Appendix: Explanation of the Independent Variables

1) AVPR: Average profit rate (ratio of operating profit to sales) in the period 1985-1997.

2) LNLAB: Log-transformed average number of employees in the period 1985-1997.

3) LISTED: Dummy variable for listed companies, taking the value of 1 if the supplier was listed on the stock market in 1985 and 1997.

4) OWNER: Dummy variable for the integration of ownership and control, taking the value of 1 if the top executive of the firm and/or his family is the main shareholder in 1985 and 1997.

5) MCR: The average ratio of sales to the main customer (the customer with the largest share in the sales of the supplier in 1985) to total sales in 1985 and 1997.

6) MCR2: Square term of MCR

7) SH20: Dummy variable for affiliation; taking the value of 1 if the main customer holds on the average 20% or more of the shares of the supplier in 1985 and 1997.

8) CVLAB: Coefficient of variation of the number of employees in the period 1985-1997.

9) MCAVP: Average profit rate of the main customer in the period 1985-1997.

10) MCCVP: Coefficient of variation of the profit rate of the main customer in the period 1985-1997.