README for the Reproducibility Package for

Labor Market Scarring in a Developing Economy: Stigma versus Lost Human Capital from Plant Closing in Mexico

This README note is also in the main do-file that reproduces all the results from the paper. The code has two parts.

- The first part builds the datasets taking as input the gross labor surveys from the Mexican National Institute of Statistics (INEGI). It runs 6 individual do-files that process gross files and merge them into the unified dataset used in the econometric analysis of part II.
- Part II runs 9 individual do-files with the statistical analysis and derives all the results of the paper. Next to each of the do-files is the description of the files containing the results.

The Stata packages *outreg2*, *parmest*, and *nsplit* are used by the code. These are included in the reproducibility package and loaded automatically in the main do-file.

Data availability statement

The paper uses the Mexican Labor Survey (ENOE) for the periods with special questionnaire, which are the following: 1Q/2005, 2Q/2005, 3Q/2005, 4Q/2005, 1Q/2006, 2Q/2006, 2Q/2007, 2Q/2008, 1Q/2009, 1Q/2010, 1Q/2011, 1Q/2012, 1Q/2013, 1Q/2014, 1Q/2015, 1Q/2016, 1Q/2017 and 1Q/2018.

For each quarter, the file contains 4 databases: Questionnaire 1, Questionnaire 2, Socio-demographics, Household members.

Data is public and included in the reproducibility package. Data can also be downloaded in https://www.inegi.org.mx/programas/enoe/15ymas/

Exhibit-output linkage

- **Table_1to3.do** produces Stats_pc.smcl , which contains Tables 1,2 and 3 plus ANNEX Tables A4 and A5

- **Table_4_5_A1_A2.do** produces:
  - Table 4: columns 1-3 of *regb_0518.xls*
  - Table A1: columns 4-6 of *regb_0518.xls*
  - Table A2: columns 7-9 of *regb_0518.xls*
  - Table 5: rows 5-12 of *reged_0518.xls*

- **Figure1_to_Figure9.do** produces:
  - Figure 1: column 1 of *regl_closing_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G1 -3 closing lags*" in *Labor scarring Ari Led 250412.xlsx)*
  - Figure 2: column 2 of *regl_closing_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G1 -3 closing lags*" in *Labor scarring Ari Led 250412.xlsx)*

- Figure 3: column 3 of *regl_closing_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G1 -3 closing lags*" in *Labor scarring Ari Led 250412.xlsx)*
- Figure 4: column 1 of *regl_quit_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G4 -6 Quit lags*" in *Labor scarring Ari Led 250412.xlsx)*
- Figure 5: column 2 of *regl_quit_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G4 -6 Quit lags*" in *Labor scarring Ari Led 250412.xlsx)*
- Figure 6: column 3 of *regl_quit_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G4 -6 Quit lags*" in *Labor scarring Ari Led 250412.xlsx)*
- Figure 7: column 1 of *regl_cob_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G4 -6 Cob lags*" in *Labor scarring Ari Led 250412.xlsx)*
- Figure 8: column 2 of *regl_cob_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G4 -6 Cob lags*" in *Labor scarring Ari Led 250412.xlsx)*
- Figure 9: column 3 of *regl_cob_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G4 -6 Cob lags*" in *Labor scarring Ari Led 250412.xlsx)*

- **Figure12_to_Figure15.do** generates:
  - Figure 12: columns 3 and 4 of *regl_het_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G12 -14 Education lags*" in *Labor scarring Ari Led 250412.xlsx)*
  - Figure 13: columns 5 and 6 of *regl_het_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G12 -14 Education lags*" in *Labor scarring Ari Led 250412.xlsx)*
  - Figure 14: columns 7 and 8 of *regl_het_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G12 -14 Education lags*" in *Labor scarring Ari Led 250412.xlsx)*
  - Figure 15: columns 1 and 2 of *regl_het_ci.xls* (the plot is generated in Excel with a line plot. See tab "*G15 Gender lags*" in *Labor scarring Ari Led 250412.xlsx)*

- **Table_6.do:**
  - Table 6: row "closing" and columns 1-15 of DID_t6.xls
    - *All sample* columns 1-3; *Male* columns 4-6; *Female* 7-9;
    - *High Education* columns 13-15; *Low Education* columns 10-12.

- **Table_7.do:**
  - Column 1 is just same coefficients than in Table 6 column 1 (c1).
  - Column 2 is the row "closing" of DID_t7.
  - Column 3 is equal to= 1- (c1)/(c2).
  - Column 5 are same coefficients (after one year) from Figures 1, 12 and 15 (regl_closing_ci.xls and regl_het_ci.xls).
  - Column 6 is equal to= 1- (c1)/(c5).

- **Figure_16.do:**
  - Figure 16: Columns B, G, and H of *fe_industry.xls*. The figure is generated in Excel as an interval plot (see tab "*G16 Ind FE*" in *Labor scarring Ari Led 250412.xlsx).*

- **Table_A3.do** generates *Table_A3.smcl*

- Figure 10 and 11 in page 20 are generated manually in Excel with descriptive statistics on unemployment (see tabs "*G10. Unemployment by education*" and "*G11 unemp. by gender*" in *Labor scarring Ari Led 250412.xlsx*). The data for these plots is available in https://www.inegi.org.mx/app/indicadores/?tm=0&ind=454808#D454808