Supplementary Appendix Table 1
Sample Characteristics and Country-level Variables

		Country-level variables					Sample Availability	
	ED	LMR	FD80s	Y80	FD90s	Y90	EMP80s	EMP90s
1 Argentina	48	N/A	26.16	6506	19.33	7219	Yes	Yes
2 Australia	2	0.3515	34.58	12520	69.05	20063	Yes	Yes
3 Austria	37	0.5007	79.53	10509	95.17	19813	Yes	Yes
4 Burundi	33	N/A	10.53	480	17.62	828	Yes	N/A
5 Belgium	33	0.5133	29.38	11109	68.63	19877	Yes	Yes
6 Bulgaria	27	0.5189	N/A	3926	45.35	N/A	Yes	Yes
7 Bolivia	88	0.3728	17.75	1989	47.21	2446	Yes	Yes
8 Brazil	63	0.5676	53.88	4303	47.81	6218	N/A	N/A
9 Canada	2	0.2615	67.53	14133	79.85	22350	Yes	Yes
10 Chile	28	0.4735	63.58	3892	54.60	6148	Yes	Yes
11 China	92	0.4322	66.49	972	97.77	1787	Yes	Yes
12 Colombia	48	0.3442	34.30	2946	33.43	4934	Yes	Yes
13 Germany	42	0.7015	83.11	11920	103.73	19563	Yes	N/A
14 Denmark	3	0.5727	45.70	11342	36.85	21805	Yes	N/A
15 Dominican Republic	80	0.5972	31.54	2343	26.43	3160	N/A	N/A
16 Ecuador	72	0.3966	23.08	3238	22.43	3774	Yes	Yes
17 Egypt, Arab Rep.	51	0.3683	31.67	1645	38.28	3244	Yes	N/A
18 Spain	82	0.7447	75.28	7390	80.19	14477	Yes	Yes
19 Finland	24	0.7366	61.98	10851	70.43	20270	Yes	Yes
20 France	53	0.7443	93.70	11756	89.67	20023	Yes	Yes
21 United Kingdom	4	0.2824	61.54	10167	115.58	18323	Yes	Yes
22 Ghana	45	0.2881	2.85	976	6.48	1181	N/A	N/A
23 Greece	36	0.5189	42.13	5901	34.26	11970	Yes	N/A
24 Hungary	39	0.3773	49.89	4992	29.33	9603	Yes	Yes
25 Indonesia	128	0.6813	18.83	1281	48.32	2851	Yes	Yes
26 India	77	0.4434	28.26	882	24.36	1675	Yes	Yes

27	Ireland	16	0.3427	43.68	6823	64.53	14158	Yes	Yes
28	Israel	32	0.289	63.86	7895	67.32	13627	Yes	Yes
29	Italy	62	0.6499	52.28	10323	60.02	19308	Yes	Yes
30	Jamaica	24	0.1628	30.72	2362	27.98	4100	Yes	N/A
31	Jordan	64	0.6977	63.45	3384	72.03	3459	Yes	Yes
32	Japan	26	0.1639	155.93	10072	199.44	22220	Yes	Yes
33	Kenya	54	0.3687	30.09	911	32.97	1336	Yes	Yes
34	Korea, Rep.	27	0.4457	55.08	3093	67.47	9952	Yes	Yes
35	Sri Lanka	23	0.4685	19.85	1635	20.67	2515	Yes	Yes
36	Morocco	57	0.2616	23.36	1941	44.69	3550	Yes	Yes
37	Madagascar	152	0.4749	18.53	984	13.14	901	N/A	N/A
38	Mexico	67	0.5943	14.67	6054	25.56	7334	Yes	Yes
39	Malawi	52	0.1833	3.55	554	8.92	621	Yes	N/A
40	Malaysia	42	0.1885	76.34	3799	132.04	6525	Yes	Yes
41	Netherlands	31	0.7256	83.83	11284	94.53	19480	Yes	Yes
42	Norway	18	0.6853	63.84	12141	75.91	20446	Yes	Yes
43	New Zealand	3	0.1607	33.64	10362	92.43	16169	Yes	Yes
44	Pakistan	50	0.3433	28.21	1110	27.18	1747	Yes	N/A
45	Panama	15	0.6246	54.50	3392	69.65	4989	Yes	Yes
46	Peru	83	0.463	16.03	2875	17.72	3585	Yes	N/A
47	Philippines	46	0.4762	32.37	1879	39.94	3009	Yes	N/A
48	Poland	58	0.6395	3.74	4419	21.41	6601	Yes	Yes
49	Portugal	76	0.8088	67.89	4982	73.23	12307	Yes	Yes
50	Romania	97	0.3273	N/A	1422	9.87	4792	Yes	N/A
51	Senegal	69	0.5099	36.09	1134	20.66	1505	Yes	Yes
52	Singapore	22.00	0.3116	97.18	7053	106.37	17933	Yes	Yes
53	Sweden	13.00	0.7405	87.46	12456	109.36	20787	Yes	Yes
54	Thailand	35.00	0.4097	54.81	2178	125.06	4833	N/A	N/A
55	Tunisia	41.00	0.8158	59.24	2527	66.12	4937	N/A	N/A
56	Turkey	44.00	0.4026	17.90	2874	19.90	5740	Yes	Yes
57	Taiwan	37.00	0.4534	N/A	4459	N/A	N/A	Yes	Yes
58	Tanzania	29.00	0.6843	7.82	480	8.05	494	N/A	Yes
59	Uruguay	23.00	0.2762	47.46	5091	30.98	7263	Yes	Yes

60	United States	4.00	0.2176	131.47	15295	181.85	26458	Yes	Yes
61	Venezuela, RB	104.00	0.6509	49.82	7401	17.66	6952	Yes	N/A
62	South Africa	26.00	0.3204	68.84	3496	112.95	7786	Yes	Yes
63	Zimbabwe	47.00	0.2513	19.85	1206	30.69	2914	Yes	N/A

The Table reports values of all the country-level variables employed in the empirical analysis and sample availability.

ED is an index of administrative delays to entry. The index reflects the number of business days that an entrepreneur needs to meet the necessary administrative-bureaucratic procedures to incorporate a "standardized" business. LMR is an index of labor market regulation, ranging from 0 to 100 with higher values indicating more rigid labor legislation. FD80s indicates average private credit as a share of GDP in the period 1980-1989. FD90s indicates average private credit as a share of GDP in the period 1990-1999. In the regression analysis the financial development index is rescaled so that zero indicates the largest in-sample value, and higher values lower financial development.Y80 denotes real per capita GDP in 1980. Y90 denotes real per capita GDP in 1990. In the regression analysis GDP p.c. is standardized so that zero indicates the maximum in sample value and higher values denote lower income levels. The Data Appendix gives detailed variable definitions and data sources.

The last two columns report data availability for the two samples of country-industry employment growth that we consider in the analysis. "Yes" indicates data availability, while "N/A" indicates data unavailability.

Supplementary Appendix Table 2
Descriptive Statistics

Panel A: Country-Industry Level Variables

	Obs	Mean	St. Dev.	25% perc.	Median	75% perc.	Min	Max
EMPGR80s	1428	0.004	0.049	-0.023	0.000	0.027	-0.230	0.348
EMPGR90s	1054	-0.002	0.059	-0.030	0.000	0.024	-0.363	0.240

Panel B: Country-level Variables in the 1980s

	Obs	Mean	St. Dev.	25% perc.	Median	75% perc.	Min	Max
ED	55	44.67	27.99	24	42	62	2	128
LMR	53	0.46	0.18	0.3273	0.4457	0.6246	0.1607	0.8088
FD80s	52	47.82	28.79	27.19	44.69	65.18	3.55	155.00
GDP80	55	5604.16	4067.80	1941.00	4419.00	10167.00	480.00	14133.00

Panel C: Country-level Variables in the 1990s

	Obs	Mean	St. Dev.	25% perc.	Median	75% perc.	Min	Max
ED	43	42.28	27.63	23	37	62	2	128
LMR	42	0.48	0.18	0.34	0.45	0.65	0.16	0.81
FD90s	42	64.59	38.35	30.98	67.40	89.67	8.05	199.00
GDP90	41	10758.91	7422.66	3773.98	7786.06	19307.77	493.70	22349.75

Panel A reports summary statistics for the dependent variable (employment growth at the country-industry level) in the 1980s (EMPGR80s) and the 1990s (EMPGR90s). Panel B reports summary statistics of the country-level variables in the 1980s. Panel B reports summary statistics of the country-level variables in the 1990s.
ED is an index of administrative delays to entry. The index reflects the number of business days that an entrepreneur needs to meet the necessary administrative-bureaucratic procedures to incorporate a "standardized" business. LMR is an index of labor market regulation, ranging from 0 to 100 with higher values indicating more rigid labor legislation. FD80s indicates average private credit as a share of GDP in the period 1980-1989. FD90s indicates average private credit as a share of GDP in the period 1990-1999. Y80 denotes real per capita GDP in 1980. Y90 denotes real per capita GDP in 1990. The Data Appendix gives detailed variable definitions and data sources.

Supplementary Appendix Table 3
Intersectoral Employment Reallocation Across Measures and Decades

		US Employment Growth [US-EMPGR]		Global Frictionless Employment Growth [G-EMPGR]		Marginal Effect of Entry Delays [betas]	
ISIC	Industry Name	1980	1990	1980	1990	1980	1990
311	Food products	0.0116	0.0160	0.0402	0.0406	-0.0049	0.0007
313	Beverages	-0.0132	0.0041	-0.0186	0.0244	0.0047	-0.0062
314	Tobacco	-0.0157	-0.0322	-0.0459	-0.0518	0.0018	0.0064
321	Textiles	-0.0008	-0.0152	-0.0063	-0.0237	0.0029	0.0050
322	Wearing apparel, except footwear	-0.0182	-0.0444	-0.0016	-0.0558	0.0083	0.0220
323	Leather products	-0.0403	-0.0144	-0.0626	-0.0348	0.0136	0.0006
324	Footwear, except rubber or plastic	-0.0586	-0.0622	-0.0629	-0.0935	0.0171	0.0275
331	Wood products, except furniture	0.0140	0.0066	0.0021	0.0356	-0.0041	-0.0088
332	Furniture, except metal	0.0155	0.0461	0.0327	0.0310	-0.0105	-0.0009
341	Paper and products	0.0050	-0.0018	0.0089	0.0001	-0.0008	0.0061
342	Printing and publishing	0.0316	N/A	0.0360	0.0431	-0.0079	-0.0080
351	Industrial chemicals	-0.0049	-0.0052	0.0077	0.0381	-0.0003	-0.0107
352	Chemicals, other	0.0196	0.0141	0.0199	0.0291	-0.0002	-0.0018
353	Petroleum refineries	-0.0216	0.0119	-0.0156	-0.0314	-0.0006	0.0090
354	Misc. petroleum and coal products	-0.0023	N/A	-0.0033	-0.1552	-0.0025	0.0147
355	Rubber products	0.0038	0.0076	-0.0250	-0.0163	0.0045	-0.0009
356	Plastic products	0.0501	0.0339	0.0431	0.0373	-0.0062	-0.0010
361	Pottery, china, earthenware	0.0018	0.0090	-0.0404	0.0385	0.0118	-0.0223
362	Glass and products	-0.0031	-0.0052	-0.0032	0.0003	-0.0039	-0.0055
369	Other non-metallic mineral products	0.0069	0.0103	0.0084	0.0078	-0.0045	0.0023
371	Iron and steel	-0.0437	-0.0170	-0.0178	0.0071	0.0038	-0.0051
372	Non-ferrous metals	-0.0016	0.0095	-0.0222	-0.0261	0.0039	0.0052
381	Fabricated metal products	0.0006	0.0358	0.0353	0.0349	-0.0093	-0.0059
382	Machinery, except electrical	-0.0032	-0.0119	0.0403	0.0476	-0.0098	-0.0074
383	Machinery, electric	-0.0081	0.0048	0.0191	0.0219	-0.0030	-0.0022
384	Transport equipment	0.0161	-0.0042	0.0055	0.0293	0.0027	-0.0066
385	Professional & scientific equipment	0.0550	-0.0067	0.0056	0.0563	0.0015	-0.0148
390	Other manufactured products	0.0037	0.0109	0.0206	-0.0345	-0.0083	0.0086
	Mean	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	Standard Deviation	0.0245	0.0233	0.0297	0.0484	0.0070	0.0105
	Median	-0.0001	0.0044	0.0038	0.0148	-0.0004	-0.0010
	75% perecntile	0.0080	0.0051	0.0196	0.0751	0.0033	-0.0079
	25% percentile	-0.0094	-0.0106	-0.0180	-0.0274	-0.0046	-0.0063

The Table reports the values and summary statistics of the main industry-level variables used in the analysis for 3-digit ISIC (International Standard Industrial Classification) manufacturing industries. US-EMPGR denotes employment growth in the US. G-EMPGR denotes frictionless global employment growth. The last two columns report the estimated marginal industry effect of entry delays on employment growth in the 1980s and the 1990s. For details on the construction of G-EMPGR and the estimated industry-specific effects of entry delays see Section 3 of the main text. The Data Appendix gives detailed variable definitions and data sources.

Supplementary Appendix Table 4
Correlations Among Industry Reallocation Variables

	EMPGR8089us	EMPGR9099us	G-EMPGR80	G-EMPGR90	Beta80	Beta90u
EMPGR8089us	1					
EMPGR9099us	0.6088	1				
G-EMPGR80	0.6708	0.6137	1			
G-EMPGR90	0.5462	0.6361	0.5327	1		
Beta80u	-0.5676	-0.6718	-0.8726	-0.3903	1	
Beta90u	-0.4804	-0.4873	-0.2581	-0.81	0.2493	1