

“Stages of Diversification”, by Imbs and Wacziarg – Tables of additional results (described as available upon request in the main text of the paper) – October 2001

**I – Nonparametric Results for Alternative Measures of Dispersion (Section 2.1)**

**Table A1 – Summary Statistics for additional measures of diversification**

	EMPLOYMENT		VALUE ADDED	
	Mean	Std. Dev	Mean	Std. Dev
<b>ILO 1-digit</b>	<b>885 obs.</b>			
BIGGEST	0.345	0.110	-	-
MEANMEDIAN	0.040	0.019	-	-
IQR	0.137	0.041	-	-
<b>UNIDO 3-digit</b>	<b>1556 obs.</b>		<b>1493 obs.</b>	
BIGGEST	0.228	0.133	0.208	0.109
MEANMEDIAN	0.016	0.006	0.016	0.008
IQR	0.037	0.010	0.038	0.010
<b>OECD 2-digit</b>	<b>356 obs.</b>		<b>412 obs.</b>	
BIGGEST	0.240	0.049	0.223	0.057
MEANMEDIAN	0.027	0.005	0.025	0.009
IQR	0.058	0.020	0.067	0.025

**Table A2 - Correlation Matrices for the Sectoral Concentration Indices (pooled data)  
(GINI and alternative measures)**

	EMPLOYMENT			VALUE ADDED		
	GINI	BIGGEST	MEAN MED	GINI	BIGGEST	MEAN MED
<b>ILO 1-digit</b>	<b>(885 obs.)</b>					
GINI	1.000					
BIGGEST	0.793	1.000		-	-	-
MEANMED	0.715	0.722	1.000			
IQR	-0.211	-0.345	-0.110			
<b>UNIDO 3-digit</b>	<b>(1556 obs.)</b>			<b>(1493 obs.)</b>		
GINI	1.000			1.000		
BIGGEST	0.880	1.000		0.871	1.000	
MEANMEDIAN	0.906	0.731	1.000	0.908	0.738	1.000
IQR	-0.452	-0.630	-0.278	-0.398	-0.556	-0.238
<b>OECD 2-digit</b>	<b>(356 obs.)</b>			<b>(412 obs.)</b>		
GINI	1.000			1.000		
BIGGEST	0.718	1.000		-0.390	1.000	
MEANMEDIAN	0.315	0.390	1.000	-0.206	0.738	1.000
IQR	0.193	-0.136	0.444	-0.509	0.257	0.401

**Table A3 – Non-Parametric Estimates of the Minimum Point (constant 1985 \$)  
and Range of Statistically Insignificant Slope Coefficients (95% confidence)**

	<b>BIGGEST</b>	<b>MEAN MEDIAN</b>	<b>IQR</b>
<b>ILO – Employment</b>			
Minimum Point	9,700	10,150	12,825
Y low*	10,900	9500	12,125
Y high	5,625	13,775	15,475
<b>UNIDO3 – Employment</b>			
Minimum Point	9,000	7,775	(a)
Y low*	8,350	7,775	5,700
Y high	4,650	3,100	7,305
<b>UNIDO3 – Value Added</b>			
Minimum Point	9,925	8,650	(a)
Y low*	5,675	5,175	(b)
Y high	8,625	6,900	(b)
<b>OECD – Employment</b>			
Minimum Point	8,650	11,575	13,375
Y low*	8,225	(b)	(b)
Y high	8,725	(b)	(b)
<b>OECD – Value Added</b>			
Minimum Point	7,500	(a)	(a)
Y low*	6,450	(b)	(b)
Y high	8,725	(b)	(b)

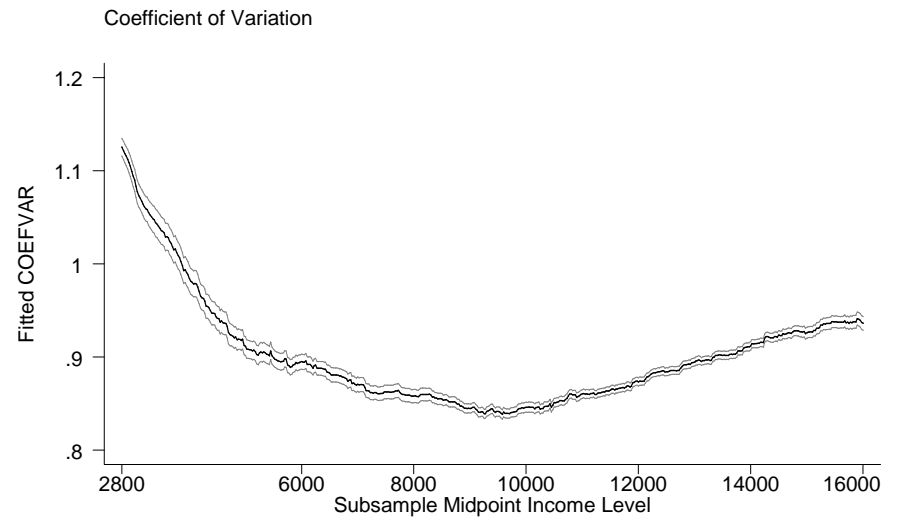
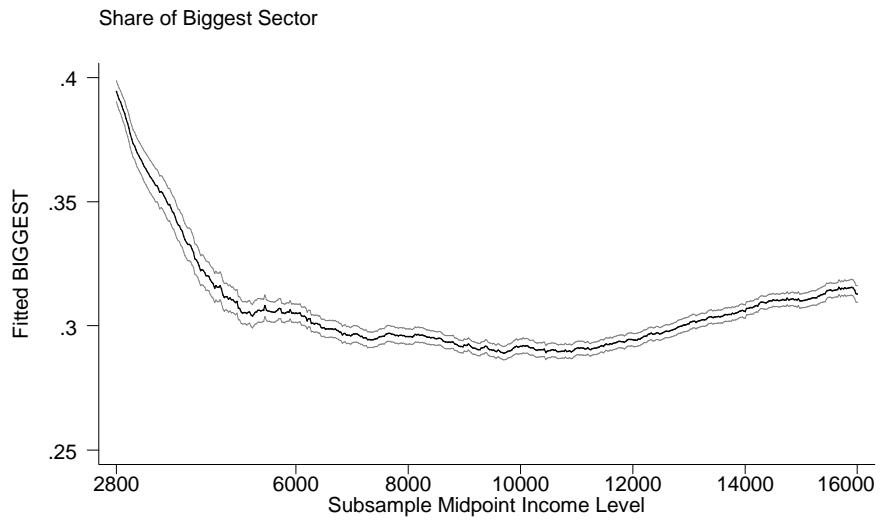
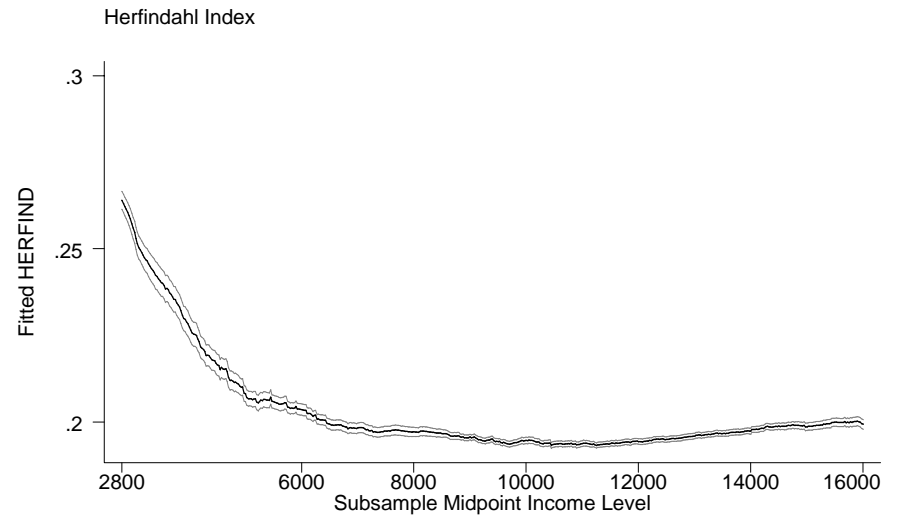
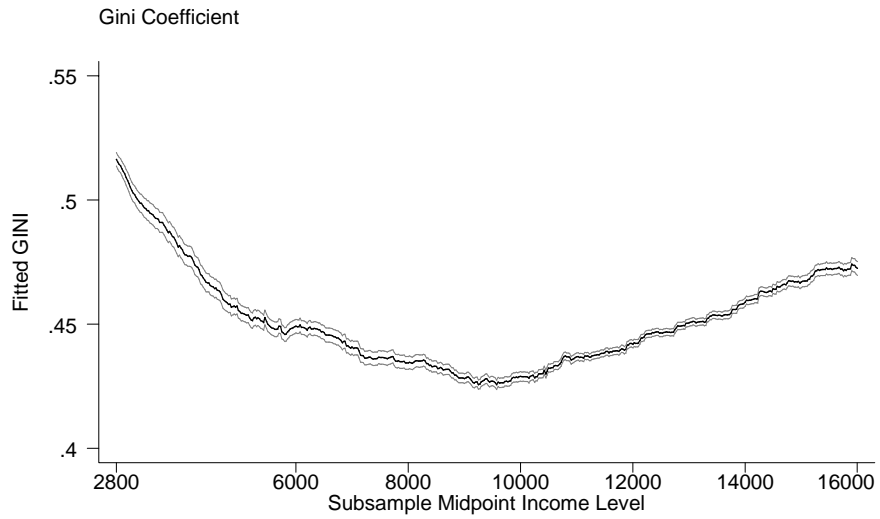
\* Y low and Y high bound the range of statistically insignificant estimated slope coefficients  $\beta_s^{FE}$  (subsample midpoints with slopes of zero).

(a) : indicates that the estimated curve is not U-shaped and the minimum lies at one extremum.

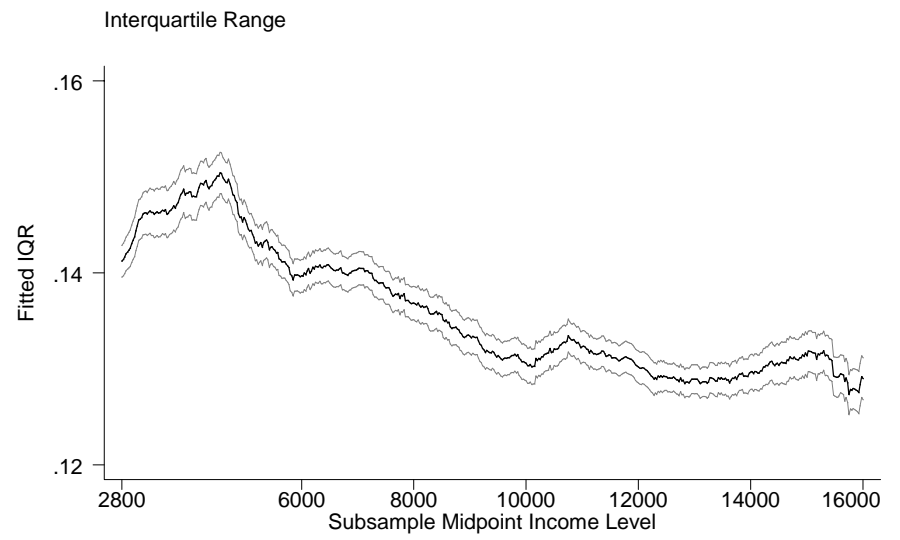
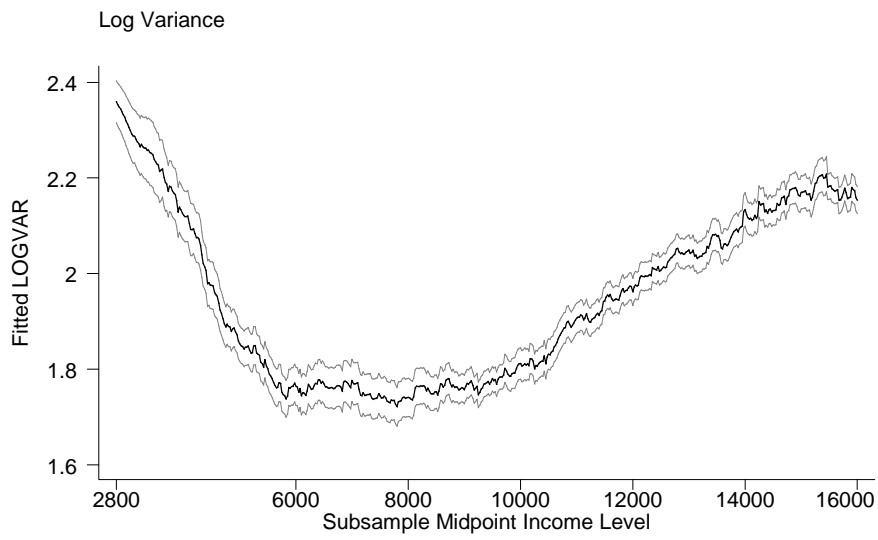
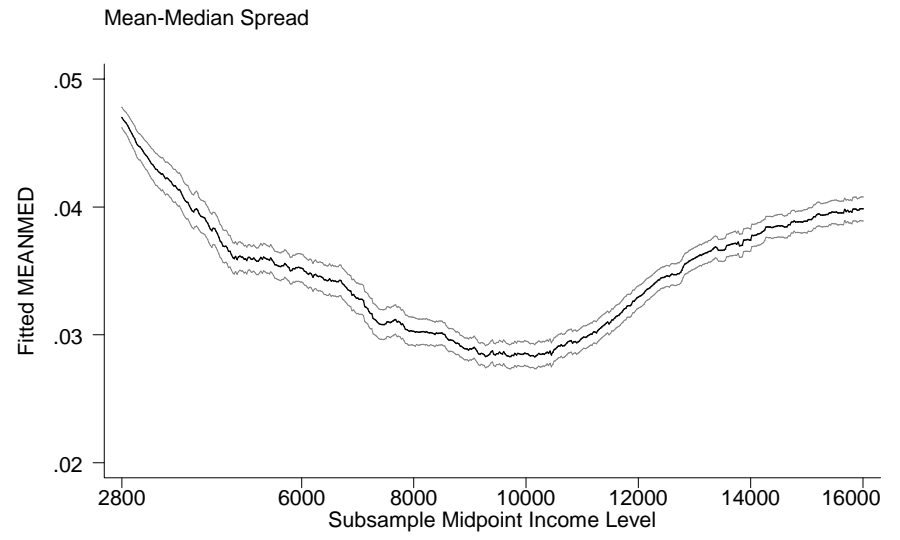
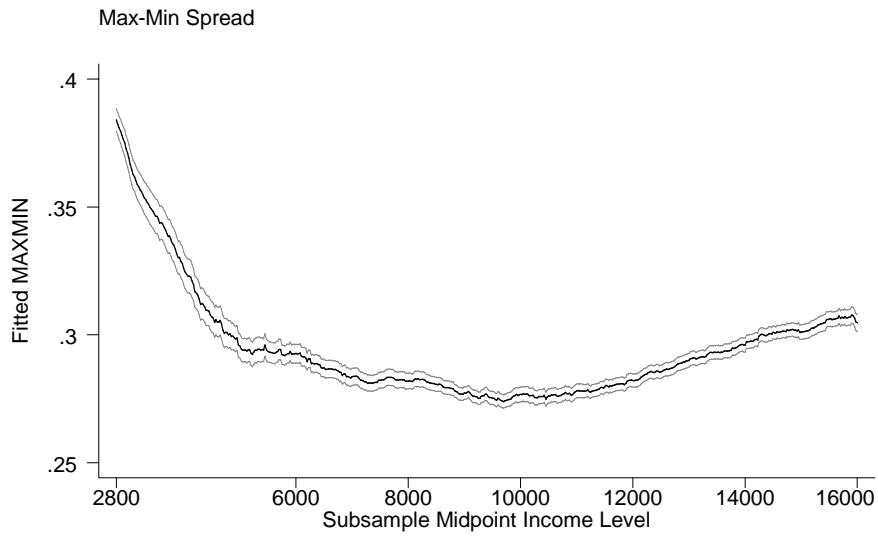
(b): Interval not well defined (multiple ranges of insignificant slope estimates)

**Additional Figures – Nonparametrically estimated curves, for alternative measures of  
sectoral concentration**

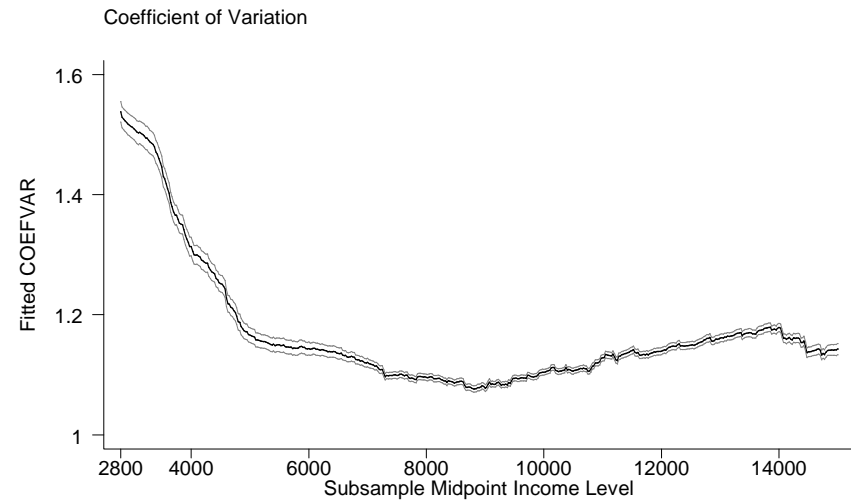
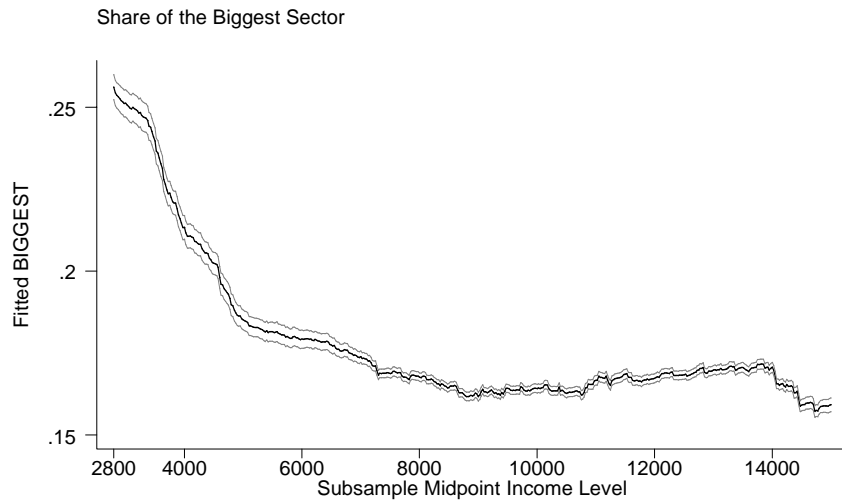
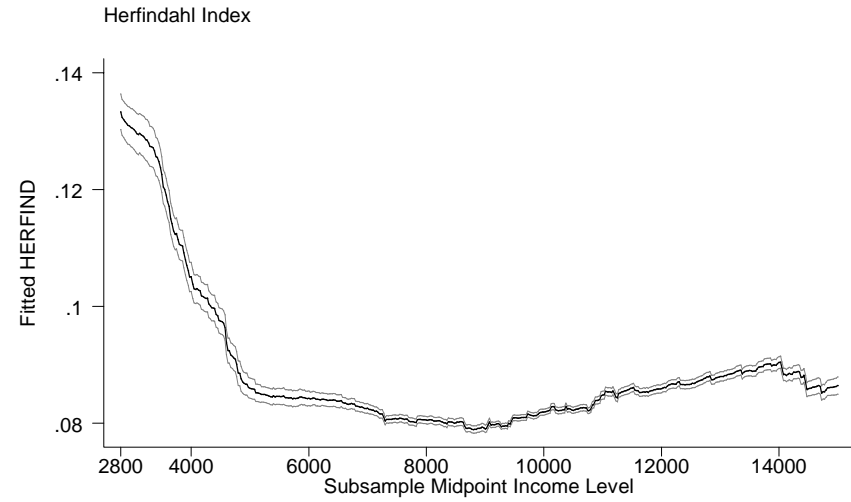
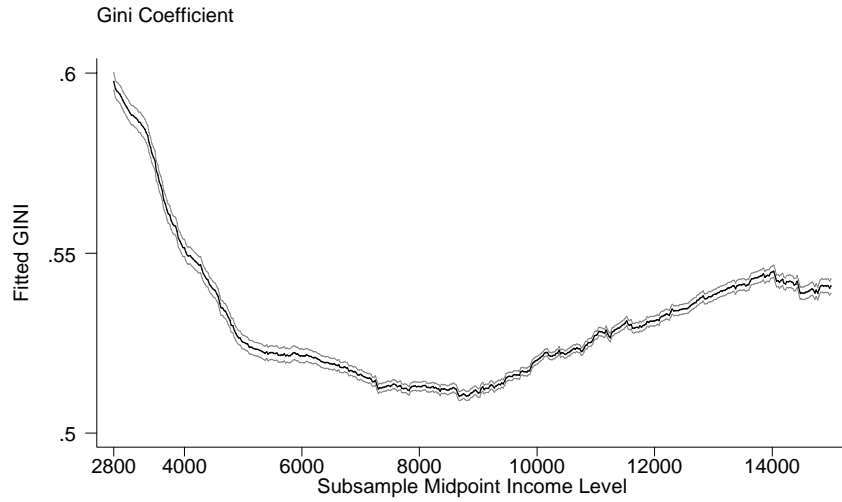
- The Gini coefficient for the inequality of sector shares (GINI)
- The Herfindahl index for the sectoral concentration of employment or value added (HERFIND)
- The coefficient of variation of sector shares (COEFVAR).
- The max-min spread (MAXMIN)
- The log-variance of sector shares (LOGVAR).
- The share of the biggest sector in employment (BIGGEST)
- The mean-median spread (MEANMED)
- The interquartile range (IQR) of sector shares.



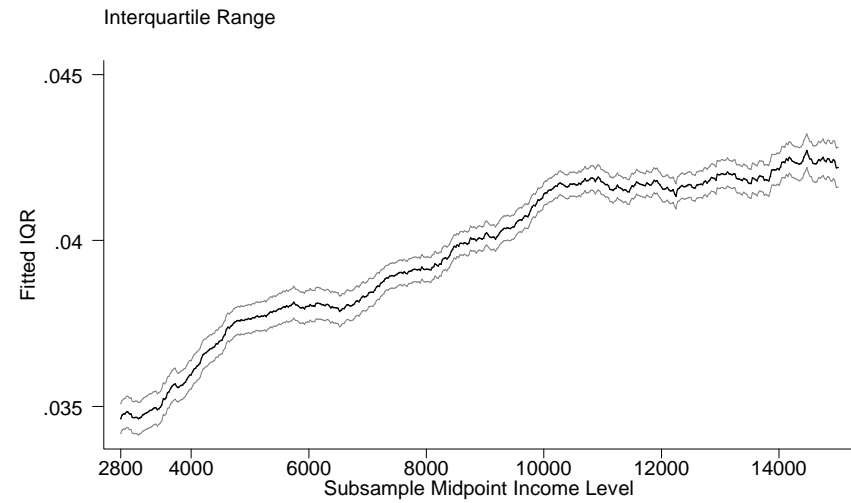
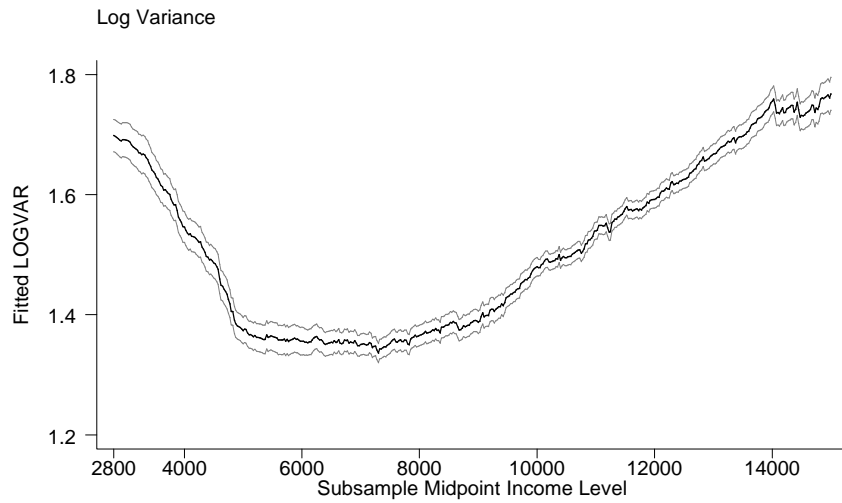
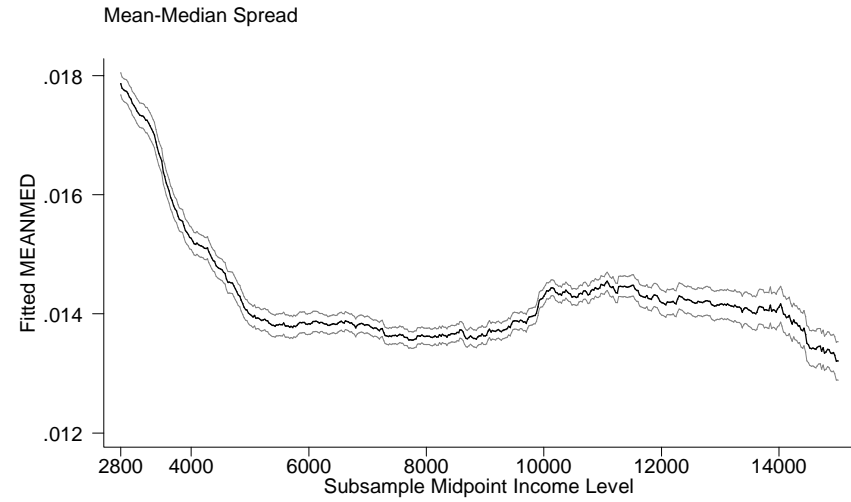
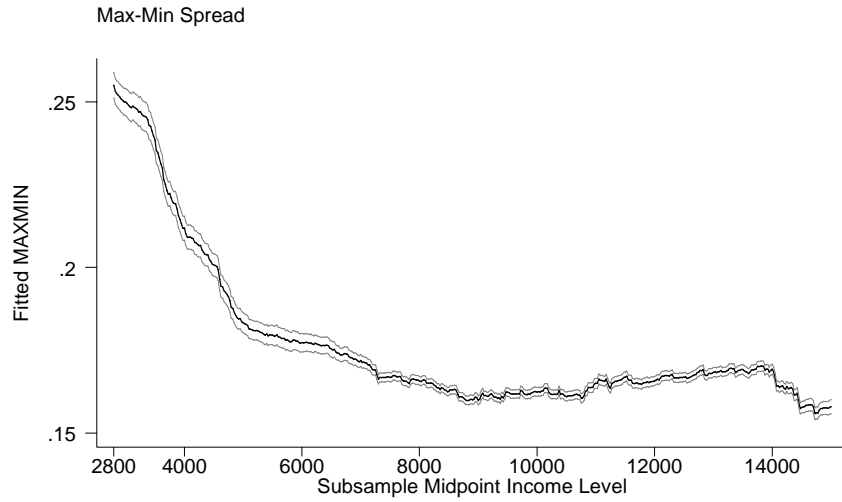
95% confidence bands in lighter shade  
 ILO - Employment Data - Nonparametric Relationship - 1



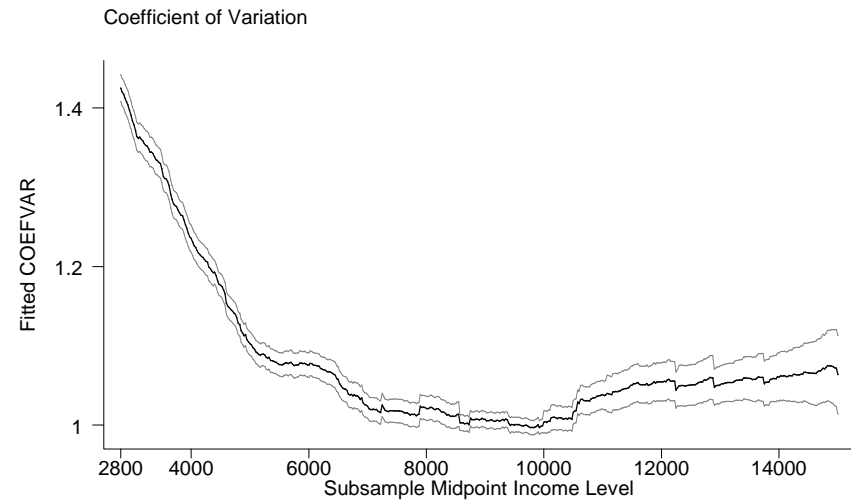
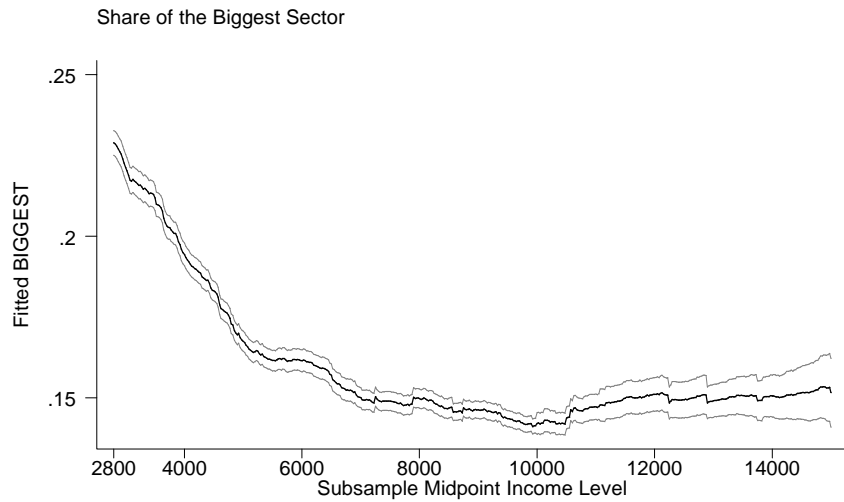
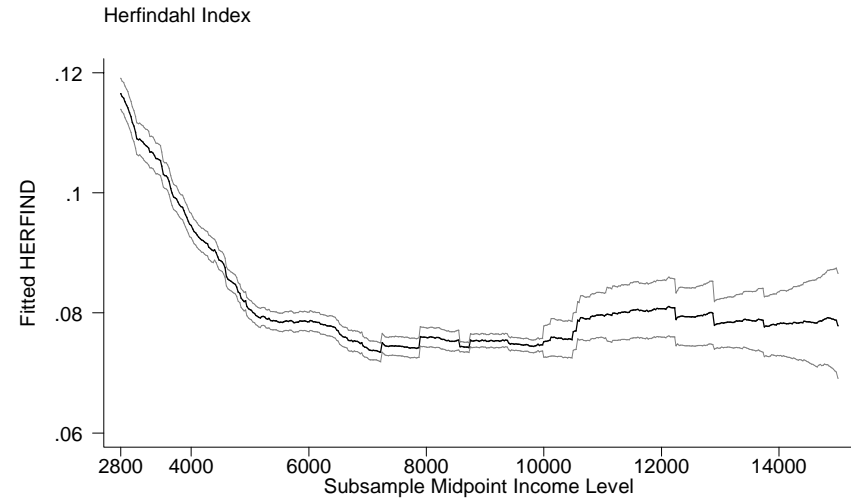
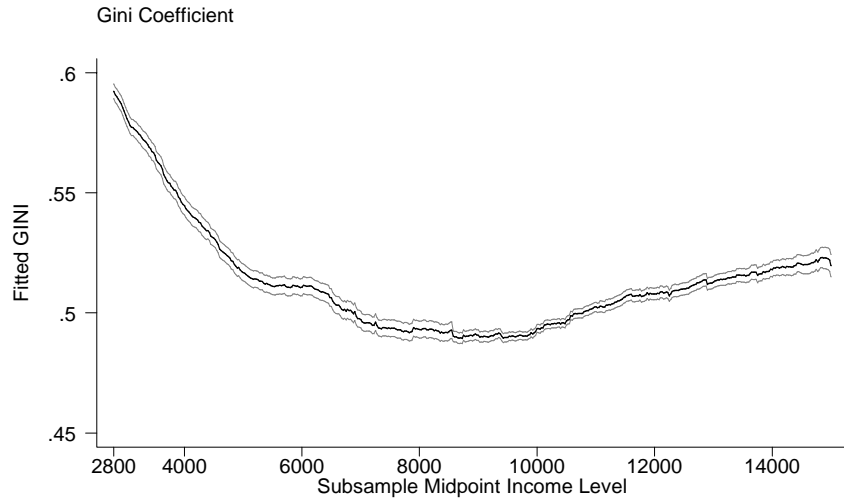
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**ILO - Employment Data - Nonparametric Relationship - 2**



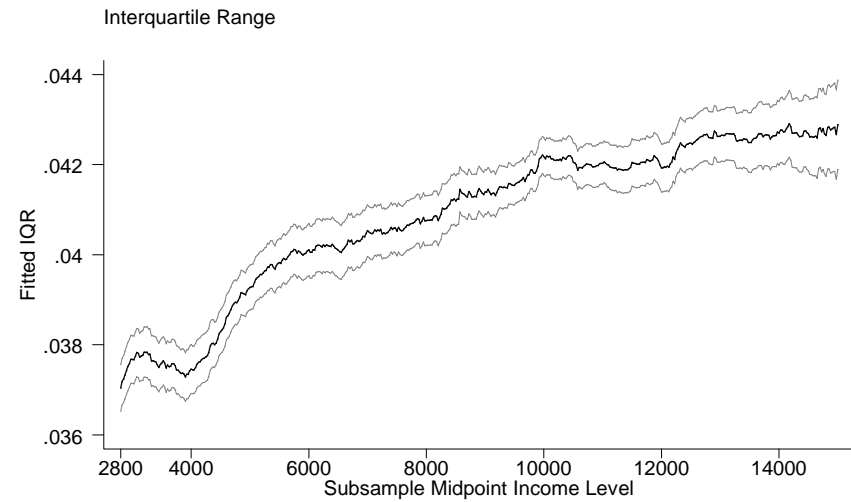
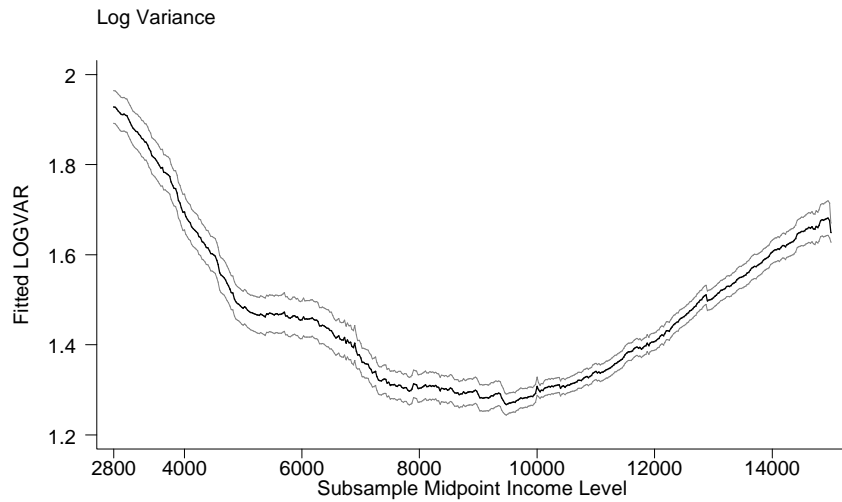
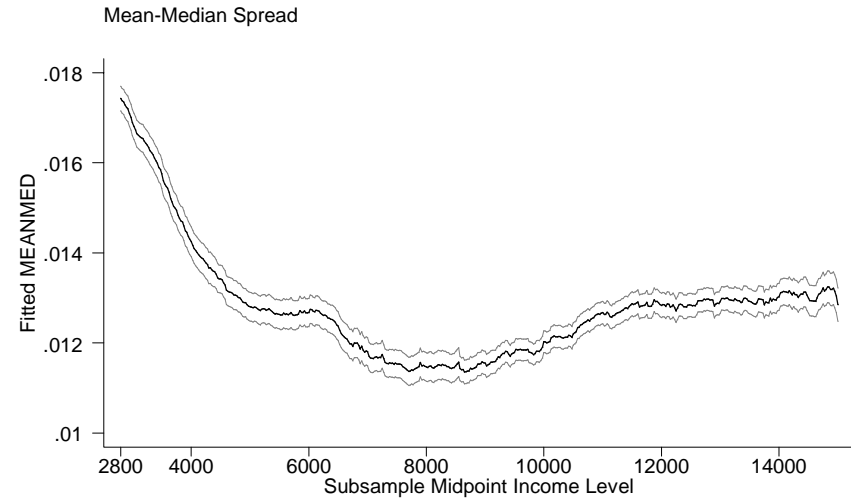
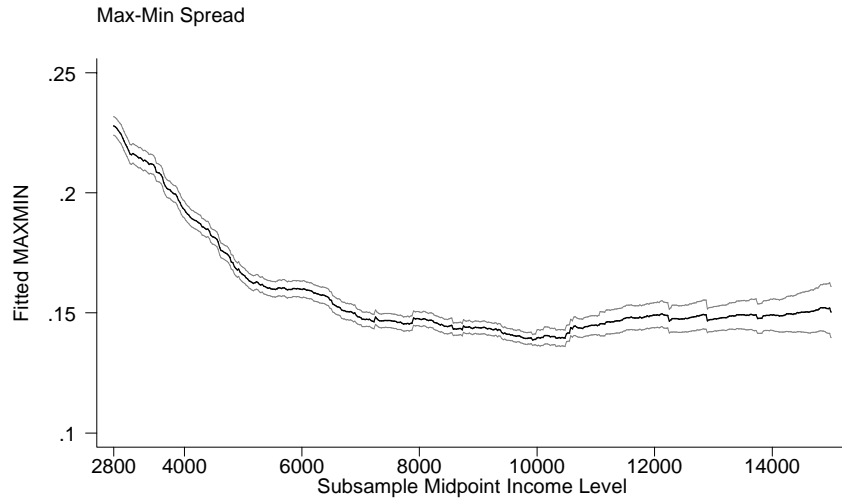
95% confidence bands in lighter shade  
**UNIDO - Employment Data - Nonparametric Relationship - 1**



95% confidence bands in lighter shade  
 UNIDO - Employment Data - Nonparametric Relationship - 2

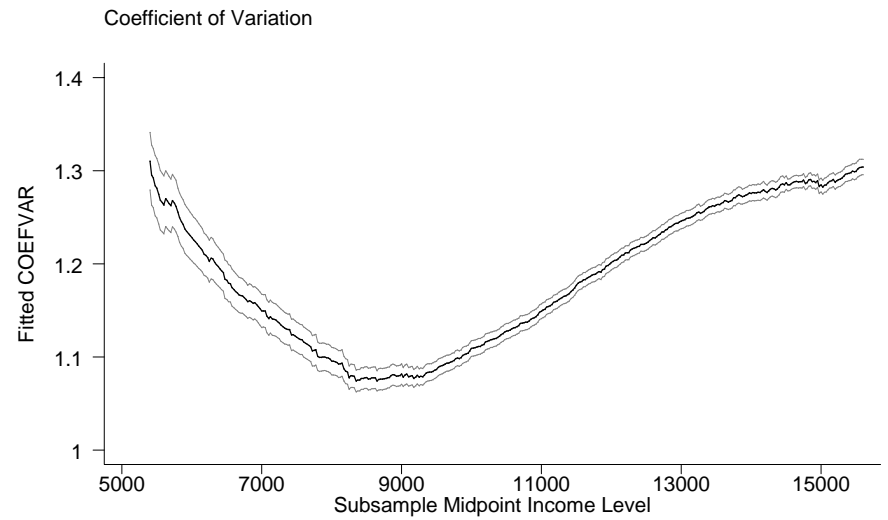
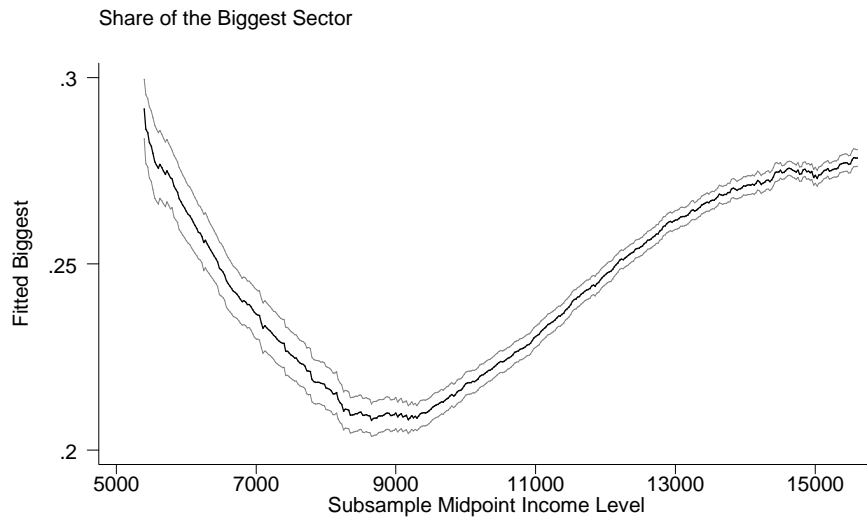
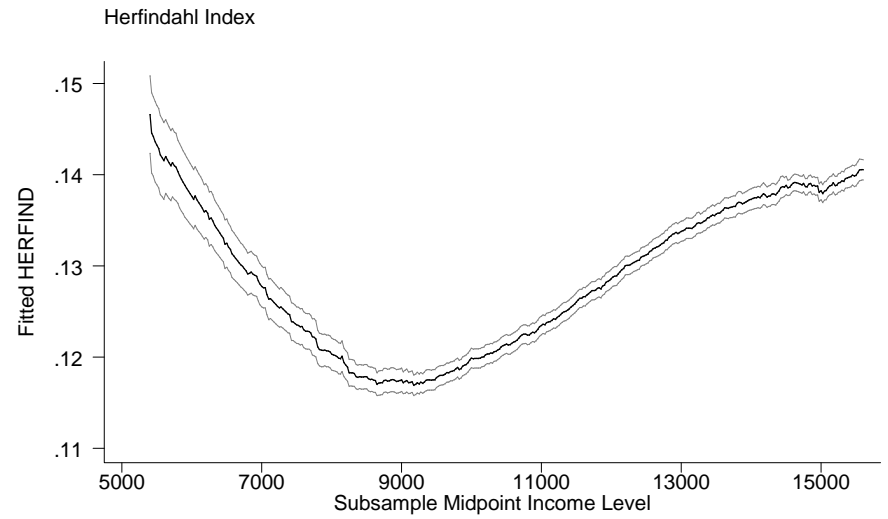
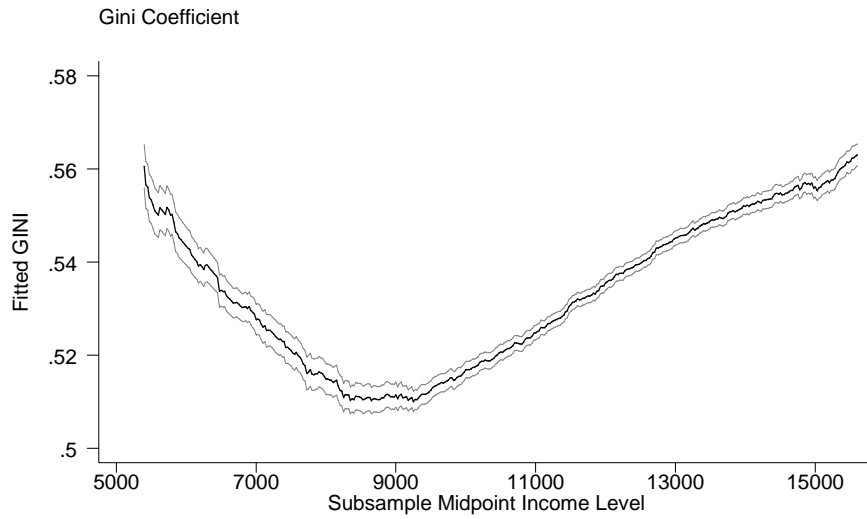


95% confidence bands in lighter shade  
**UNIDO - Value Added - Nonparametric Relationship - 1**

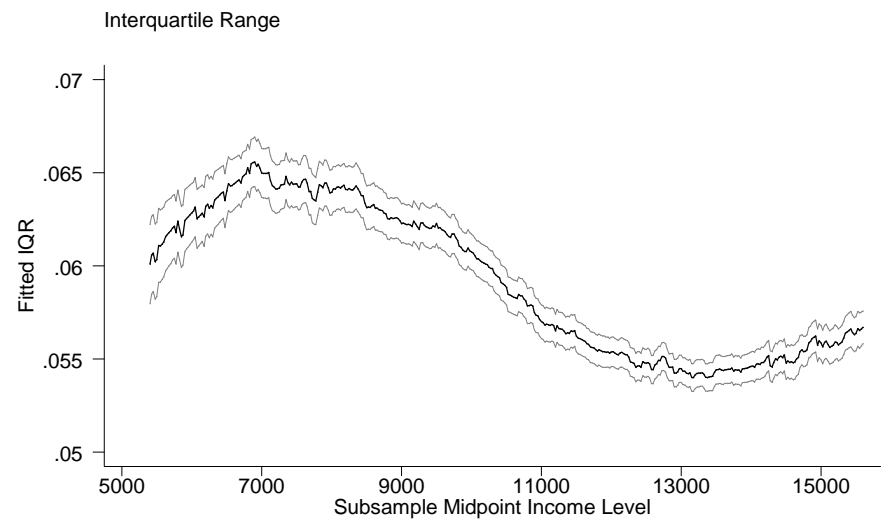
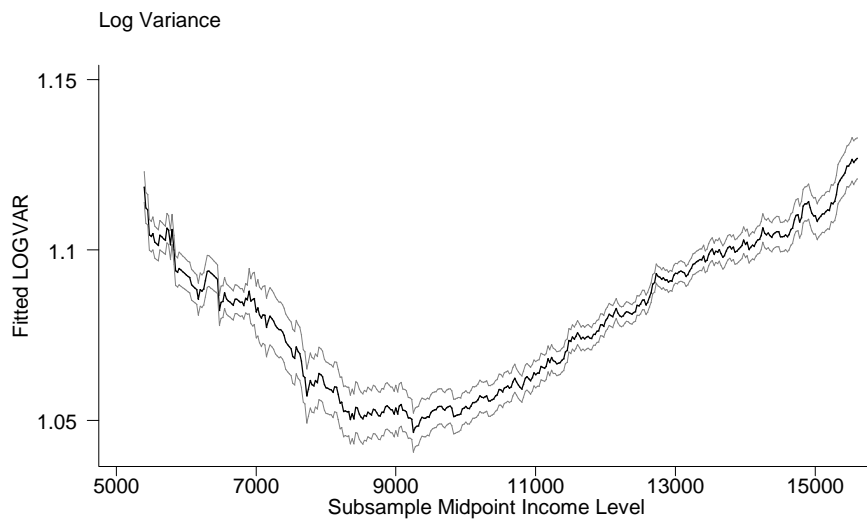
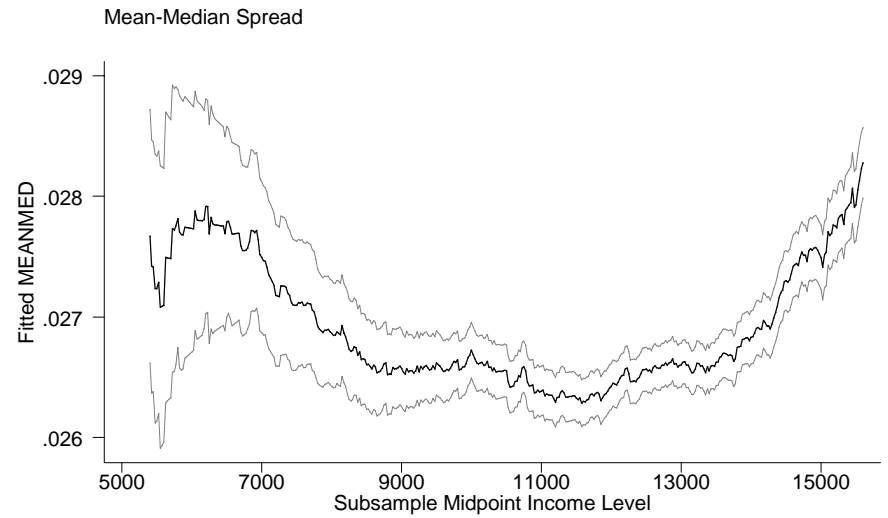
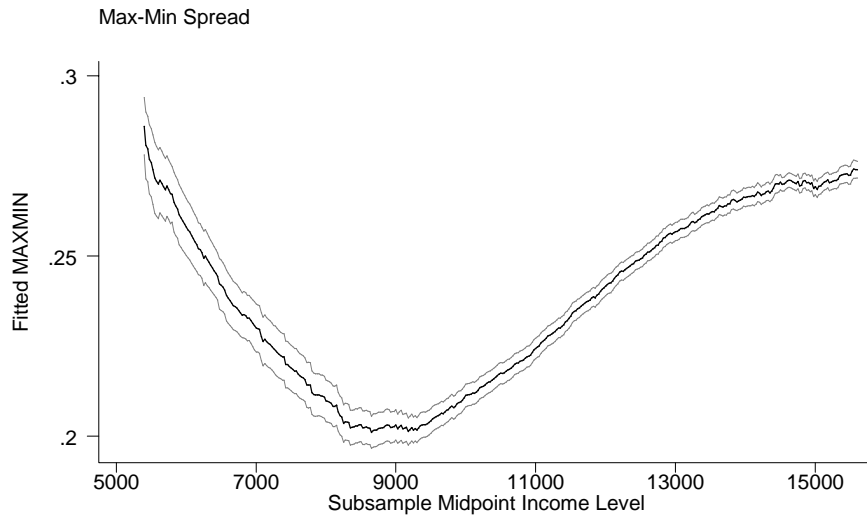


95% confidence bands in lighter shade  
**UNIDO - Value Added - Nonparametric Relationship - 2**

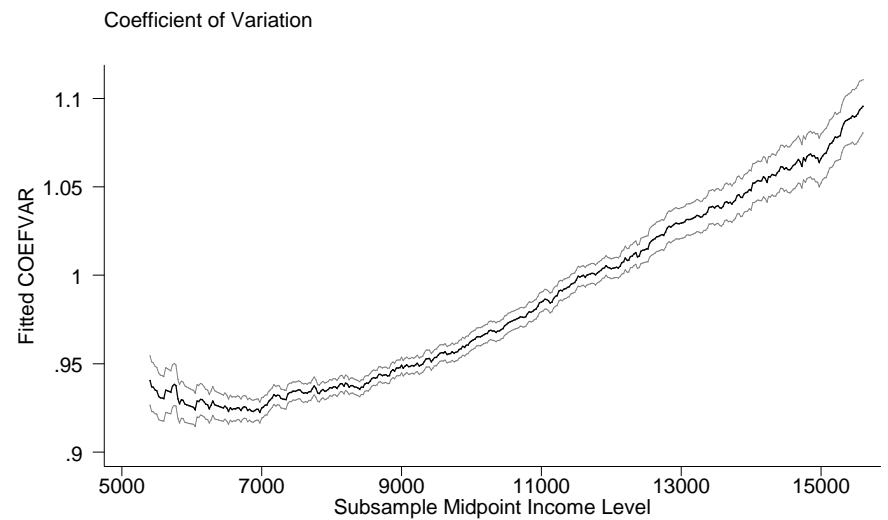
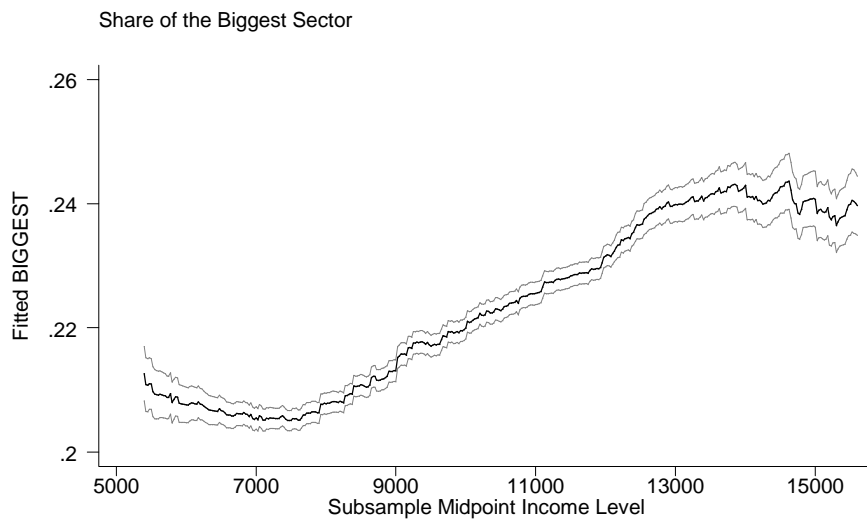
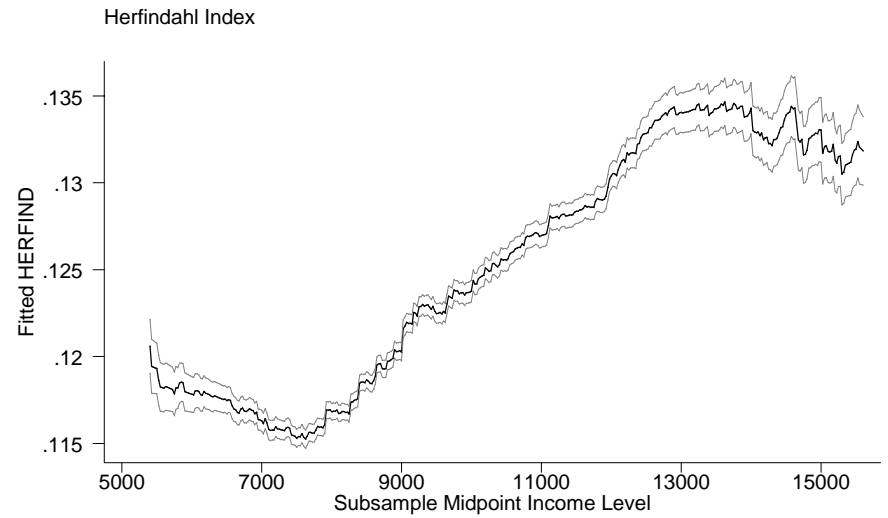
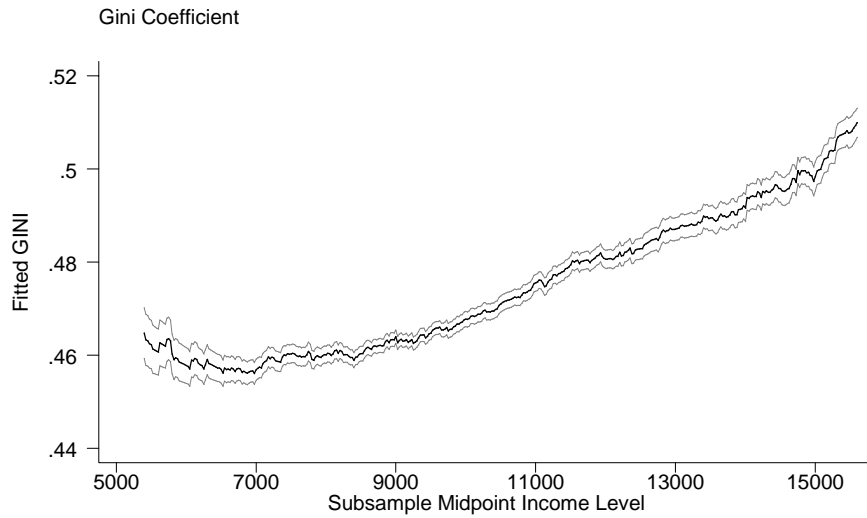




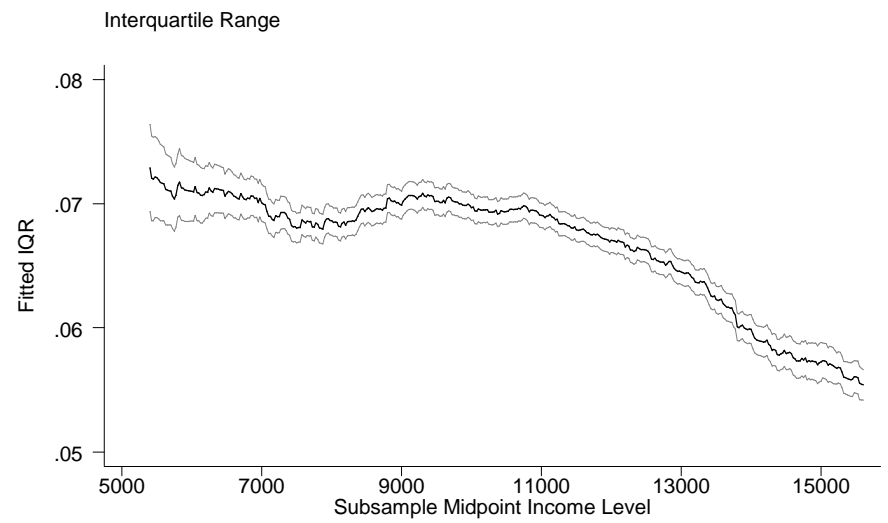
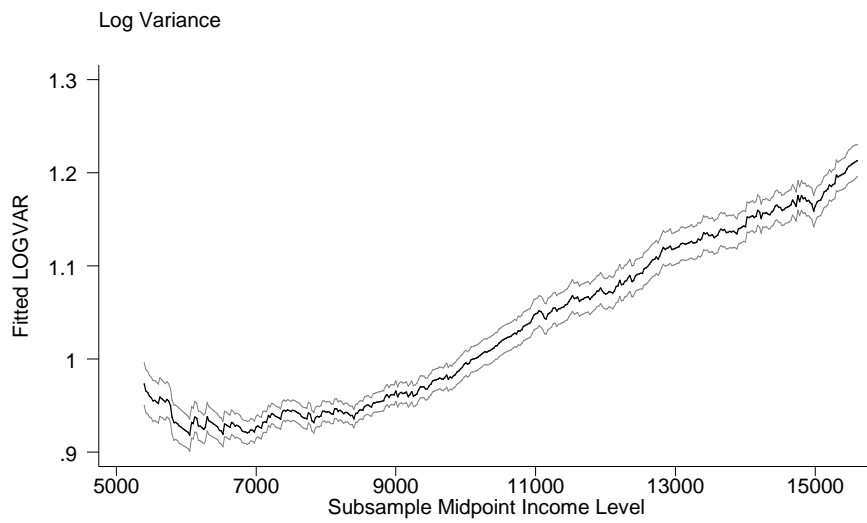
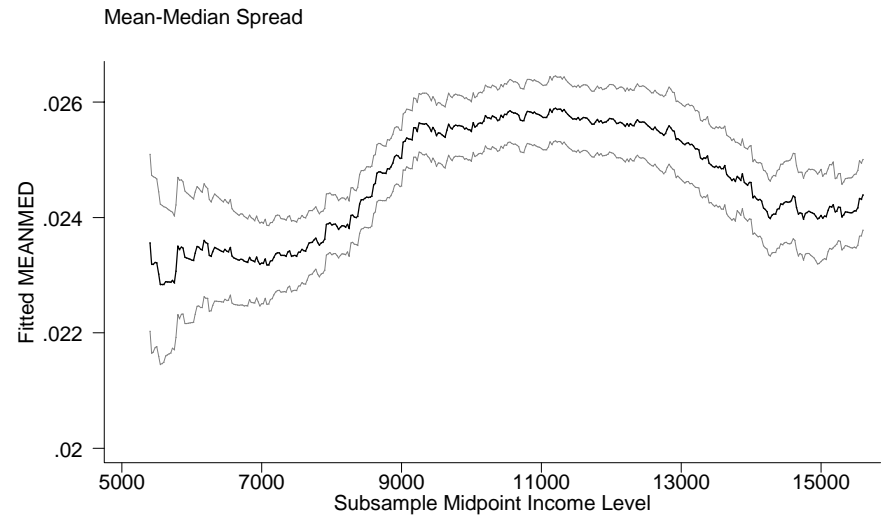
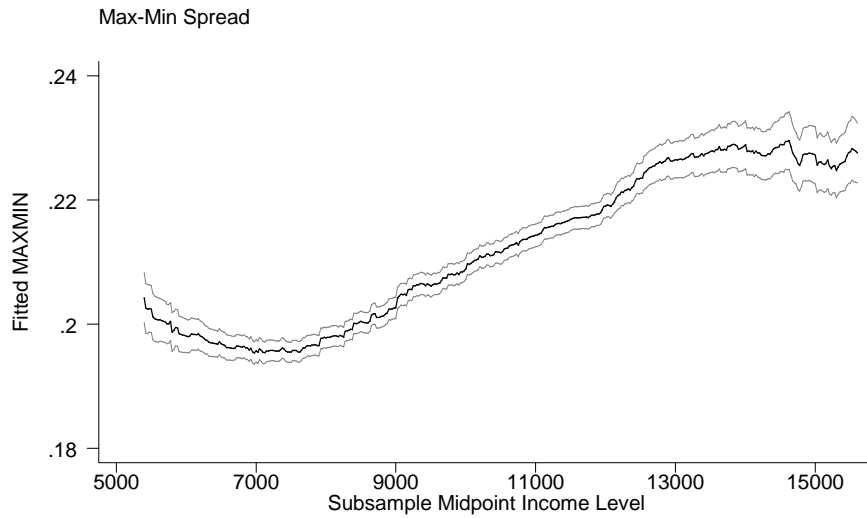
95% confidence bands in lighter shade  
**OECD -Employment Data - Nonparametric Relationships - 1**



95% confidence bands in lighter shade  
**OECD -Employment Data - Nonparametric Relationships - 2**



95% confidence bands in lighter shade  
**OECD - Value Added Data - Nonparametric Relationships - 1**



95% confidence bands in lighter shade  
**OECD - Value Added Data - Nonparametric Relationships - 2**

## II. Parametric Results for Alternative Measures of Dispersion (Section 3.1)

**Table A4a – Fixed-Effects Regressions of Sectoral Concentration on Income and Income Squared (unbalanced panel)<sup>1</sup> - ILO 1-Digit Data**

	<b>biggest</b>	<b>meanmed</b>	<b>iqr</b>
<b>ILO-Employment</b>	885 obs, 64 countries		
Income	-0.037 (-10.53)	-0.0061 (-7.16)	0.0045 (3.11)
Income <sup>2</sup>	0.002 (10.41)	0.0003 (8.00)	-0.0002 (-2.40)
Intercept	0.488 (34.10)	0.0611 (17.56)	0.1157 (19.33)
R-Squared	0.420	0.328	0.001
Minimum Point (\$)	11,265	9,967	14,409

(t-statistics in parentheses)

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<sup>1</sup> Throughout these tables, the data on per capita PPP income is entered in thousands of 1985 constant US dollars to facilitate readability of the numbers.

**Table A4b - Fixed-Effects Regressions of Sectoral Concentration on Income and Income Squared (unbalanced panel)<sup>2</sup> - UNIDO 3-Digit Data**

	<b>biggest</b>	<b>meanmed</b>	<b>iqr</b>
<b>UNIDO3 – Employment</b>	1556 obs, 67 countries		
Income	-0.005 (-2.14)	-0.0002 (-1.48)	0.0009 (3.36)
Income <sup>2</sup>	0.0004 (3.24)	-0.000003 (-0.43)	-0.0001 (-4.48)
Intercept	0.235 (28.12)	0.0175 (47.53)	0.0346 (38.87)
R-Squared	0.032	0.144	0.011
Minimum Point (\$)	6,853	N/A	7,362
<b>UNIDO3 – Value Added</b>	1493 obs, 67 countries		
Income	-0.0124 (-5.39)	-0.0009 (-5.09)	0.0007 (2.32)
Income <sup>2</sup>	0.0006 (5.07)	0.0001 (6.24)	-0.00003 (-1.87)
Intercept	0.2459 (33.17)	0.0182 (33.66)	0.0358 (35.75)
R-Squared	0.283	0.258	0.069
Minimum (\$)	11,116	8,553	12,967

(t-statistics in parentheses)

<sup>2</sup> Throughout these tables, the data on per capita PPP income is entered in thousands of 1985 constant US dollars to facilitate readability of the numbers.

**Table A4c – Fixed-Effects Regressions of Sectoral Concentration on Income and Income Squared (unbalanced panel) - OECD 2-Digit Data**

	<b>biggest</b>	<b>meanmed</b>	<b>iqr</b>
<b>OECD-Employment</b>	356 obs, 14 countries		
Income	-0.035 (-7.77)	-0.0013 (-4.30)	-0.0044 (-3.89)
Income <sup>2</sup>	0.002 (9.08)	0.0001 (4.77)	0.0002 (3.17)
Intercept	0.387 (15.86)	0.0327 (20.07)	0.0862 (13.93)
R-Squared	0.142	0.017	0.044
Minimum Point (\$)	9,506	9,989	13,614
<b>OECD – Value Added</b>	412 obs, 14 countries		
Income	-0.0048 (-1.89)	-0.0362 (-1.92)	0.0027 (2.36)
Income <sup>2</sup>	0.0004 (3.20)	0.0029 (3.45)	-0.0002 (-3.11)
Intercept	0.2290 (16.79)	1.0547 (10.44)	0.0574 (9.21)
R-Squared	0.016	0.058	0.051
Minimum Point (\$)	6,532	6,149	8,394

(t-statistics in parentheses)

**Table A5a - Between Regressions of Sectoral Concentration on Income and Income Squared  
ILO 1-Digit Employment Data**

	<b>biggest</b>	<b>meanmed</b>	<b>iqr</b>
<b>ILO-Employment</b>	51 countries		
Income	-0.063 (-5.59)	-0.0095 (-5.60)	0.0077 (1.56)
Income <sup>2</sup>	0.0033 (4.70)	0.0005 (4.53)	-0.0005 (-1.47)
Intercept	0.541 (16.60)	0.0731 (15.01)	0.1098 (7.69)
R-Squared	0.454	0.391	0.045
Minimum Point (\$)	9,523	9,881	8,480

(t-statistics in parentheses)

**Table A5b - Between Regressions of Sectoral Concentration on Income and Income Squared  
UNIDO 3-Digit Data**

	<b>biggest</b>	<b>meanmed</b>	<b>iqr</b>
<b>UNIDO-Employment</b>	51 countries		
Income	-0.0615 (-3.40)	-0.0034 (-4.21)	0.0020 (1.76)
Income <sup>2</sup>	0.0030 (2.38)	0.0002 (3.37)	0.0000 (-0.52)
Intercept	0.4215 (9.73)	0.0258 (13.46)	0.0273 (10.24)
R-Squared	0.315	0.255	0.259
Minimum Point (\$)	10,293	8,985	24,118
<b>UNIDO-Value Added</b>	50 countries		
Income		-0.0036 (-3.70)	0.0008 (0.69)
Income <sup>2</sup>		0.0002 (2.75)	0.0000 (-0.03)
Intercept		0.0261 (11.39)	0.0331 (11.47)
R-Squared		0.315	0.072
Minimum Point (\$)		9,418	154,242

(t-statistics in parentheses)



**Table A5c - Between Regressions of Sectoral Concentration on Income and Income Squared  
OECD 2-Digit Employment Data**

	<b>biggest</b>	<b>meanmed</b>	<b>iqr</b>
<b>OECD-Employment</b>	14 countries		
Income	0.0609 (1.41)	-0.0028 (-0.48)	-0.0107 (-0.38)
Income <sup>2</sup>	-0.0023 (-1.26)	0.0001 (0.45)	0.0003 (0.29)
Intercept	-0.1430 (-0.57)	0.0436 (1.31)	0.1343 (0.84)
R-Squared	0.022	0.011	0.049
Minimum Point (\$)	13,501	12,825	15,929
<b>OECD-Value Added</b>	14 countries		
Income	0.1562 (1.69)	0.4101 (0.67)	0.0189 (0.46)
Income <sup>2</sup>	-0.0066 (-1.62)	-0.0163 (-0.61)	-0.0010 (-0.54)
Intercept	-0.6467 (-1.29)	-1.3804 (-0.42)	-0.0144 (-0.06)
R-Squared	0.028	0.028	0.048
Minimum Point (\$)	11,850	N/A	9,566

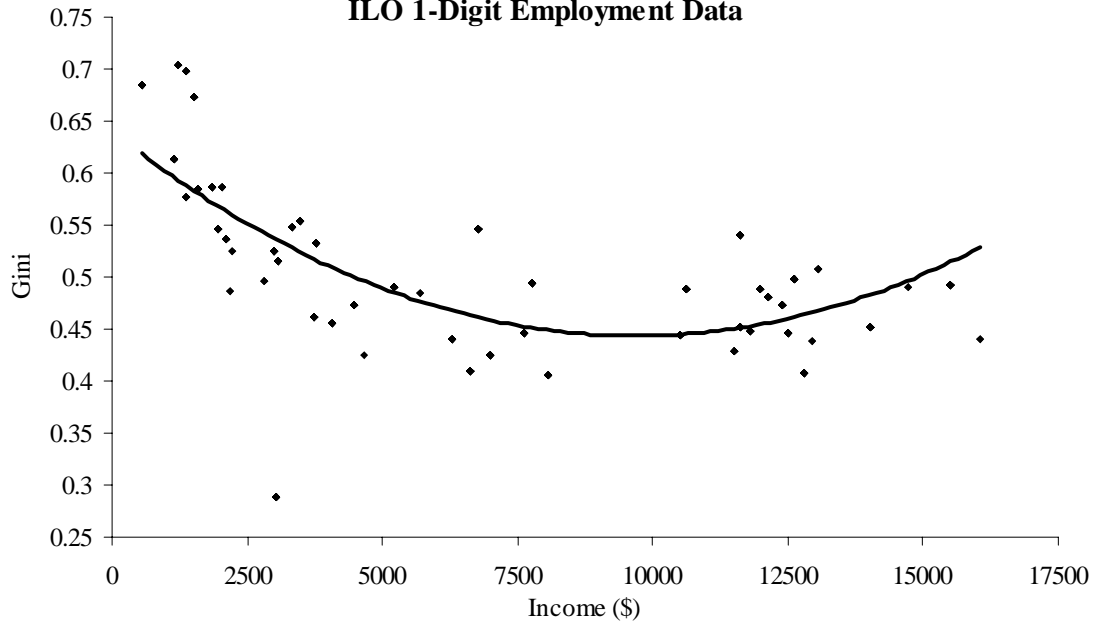
(t-statistics in parentheses)

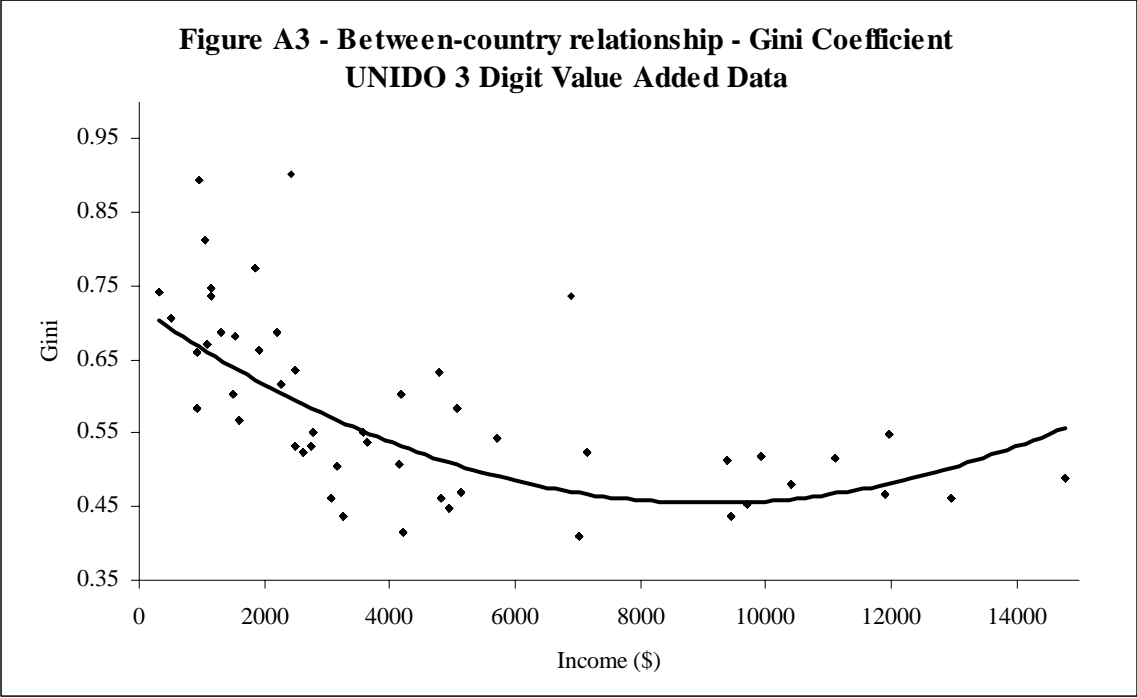
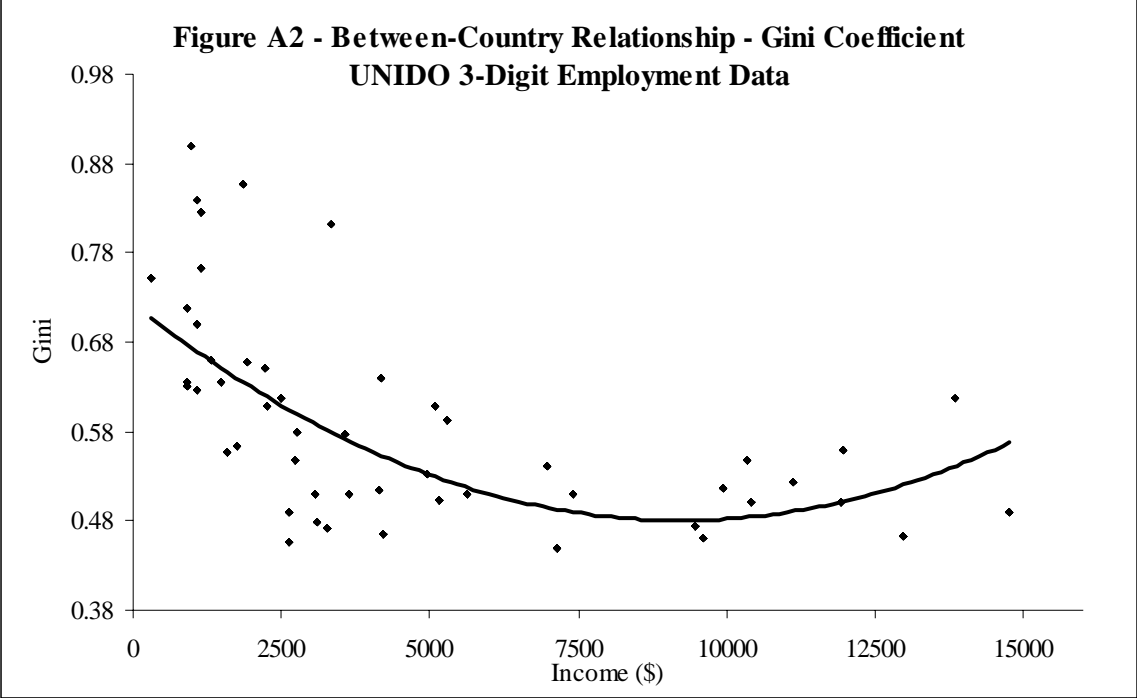
NOTE: The number of sectors varies across countries, but there are only 14 data points.

**Additional Figures – Parametric Curves obtained from between estimation of the quadratic specification:**

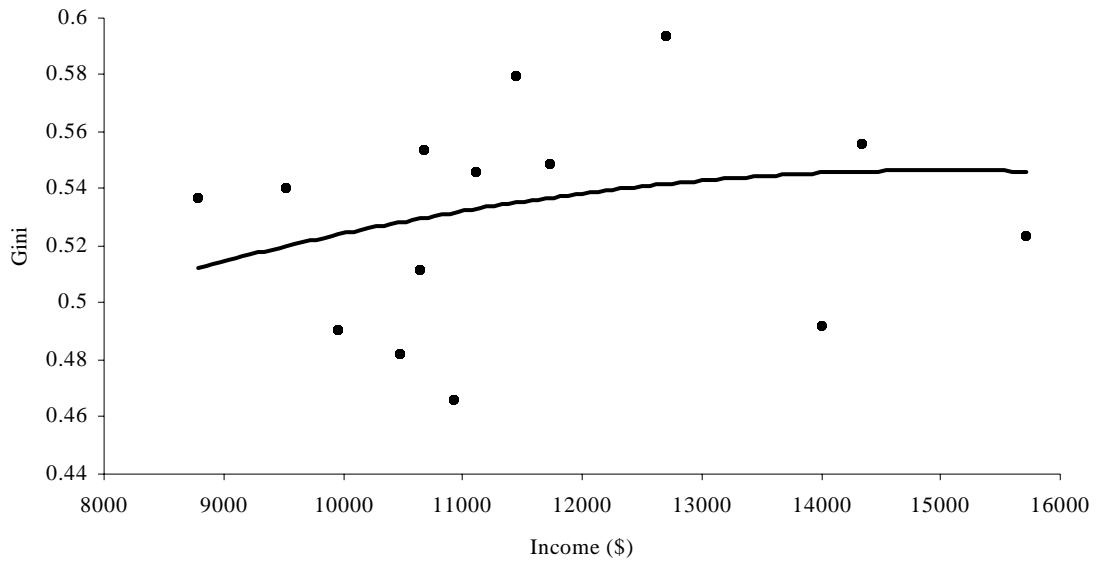
- Figure A1: ILO 1 Digit Employment Data (Gini)
- Figure A2: UNIDO 3-Digit Employment Data (Gini)
- Figure A3: UNIDO 3-Digit Value Added Data (Gini)
- Figure A4: OECD 2-Digit Employment Data (Gini)
- Figure A5: OECD 2-Digit Value Added Data (Gini)

**Figure A1 - Between-country relationship - Gini Coefficient  
ILO 1-Digit Employment Data**

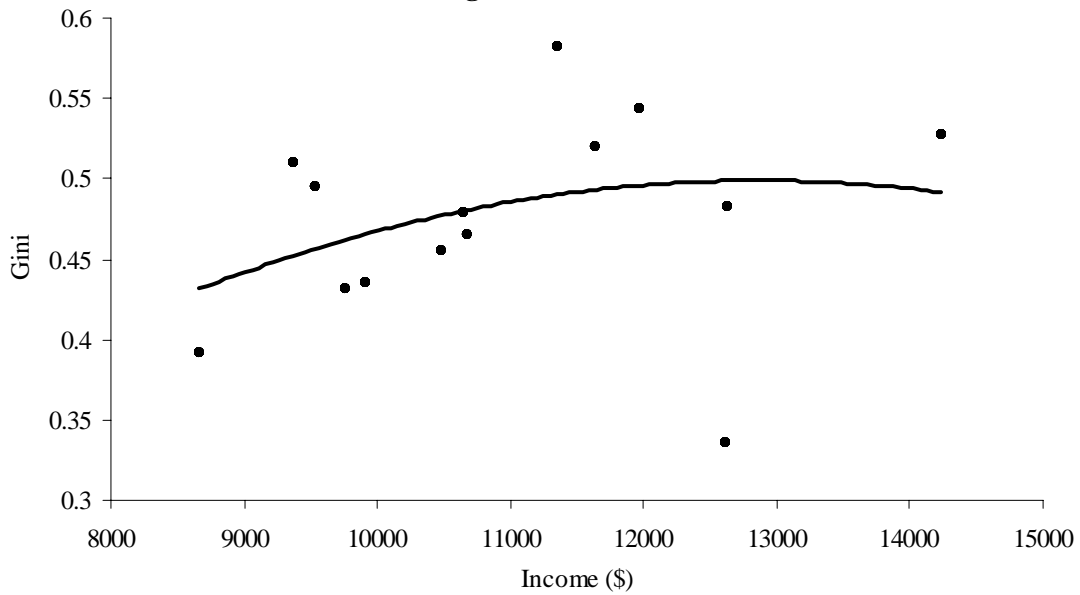




**Figure A4 - Between-country relationship - Gini Coefficient  
OECD 2-Digit Employment Data**



**Figure A5 - Between-country relationship - Gini Coefficient  
OECD 2-Digit Value Added Data**



**Table A6a – Sample Splits at the Minimum Point, fixed effects estimates in a regression of dispersion measures on income (income > minimum)**

	<b>gini</b>	<b>herfind</b>	<b>coefvar</b>	<b>maxmin</b>	<b>logvar</b>
<b>ILO - Employment</b>					
Income	0.0041 (7.23)	0.0012 (4.25)	0.0079 (5.08)	0.0069 (7.28)	0.0934 (10.29)
Intercept	0.402 (51.90)	0.180 (44.69)	0.8016 (37.48)	0.1983 (15.49)	0.9482 (10.37)
# of obs (# of countries)	193 (22)	185 (22)	193 (22)	210 (22)	548 (40)
R-Squared	0.071	0.017	0.054	0.045	0.012
<b>UNIDO - Employment</b>					
Income	0.0050 (15.75)	0.0016 (7.57)	0.0186 (11.89)	0.0025 (6.56)	0.0473 (12.99)
Intercept	0.4682 (128.36)	0.0645 (24.74)	0.8884 (46.72)	0.1279 (27.00)	0.9997 (24.77)
# of obs (# of countries)	378 (22)	276 (17)	317 (20)	305 (18)	435 (24)
R-Squared	0.007	0.0006	0.0001	0.004	0.054
<b>UNIDO - Value Added</b>					
Income	0.0047 (7.40)	-0.0004 (-0.19)	0.0036 (0.52)	0.0003 (0.16)	0.0680 (14.84)
Intercept	0.4509 (56.76)	0.0901 (2.70)	1.0176 (10.80)	0.1489 (6.61)	0.6338 (12.22)
# of obs (# of countries)	285 (18)	120 (15)	208 (15)	193 (15)	397 (21)
R-Squared	0.048	0.009	0.022	0.015	0.143
<b>OECD - Employment</b>					
Income	0.0098 (21.05)	0.0048 (14.86)	0.0383 (15.84)	0.0121 (14.88)	0.0237 (22.57)
Intercept	0.4149 (70.34)	0.0697 (17.33)	0.7276 (24.07)	0.0911 (8.93)	0.7810 (58.39)
# of obs (# of countries)	256 (14)	263 (14)	267 (14)	267 (14)	243 (14)
R-Squared	0.123	0.146	0.203	0.184	0.006
<b>OECD - Value Added</b>					
Income	0.0062 (11.61)	0.0020 (9.73)	0.0196 (11.60)	0.0037 (7.77)	0.0355 (10.62)
Intercept	0.4067 (64.35)	0.1030 (42.49)	0.7689 (38.89)	0.1714 (32.11)	0.6378 (16.82)
# of obs (# of countries)	352 (14)	362 (14)	362 (14)	400 (14)	395 (14)
R-Squared	0.070	0.013	0.145	0.047	0.074

(t-statistics in parentheses)

**Table A6b – Sample Splits at the Minimum Point, fixed effects estimates in a regression of dispersion measures on income (income < minimum)**

	<b>gini</b>	<b>herfind</b>	<b>coefvar</b>	<b>maxmin</b>	<b>logvar</b>
<b>ILO - Employment</b>					
Income	-0.0088 (-7.06)	-0.0066 (-6.35)	-0.0280 (-6.74)	-0.0119 (-6.18)	-0.2955 (-4.37)
Intercept	0.530 (80.99)	0.272 (48.83)	1.1682 (53.22)	0.4065 (41.31)	3.1798 (20.09)
# of obs	692 (59)	700 (59)	692 (59)	675 (59)	337 (32)
R-Squared	0.251	0.338	0.300	0.320	0.155
<b>UNIDO - Employment</b>					
Income	-0.0056 (-5.19)	-0.0042 (-3.89)	-0.0328 (-4.93)	-0.0066 (-4.47)	-0.0469 (-3.40)
Intercept	0.6055 (174.40)	0.1403 (35.52)	1.5885 (68.81)	0.2655 (51.10)	1.8099 (44.21)
# of obs	1178 (62)	1280 (65)	1239 (65)	1251 (65)	1121 (60)
R-Squared	0.346	0.135	0.219	0.196	0.138
<b>UNIDO - Value Added</b>					
Income	-0.0114 (-7.71)	-0.0025 (-3.21)	-0.0331 (-5.14)	-0.0056 (-4.13)	-0.0894 (-4.41)
Intercept	0.6210 (126.57)	0.1194 (35.88)	1.4911 (61.78)	0.2356 (45.09)	2.1733 (37.80)
# of obs	1208 (63)	1373 (66)	1285 (66)	1300 (66)	1096 (57)
R-Squared	0.388	0.171	0.280	0.246	0.162
<b>OECD - Employment</b>					
Income	-0.0158 (-12.61)	-0.0089 (-10.53)	-0.0714 (-10.25)	-0.0258 (-9.93)	-0.0235 (-7.96)
Intercept	0.6390 (63.44)	0.1901 (28.57)	1.6488 (30.31)	0.4103 (20.22)	1.2462 (51.31)
# of obs	100 (10)	93 (10)	89 (10)	89 (10)	113 (11)
R-Squared	0.281	0.289	0.402	0.456	0.064
<b>OECD - Value Added</b>					
Income	-0.0103 (-5.03)	-0.0030 (-3.90)	-0.0288 (-4.20)	-0.0223 (-3.40)	-0.1183 (-6.22)
Intercept	0.5217 (38.32)	0.1371 (27.78)	1.1175 (25.27)	0.3229 (9.05)	1.6659 (15.55)
# of obs (# of countries)	60 (9)	50 (9)	50 (9)	12 (3)	17 (5)
R-Squared	0.037	0.0270	0.001	0.051	0.034

(t-statistics in parentheses)

**Table A7 – Random-Effects Regressions of Sectoral Concentration on Income and Income Squared (unbalanced panel)**

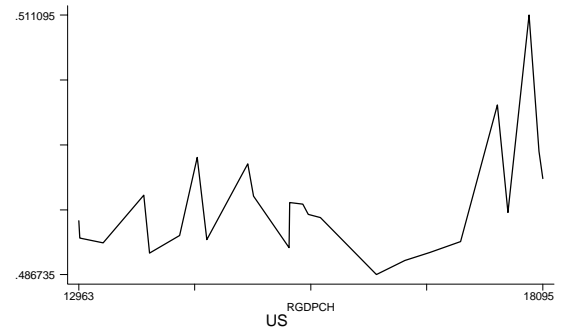
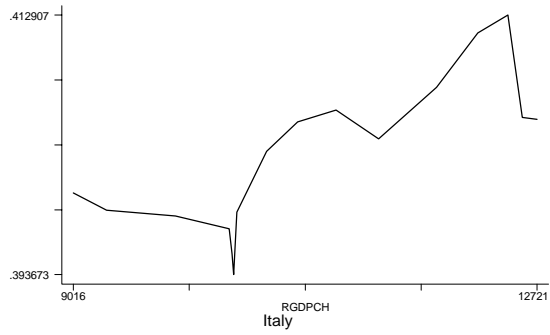
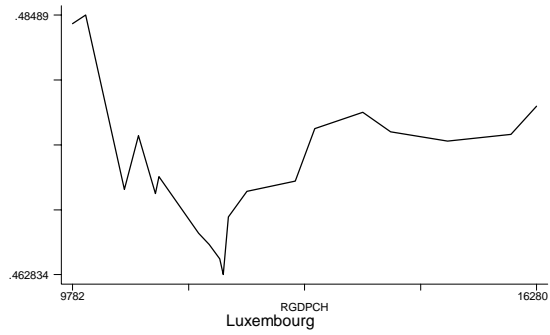
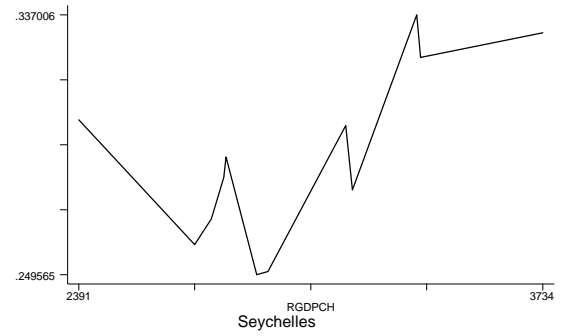
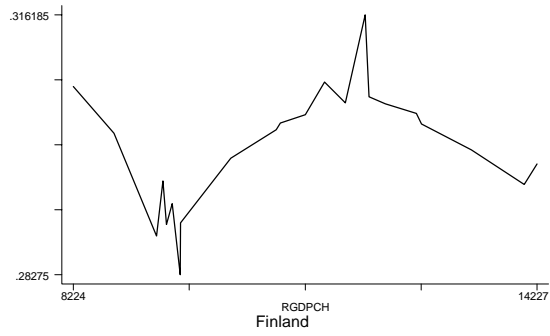
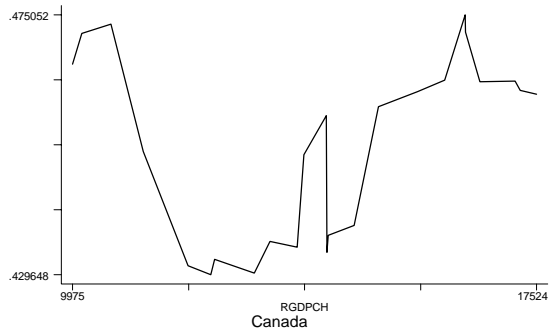
	<b>Gini</b>	<b>Herfindahl</b>	<b>Biggest</b>
<b>ILO - Employment</b>			
Income	-0.030 (-13.67)	-0.022 (-11.99)	-0.040 (-11.83)
Income <sup>2</sup>	0.0013 (12.74)	0.0009 (11.02)	0.0017 (11.14)
Intercept	0.619 (52.54)	0.314 (31.14)	0.495 (28.69)
# of obs.	672	672	672
# countries	51	51	51
R-squared	0.417	0.451	0.426
Minimum Point (\$)	11,789	12,002	11,540
<b>UNIDO - Employment</b>			
INCOME	-0.0137 (-9.32)	-0.0126 (-6.58)	-0.0186 (-7.85)
Income <sup>2</sup>	0.0007 (10.07)	0.0006 (6.08)	0.0009 (7.37)
Intercept	0.6269 (47.88)	0.1711 (10.89)	0.3006 (15.78)
# of obs.	1234	1234	1234
# countries	51	51	51
R-squared	0.392	0.208	0.317
Minimum Point (\$)	9,184	10,718	10,547

(t-statistics in parentheses)

### **III. Extensions and Robustness Checks (section 3.2 and 3.3)**

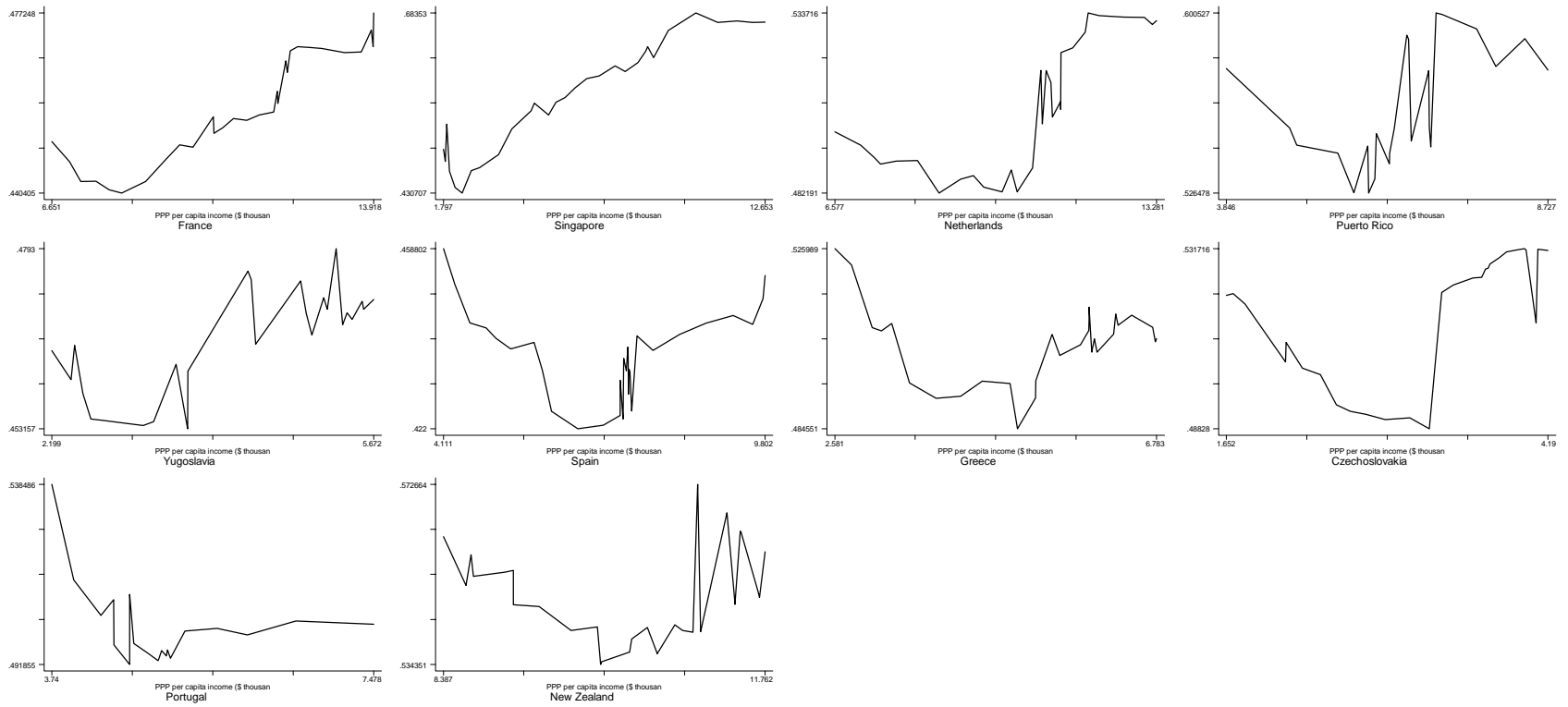
#### **Additional Figures – Country Specific Graphs for Countries in which both stages of diversification are observed (section 3.2.2)**

- ILO 1 Digit Employment Data (Gini)
- UNIDO 3-Digit Employment Data (Gini)
- OECD 2-Digit Employment Data (Gini)

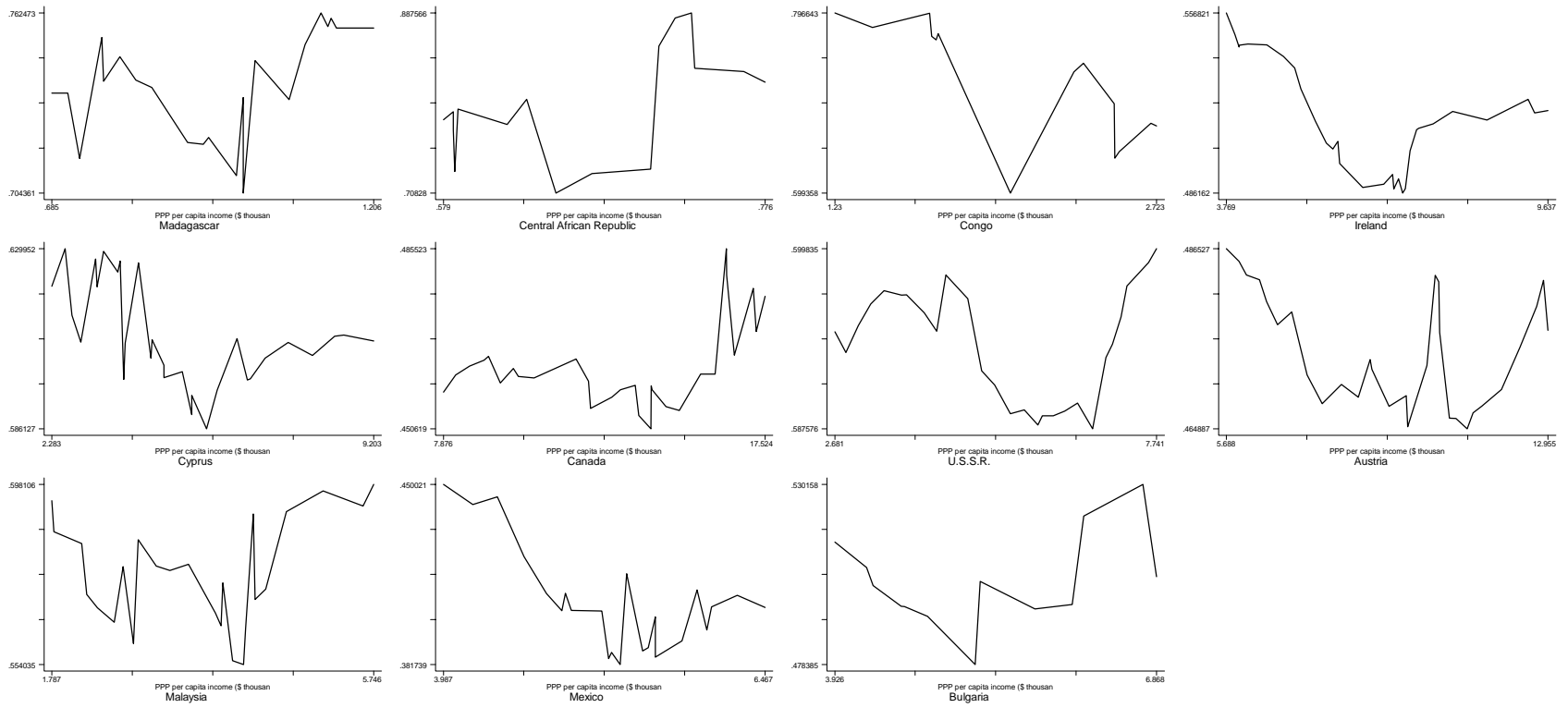


# ILO Employment Data

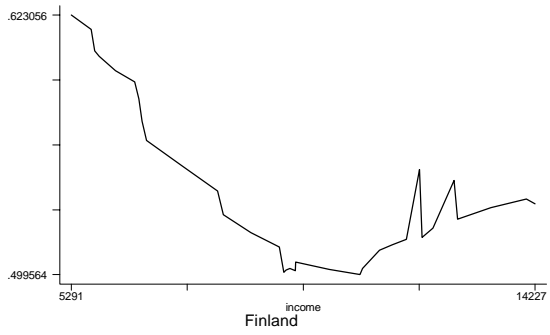
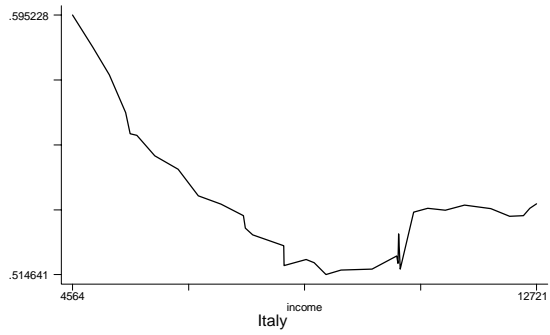
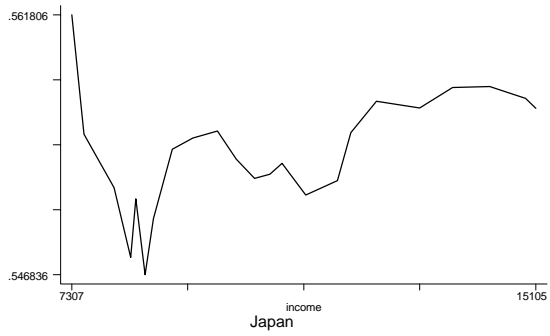
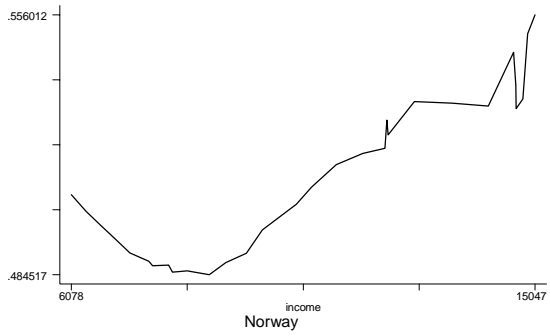
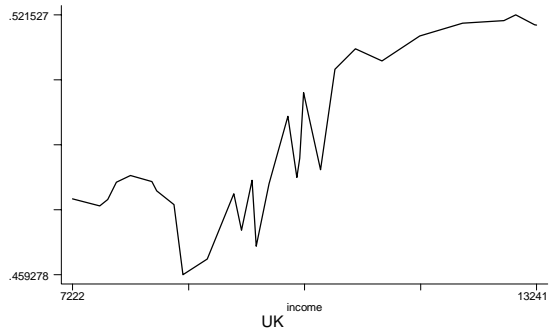




# UNIDO Employment Data - 1



## UNIDO Employment Data - 2



# OECD Employment Data

**A. Results pertaining to UNIDO 4-Digit Data**

**Table A8 - Correlation Matrix for Concentration Measures  
(UNIDO 4-Digit Employment Data)**

	Gini	Herfindahl
Herfindahl	0.350	1
Biggest	0.537	0.933

(# of obs=753)

**Table A9 - Fixed Effects Regressions (UNIDO 4-Digit Employment Data)**

	Gini	Herfindahl	Biggest
Income	-0.0008 (-0.34)	-0.0034 (-1.59)	-0.0106 (-2.46)
Income <sup>2</sup>	0.0001 (1.20)	0.0001 (1.31)	0.0004 (2.37)
Intercept	0.6283 (72.35)	0.0897 (11.18)	0.2149 (13.17)
# of Obs.	541	541	541
# of Countries	73	73	73
R-Squared	0.012	0.042	0.063

(t-statistics in parentheses)

**Table A10 - Between Regressions (UNIDO 4-Digit Employment Data)\***

	Gini	Herfindahl	Biggest
Income	-0.0391 (-2.93)	-0.0171 (-2.29)	-0.0366 (-2.57)
Income <sup>2</sup>	0.0020 (2.46)	0.0009 (1.84)	0.0018 (2.00)
Intercept	0.7530 (21.53)	0.1125 (5.74)	0.2701 (7.22)
# of Countries	37	37	37
R-Squared	0.148	0.1698	0.240

(t-statistics in parentheses)

\* Data restricted to countries with 70 or more available sectors (out of 81), in order to minimize possible bias resulting from different underlying numbers of sectors when computing concentration measures and when using between country variation (results are unchanged when countries with fewer available sectors are included).

**Table A11 - Random Effects Regressions (UNIDO 4-Digit Employment Data)\***

	<b>Gini</b>	<b>Herfindahl</b>	<b>Biggest</b>
Income	-0.0051 (-2.25)	-0.0052 (-2.26)	-0.0153 (-3.67)
Income <sup>2</sup>	0.0002 (2.45)	0.0002 (1.81)	0.0007 (3.60)
Intercept	0.6614 (40.19)	0.0825 (7.42)	0.2113 (10.11)
# of Obs.	299	299	299
# of Countries	37	37	37
R-Squared	0.144	0.146	0.292

(t-statistics in parentheses)

Data restricted to countries with 70 or more available sectors (out of 81), in order to minimize possible bias resulting from different underlying numbers of sectors when computing concentration measures and when using between country variation (results are unchanged when countries with fewer available sectors are included).

## B. Logistic Transforms

**Table A12 – Fixed-effects regressions on logistic transforms of the concentration variables**

<b>ILO - Employment</b>	<b>Gini Transform</b>	<b>Herfindahl Transform</b>	<b>Biggest Transform</b>
Income	-0.113 (-11.60)	-0.109 (-11.46)	-0.162 (-10.47)
Income <sup>2</sup>	0.0049 (11.19)	0.0047 (10.96)	0.0072 (10.39)
Intercept	0.359 (9.01)	-0.807 (-20.62)	-0.035 (-0.56)
# of obs.	884	884	884
# of countries	64	64	64
R-squared	0.262	0.466	0.414
Minimum point (\$)	11,548	11,645	11,224
<b>UNIDO - Employment</b>			
Income	-0.0506 (-7.42)	-0.0678 (-6.96)	-0.0739 (-6.51)
Income <sup>2</sup>	0.0030 (8.67)	0.0038 (7.61)	0.0042 (7.20)
Intercept	0.4468 (20.61)	-1.9815 (-64.02)	-1.1189 (-31.02)
# of obs.	1556	1556	1556
# of countries	67	67	67
R-squared	0.296	0.252	0.250
Minimum point (\$)	8,392	8,973	8,871

(t-statistics in parentheses)

**C. Results Obtained by Removing Countries of Extreme Sizes (large or small) from the Various Samples**

**Table A13a - Fixed Effects Quadratic Regressions – Removing Extreme Country Sizes  
ILO 1-Digit Data**

	<b>excluding 25% smallest countries</b>	<b>excluding 25% largest countries</b>	<b>excluding 25% smallest countries</b>	<b>excluding 25% largest countries</b>
<b>ILO Employment</b>	<b>Gini</b>		<b>Herfindahl</b>	
Income	-0.0461 (-18.45)	-0.0301 (-11.18)	-0.0344 (-14.44)	-0.0208 (-10.83)
Income <sup>2</sup>	0.0019 (17.61)	0.0013 (10.75)	0.0014 (13.72)	0.0009 (10.26)
Intercept	0.6864 (66.61)	0.5808 (52.34)	0.3773 (38.36)	0.2988 (37.75)
R-Squared	0.451	0.150	0.501	0.371
Minimum Point (\$)	12,232	11,292	12,284	11,471
# of Obs. (# of countries)	660 (49)	664 (49)	660 (49)	664 (49)

(t-statistics in parentheses)

**Table A13b - Fixed Effects Quadratic Regressions – Removing Extreme Country Sizes  
UNIDO 3-Digit Data**

	excluding 25% smallest countries	excluding 25% largest countries	excluding 25% smallest countries	excluding 25% largest countries
<b>UNIDO Employment</b>	<b>Gini</b>		<b>Herfindahl</b>	
Income	-0.0086 (-5.65)	-0.0078 (-4.72)	-0.0087 (-5.79)	-0.0080 (-3.91)
Income <sup>2</sup>	0.0006 (7.77)	0.0005 (5.58)	0.0004 (5.84)	0.0004 (3.98)
Intercept	0.5764 (117.99)	0.5925 (111.91)	0.1392 (28.87)	0.1393 (21.27)
R-Squared	0.195	0.304	0.212	0.127
Minimum Point (\$)	7,243	8,140	9,873	9,458
# of Obs. (# of countries)	1228 (50)	1099 (50)	1228 (50)	1099 (50)
<b>UNIDO Value Added</b>				
Income	-0.0210 (-9.01)	-0.0110 (-4.87)	-0.0087 (-6.69)	-0.0055 (-2.54)
Income <sup>2</sup>	0.0012 (10.20)	0.0006 (5.53)	0.0004 (6.78)	0.0002 (1.66)
Intercept	0.6082 (84.05)	0.6122 (82.94)	0.1223 (30.32)	0.1349 (19.12)
R-Squared	0.435	0.412	0.321	0.192
Minimum Point (\$)	8,926	9,434	9,971	16,431
# of Obs. (# of countries)	1199 (50)	1035 (50)	1199 (50)	1035 (50)

(t-statistics in parentheses)



**Table A13c - Fixed Effects Quadratic Regressions – Removing Extreme Country Sizes  
OECD 2-Digit Data**

	<b>excluding 25% smallest countries</b>	<b>excluding 25% largest countries</b>	<b>excluding 25% smallest countries</b>	<b>excluding 25% largest countries</b>
<b>OECD - Employment</b>	<b>Gini</b>		<b>Herfindahl</b>	
Income	-0.0189 (-7.88)	-0.0446 (-12.91)	-0.0085 (-6.01)	-0.0244 (-11.72)
Income <sup>2</sup>	0.0011 (10.44)	0.0023 (14.02)	0.0005 (7.65)	0.0013 (12.76)
Intercept	0.5924 (43.55)	0.7202 (41.21)	0.1582 (19.78)	0.2318 (21.99)
R-Squared	0.176	0.094	0.104	0.145
Minimum Point (\$)	8,642	9,624	9,007	9,598
# of Obs. (# of countries)	266 (11)	277 (11)	266 (11)	277 (11)
<b>OECD Value Added</b>				
Income	-0.0041 (-1.93)	-0.0148 (-4.18)	-0.0015 (-1.91)	-0.0038 (-2.76)
Income <sup>2</sup>	0.0003 (3.22)	0.0008 (5.05)	0.0001 (2.81)	0.0002 (3.70)
Intercept	0.4621 (39.80)	0.5345 (28.94)	0.1358 (31.73)	0.1406 (19.64)
R-Squared	0.090	0.010	0.000	0.015
Minimum Point (\$)	6,705	8,878	7,606	8,009
# of Obs. (# of countries)	293 (10)	292 (10)	293 (10)	292 (10)

(t-statistics in parentheses)

**D. Results Obtained After Removing the Agricultural Sector from the ILO Employment Dataset**

**Table A14 – Panel Data Estimates – ILO Data – Excludes the agricultural sector (Sector code 1)**

<b>Fixed Effects</b>	<b>Gini</b>	<b>Herfindahl</b>	<b>Biggest sector</b>
Income	-0.010 (-5.87)	-0.004 (-3.99)	-0.009 (-3.39)
Income <sup>2</sup>	0.0003 (3.59)	0.0001 (2.47)	0.0003 (3.04)
Intercept	0.507 (71.23)	0.251 (60.42)	0.372 (35.73)
# of obs	885	885	885
# of countries	64	64	64
R-squared	0.024	0.182	0.070
Minimum point (\$)	18,226	17,990	12,393
<b>Random Effects</b>			
Income	-0.010 (-5.98)	-0.005 (-4.91)	-0.009 (-3.84)
Income <sup>2</sup>	0.0003 (3.70)	0.0001 (3.13)	0.0004 (3.33)
Intercept	0.525 (62.06)	0.246 (54.48)	0.359 (33.73)
# of obs	672	672	672
# of countries	51	51	51
R-squared	0.074	0.092	0.024
Minimum point (\$)	17,653	16,796	12,228

(t-statistics in parentheses)

### E. Sample Splits By Time Period

**Table A15 - Fixed Effects Estimation of the Quadratic Specification – Time Period  
Breakdown between pre-1980 and post 1980 periods**

	<b>Employment</b>		<b>Value Added</b>	
	<b>Before 1980</b>	<b>After 1980</b>	<b>Before 1980</b>	<b>After 1980</b>
<b>ILO 1-Digit</b>				
Income	-0.0389 (-7.54)	-0.0133 (-4.63)	-	-
Income <sup>2</sup>	0.0018 (6.70)	0.0005 (4.13)	-	-
Intercept	0.6322 (32.45)	0.5349 (43.84)	-	-
R-Squared	0.334	0.211		
Minimum Point (\$)	10,930	13,045		
# of Obs. (# of countries)	321 (40)	564 (64)		
<b>UNIDO 3-Digit</b>				
Income	-0.0207 (-10.50)	-0.0017 (-0.63)	-0.0440 (-13.22)	-0.0080 (-2.43)
Income <sup>2</sup>	0.0012 (9.46)	0.0003 (2.48)	0.0024 (11.95)	0.0003 (2.62)
Intercept	0.6322 (119.67)	0.5562 (54.60)	0.6908 (78.53)	0.5874 (42.62)
R-Squared	0.381	0.038	0.488	0.267
Minimum Point (\$)	8,962	2,863	9,107	12,811
# of Obs. (# of countries)	947 (67)	609 (64)	909 (64)	584 (64)
<b>OECD 2-Digit</b>				
Income	-0.0457 (-10.88)	-0.0060 (-1.10)	-0.0148 (-4.71)	-0.0140 (-1.63)
Income <sup>2</sup>	0.0023 (10.57)	0.0005 (2.34)	0.0008 (5.05)	0.0007 (2.08)
Intercept	0.7354 (36.76)	0.5369 (14.76)	0.5309 (35.76)	0.5514 (9.63)
R-Squared	0.155	0.088	0.034	0.061
Minimum Point (\$)	9,854	6,244	8,936	10,428
# of Obs. (# of countries)	193 (13)	163 (14)	253 (14)	159 (14)

(t-statistics in parentheses)

### F. Sample Splits By Region

**Table A16 - Fixed-Effects Quadratic Regression (Gini Coefficient) – Regional Breakdown for ILO and UNIDO datasets**

	<b>OECD</b>	<b>Non-OECD</b>	<b>Sub-Saharan Africa</b>	<b>South-East Asia</b>	<b>Latin America</b>
<b>ILO - EMPLOYMENT</b>					
Income	-0.0219 (-6.89)	-0.0284 (-7.99)	NA*	-0.0281 (-6.55)	-0.0399 (-4.36)
Income <sup>2</sup>	0.0010 (7.47)	0.0012 (5.78)	-	0.0010 (4.13)	0.0021 (3.72)
Intercept	0.5653 (30.54)	0.5877 (58.99)	-	0.6675 (52.02)	0.5641 (21.83)
R-Squared	0.140	0.402	-	0.453	0.490
# of obs (# of countries)	372 (24)	471 (38)	-	120 (7)	206 (17)
Minimum (\$)	11,300	12,096	-	14,640	9,535
<b>UNIDO - Employment</b>					
Income	-0.0120 (-7.93)	-0.0122 (-5.43)	0.015747 (0.72)	0.0060 (1.44)	-0.0868 (-11.69)
Income <sup>2</sup>	0.0007 (10.01)	0.0008 (5.19)	-0.0129 (-3.56)	-0.0008 (-1.54)	0.0081 (9.12)
Intercept	0.5599 (74.01)	0.6259 (128.93)	0.6908 (36.72)	0.5346 (72.40)	0.7496 (54.96)
R-Squared	0.012	0.350	0.244	0.033	0.472
# of obs (# of countries)	496 (17)	986 (47)	177 (12)	102 (4)	335 (15)
Minimum (\$)	8,481	7,361	Not defined	4,013	5,328
<b>UNIDO – Value Added</b>					
Income	0.0040 (1.98)	-0.0271 (-10.61)	-0.1063 (-5.72)	-0.0410 (-6.51)	-0.0945 (-9.06)
Income <sup>2</sup>	0.0001 (0.89)	0.0008 (5.65)	0.0072 (3.34)	0.0040 (5.51)	0.0052 (4.57)
Intercept	0.4421 (43.57)	0.6744 (111.44)	0.8052 (44.19)	0.5881 (52.91)	0.8376 (38.86)
R-Squared	0.003	0.201	0.507	0.253	0.363
# of obs (# of countries)	471 (16)	997 (50)	208 (13)	101 (4)	334 (16)
Minimum (\$)	Not defined	17,463	7,383	5,085	9,147

(t-statistics in parentheses)

\* Not a sufficient number of observations (12 obs. corresponding to 1 country)