

Shaping the Wage Distribution in India

The Role of Sector-Level Minimum Wages

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Motivation

Research Field Overview

- Wage minima are set to protect the wages of the lowest earners and promote redistribution. But their effectiveness is often debated, particularly for developing economies with dualistic labor markets. ([Card and Krueger, 1994](#), [Belser and Rani, 2011](#), [Autor et al., 2016](#), [Neumark and Corella, 2021](#), [Engbom and Moser, 2022](#)).
- **Multiple** wage minima are more common in developing economies ([Eyraud and Saget, 2005](#)), usually at a state/county or sector level (or a combination of the two) which raises two questions:
 1. What are the effects on the lowest-earning workers if the definition of "lowest earner" is not universal?
 2. Does more specialized minimum wages increase the likelihood of a Lighthouse Effect through adaptability to local labor market conditions?

Research Context: India's system of minimum wage setting under the *Minimum Wages Act of 1948* provides a compelling context with local, sector-level minimum wages and a dualistic labor market to study these questions.

Minimum Wage Setting In India

Wage-Setting Structure:

- India is a federal country; each state's labor bureau sets and enforces its own minimum wages.
- Minimum wages are set at the industry level, resulting in multiple minimum wages per state.
- The system was designed with the goal of wages for formal *and* informal workers ([Khurana et al., 2023](#), [Mansoor and O'Neill, 2021](#)).

Features of the Minimum Wage

- All states set a minimum **daily** wage rate (based on an 8-hour workday).
- States are required to revise their minimum wages every 5 years.
- Sector-state minimum wages are declared to the Central Labor Bureau annually → The archive of reports are the data source for this project.

Fig. A1: Average Minimum Wages

Fig. A2: Manufacturing MW by State

Fig. A3: Agriculture MW by State

Research Questions

- What are the effects of state-sector minimum wages on worker outcomes?
- Are effects heterogeneous across the wage distribution?
- How do the characteristics of labor markets with respect to formality status and competitiveness impact the effect of the minimum wage?

Empirical Approach

Primary Identification Concerns:

- Reverse causality: sectors and states with higher average wages → higher minimum wages are set → Overestimation of the effect.
- Concern of omitted variable bias: factors influencing the selection of a minimum wage are not (fully) captured by my data.

Empirical Approach: Difference-in-Difference with a continuous treatment

- Compare within state and within sector using fixed effects to limit identification concerns → Effects are identified beyond state and sector labor market characteristics.
- Use year fixed effects and interacted fixed effects to require effects to be identified beyond time trends.

Robustness Analyses: Alternative FE specifications, new DiD estimators ([Callaway and Sant'Anna, 2021](#), [Baker et al., 2022](#), [de Chaisemartin and D'Haultfœuille, 2020](#)), (planned) contiguous border district pairs DiD approach of [Dube et al. \(2010\)](#).

Contribution to the Literature

Preview of Findings:

- Ambiguous effect of minimum wages, positive impacts at the upper end of the wage distribution and negative effects at the lower end.
- Evidence suggests that these dynamics are largely driven by the prevalence of informality in the labor market → anti-Lighthouse Effect.

Labor Market Dualism and Labor Regulation

- Looks at impact of labor market regulations in dualistic labor markets [Ulyssea \(2010\)](#), [Almeida \(2012\)](#), [Magruder \(2013\)](#), using the measures of informality provided by Indian employer and worker surveys and the unique wage regulation regime.

Wage Impacts of Multiple Minimum Wages

- Address research gaps in state-sector minimum wage settings, expanding beyond prior work focused on national, state-, or sector-level regulation [Khurana et al. \(2023\)](#), [Engbom and Moser \(2022\)](#), [Leckcivilize \(2015\)](#), [Alaniz et al. \(2011\)](#).

Labor Market Characteristics and Minimum Wages

- Builds on ([Azar et al., 2022](#), [Arnold, 2019](#), [Rinz, 2022](#)) by examining minimum wage effects across labor markets with different characteristics, adding informal markets and localized wage dimensions.

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Report on the Working of the Minimum Wage Act, 1948

A report published annually by the Indian Labor Bureau announces the minimum wage rate for each state and sector → there is no database of this information available publicly.

TABLE 5

COMPARATIVE MINIMUM WAGE RATES PREVAILING IN SCHEDULED
EMPLOYMENTS IN CENTRAL SPHERE/STATES/UNION TERRITORIES
AS ON 31.12.2009

SL. NO.	NAME OF SCHEDULED EMPLOYMENT	CENTRAL SPHERE/ STATES/ UNION TERRITORIES	MINIMUM WAGE RATE (Rs.) PER DAY
1	Agriculture	1 A & N Islands	A-156.00
			N-167.00
		2 Arunachal Pradesh	80.00
		3 Bihar	99.00
		4 C.L.C(Central)	130.00
		5 Chandigarh	157.36
		6 Delhi	152.00
		7 Haryana	151.00
		8 Himachal Pradesh	110.00
		9 Lakshadweep	141.85
		10 Manipur	81.40
		11 Meghalaya	100.00
		12 Mizoram	132.00
		13 Punjab	136.79
		14 Rajasthan	100.00
		15 Uttarakhand	106.25

Solution: Extract data from reports using a text processing algorithm, then use text analysis algorithm to assign sector classification to a minimum wage and match Report data to LFS data.

Evolution of MW Rates Over Time

Ministry of Statistics and Program Implementation (MOSPI) Survey Data:

Labor Force Surveys:

- **Unemployment/Employment Survey:** 2004 - 2012, **Periodic Labor Force Survey:** 2017 - 2019.
- Nationally representative of Indian states/UTs: sample allocated according to village population size.
- Annual, repeated cross-section of individuals (UE/E), within-year panel with quarterly survey frequency (PLFS)
- **Variables:** labor force status, wages and working time for reference week, industry of employment, eligibility for benefits, type of contract, education/training characteristics.

Enterprise Surveys:

- **Annual Survey of Industries (ASI)** 2004 - 2019, **Unorganised Enterprise Survey (UES):** 2005, 2010, 2015 → Repeated cross-sections.
- Covers non-agriculture in all states and union territories, ASI covers formal firms UES covers informal firms.
- **Variables:** industry, cost share/amount of inputs used, share of foreign capital.

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Identification Strategy

Methodology: Staggered, two-way fixed effect (TWFE) strategy/DID with a continuous treatment and differential treatment timing.

- Following [Angrist and Imbens \(1995\)](#), [Callaway et al. \(2024\)](#), $\hat{\beta}$ is the average causal response (ACR) of Y to the minimum wage.
- The treatment effect is determined by (i) being exposed to a minimum wage increase and (ii) the magnitude of the increase ("dosage").

Identification Strategy: Empirical Model I

Baseline Model (Wages):

$$Y_{i(ks)t} = \alpha + \beta \log(\text{Minimum Wage})_{k(s)t} + X_{i(ks)}\beta + \gamma_t + \delta_{ks} + \epsilon_{ikst} \quad (1)$$

- $Y_{i(ks)t}$ is the log daily wage of individual i in sector k in state s for time t .
- $X_{i(ks)}\beta$ are time-invariant worker controls including age, gender, education, and type of contract.
- γ_t is a year fixed effect and δ_{ks} is a sector-state fixed effect.
 - The coefficient of interest is identified on within sector-state unit variation in the minimum wage and daily wages over time.

Balance Test: MW Exposure

Baseline Results: Wages

Table: Baseline Wage Regressions

	Log(Daily Wage)			
	(1)	(2)	(3)	(4)
Log(MW)	0.224** (0.106)	0.396*** (0.0942)	0.0617 (0.0840)	0.130 (0.103)
N	1,163,011	1,163,011	1,163,011	1,163,010
FE	State, Year	Sector, Year	State, Sector, Year	State-Sector, Year
Controls	Individual	Individual	Individual	Individual

Standard errors clustered at the state-sector level. Individual controls include age, sex, educational attainment, and contract type.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

A1: Alternative FE

A2: Alternative Wage Measures

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Identification Strategy: Empirical Model II

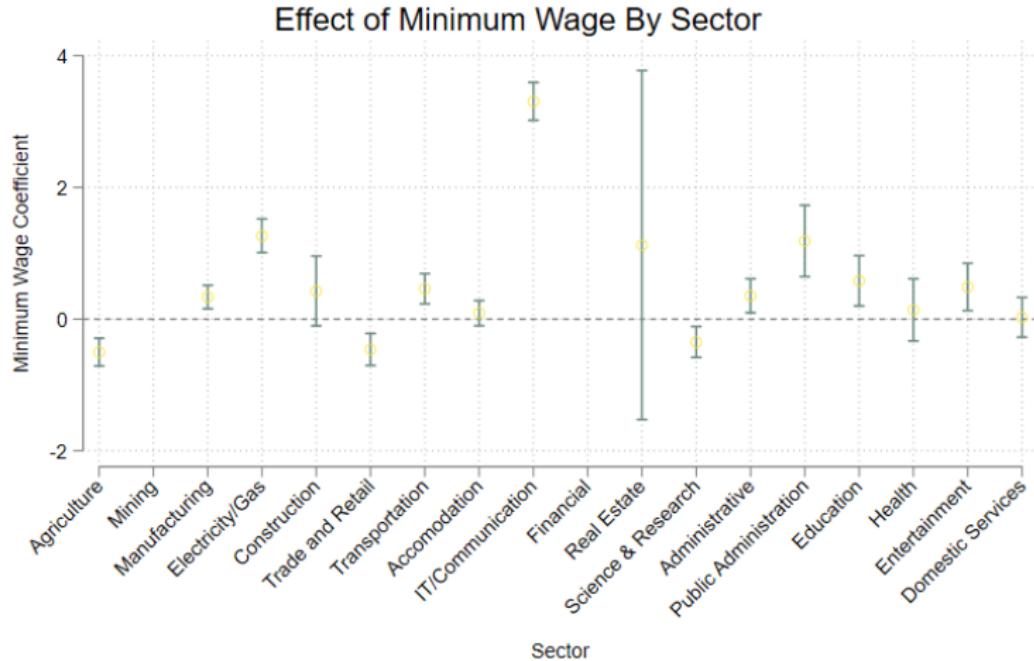
Interacted Model:

$$\begin{aligned}
 Y_{i(ks)t} = & \alpha + \beta \log(\text{Minimum Wage})_{kst} + \eta Z_{i(kst)} \\
 & + \tau \log(\text{Minimum Wage})_{kst} \times Z_{i(kst)} \\
 & + X_{i(ks)}\beta + \gamma_t + \delta_{ks} + \epsilon_{ikst}
 \end{aligned} \tag{2}$$

- $Y_{i(ks)t}$ is the log daily wage or labor market status of individual i in sector k in state s for time t .
- $X_{i(k)s}\beta$ are time-invariant worker controls including age, gender, and education.
- γ_t is a year fixed effect and δ_{ks} is a sector-state fixed effect.
 - The coefficient of interest is identified on within sector-state unit variation in the minimum wage and in individual's income/labor market status over time.
- $Z_{i(kst)}$ is a vector of individual characteristics (formality status, industry, education, income decile) which when interacted with minimum wage tests for heterogeneity of the treatment effect.

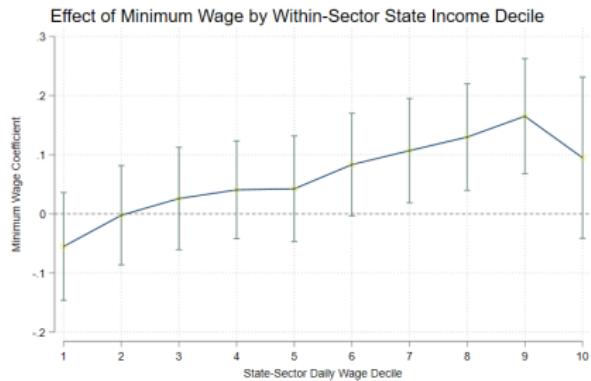
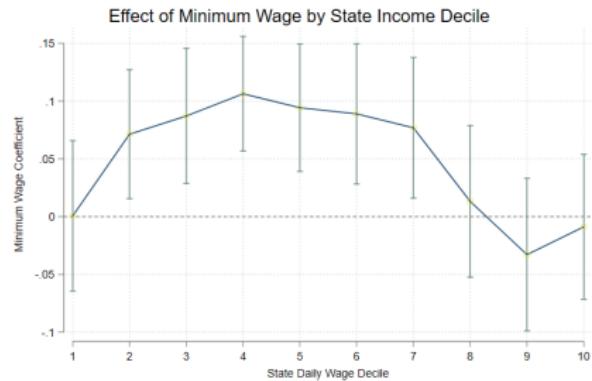
Alternative Model: Sector Characteristics Interactions

Wage Effect Analysis: By Sector



Coefficients calculated using state-sector and year FE and using individual controls including age, sex, education level, and contract type. Confidence intervals represent cluster-robust standard errors at the sector-state level.

Wage Effect Analysis: By Decile



Note: Coefficients calculated using state-sector and year FE and using individual controls include age, sex, education level, and contract type. Confidence intervals represent cluster-robust standard errors at the sector-state level.

Distribution Relative MW Level (State-Sector)

Lighthouse Effect: Wage Effect by Formality Status

Table: Average Marginal Effect of Minimum Wage by Formality Status

	(1) (Log) Daily Wage
Log(MW) ×	
Informal = 0	0.521*** (0.101)
Informal = 1	-0.724*** (0.138)
N	1,163,010
FE	Sector-State, Year
Controls	Individual

Standard errors clustered at state-sector level. Individual controls include age, sex, education level, and contract type.

* p<0.10, ** p<0.05, *** p<0.01

[Wage Effect by Education Level](#)

[Figure: Informality Rates by Sector](#)

[Figure: Informality Rates by Decile](#)

Heterogeneity Analysis: Description of Findings

- **Sectoral Effects:**

- Positive effects observed in more modern sectors, and those more exposed to public management.
- Negative effects for agriculture and retail, which have high informality rates

Figure: Informality by Sector

- **Distributional Effects:** Consistent in the upper middle distribution, ambiguous effects at the bottom of distribution based on the level of analysis. → Suggests a strong role of informality.
- **Formality Status Effects (Lighthouse):** Strong net-negative effect for informal workers, suggesting the “Lighthouse Effect” does not occur for informal workers under this minimum wage setting regime.

Hypothesis:

Ambiguous result is driven by positive treatment effects for formal workers and negative treatment effects for informal workers. This may be driven by:

- Formalization of the workforce.
- Differences in competition on formal and informal labor markets.
- Differences in productive activities and inputs.

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Mechanisms: Summary of Findings

Disemployment and Informalization:

- An increase in working hours for informal workers, relative to formal workers, though no overall increase in the number of informal workers or unemployed workers. Results: Disemployment, Informalization
- Suggests that firms substitute informal workers for formal workers at the working hour level.
- Explanation decrease in average daily wage for informal workers as workers increase working time, without increasing hourly rate.

Labor Market Concentration

- Despite informal firms being much less concentrated than formal firms, which may have explained the negative wage effect on informal workers, no significant evidence of variation by HHI. Results: HHI
- Measure of HHI is potentially too aggregated (sector-state average HHI).

Sectoral Production Factor Intensity

- The wage effect does not vary significantly with the labor or capital intensity of firms. Some evidence that the effect is significant in firms with higher ICT use.
Results: Firm Characteristics

Disemployment, Informalization, and Working Time

Table: Disemployment and Informalization

	= 1 if Individual is Unemployed		Hours Worked in Reference Week		= 1 if Individual Works Informally
	(1)	(2)	(3)	(4)	(5)
Log(MW)	-0.00103 (0.00232)	0.000882 (0.00234)	0.510 (0.670)	-1.954*** (0.740)	0.0137 (0.0119)
Informal = 1	-0.0362*** (0.00247)	-0.00585 (0.0119)	-1.917*** (0.372)	-41.01*** (3.354)	
Informal = 1 × Log(MW)		-0.00607** (0.00264)		7.835*** (0.669)	
Marginal Effects					
Informal = 0		0.000882 (0.00234)		-1.954*** (0.740)	
Informal = 1		-0.00519 (0.00320)		5.881*** (0.873)	
N	1163010	1163010	1163010	1163010	1163010
FE				Sector-State, Year	
Controls				Individual	

Standard errors clustered at state-sector level

* p<0.10, ** p<0.05, *** p<0.01

Figure: Disemployment Effect by Sector

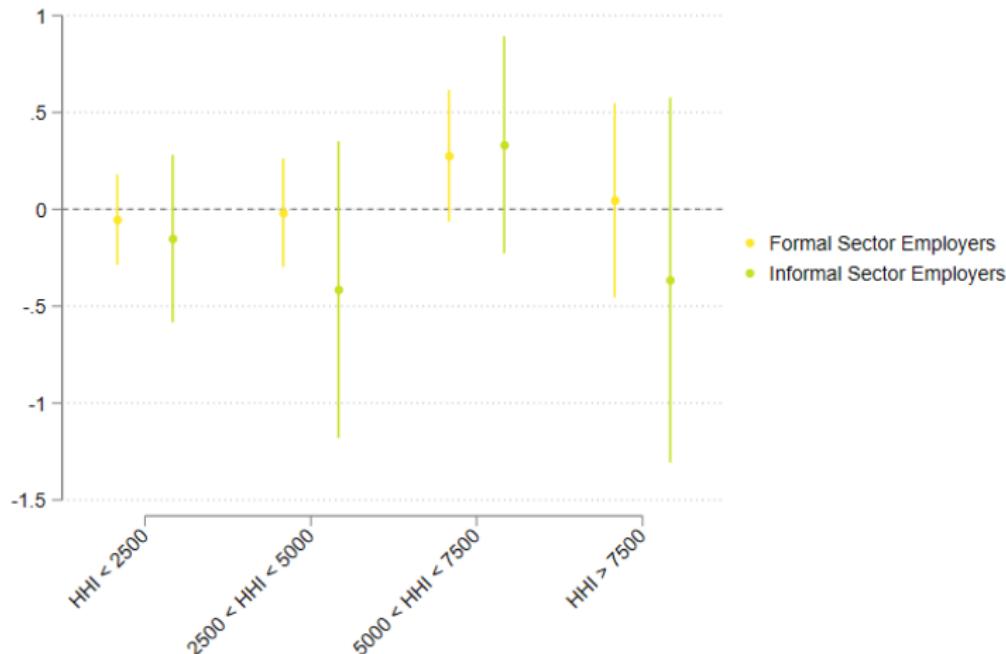


Labor Market Concentration



Labor Market Concentration

Figure: Wage Effect by Employer Concentration on State-Sector Labor Market



Coefficient calculated using state-sector and year FE based on an interaction of the average firm HHI within sector-state unit.
Confidence intervals represent cluster-robust standard errors.

Firm Characteristics

Table: Variation of Effect by Average Factor Intensity in Sector

	(1)	(2)	(Log) Daily Wage (3)	(4)	(5)
Log(MW)	-0.0310 (0.351)	-1.069*** (0.409)	4.270 (7.868)	-1.083** (0.457)	11.36 (7.451)
Log(ICI Intensity) × Log(MW)	0.0105 (0.0273)				0.0927 (0.0966)
Log(Capital Intensity) × Log(MW)		0.0710*** (0.0240)			-0.167** (0.0708)
Log (Foreign Capital Share) × Log(MW)			-4.154 (7.195)		-7.662 (6.153)
Log (Labor Intensity) × Log(MW)				0.213*** (0.0775)	-0.281 (0.438)
N	226,478	234,455	57,537	245,156	55,428
FE	State-Sector, Year	State-Sector, Year	State-Sector, Year	State-Sector, Year	State-Sector, Year
Controls	Individual	Individual	Individual	Individual	Individual

Standard errors clustered at state-sector level. Individual controls contain age, sex, education level, and contract type.

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Future Research

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Future Research Pathways

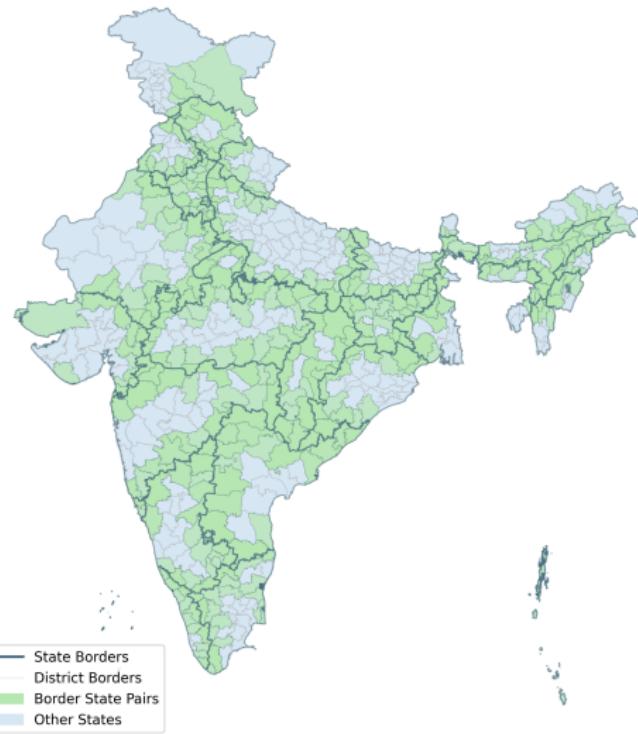
- TWFE Alternative Estimators:** my current results are robust to alternative estimators by [Callaway and Sant'Anna \(2021\)](#), [Baker et al. \(2022\)](#) for the PLFS subsample → Important to check this for the full study period.
- (More) Local Labor Market Effects:** Implementing the methodology of [Dube et al. \(2010\)](#), using variations of minimum wages across state borders using contiguous districts in an unaffected state as a control group.

$$Y_{i(kp)t} = \alpha + \beta \log(\text{Minimum Wage})_{k(s)t} + X_{i(kp)}\beta + \gamma_{pt} + \delta_{pk} + \lambda_t + \epsilon_{ikpt} \quad (3)$$

- **Identifying Assumption:** contiguous districts are similar on unobservable characteristics.
- Where γ_{pt} and δ_{pk} are time-border pair fixed effects and pair-sector fixed effects capturing local sector characteristics and time variant characteristics of district pairs. This would allow me to test more local effects.
- The coefficient of interest is identified on within border-pair-sector variations in the minimum wage (due to being in different sector-states).

District-Level Specification

Contiguous Border District Pairs - India



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Conclusion

- Increases in the minimum wage at the state-sector level are associated with increases in wages for formal-sector workers and higher earners, but decreases for informal-sector workers.
- Potentially driven by the employers exchanging formal worker-hours hired for informal worker-hours hired to avoid increase in labor cost.
- Effects do not vary significantly by labor market concentration in this wage regulating system → driven by measurement error or because lack of a generalized wage floor does not counteract employer influence on market.
 - Potential further tests for this mechanism...
- Wage response does not seem to vary with other-factor intensity of firms, and firms do not seem to change factor demand in response to minimum wage hikes: consistent with adjusting on formal/informal labor hours.

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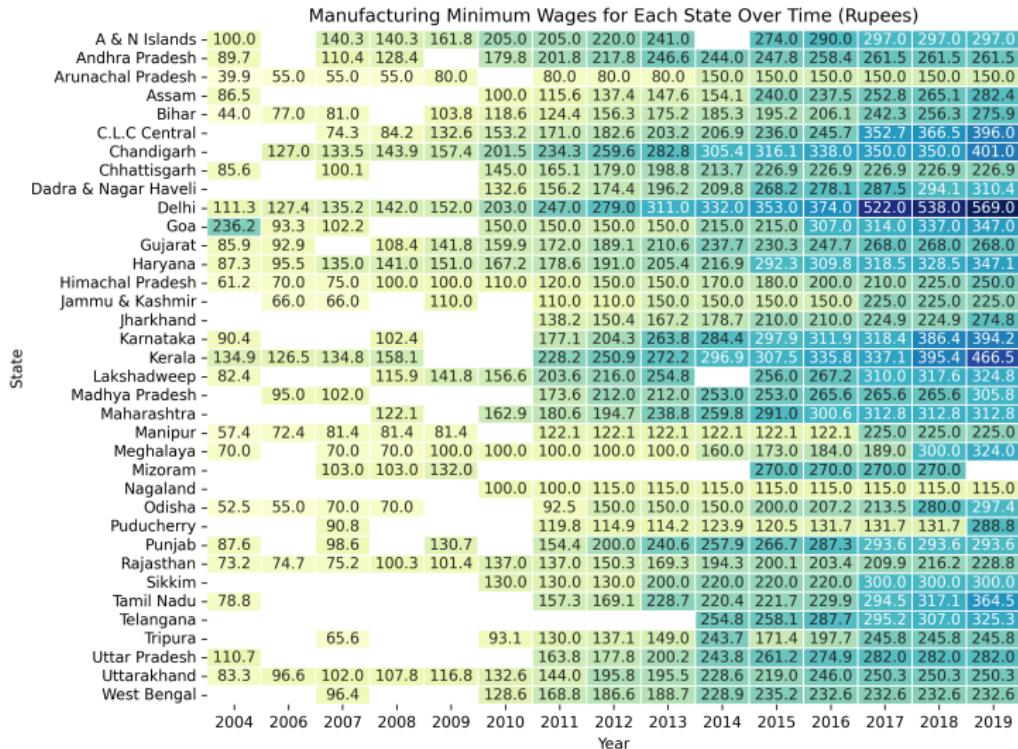
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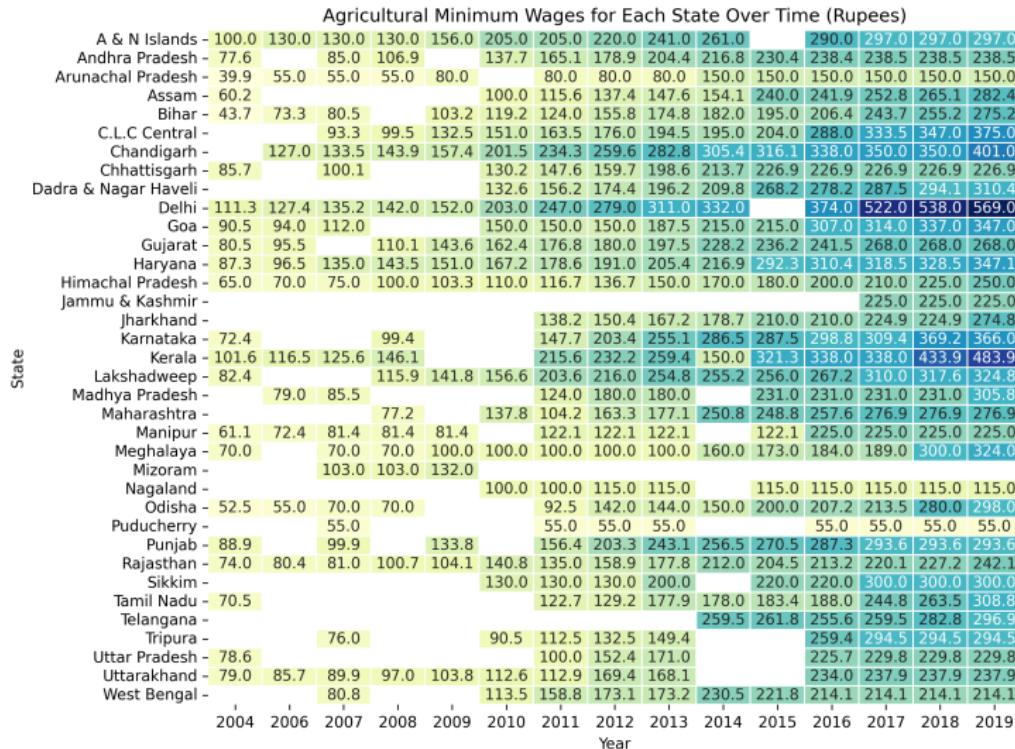
Evolution of MW Rates Over Time

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Example: Manufacturing MW by State and Year


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Example 2: Agricultural MW by State and Year



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Dual Evolution of Indian Minimum Wages

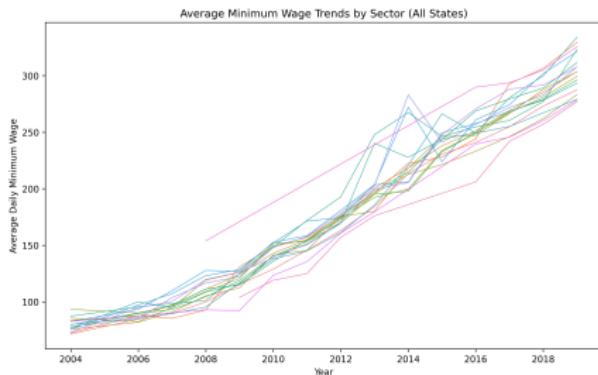


Figure: Average MW by Sector (All States)

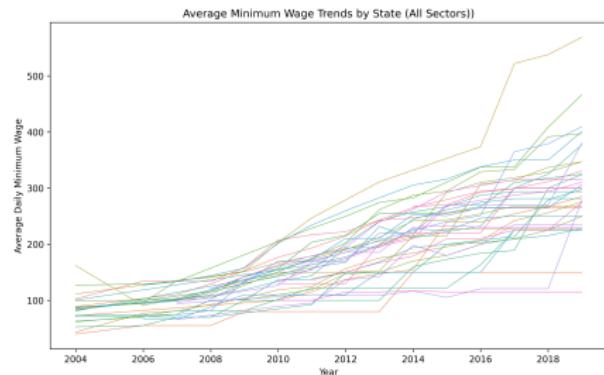


Figure: Average MW by State (All Sectors)

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NIC - MW Match

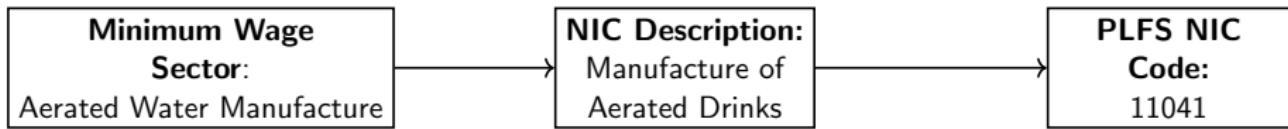


Figure: Mapping of MW Categories to PLFS Using NIC Sectoral Codes

LFS Sample: Descriptive Statistics I/II

	Summary
N	2,963,285
Age	30.977 (18.249)
Gender	
1	1,768,868 (59.7%)
2	1,194,230 (40.3%)
3	187 (0.0%)
Formal Education (Years)	8.367 (5.248)
Secondary Employment	
0	2,708,835 (91.4%)
1	254,450 (8.6%)
Eligible for Paid Leave	
0	2,753,564 (92.9%)
1	209,721 (7.1%)
Eligible for Social Security	
0	2,824,639 (95.3%)
1	138,646 (4.7%)
Migrated in Past 5 Years	
1	14,449 (2.7%)
2	529,062 (97.3%)
Informal Worker	
0	2,150,568 (72.6%)
1	812,717 (27.4%)
Unemployed Worker	
0	2,905,018 (98.0%)
1	58,267 (2.0%)
Days Worked in Reference Week	3.752 (2.123)
Daily Wage	97.663 (293.572)

Figure: Time Trends Key Variables 2004-2019



Enterprise Survey - Calculation of Labor Market Concentration

- The Herfindahl Hirshman Index (HHI) measures the size of firms in relation to other firms in the industry.
- Applicable to product and labor markets and measures the level of competition between firms in a market (for customers, workers, etc.).
- In this paper, it is the share of firms in the total employment for each sector-state unit.

$$\text{Employment Share of Firm} = \frac{\text{Employees of Firm N}}{\sum_{i=1}^N \text{Employees of Firm i for Sector K}}$$

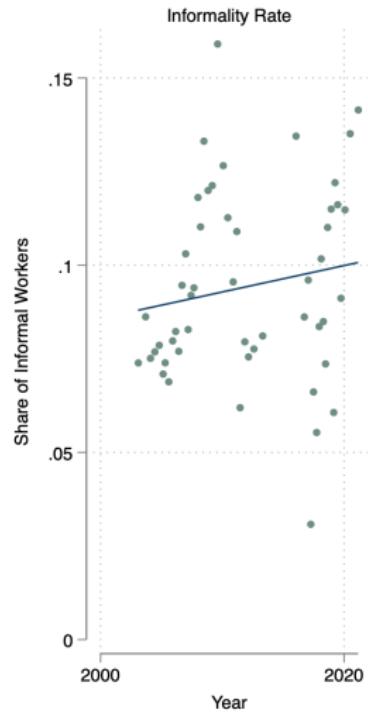
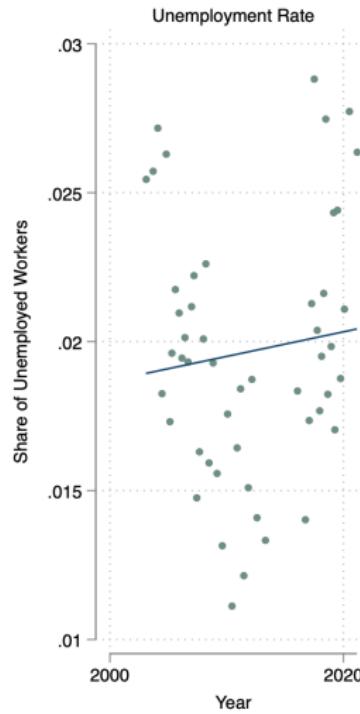
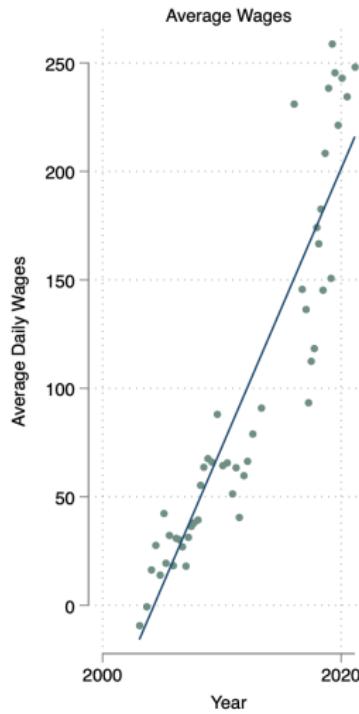
$$\text{Sectoral HHI} = \overline{\text{Employment Share of Firm}} \times 10,000$$

Following the approach of Azar et. al (2022), labor markets are characterized as follows:

- Low concentration: $\text{HHI} < 2500$
- Low moderate concentration: $2500 < \text{HHI} < 5000$
- High moderate concentration: $5000 < \text{HHI} < 7500$
- High concentration: $\text{HHI} > 7500$

LFS Sample: Descriptive Statistics II/II

Cross Survey Comparisons



Individual Characteristics: Balance by Exposure to MW

	= 1 if Works in a State-Sector with Minimum Wage		
	0	1	Total
N	1,360,539 (45.9%)	1,602,746 (54.1%)	2,963,285 (100.0%)
Age	30.691 (18.082)	31.227 (18.391)	30.977 (18.249)
Gender			
1	824,749 (60.6%)	944,119 (58.9%)	1,768,868 (59.7%)
2	535,726 (39.4%)	658,504 (41.1%)	1,194,230 (40.3%)
3	64 (0.0%)	123 (0.0%)	187 (0.0%)
Formal Education (Years)	8.582 (5.445)	8.236 (5.122)	8.367 (5.248)
Secondary Employment			
0	1,244,547 (91.5%)	1,464,288 (91.4%)	2,708,835 (91.4%)
1	115,992 (8.5%)	138,458 (8.6%)	254,450 (8.6%)
Eligible for Paid Leave			
0	1,252,862 (92.1%)	1,500,702 (93.6%)	2,753,564 (92.9%)
1	107,677 (7.9%)	102,044 (6.4%)	209,721 (7.1%)
Eligible for Social Security			
0	1,289,493 (94.8%)	1,535,146 (95.8%)	2,824,639 (95.3%)
1	71,046 (5.2%)	67,600 (4.2%)	138,646 (4.7%)
Migrated in Past 5 Years			
1	8,119 (2.6%)	6,330 (2.7%)	14,449 (2.7%)
2	301,558 (97.4%)	227,504 (97.3%)	529,062 (97.3%)
Informal Worker			
0	986,833 (72.5%)	1,163,735 (72.6%)	2,150,568 (72.6%)
1	373,706 (27.5%)	439,011 (27.4%)	812,717 (27.4%)
Unemployed Worker			
0	1,330,824 (97.8%)	1,574,194 (98.2%)	2,905,018 (98.0%)
1	29,715 (2.2%)	28,552 (1.8%)	58,267 (2.0%)
Days Worked in Reference Week	3.537 (2.054)	3.964 (2.168)	3.752 (2.123)

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Alternative Models: Group Time Trends

Extended Model:

$$Y_{i(ks)t} = \alpha + \beta \log(\text{Minimum Wage})_{k(s)t} + X_{i(ks)}\beta + \theta_s t + \gamma_k + \delta_s + \lambda_{ks} + \epsilon_{ikst} \quad (4)$$

- $Y_{i(ks)t}$ is the log daily wage or labor market status of individual i in sector k in state s for time t .
- $X_{i(k)s}\beta$ are time-invariant worker controls including age, gender, and education.
- $\theta_s t$ captures a time-trend for average wages within-state, requiring $\hat{\beta}$ to be identified beyond the wage trend.
- γ_k and δ_s are sector and state fixed effects, λ_{ks} is a sector-state fixed effect to capture time-invariant characteristics of a sector-state unit.
 - The coefficient of interest is identified on within state, between sector variation in the baseline.
 - Secondary specifications compare within-sector, between state variations.

Alternative Models: Interaction with Sectoral Traits

Extended Model:

$$\begin{aligned}
 Y_{i(ks)t} = & \alpha + \beta \log(\text{Minimum Wage})_{kst} + \eta \overline{Z}_{ks(t)} \\
 & + \tau \log(\text{Minimum Wage})_{kst} \times \overline{Z}_{ks(t)} \\
 & + X_{i(ks)}\beta + \gamma_t + \delta_{ks} + \epsilon_{ikst}
 \end{aligned} \tag{5}$$

- $Y_{i(ks)t}$ is the log daily wage or labor market status of individual i in sector k in state s for time t .
- $X_{i(k)s}\beta$ are time-invariant worker controls including age, gender, and education.
- γ_t and δ_{ks} are year and sector-state fixed effects.
 - The coefficient of interest is identified on within sector-state variations over time.
- $\overline{Z}_{ks(t)}$ is a vector of average characteristics for firms each sector state unit (HHI, factor demand, trade openness) which when interacted with minimum wage tests for heterogeneity of the treatment effect by average employer characteristics in a ks unit.

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Additional Results: Alternative Baseline Specifications

Table: Baseline Wage Regressions

	Log(Daily Wage)		
	(1)	(2)	(3)
Log(MW)	-0.00654 (0.0473)	0.00126 (0.0861)	0.0627 (0.0946)
N	1,163,011	1,163,011	1,163,010
FE	Sector-Year, State	State-Year, Sector	State-Sector, State-Year
Controls	Individual	Individual	Individual

Standard errors clustered at the state-sector level.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

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Additional Results: Additional Wage Measures

Table: Baseline with Alternative Wage Measures

	Log(Daily Wage)			
	(1) Hourly Wage	(2) Weekly Wage	(3) Monthly Wage	(4) Annual Wage
Log(MW)	0.0765*** (0.0271)	-0.00947 (0.0614)	-0.00947 (0.0614)	-0.0181 (0.0864)
Observations	249,775	1,163,010	1,163,010	1,163,010
Fixed Effects		State-Sector, Year		
Controls		Individual		

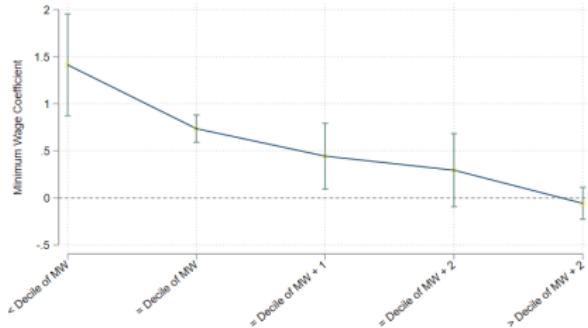
Standard errors are clustered at the state-sector level. Individual controls include age, sex, education level, and contract type.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

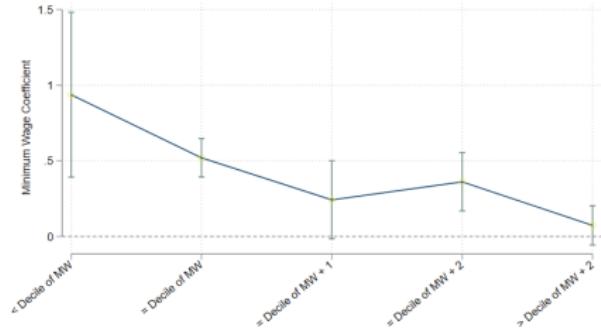
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Wage Effect Near the Decile of the Minimum Wage

Effect of Minimum Wage By Position of MW in State Wage Distribution



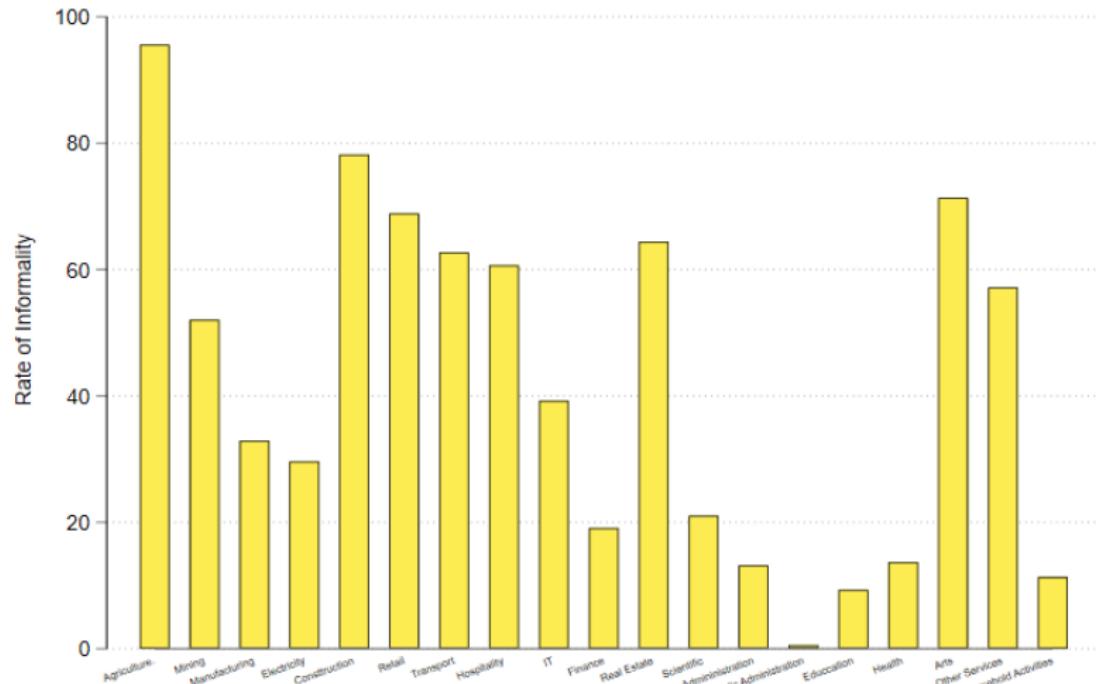
Effect of Minimum Wage By Position of MW in State-Sector Wage Distribution



Note: Coefficients calculated using state-sector and year FE and using individual controls include age, sex, education level, and contract type. Confidence intervals represent cluster-robust standard errors at the sector-state level.

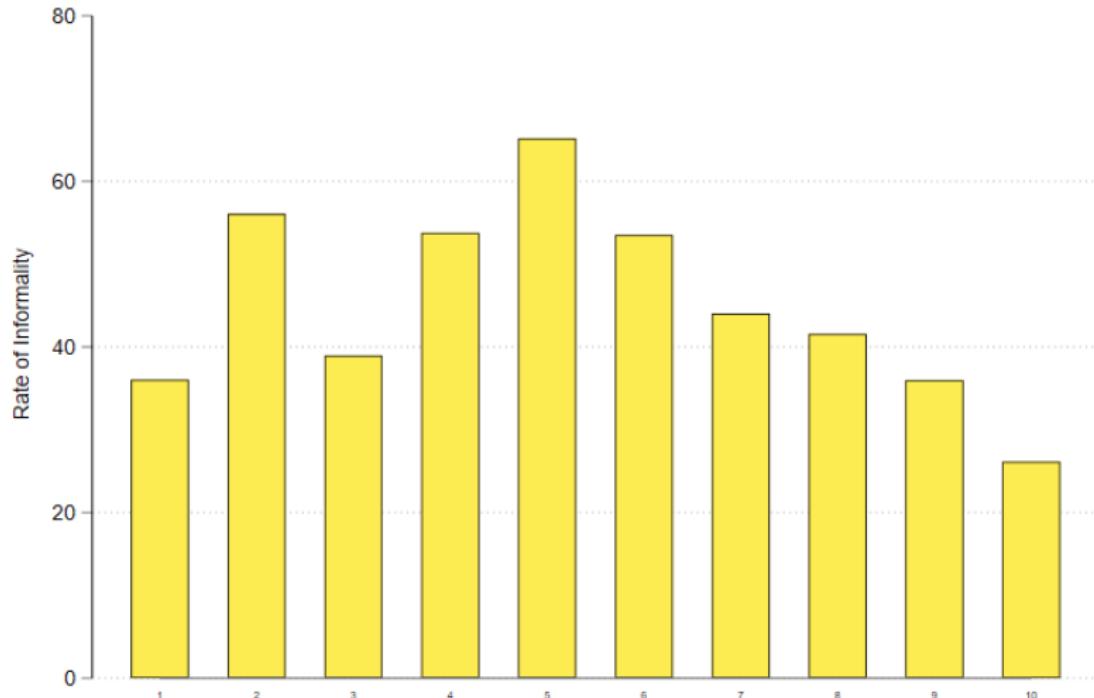
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Informality Rate by Sector



Note: Average informality rate for each sector across all states, calculated based on the number of workers reporting informal employment as their current weekly status.

Informality Rate by Decile



Note: Average informality rate for each decile across all states and sectors, calculated based on the number of workers reporting informal employment as their current weekly status.

Additional Results: Wage Effect by Education Level

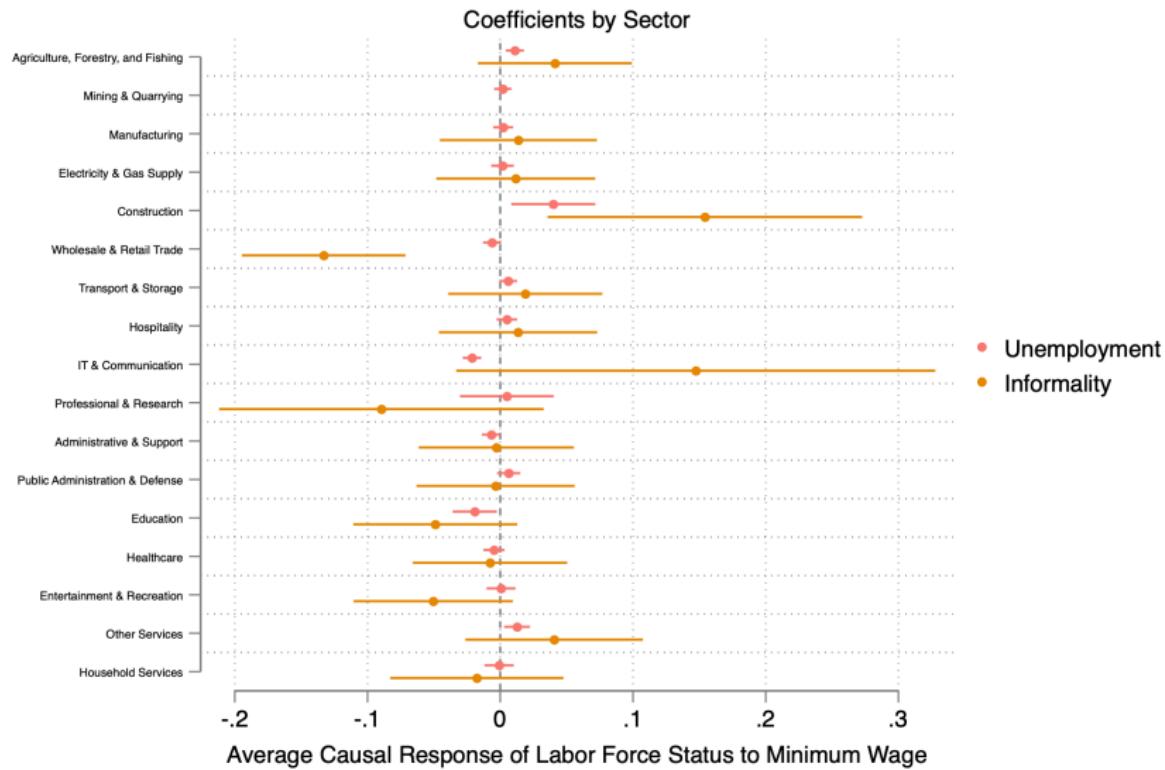
Table: Marginal Effect of Minimum Wage Increase by Education Level

	(1)
Log(MW)	(Log) Daily Wage
Primary Education or Less	-0.0232 (0.101)
Complete Primary/Some Secondary Education	0.238** (0.109)
Complete secondary/post-secondary Education	0.796*** (0.126)
N	1,161,085
FE	State, Year, State-Year
Controls	Individual

Standard errors clustered at state-sector level

* p<0.10, ** p<0.05, *** p<0.01

Additional Results: Disemployment By Sector



Additional Results: Impact of Factors of Production Demand

Table: Effect of Minimum Wage on Production Factor Demand

	(1) ICT Costs	(2) Capital Development Costs	(3) Machinery Cost	(4) Labor Cost	(5) Days of Work Hired
Log(MW)	-0.165 (0.454)	0.460 (1.391)	-0.599 (0.428)	-0.332 (0.445)	-0.0436 (0.171)
N	402107	371889	410084	414919	422518
Fixed Effects	State-Sector, Year				

Standard errors clustered at state-sector level.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.