	0.0062	0.03	0.0014	0.60	0.0058	0.00	0.0079	0.00
S4	0.0004	0.50	0.0032	0.00	-0.0001	0.91	0.0051	0.00
S3	0.0005	0.26	0.0019	0.00	-0.0011	0.37	0.0039	0.00
S1	-0.0006	0.48	0.0016	0.24	-0.0035	0.12	-0.0002	0.95
SF	-0.0017	0.00	-0.0020	0.00	-0.0019	0.03	-0.0009	0.18
DS	0.0094	0.92	0.0430	0.45	0.2351	0.13	0.1716	0.06
DF	0.1648	0.00	0.1432	0.00	0.3488	0.00	0.2826	0.00
Obs./R^2	1,695	0.44	1,905	0.43	1,395	0.41	1,463	0.37
No. *DI* s	6	-	7	-	6	-	7	-
Equation (2)								
LEE	0.0477	0.00	0.0463	0.00	0.1646	0.00	0.1469	0.00
LME	0.0167	0.20	0.0354	0.01	0.0431	0.03	0.0607	0.00
LO	0.0607	0.00	0.0439	0.00	0.0838	0.00	0.0702	0.00
S5	0.0063	0.03	0.0013	0.61	0.0058	0.00	0.0079	0.00
S4	0.0003	0.51	0.0032	0.00	-0.0001	0.93	0.0051	0.00
S3	0.0006	0.24	0.0019	0.00	-0.0011	0.37	0.0039	0.00
S1	-0.0006	0.47	0.0016	0.24	-0.0034	0.12	-0.0002	0.95
SF	-0.0017	0.00	-0.0020	0.00	-0.0018	0.03	-0.0009	0.18
DS	0.0098	0.92	0.0426	0.45	0.2370	0.13	0.1718	0.06
DF1	0.1692	0.21	0.0367	0.79	0.3333	0.02	0.5338	0.04
DF5	0.2079	0.00	0.0715	0.47	0.4611	0.00	0.2549	0.09
DF9	0.1134	0.14	0.1868	0.00	0.2106	0.16	0.2798	0.00
TestDFs	0.43	0.65	1.00	0.37	1.00	0.37	0.50	0.60
Obs./R^2	1,695	0.44	1,905	0.43	1,395	0.41	1,463	0.37
No. *DI* s	6	-	7	-	6	-	7	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6c: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors; apparel

Independent variable	Paid, production workers				Paid, non-production workers			
	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0503	0.00	0.0691	0.00	0.1312	0.00	0.0928	0.00
LME	-0.0037	0.69	0.0145	0.11	-0.0173	0.28	0.0570	0.00
LO	0.0890	0.00	0.0544	0.00	0.1863	0.00	0.1344	0.00
S5	0.0032	0.53	0.0130	0.00	0.0054	0.00	0.0065	0.00
S4	0.0011	0.04	0.0033	0.00	0.0024	0.02	0.0061	0.00
S3	0.0016	0.00	0.0031	0.00	0.0006	0.62	0.0030	0.01
S1	0.0001	0.90	0.0033	0.00	0.0001	0.95	-0.0015	0.68
SF	-0.0017	0.00	-0.0016	0.00	-0.0011	0.06	-0.0026	0.00
DS	-0.1996	0.43	-0.0075	0.90	-0.1858	0.52	0.2702	0.02
DF	0.0511	0.35	0.1725	0.00	0.1839	0.04	0.0135	0.87
Obs./R^2	1,800	0.28	2,326	0.28	1,251	0.40	1,611	0.36
No. *DI* s	2	-	1	-	2	-	1	-
Equation (2)								
LEE	0.0506	0.00	0.0691	0.00	0.1317	0.00	0.0924	0.00
LME	-0.0039	0.67	0.0145	0.11	-0.0182	0.25	0.0571	0.00
LO	0.0892	0.00	0.0543	0.00	0.1869	0.00	0.1344	0.00
S5	0.0033	0.51	0.0129	0.00	0.0054	0.00	0.0065	0.00
S4	0.0010	0.04	0.0033	0.00	0.0025	0.02	0.0061	0.00
S3	0.0017	0.00	0.0031	0.00	0.0006	0.61	0.0030	0.01
S1	0.0001	0.90	0.0033	0.00	0.0001	0.95	-0.0014	0.69
SF	-0.0017	0.00	-0.0016	0.00	-0.0011	0.06	-0.0027	0.00
DS	-0.1988	0.43	-0.0077	0.90	-0.1845	0.52	0.2705	0.02
DF1	-0.0421	0.81	0.1657	0.00	-0.0751	0.76	0.0550	0.84
DF5	0.0884	0.27	0.0537	0.42	0.3057	0.04	0.1653	0.47
DF9	0.0456	0.54	0.1863	0.00	0.1575	0.18	-0.0071	0.94
TestDFs	0.27	0.76	1.51	0.22	0.97	0.38	0.27	0.76
Obs./R^2	1,800	0.28	2,326	0.34	1,251	0.40	1,611	0.36
No. *DI* s	2	-	1	-	2	-	1	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6d: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors; footwear

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	-0.0385	0.36	0.0238	0.23	0.0571	0.07	0.1012	0.00
LME	0.0748	0.05	0.0564	0.03	0.0235	0.55	0.0448	0.20
LO	0.0523	0.18	0.0668	0.00	0.1111	0.00	0.1005	0.00
S5	-0.0006	0.96	0.0029	0.31	0.0045	0.11	0.0084	0.00
S4	0.0023	0.15	0.0040	0.00	0.0025	0.26	0.0070	0.00
S3	0.0034	0.01	0.0043	0.00	-0.0009	0.73	0.0048	0.12
S1	-0.0014	0.55	0.0006	0.85	0.0010	0.73	0.0018	0.56
SF	-0.0030	0.01	-0.0005	0.60	-0.0028	0.02	-0.0002	0.89
DS	-0.1009	0.77	0.2009	0.04	0.1265	0.77	0.4091	0.06
DF	0.1093	0.33	-0.0698	0.45	0.1400	0.36	0.2013	0.17
Obs./R^2	376	0.21	492	0.23	340	0.30	390	0.32
No. *DI* s	1	-	0	-	1	-	0	-
Equation (2); 2006 samples exclude 1 minority-foreign MNE								
LEE	-0.0390	0.36	0.0248	0.19	0.0564	0.07	0.1001	0.00
LME	0.0752	0.05	0.0533	0.04	0.0229	0.55	0.0452	0.20
LO	0.0518	0.19	0.0724	0.00	0.1135	0.00	0.1003	0.00
S5	-0.0004	0.97	0.0034	0.23	0.0046	0.11	0.0084	0.00
S4	0.0023	0.15	0.0040	0.00	0.0024	0.28	0.0070	0.00
S3	0.0034	0.02	0.0044	0.00	-0.0010	0.68	0.0049	0.11
S1	-0.0014	0.55	0.0006	0.84	0.0010	0.72	0.0018	0.57
SF	-0.0030	0.01	-0.0007	0.42	-0.0029	0.02	-0.0002	0.90
DS	-0.1016	0.77	0.2032	0.04	0.1280	0.77	0.4077	0.06
DF1	0.2310	0.29	-	-	-0.3063	0.41	-	-
DF5	0.0840	0.58	-0.2471	0.01	0.1046	0.63	0.2163	0.22
DF9	0.1136	0.40	-0.0934	0.15	0.3147	0.13	0.2163	0.26
TestDFs	0.20	0.82	3.25	0.04	1.15	0.32	1.30	0.27
Obs./R^2	376	0.21	491	0.24	340	0.31	389	0.32
No. *DI* s	1	-	0	-	1	-	0	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6e: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors; wood products

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.1565	0.00	-0.0118	0.51	0.1158	0.00	0.0455	0.06
LME	0.0250	0.12	-0.0822	0.00	0.0082	0.68	-0.0695	0.00
LO	0.0888	0.00	0.1319	0.00	0.1241	0.00	0.1367	0.00
S5	0.0020	0.73	0.0062	0.05	0.0097	0.00	0.0124	0.00
S4	0.0017	0.02	0.0043	0.00	0.0063	0.00	0.0121	0.00
S3	0.0007	0.42	0.0038	0.00	0.0035	0.01	0.0129	0.00
S1	0.0010	0.34	0.0019	0.21	0.0040	0.04	0.0043	0.09
SF	-0.0030	0.00	-0.0036	0.00	-0.0021	0.01	-0.0005	0.66
DS	-0.0976	0.57	0.4358	0.00	0.1071	0.35	0.4885	0.00
DF	0.1244	0.08	-0.0304	0.72	0.4247	0.00	0.2493	0.03
Obs./R^2	1,509	0.31	1,357	0.28	1,386	0.30	1,132	0.19
No. *DI* s	5	-	4	-	5	-	4	-
Equation (2)								
LEE	0.1565	0.00	-0.0118	0.51	0.1164	0.00	0.0457	0.06
LME	0.0256	0.12	-0.0827	0.00	0.0096	0.63	-0.0706	0.00
LO	0.0876	0.00	0.1315	0.00	0.1250	0.00	0.1373	0.00
S5	0.0023	0.68	0.0061	0.05	0.0099	0.00	0.0123	0.00
S4	0.0017	0.01	0.0044	0.00	0.0064	0.00	0.0121	0.00
S3	0.0007	0.42	0.0038	0.00	0.0036	0.01	0.0129	0.00
S1	0.0010	0.34	0.0019	0.21	0.0042	0.03	0.0044	0.09
SF	-0.0030	0.00	-0.0035	0.00	-0.0021	0.01	-0.0005	0.68
DS	-0.0985	0.56	0.4350	0.00	0.1090	0.34	0.4887	0.00
DF1	0.3333	0.02	0.2243	0.50	-0.1225	0.54	0.2171	0.37
DF5	0.2058	0.06	-0.0655	0.71	0.5555	0.00	0.0572	0.83
DF9	-0.1061	0.15	-0.0322	0.73	0.4934	0.01	0.3141	0.01
TestDFs	5.67	0.00	0.32	0.73	3.74	0.02	0.42	0.66
Obs./R^2	1,509	0.32	1,357	0.28	1,386	0.30	1,132	0.19
No. *DI* s	5	-	4	-	5	-	4	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6f: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors; paper products

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0632	0.05	0.0849	0.00	0.0091	0.80	0.0756	0.00
LME	0.0771	0.01	0.1258	0.00	0.0638	0.07	0.1877	0.00
LO	0.0490	0.08	0.0457	0.06	0.1427	0.00	0.0564	0.08
S5	0.0253	0.01	0.0123	0.02	0.0052	0.02	0.0090	0.02
S4	-0.0001	0.97	0.0057	0.00	-0.0017	0.27	0.0089	0.00
S3	-0.0032	0.06	0.0054	0.00	-0.0010	0.62	0.0111	0.01
S1	-0.0016	0.44	0.0064	0.03	-0.0051	0.41	0.0076	0.20
SF	-0.0015	0.16	-0.0024	0.11	0.0031	0.01	-0.0027	0.17
DS	0.4127	0.07	0.2124	0.21	0.0044	0.99	0.3486	0.04
DF	0.0582	0.68	-0.1286	0.36	0.1711	0.30	0.1147	0.43
Obs./R^2	329	0.50	465	0.45	312	0.42	423	0.36
No. *DI* s	2	-	2	-	2	-	2	-
Equation (2)								
LEE	0.0654	0.05	0.0835	0.00	0.0104	0.78	0.0768	0.00
LME	0.0787	0.01	0.1228	0.00	0.0645	0.07	0.1873	0.00
LO	0.0433	0.12	0.0492	0.04	0.1397	0.00	0.0591	0.07
S5	0.0271	0.02	0.0121	0.02	0.0052	0.02	0.0090	0.02
S4	0.0000	1.00	0.0058	0.00	-0.0017	0.27	0.0091	0.00
S3	-0.0031	0.06	0.0053	0.00	-0.0010	0.61	0.0111	0.01
S1	-0.0017	0.41	0.0060	0.04	-0.0057	0.36	0.0083	0.18
SF	-0.0014	0.21	-0.0021	0.14	0.0032	0.01	-0.0028	0.16
DS	0.4152	0.07	0.2123	0.21	0.0091	0.98	0.3451	0.05
DF1	0.5344	0.00	-0.6809	0.16	0.4692	0.17	0.1359	0.58
DF5	0.0048	0.97	-0.0541	0.79	0.0797	0.68	-0.1048	0.72
DF9	-0.1301	0.68	-0.0483	0.76	0.2181	0.48	0.1728	0.39
TestDFs	5.92	0.00	0.82	0.44	0.53	0.59	0.29	0.75
Obs./R^2	329	0.51	465	0.45	312	0.42	423	0.36
No. *DI* s	2	-	2	-	2	-	2	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6g: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors; chemicals

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0762	0.00	0.0471	0.00	0.0478	0.04	0.0292	0.07
LME	0.0511	0.01	0.0235	0.16	0.0541	0.02	0.0458	0.05
LO	0.1188	0.00	0.0776	0.00	0.1786	0.00	0.1399	0.00
S5	0.0153	0.00	0.0103	0.00	0.0103	0.00	0.0120	0.00
S4	0.0011	0.11	0.0048	0.00	0.0035	0.01	0.0094	0.00
S3	0.0005	0.58	0.0030	0.03	-0.0001	0.95	0.0102	0.00
S1	0.0000	0.97	-0.0113	0.00	0.0008	0.83	-0.0100	0.33
SF	-0.0014	0.12	-0.0018	0.05	-0.0003	0.80	-0.0005	0.70
DS	0.3127	0.00	0.1126	0.33	-0.0074	0.95	-0.0936	0.53
DF	0.4210	0.00	-0.0101	0.87	0.4491	0.00	0.0389	0.57
Obs./R^2	952	0.59	1,046	0.36	909	0.47	990	0.34
No. *DI* s	7	-	8	-	7	-	8	-
Equation (2)								
LEE	0.0756	0.00	0.0462	0.00	0.0479	0.04	0.0282	0.08
LME	0.0506	0.02	0.0253	0.13	0.0541	0.02	0.0474	0.04
LO	0.1191	0.00	0.0762	0.00	0.1788	0.00	0.1374	0.00
S5	0.0153	0.00	0.0104	0.00	0.0103	0.00	0.0124	0.00
S4	0.0011	0.11	0.0048	0.00	0.0036	0.01	0.0096	0.00
S3	0.0005	0.57	0.0030	0.03	-0.0001	0.95	0.0103	0.00
S1	0.0000	0.99	-0.0112	0.00	0.0007	0.83	-0.0097	0.35
SF	-0.0014	0.11	-0.0019	0.05	-0.0003	0.80	-0.0005	0.71
DS	0.3121	0.00	0.1142	0.32	-0.0051	0.97	-0.0863	0.56
DF1	0.3468	0.03	0.3003	0.11	0.6330	0.00	0.4312	0.02
DF5	0.4426	0.00	0.0099	0.92	0.4137	0.00	0.1134	0.25
DF9	0.4178	0.00	-0.0661	0.44	0.4183	0.01	-0.0642	0.46
TestDFs	0.17	0.84	1.56	0.21	0.56	0.57	3.34	0.04
Obs./R^2	952	0.59	1,046	0.36	909	0.47	990	0.34
No. *DI* s	7	-	8	-	7	-	8	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6h: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors, rubber products

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0294	0.34	0.0539	0.02	0.1152	0.00	0.1204	0.00
LME	0.0821	0.02	0.0376	0.10	0.0270	0.43	0.0856	0.02
LO	0.0670	0.01	0.0290	0.16	0.0982	0.00	0.0248	0.45
S5	0.0036	0.19	-0.0002	0.95	0.0055	0.04	0.0075	0.01
S4	0.0015	0.21	0.0014	0.23	0.0036	0.04	0.0007	0.81
S3	0.0013	0.27	0.0022	0.06	0.0022	0.24	0.0006	0.84
S1	0.0005	0.78	0.0020	0.39	-0.0031	0.29	-0.0044	0.56
SF	-0.0045	0.00	-0.0001	0.95	-0.0014	0.35	-0.0030	0.06
DS	0.3588	0.00	0.1203	0.23	0.2399	0.06	0.4556	0.01
DF	0.2314	0.01	0.0170	0.88	0.5269	0.00	0.4073	0.00
Obs./R^2	417	0.36	452	0.18	396	0.37	417	0.29
No. *DI* s	2	-	2	-	2	-	2	-
Equation (2)								
LEE	0.0292	0.35	0.0516	0.02	0.1116	0.00	0.1203	0.00
LME	0.0827	0.02	0.0320	0.16	0.0270	0.43	0.0857	0.02
LO	0.0658	0.01	0.0433	0.03	0.0959	0.00	0.0260	0.44
S5	0.0034	0.21	-0.0001	0.98	0.0054	0.04	0.0075	0.02
S4	0.0015	0.21	0.0014	0.24	0.0033	0.06	0.0007	0.82
S3	0.0012	0.31	0.0025	0.03	0.0018	0.32	0.0006	0.85
S1	0.0003	0.86	0.0021	0.34	-0.0040	0.19	-0.0045	0.56
SF	-0.0047	0.00	-0.0001	0.94	-0.0015	0.31	-0.0030	0.06
DS	0.3598	0.00	0.1164	0.24	0.2356	0.07	0.4545	0.01
DF1	-0.1099	0.51	0.0869	0.79	-0.0716	0.67	0.2063	0.53
DF5	0.2741	0.03	-0.3747	0.06	0.6802	0.00	0.3840	0.03
DF9	0.2994	0.00	0.2856	0.00	0.5024	0.00	0.4408	0.00
TestDFs	2.55	0.08	5.28	0.01	6.40	0.00	0.24	0.79
Obs./R^2	417	0.36	452	0.21	396	0.37	417	0.29
No. *DI* s	2	-	2	-	2	-	2	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6i: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors, plastics

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0350	0.01	-0.0025	0.87	0.0894	0.00	0.0164	0.36
LME	0.0018	0.93	-0.0039	0.80	-0.0040	0.86	0.0520	0.03
LO	0.0638	0.00	0.0686	0.00	0.1262	0.00	0.1192	0.00
S5	0.0077	0.04	0.0085	0.00	0.0060	0.00	0.0093	0.00
S4	0.0025	0.00	0.0061	0.00	0.0024	0.02	0.0096	0.00
S3	0.0006	0.28	0.0064	0.00	0.0019	0.12	0.0087	0.00
S1	0.0008	0.26	0.0053	0.01	-0.0007	0.72	-0.0019	0.64
SF	-0.0030	0.00	-0.0019	0.00	-0.0017	0.03	-0.0023	0.01
DS	0.3539	0.06	0.1253	0.03	-0.1511	0.55	0.0914	0.31
DF	0.4215	0.00	0.1829	0.01	0.6451	0.00	0.0775	0.39
Obs./R^2	989	0.39	1,196	0.22	926	0.37	1,099	0.21
No. *DI* s	0	-	0	-	0	-	0	-
Equation (2)								
LEE	0.0350	0.01	-0.0020	0.89	0.0887	0.00	0.0162	0.36
LME	0.0015	0.94	-0.0032	0.84	-0.0044	0.84	0.0523	0.03
LO	0.0638	0.00	0.0678	0.00	0.1276	0.00	0.1189	0.00
S5	0.0078	0.04	0.0080	0.01	0.0059	0.00	0.0088	0.00
S4	0.0025	0.00	0.0061	0.00	0.0024	0.02	0.0091	0.00
S3	0.0006	0.29	0.0065	0.00	0.0018	0.14	0.0083	0.00
S1	0.0008	0.23	0.0053	0.01	-0.0011	0.60	-0.0025	0.54
SF	-0.0030	0.00	-0.0020	0.00	-0.0018	0.02	-0.0023	0.01
DS	0.3539	0.06	0.1256	0.03	-0.1536	0.54	0.0918	0.31
DF1	0.2742	0.17	0.6122	0.02	0.7861	0.00	0.3082	0.43
DF5	0.4622	0.00	0.0159	0.86	0.4609	0.00	-0.2344	0.09
DF9	0.4125	0.00	0.2238	0.02	0.7848	0.00	0.1897	0.09
TestDFs	0.42	0.66	3.05	0.05	1.28	0.28	3.28	0.04
Obs./R^2	989	0.39	1,196	0.22	926	0.37	1,099	0.21
No. *DI* s	0	-	0	-	0	-	0	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6j: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors, non-metallic mineral products

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0224	0.05	0.0105	0.40	0.0927	0.00	0.0414	0.02
LME	0.0579	0.00	-0.0080	0.59	0.0487	0.02	0.0413	0.05
LO	0.0945	0.00	0.1434	0.00	0.1604	0.00	0.1390	0.00
S5	0.0046	0.38	0.0023	0.61	0.0059	0.00	0.0089	0.00
S4	0.0026	0.00	0.0046	0.00	0.0034	0.00	0.0049	0.00
S3	0.0001	0.87	0.0012	0.02	0.0025	0.00	0.0054	0.00
S1	-0.0011	0.05	0.0005	0.64	-0.0024	0.12	0.0014	0.55
SF	-0.0037	0.00	-0.0030	0.00	0.0002	0.85	-0.0028	0.00
DS	0.1273	0.25	0.1402	0.12	-0.0742	0.57	0.1537	0.28
DF	0.3111	0.00	-0.0452	0.70	0.1537	0.25	0.4390	0.00
Obs./R^2	1,552	0.49	1,246	0.41	1,113	0.42	989	0.35
No. *DI* s	11	-	9	-	11	-	9	-
Equation (2)								
LEE	0.0223	0.05	0.0107	0.39	0.0921	0.00	0.0407	0.02
LME	0.0603	0.00	-0.0074	0.62	0.0443	0.03	0.0399	0.06
LO	0.0914	0.00	0.1422	0.00	0.1633	0.00	0.1415	0.00
S5	0.0049	0.36	0.0020	0.67	0.0058	0.00	0.0088	0.00
S4	0.0026	0.00	0.0046	0.00	0.0035	0.00	0.0049	0.00
S3	0.0001	0.85	0.0012	0.02	0.0026	0.00	0.0054	0.00
S1	-0.0011	0.05	0.0005	0.64	-0.0025	0.12	0.0014	0.55
SF	-0.0036	0.00	-0.0030	0.00	0.0000	0.98	-0.0028	0.00
DS	0.1384	0.21	0.1405	0.12	-0.0879	0.50	0.1512	0.29
DF1	0.6440	0.00	0.1552	0.46	-0.3195	0.14	0.1776	0.52
DF5	0.2254	0.04	-0.1212	0.60	0.3834	0.03	0.4697	0.00
DF9	0.1649	0.23	-0.0281	0.83	0.0525	0.81	0.4814	0.00
TestDFs	3.08	0.05	0.47	0.62	3.56	0.03	0.56	0.57
Obs./R^2	1,552	0.49	1,246	0.42	1,113	0.42	989	0.35
No. *DI* s	11	-	9	-	11	-	9	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6k: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors, basic metals

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0745	0.07	0.1126	0.00	0.0258	0.58	0.0843	0.05
LME	0.0002	1.00	0.0417	0.25	0.1102	0.08	-0.0009	0.99
LO	0.1452	0.00	0.0743	0.02	0.1099	0.03	0.0848	0.03
S5	0.0095	0.39	0.0254	0.03	-0.0046	0.33	0.0089	0.04
S4	-0.0030	0.19	0.0051	0.08	-0.0079	0.04	0.0027	0.50
S3	-0.0022	0.37	0.0081	0.02	-0.0130	0.00	0.0143	0.00
S1	-0.0023	0.73	0.0015	0.87	-0.0021	0.77	-	-
SF	-0.0040	0.12	0.0005	0.84	-0.0038	0.19	-0.0016	0.55
DS	0.6742	0.00	-0.2510	0.55	0.0844	0.60	-0.2721	0.57
DF	0.0302	0.84	0.1632	0.08	-0.0629	0.73	-0.0384	0.75
Obs./R^2	174	0.47	257	0.50	169	0.30	237	0.32
No. *DI* s	1	-	3	-	1	-	3	-
Equation (2)								
LEE	0.0701	0.10	0.1127	0.00	0.0309	0.52	0.0875	0.05
LME	-0.0012	0.98	0.0396	0.29	0.1054	0.09	-0.0042	0.95
LO	0.1484	0.00	0.0764	0.02	0.1214	0.02	0.0864	0.03
S5	0.0094	0.39	0.0256	0.04	-0.0056	0.25	0.0091	0.04
S4	-0.0032	0.18	0.0051	0.08	-0.0085	0.04	0.0027	0.51
S3	-0.0022	0.38	0.0081	0.02	-0.0135	0.00	0.0143	0.00
S1	-0.0023	0.72	0.0015	0.88	-0.0026	0.72	-	-
SF	-0.0042	0.13	0.0005	0.86	-0.0035	0.24	-0.0016	0.54
DS	0.6760	0.00	-0.2613	0.54	0.0587	0.73	-0.2811	0.56
DF1	-0.2601	0.64	0.0732	0.78	0.3815	0.54	-0.1975	0.59
DF5	0.0785	0.72	0.1547	0.32	-0.3244	0.20	0.0150	0.94
DF9	0.0497	0.77	0.1874	0.11	0.0962	0.69	-0.0352	0.81
TestDFs	0.17	0.85	0.08	0.92	1.16	0.32	0.14	0.87
Obs./R^2	174	0.47	257	0.50	169	0.31	237	0.32
No. *DI* s	1	-	3	-	1	-	3	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6l: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors, metal products

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0898	0.00	0.0692	0.00	0.1100	0.00	0.0446	0.02
LME	0.0245	0.14	0.0186	0.16	0.0030	0.90	0.0174	0.35
LO	0.0784	0.00	0.0761	0.00	0.1610	0.00	0.1425	0.00
S5	0.0101	0.02	0.0105	0.00	0.0065	0.00	0.0071	0.00
S4	0.0015	0.01	0.0039	0.00	0.0027	0.02	0.0040	0.01
S3	-0.0012	0.10	0.0030	0.00	0.0000	1.00	0.0031	0.20
S1	-0.0016	0.13	0.0012	0.57	0.0021	0.62	-0.0066	0.33
SF	-0.0024	0.00	-0.0004	0.49	-0.0023	0.00	0.0001	0.94
DS	0.1749	0.01	-0.2192	0.21	0.0422	0.74	-0.4008	0.11
DF	0.3221	0.00	0.0850	0.10	0.3962	0.00	0.0981	0.23
Obs./R^2	970	0.46	918	0.39	841	0.42	791	0.28
No. *DI* s	3	-	5	-	3	-	5	-
Equation (2)								
LEE	0.0896	0.00	0.0685	0.00	0.1086	0.00	0.0441	0.02
LME	0.0266	0.11	0.0189	0.16	0.0021	0.93	0.0179	0.34
LO	0.0749	0.00	0.0761	0.00	0.1602	0.00	0.1425	0.00
S5	0.0103	0.02	0.0109	0.00	0.0064	0.00	0.0072	0.00
S4	0.0016	0.01	0.0039	0.00	0.0027	0.02	0.0040	0.01
S3	-0.0012	0.11	0.0030	0.00	0.0000	0.98	0.0031	0.20
S1	-0.0016	0.13	0.0012	0.57	0.0023	0.59	-0.0065	0.33
SF	-0.0023	0.00	-0.0004	0.52	-0.0023	0.00	0.0001	0.93
DS	0.1792	0.01	-0.2186	0.22	0.0370	0.77	-0.4005	0.11
DF1	0.4757	0.00	-0.0150	0.93	0.2898	0.29	0.0057	0.98
DF5	0.3619	0.00	0.1461	0.09	0.5029	0.00	0.1990	0.20
DF9	0.1996	0.05	0.0754	0.19	0.2450	0.16	0.0769	0.41
TestDFs	1.64	0.20	0.49	0.61	0.85	0.43	0.33	0.72
Obs./R^2	970	0.46	918	0.39	841	0.42	791	0.28
No. *DI* s	3	-	5	-	3	-	5	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6m: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors, non-electric machinery

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0459	0.09	0.0226	0.21	0.0599	0.15	0.0278	0.26
LME	0.0248	0.32	0.0174	0.48	-0.0023	0.94	0.0414	0.19
LO	0.1430	0.00	0.0637	0.00	0.1857	0.00	0.0618	0.07
S5	0.0068	0.24	0.0148	0.02	0.0137	0.00	0.0231	0.01
S4	0.0030	0.03	0.0058	0.00	0.0105	0.00	0.0186	0.03
S3	0.0047	0.01	0.0041	0.12	0.0116	0.00	0.0192	0.05
S1	0.0008	0.84	0.0034	0.13	0.0097	0.01	0.0192	0.03
SF	-0.0104	0.00	-0.0013	0.46	-0.0039	0.00	0.0030	0.06
DS	0.2506	0.21	0.4726	0.09	-0.0154	0.93	-0.3068	0.39
DF	0.1347	0.21	0.0675	0.33	0.4137	0.00	0.1802	0.08
Obs./R^2	313	0.52	403	0.36	281	0.49	366	0.30
No. *DI* s	4	-	14	-	4	-	14	-
Equation (2)								
LEE	0.0450	0.10	0.0205	0.27	0.0654	0.10	0.0269	0.26
LME	0.0198	0.42	0.0174	0.49	-0.0063	0.83	0.0452	0.16
LO	0.1466	0.00	0.0633	0.01	0.1892	0.00	0.0601	0.08
S5	0.0061	0.29	0.0149	0.02	0.0140	0.00	0.0238	0.01
S4	0.0030	0.03	0.0059	0.00	0.0107	0.00	0.0193	0.02
S3	0.0046	0.01	0.0042	0.11	0.0118	0.00	0.0196	0.04
S1	0.0009	0.82	0.0035	0.12	0.0099	0.01	0.0202	0.02
SF	-0.0099	0.00	-0.0013	0.44	-0.0038	0.00	0.0031	0.05
DS	0.2398	0.24	0.4713	0.09	-0.0257	0.88	-0.3107	0.39
DF1	0.3091	0.26	-0.1498	0.61	0.6582	0.11	0.3155	0.06
DF5	0.1276	0.25	0.0780	0.54	0.3629	0.00	0.4913	0.00
DF9	-0.0437	0.78	0.0796	0.27	0.2905	0.34	0.0390	0.74
TestDFs	0.88	0.42	0.29	0.75	0.31	0.73	3.41	0.03
Obs./R^2	313	0.53	403	0.37	281	0.50	366	0.31
No. *DI* s	4	-	0	-	4	-	14	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6n: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors; electronics-related machinery

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0336	0.10	0.1029	0.00	0.1217	0.01	0.0613	0.07
LME	0.0049	0.82	-0.0204	0.31	0.0477	0.21	0.0788	0.06
LO	0.1014	0.00	0.0959	0.00	0.1076	0.00	0.0187	0.68
S5	0.0094	0.01	0.0007	0.87	0.0104	0.00	0.0023	0.66
S4	0.0018	0.04	0.0024	0.08	0.0074	0.00	-0.0053	0.29
S3	0.0010	0.28	0.0000	1.00	0.0061	0.03	-0.0004	0.95
S1	-0.0010	0.78	0.0036	0.34	0.0002	0.96	0.0058	0.75
SF	-0.0036	0.00	-0.0008	0.44	-0.0018	0.29	-0.0032	0.27
DS	0.7647	0.00	0.4660	0.00	0.7556	0.00	-0.9861	0.00
DF	0.1730	0.01	-0.1480	0.01	0.3976	0.00	-0.0702	0.47
Obs./R^2	522	0.46	496	0.33	489	0.35	461	0.20
No. *DI* s	6	-	13	-	6	-	13	-
Equation (2)								
LEE	0.0348	0.09	0.1032	0.00	0.1223	0.01	0.0623	0.07
LME	0.0027	0.90	-0.0194	0.33	0.0461	0.23	0.0786	0.06
LO	0.1023	0.00	0.0952	0.00	0.1072	0.00	0.0183	0.69
S5	0.0094	0.01	0.0007	0.87	0.0104	0.00	0.0023	0.66
S4	0.0018	0.05	0.0023	0.09	0.0074	0.00	-0.0053	0.29
S3	0.0012	0.23	-0.0001	0.96	0.0061	0.03	-0.0003	0.95
S1	-0.0009	0.82	0.0035	0.36	0.0002	0.97	0.0057	0.75
SF	-0.0038	0.00	-0.0006	0.54	-0.0018	0.28	-0.0032	0.26
DS	0.7591	0.00	0.4641	0.00	0.7556	0.00	-0.9844	0.00
DF1	0.2366	0.02	-0.0557	0.63	0.2782	0.22	0.0002	1.00
DF5	0.1082	0.16	-0.0808	0.45	0.3859	0.00	-0.1145	0.47
DF9	0.2590	0.01	-0.1693	0.01	0.4523	0.00	-0.0630	0.58
TestDFs	1.30	0.27	0.59	0.56	0.23	0.79	0.11	0.90
Obs./R^2	522	0.46	496	0.33	489	0.35	461	0.20
No. *DI* s	6	-	13	-	6	-	13	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6o: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors, motor vehicles

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.1348	0.00	0.0631	0.00	0.0539	0.31	0.0608	0.02
LME	0.0259	0.45	0.0015	0.95	0.0367	0.33	0.1515	0.00
LO	0.1105	0.00	0.0748	0.00	0.1790	0.00	0.0589	0.04
S5	0.0036	0.49	0.0043	0.30	0.0089	0.05	0.0045	0.08
S4	0.0014	0.44	0.0022	0.41	0.0030	0.49	0.0014	0.59
S3	-0.0007	0.74	0.0020	0.52	0.0018	0.73	0.0033	0.34
S1	-0.0007	0.89	0.0010	0.87	0.0094	0.39	-0.0051	0.23
SF	-0.0015	0.23	-0.0014	0.21	-0.0024	0.28	-0.0016	0.28
DS	0.5324	0.35	-	-	-0.8580	0.43	-	-
DF	0.1376	0.16	-0.0396	0.59	0.1565	0.39	0.1234	0.31
Obs./R^2	260	0.51	313	0.44	242	0.44	293	0.47
No. *DI* s	0	-	2	-	0	-	2	-
Equation (2)								
LEE	0.1361	0.00	0.0621	0.00	0.0575	0.29	0.0593	0.04
LME	0.0284	0.44	0.0071	0.74	0.0360	0.34	0.1516	0.00
LO	0.1092	0.00	0.0763	0.00	0.1781	0.00	0.0591	0.04
S5	0.0025	0.64	0.0047	0.25	0.0089	0.05	0.0045	0.08
S4	0.0014	0.44	0.0024	0.34	0.0029	0.50	0.0014	0.59
S3	-0.0007	0.75	0.0024	0.43	0.0018	0.73	0.0033	0.34
S1	-0.0007	0.88	0.0020	0.74	0.0096	0.38	-0.0051	0.23
SF	-0.0016	0.20	-0.0017	0.14	-0.0023	0.30	-0.0015	0.30
DS	0.5259	0.35	-	-	-0.8599	0.43	-	-
DF1	0.2319	0.02	-0.3187	0.02	0.2812	0.18	0.2412	0.09
DF5	0.0842	0.51	-0.2317	0.13	0.0184	0.94	0.1127	0.62
DF9	0.1907	0.45	0.0947	0.18	0.4639	0.42	0.1060	0.42
TestDFs	0.53	0.59	5.84	0.00	0.51	0.60	0.32	0.73
Obs./R^2	260	0.51	313	0.46	252	0.45	293	0.47
No. *DI* s	0	-	2	-	0	-	2	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6p: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors, other transportation machinery

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0698	0.00	0.1073	0.00	0.0538	0.26	0.0618	0.06
LME	-0.0046	0.91	0.0892	0.00	0.0529	0.29	0.1464	0.00
LO	0.0874	0.00	0.0552	0.03	0.1200	0.01	0.0542	0.10
S5	0.0012	0.86	0.0083	0.08	0.0044	0.08	0.0146	0.00
S4	0.0009	0.44	0.0023	0.28	0.0005	0.72	0.0116	0.00
S3	0.0014	0.26	0.0027	0.35	-0.0009	0.71	0.0111	0.00
S1	-0.0024	0.13	0.0088	0.32	0.0004	0.86	-0.0018	0.82
SF	-0.0042	0.01	-0.0028	0.09	-0.0009	0.54	-0.0015	0.35
DS	0.1033	0.70	0.3952	0.00	0.2742	0.23	0.2382	0.25
DF	0.4106	0.01	-0.0877	0.40	0.1516	0.59	-0.1477	0.25
Obs./R^2	264	0.55	329	0.40	221	0.34	293	0.43
No. *DI* s	3	-	1	-	3	-	1	-
Equation (2)								
LEE	0.0708	0.00	0.1033	0.00	0.0536	0.26	0.0619	0.06
LME	0.0040	0.92	0.0944	0.00	0.0540	0.29	0.1461	0.00
LO	0.0807	0.01	0.0543	0.03	0.1193	0.01	0.0548	0.10
S5	0.0018	0.78	0.0092	0.06	0.0044	0.07	0.0145	0.00
S4	0.0009	0.46	0.0023	0.28	0.0005	0.72	0.0116	0.00
S3	0.0013	0.32	0.0027	0.35	-0.0009	0.72	0.0111	0.00
S1	-0.0024	0.14	0.0088	0.32	0.0003	0.91	-0.0018	0.82
SF	-0.0042	0.01	-0.0025	0.13	-0.0009	0.54	-0.0015	0.35
DS	0.1128	0.68	0.3937	0.00	0.2769	0.23	0.2384	0.25
DF1	0.4924	0.00	-0.9923	0.00	0.1476	0.72	-0.0647	0.92
DF5	0.2546	0.21	0.0282	0.85	0.1236	0.76	-0.1948	0.44
DF9	0.6387	0.05	-0.0767	0.54	0.2389	0.37	-0.1337	0.38
TestDFs	0.81	0.44	10.85	0.00	0.05	0.95	0.03	0.97
Obs./R^2	264	0.56	329	0.41	221	0.34	293	0.43
No. *DI* s	3	-	1	-	3	-	1	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 6q: OLS Estimates of MNE-Private Compensation Differentials and Other Slope Coefficients from Equations (1) and (2); all p-values based on robust standard errors, furniture

Independent	Paid, production workers				Paid, non-production workers			
variable	1996		2006		1996		2006	
statistic	Value	P-val.	Value	P-val.	Value	P-val.	Value	P-val.
Equation (1)								
LEE	0.0256	0.05	0.0664	0.00	0.1629	0.00	0.1176	0.00
LME	0.0317	0.07	0.0773	0.00	0.0066	0.74	0.0255	0.15
LO	0.0485	0.00	0.0357	0.01	0.1674	0.00	0.1351	0.00
S5	0.0103	0.00	0.0078	0.05	0.0090	0.00	0.0087	0.00
S4	0.0006	0.42	0.0014	0.01	0.0034	0.00	0.0065	0.00
S3	0.0005	0.42	0.0025	0.00	0.0010	0.39	0.0067	0.00
S1	0.0003	0.74	-0.0016	0.27	0.0003	0.94	-0.0037	0.16
SF	-0.0038	0.00	-0.0033	0.00	-0.0015	0.03	-0.0008	0.21
DS	0.0042	0.97	0.2056	0.00	-0.0150	0.91	0.0682	0.67
DF	0.1426	0.05	-0.0305	0.52	0.0272	0.82	0.2306	0.00
Obs./R^2	1,111	0.14	1,979	0.23	906	0.37	1,511	0.22
No. *DI* s	2	-	0	-	2	-	0	-
Equation (2)								
LEE	0.0253	0.05	0.0664	0.00	0.1655	0.00	0.1175	0.00
LME	0.0319	0.07	0.0772	0.00	0.0057	0.78	0.0250	0.16
LO	0.0485	0.00	0.0357	0.01	0.1689	0.00	0.1352	0.00
S5	0.0102	0.00	0.0078	0.05	0.0088	0.00	0.0087	0.00
S4	0.0006	0.39	0.0014	0.01	0.0033	0.00	0.0065	0.00
S3	0.0005	0.42	0.0025	0.00	0.0009	0.43	0.0067	0.00
S1	0.0004	0.74	-0.0016	0.27	0.0002	0.95	-0.0037	0.16
SF	-0.0039	0.00	-0.0033	0.00	-0.0016	0.03	-0.0008	0.21
DS	0.0046	0.97	0.2057	0.00	-0.0147	0.91	0.0686	0.67
DF1	-0.0795	0.22	0.0505	0.72	1.1484	0.03	0.0696	0.89
DF5	0.1480	0.25	-0.0439	0.81	-0.2757	0.24	0.4175	0.06
DF9	0.1577	0.08	-0.0326	0.52	0.0548	0.66	0.2196	0.01
TestDFs	3.25	0.04	0.16	0.85	3.16	0.04	0.42	0.66
Obs./R^2	1,111	0.14	1,979	0.23	906	0.37	1,511	0.22
No. *DI* s	2	-	0	-	2	-	0	-

Note: in the Obs./R2 rows, the coefficient column contains the number of observations and the P-value column contains the R-squared; the TestDFs rows show Wald tests of the hypothesis that coefficients on all foreign ownership dummies are equal and associated p-values; all estimates include 5 regional dummies; see the text for definitions or region and industry dummies; full results including the constant and all dummy coefficients are available from the authors.

Appendix Table 7: Industry definitions

Industry	1996, ISIC revision 2	2006, ISIC revision 3
17 sample industries		
Food & beverages	311+312+313	15
Textiles	321	17
Apparel	322	18
Footwear	324	192
Wood products	331	20
Paper products	341	21
Chemicals	351+352	24
Rubber products	355	251
Plastic products	356	252
Non-metallic mineral products	36	26
Basic metals	37	27
Metal products	381	28
General machinery	3821+3822+3823+3824+3829	29
Electronics-related machinery	3825+383+385	30+31+32+33
Motor vehicles	3843	34
Other transportation machinery	3841+3842+3844+3845+3849	35
Furniture	332	361
5 excluded industries		
Tobacco	314	16
Leather	323	191
Printing & publishing	342	22
Oil & coal products	353+354	23
Miscellaneous manufacturing	39	369+37

Note: There are numerous discrepancies between revisions 2 and 3 at the 3-, 4-, or 5-digit levels in revisions 2 and 3 that are impossible to resolve precisely; correspondingly, concordances often divide up categories arbitrarily among categories in the other classification; in 2006, 4-digit information is not reported for several plants in smaller 4-digit categories with relatively few plants.