

Supplementary Material Table S1. Estimation results for alternative measure of firm size

Dependent variable is firm TFP	
	(1)
SIZE	-0.0201** (0.0085)
AGE	-0.1074*** (0.0196)
EXP	0.1437*** (0.0414)
ITN	-0.1382*** (0.0276)
ELE	-0.0585 (0.0519)
EDU	-0.6333*** (0.1680)
TRN	0.0082 (0.0439)
OBT	-0.0287** (0.0135)
INF	-0.1428*** (0.0351)
LOAN	-0.0453* (0.0239)
OVER	-0.0929*** (0.0292)
Constant	3.8882*** (0.1943)
Year fixed effects	Yes
Industry fixed effect	Yes
Control variables	Yes
Observations	3930
R-squared	0.1008

Values reported in parentheses are robust standard errors (SE); *, **, and *** indicate significance at the 10%, 5%, and 1% levels, respectively. Firm size (SIZE) was measured by total assets in model (1).

Supplementary Material Table S2. Estimation results for different approaches dealing with endogeneity

	Dependent variable				
	TFP	TFP(t+1)	TFP(t+1)	TFP(t+1)	TFP(t+1)
	(2)	(3)	(4)	(5)	(6)
TFP					0.3898*** (0.0209)
MICRO				0.0436 (0.0621)	0.0148 (0.0572)
SMALL				0.0094 (0.0578)	0.0109 (0.0535)

AGE				-0.0432*	-0.0027
				(0.0233)	(0.0210)
EXP				0.0656	0.0426
				(0.0539)	(0.0498)
ITN	-0.1381***	-0.1066***	-0.1329***	-0.1299***	-0.0750**
	(0.0262)	(0.0327)	(0.0328)	(0.0358)	(0.0331)
ELE	-0.1380***	-0.0928	-0.0544	-0.0509	-0.0350
	(0.0526)	(0.0605)	(0.0607)	(0.0608)	(0.0558)
EDU	-0.5640***	-0.8227***	-0.7720***	-0.7660***	-0.5113***
	(0.1673)	(0.2121)	(0.2122)	(0.2156)	(0.1993)
TRN	0.0292	0.0512	0.0269	0.0245	0.0414
	(0.0443)	(0.0554)	(0.0554)	(0.0561)	(0.0518)
OBT	-0.0195	-0.0594***	-0.0465**	-0.0464**	-0.0295*
	(0.0130)	(0.0207)	(0.0139)	(0.0214)	(0.0192)
INF	-0.1453	-0.0410	-0.0557*	-0.0508**	-0.0786*
	(0.0358)	(0.0451)	(0.0450)	(0.0451)	(0.0417)
LOAN	-0.0411*	-0.0096	-0.0116*	-0.0153**	-0.0115
	(0.0240)	(0.0295)	(0.0297)	(0.0304)	(0.0279)
OVER	-0.1426	-0.0766**	-0.0691*	-0.0698**	-0.0468*
	(0.0287)	(0.0360)	(0.0358)	(0.0368)	(0.0341)
Constant	3.4809***	3.5902***	3.6120***	3.6755***	2.2468***
	(0.1598)	(0.2084)	(0.2111)	(0.2232)	(0.2163)
Year fixed effects	No	No	Yes	Yes	No
Industry fixed effect	No	No	Yes	Yes	No
Control variables	No	No	No	Yes	Yes
Observations	3930	2620	2620	2620	2620
R-squared	0.0517	0.0405	0.0592	0.0619	0.0886

Values reported in parentheses are robust standard errors (SE); *, **, and *** indicate significance at the 10%, 5%, and 1% levels, respectively. Model (2), (3), (4), (5) and (6) reported estimation results for equation (12), (13), (14), (15) and (16) in the main text, respectively.

Supplementary Material Table S3. Regression with a single determinant of firm TFP

Dependent variable is firm TFP								
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
MICRO	0.0446	0.0853*	0.0295	0.0752***	0.0458	0.0763	0.0500	0.0064
	(0.0493)	(0.0469)	(0.0474)	(0.0479)	(0.0468)	(0.0469)	(0.0477)	(0.0489)
SMALL	0.0782	0.0415	0.0409	0.0481	0.0318	0.0490	0.0594	0.0727
	(0.0478)	(0.0480)	(0.0477)	(0.0483)	(0.0475)	(0.0480)	(0.0481)	(0.0481)
AGE	-0.1179***	-0.1424***	-0.1275***	-0.1416***	-0.1395***	-0.1466***	-0.1401***	-0.1310***
	(0.0178)	(0.0177)	(0.0177)	(0.0177)	(0.0194)	(0.0177)	(0.0177)	(0.0177)
EXP	0.1839***	0.2205***	0.2109***	0.2179***	0.2215***	0.2252***	0.2178***	0.1997***
	(0.0427)	(0.0428)	(0.0426)	(0.0430)	(0.0430)	(0.0428)	(0.0428)	(0.0428)
ITN	-0.2032***							
	(0.0253)							
ELE		-0.0431						
		(0.0459)						
EDU			-1.0907***					

			(0.1614)					
TRN				-0.0454				
				(0.0448)				
OBT					-0.0376***			
					(0.0135)			
INF						-0.1219***		
						(0.0344)		
LOAN							-0.0870***	
							(0.0229)	
OVER								-0.1549***
								(0.0283)
Constant	2.8543***	2.8674***	3.8515***	2.8952***	3.0214***	2.8740***	2.8925***	2.9128***
	(0.0654)	(0.0661)	(0.1604)	(0.0735)	(0.0764)	(0.0659)	(0.0663)	(0.0663)
Year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry fixed effect	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Control variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	3930	3930	3930	3930	3930	3930	3930	3930
R-squared	0.1057	0.0912	0.1015	0.0913	0.0730	0.0939	0.0943	0.0979

Values reported in parentheses are robust standard errors (SE); *, **, and *** indicate significance at the 10%, 5%, and 1% levels, respectively.