
Appendix A1: Ownership classifications code in China

SOEs	POEs	FOEs	Other Enterprises
110 State-owned enterprises	171 Private wholly owned enterprises	210 Hong Kong, Macao or Taiwan (HMT) joint ventures	120 Collectively-owned enterprises
141 State-owned jointly operated enterprises	172 Private-cooperative enterprises	220 HMT cooperatives	130 Shareholding cooperatives
151 Wholly state-owned companies	173 Private limited liability companies	230 HMT wholly owned enterprises	142 Collective jointly operated enterprises
	174 Private shareholding companies	240 HMT shareholding limited companies	143 State-collective jointly operated enterprises
		310 Foreign joint ventures	149 Other jointly operated enterprises
		320 Foreign cooperatives	159 Other limited liability companies
		330 Foreign wholly owned enterprises	160 Shareholding limited companies
		340 Foreign shareholding limited companies	190 Other enterprises

Appendix A2: Correlation coefficients and variance inflation factors of all variables

	NPF	POEEmpR	FOEEmpR	SOEEmpR	RV	UV	Urbanization	GDPpc	UnemploymentR	ServiceR	Variance Inflation Factor
NPF	1										
POEEmpR	0.3928	1									1.66
FOEEmpR	0.0183	0.3506	1								2.11
SOEEmpR	-0.1078	-0.4985	-0.5871	1							2.15
RV	0.0415	0.2947	0.4927	-0.3737	1						2.60
UV	0.0264	0.2678	0.4121	-0.2311	0.7273	1					2.47
Urbanization	-0.0367	0.157	0.3485	-0.2675	0.4331	0.3603	1				1.30
GDPpc	-0.0295	0.2101	0.4973	-0.5358	0.2338	0.0024	0.2152	1			2.06
UnemploymentR	0.2115	0.2335	-0.0276	0.0405	-0.0331	0.0087	-0.136	-0.11	1		1.13
ServiceR	0.0707	0.3008	0.0402	0.0346	0.0877	0.2446	0.0069	-0.3802	0.1299	1	1.50

Appendix A3: The results of random-effects models for panel data on new POEs formation with the dummy variable of first open-up cities

NPF	(6)
POEEmpR	0.0103*** (0.0011)
FOEEmpR	-3.11E-5 (0.0008)
SOEEmpR	0.0002 (0.001)
RV	0.0008 (0.0031)
UV	0.0007 (0.0016)
Urbanization	-0.001 (0.0012)
GDPpc	-0.0058*** (0.0017)
UnemploymentR	0.0573*** (0.0165)
ServiceR	-0.029*** (0.0072)
Constant	0.1082*** (0.0197)
First cities to open up dummy	Yes
Year dummy	Yes
Number of observations	1952
Number of groups	269
rho	0.2814
R ² : Within	0.2170

Appendix A4: The results of fix-effects models for panel data on new POEs formation using share of numbers in local manufacturing incumbents with different ownership

NPF	(7)	(8)	(9)	(10)
POENumR	0.0171*** (0.0018)			0.0153*** (0.0018)
FOENumR		0.0003 (0.002)		-0.0012 (0.0019)
SOENumR			-0.0146*** (0.0018)	-0.0124*** (0.0018)
RV	0.0074* (0.0043)	0.0079* (0.0044)	0.0035 (0.0044)	0.0038 (0.0043)
UV	0.009*** (0.0027)	0.0077*** (0.0028)	0.0061** (0.0027)	0.0075*** (0.0027)
Urbanization	-0.0026 (0.0058)	0.0002 (0.006)	-0.0005 (0.0059)	-0.0028 (0.0058)
GDPpc	0.0047 (0.0046)	0.0031 (0.0047)	-0.0012 (0.0047)	0.0007 (0.0046)
UnemploymentR	0.0449** (0.0193)	0.0429** (0.0198)	0.0454** (0.0194)	0.0472** (0.0191)
ServiceR	-0.0163 (0.0108)	-0.0023 (0.011)	-0.0001 (0.0108)	-0.0126 (0.0107)
Constant	-0.0114 (0.0508)	-0.0541 (0.052)	-0.0238 (0.0511)	0.0087 (0.0502)
Year dummy	Yes	Yes	Yes	Yes
Number of observations	1952	1952	1952	1952
Number of groups	269	269	269	269
Rho	0.4720	0.4706	0.5529	0.5569
R ² : Within	0.2377	0.1959	0.2256	0.2586
F test	3.65***	4.32***	4.43***	3.92***

Note: ***P < 0.01, **P < 0.05 and *P < 0.10. Standard errors are shown in parentheses.

Appendix A5: The results of fix-effects models for panel data on new POEs formation by introducing different groups of variables stepwise

NPF	(11)	(12)	(13)	(14)	(15)	(16)
POEEmpR	0.011*** (0.0015)				0.0108*** (0.0014)	0.0113*** (0.0015)
FOEEmpR	0.0032** (0.0013)				0.003** (0.0013)	0.0032** (0.0013)
SOEEmpR	-0.0034** (0.0015)				-0.0031** (0.0015)	-0.0033** (0.0015)
RV		0.0082* (0.0044)		0.0079* (0.0044)	0.006 (0.0044)	
UV		0.0075*** (0.0027)		0.0077*** (0.0028)	0.0072*** (0.0027)	
Urbanization		0.0004 (0.0059)		0.0002 (0.006)	-0.0015 (0.0058)	
GDPpc			0.0028 (0.0047)	0.003 (0.0047)		0.0014 (0.0046)
UnemploymentR			0.0424** (0.0199)	0.043** (0.0198)		0.041** (0.0195)
ServiceR			-0.0011 (0.011)	-0.0021 (0.011)		-0.0173 (0.011)
Constant	0.0512*** (0.0062)	-0.0285 (0.0352)	-0.017 (0.0415)	-0.0545 (0.0519)	0.0276 (0.0351)	0.0468 (0.0413)
Year dummy	Yes	Yes	Yes	Yes	Yes	Yes

Number of observations	1952	1952	1952	1952	1952	1952
Number of groups	269	269	269	269	269	269
rho	0.4521	0.4558	0.4174	0.4674	0.5444	0.4786
R ² : Within	0.2214	0.1933	0.1881	0.1959	0.2273	0.2241
F test	4.57 ^{***}	4.94 ^{***}	4.30 ^{***}	4.33 ^{***}	4.41 ^{***}	4.01 ^{***}
