

First of all, we would like to express our sincere thanks to the Referee for his/her valuable comments and helpful suggestions. Secondly, we are honored and we wish to thank him/ her for his comment that “the authors conducted the meta-analysis excellently”. The comments relate to the contribution of our study and four other issues. Our responses are provided in detail below.

Contribution

The purpose of this paper is to analyze the impact of minimum wage on employment which is quite controversial. The emergence of the “new minimum wage research” showed that a neutral or positive effect on employment is possible. This group of studies doubted the results presented by the neoclassical theory. This field of research continues to attract the interest of researchers because of the various factors that affect the impacts of minimum wages on employment. Among these factors we could mention some of them and more specifically the different structure of labour markets and the economic recession. More than 100 studies on the employment effects of minimum wage appear over the period 2010 – 2014. Our meta-analysis consists of 45 published empirical studies for all over the world, in order to capture the diversity of countries, in the period 2010 – 2014. We chose to do our meta-analysis using studies from different countries which permit us to further investigate the effect of minimum wage taking into account different structures of labour markets and economies. Another reason for doing this meta-analysis focused on studies published in the last five years is that the growing number of these studies which report controversial effects of the impact of minimum wage on employment arises the question of the existence of publication selection bias in minimum wage research.

Our paper applies the methodology developed by Doucouliagos and Stanley (2009) in their meta-regression analysis. After correcting publication selection we find little or no evidence of a negative association between minimum wages and employment. These results are almost similar to the empirical findings of Doucouliagos and Stanley (2009). By applying the methodology of Doucouliagos and Stanley (2009) we wanted to check the validity of their results using a greater variety of countries and a different time period. The replication of the methodology of Doucouliagos and Stanley (2009) and the validation of their results is important since a large number of studies have been appeared after the publication of their work in the field of minimum wage. In this paper we include 45 published studies and we excluded 13 additional published studies for reasons discussed in the appendix of the paper. Moreover, during the five-year period from 2010 to 2014 there can be found 43 other unpublished studies which report at least one estimate of the effect of minimum wages on employment and are presented at the end of our reply.

Our paper contributes to the literature trying to validate the empirical findings of the five recent meta-analysis' studies. Another important issue of our paper is that almost all of the included studies use panel data. The selection of studies based on panel data makes a difference of our study in comparison to other studies which use only time series or time series and cross section data. During the last years there is a shift of researchers from the use of time series to cross section and panel data. The use of panel data has an advantage to overpass significant limitations caused by time series data.

Finally another point that our study points out is that once publication is corrected, the true effect depends on the effect sizes used. More specifically, in the elasticities meta-sample which consisted of 1,048 estimates the effect is negative and ranges from -1.7% to -3%, while in the coefficients' meta-sample which reports 484 estimates, the effect becomes positive and it is ranging from 0.003 to 0.009.

1. "Table 1 is not necessary because you have already discussed that in detail in the literature review. Better still this could be put in an appendix."

Answer: Thanks for the comment. We will put table 1 in the appendix.

2. "There was no simple average of the elasticities and coefficients to compare the variance between them the meta-average."

Answer: Thanks for the comment. We will include the regression results when we use the simple average of the elasticities and coefficients in the final version of the paper to ensure the robustness of our analysis.

3. "With some authors churning out more than one paper in the meta-studies, it will be robust to include the author fixed effects."

Answer: Thanks for the comment. We will include the author fixed effects in the final version. We just report now that the genuine effect for the elasticities' meta-sample is -0.021 (statistically significant) and for the coefficients' meta-sample it is 0.0004 (not statistically significant), results which are very close to the results of the other specifications, providing robustness to our analysis.

4. "The main conclusion that the once publication bias has been corrected for, there is only a slight (economic insignificant) negative impact on employment seems not to be consistent with the reported elasticities. Since you are looking at elasticities ranging from 1.7% to 3%, these cannot be said to be economically insignificant."

Answer: We welcome this comment. Indeed, since the genuine effect in the elasticities' meta-sample ranges from -1.7% to -3%, the effect appears to be of economic significance. We are going to address this issue in the final version of the paper.

Table 1. Recent studies on the employment effect of minimum wage not published in an academic journal, by year.

1	Addison, J.T., Blackburn, M.L. and Cotti, Chad, D. (2014) "On the Robustness of Minimum Wage Effects: Geographically-Disparate Trends and Job Growth Equations". University of Lüneburg, Working Paper Series in Economics No. 330.
2	Blasio, G.D. and Poy, S. (2014) "The Impact of Local Minimum Wages on Employment: Evidence from Italy in the 1950s". FBK-IRVAPP Working Paper No. 2.
3	Caprio, X.D., Messina, J. and Sanz-de-Galdeano, A. (2014) "Minimum Wage: Does It Improve Welfare in Thailand?" Institute for the Study of Labor, IZA DP No. 7911.
4	Clemens, J. and Wither, M. (2014) "The Minimum Wage and the Great Recession: Evidence of Effects on the Employment and Income Trajectories of Low-Skilled Workers". Unpublished study.
5	Dube, A., Lester, T.W. and Reich, M. (2014) "Minimum Wage Shocks, Employment Flows and Labor Market Frictions". IRLE Working Paper No. 149-13.
6	Hoffman, S.D. and Shum, W-K. (2014) "State Minimum Wage Changes and the Employment of Low-Wage Workers: New Evidence from 2011-2014". University of Delaware, Working Paper No. 12.
7	Hoffman, S.D. (2014) "Are the Effects of Minimum Wage Increase Always Small? A Re-Analysis of Sabia, Burkhauser, and Hansen". University of Delaware, Working Paper No. 6.
8	Huang, Y., Loungani, P. and Wang, G. (2014) "Minimum Wages and Firm Employment: Evidence from China". Federal Reserve Bank of Dallas Globalization and Monetary Policy Institute, Working Paper No. 173.
9	Poncet, S., Mayneris, F. and Zhang, T. (2014) "The Cleansing Effect of Minimum Wage: Minimum Wage Rules, Firm Dynamics and Aggregate Productivity in China". CEPPI research center, Working Paper No. 16.
10	Reich, M., Jacobs, K., Bernhardt, A. and Perry, I. (2014) "San Francisco's Proposed City Minimum Wage Law: A Prospective Impact Study". Institute for Research on Labor and Employment, University of California, Berkeley.
11	Soundararajan, V. (2014) "Minimum Wage Effects at Different Enforcement Levels: Evidence from Employment Surveys in India". Cornell University, Charles H. Dyson School of Applied Economics and Management, Working Paper No. 12.
12	Sukmana, A. and Ichihashi, M. (2014) "The Impact of Minimum Wages on Investment and Employment in Indonesia". IDEC DP2 Series, Vol. 4, Issue 6.
13	Yannelis, C., (2014) "The Minimum Wage and Employment Dynamics: Evidence from an Age Based Reform in Greece". Unpublished study.
14	Allegretto, S.A., Dube, A, Reich, M. and Zipperer, B. (2013) "Credible Research Designs for Minimum Wage Studies". Institute for the Study of Labor, IZA Discussion Paper No. 7638.
15	Berge, P., Frings, H. and Paloyo, A.R. (2013) "High-Impact Minimum Wages and Heterogeneous Regions". Ruhr Economic Papers No. 408.
16	Dube, A. (2013) "Minimum Wages and Aggregate Job Growth: Causal Effect or Statistical Artifact?" Institute for the Study of Labor, IZA DP No. 7674.
17	Fang, T. and Lin, C. (2013) "Minimum Wages and Employment in China". Institute for the Study of Labor, IZA DP No. 7813.
18	Fidrmuc, J. and Tena, J.D. (2013) "National Minimum Wage and Employment of Young Workers in the UK". CESifo Working Paper Series No. 4286.
19	Leigh W. (2013) "The Employment and Wage Effects of Minimum Wages in a Context of

	Informality and Non-Compliance: Evidence from Chile". Unpublished study.
20	Meer, J. and West, J. (2013) "Effects of the Minimum Wage on Employment Dynamics". NBER Working Paper No. 19262.
21	Muravyev, A. and Oshchepkov, A. (2013) "Minimum Wages and Labour Market Outcomes: Evidence from the Emerging Economy of Russia". Higher School of Economics Research Paper No. WP BRP 29/EC/2013.
22	Pena, A.A. (2013) "Do Minimum Wage Laws Affect People Who Are Not Covered? Evidence from Documented and Undocumented, Hourly and Piece Rate Workers in U.S. Agriculture". Upjohn Institute Working Paper 13-194.
23	Wicks-Lim, J. and Pollin, R. (2013) "The Costs to Fast-Food Restaurants of a Minimum Wage Increase to \$10.50 per Hour". Political Economy, Research Institute University of Massachusetts, Amherst, Research Brief September 2013.
21	Baskaya, Y.S. and Rubinstein, Y. (2012) "Using Federal Minimum Wages to Identify the Impact of Minimum Wages on Employment and Earnings across the U.S. States". Unpublished study.
22	Charpe, M. and Kühn, S. (2012) "Bargaining, Aggregate Demand and Employment". CEPREMAP, Dynare Working Papers No. 13.
23	Dickens, R., Riley, R. and Wilkinson, D. (2012) "Re-examining the Impact of the National Minimum Wage on Earnings, Employment and Hours: The Importance of Recession and Firm Size". Report to the Low Pay Commission.
24	Dolton, P., Bondibene, C. and Stops, M. (2012) "The spatial analysis of the employment effect of the minimum wage in a recession: The case of the UK 1999-2010". Research report commissioned for the Low Pay Commission Report.
25	Kraft, K., Rammer, C. and Gottschalk, S. (2012) "Minimum Wages and Competition: The Case of the German Roofing Sector". ZEW - Centre for European Economic Research Discussion Paper No. 12-083.
26	Mitsis, P. (2012) "Effects of Minimum Wages on Total Employment where the Legislative Coverage is Limited: Evidence from Cyprus Time Series Data". University of Cyprus, Department of Economics, Discussion Paper No. 05.
27	Möller, J. and König, M. (2012) "The Effects of Minimum Wages in the German Construction Sector - Reconsidering the Evidence". Annual Conference 2012 (Goettingen): New Approaches and Challenges for the Labor Market of the 21 st Century 62064, Verein für Socialpolitik / German Economic Association.
28	Müller, K.-U. (2012) "Estimating the employment effects of a minimum wage from a cross-sectional wage distribution. A semi-parametric approach", Beiträge zur Jahrestagung des Vereins für Socialpolitik 2012: Neue Wege und Herausforderungen für den Arbeitsmarkt des 21. Jahrhunderts - Session: Minimum Wages, Collective Bargaining, No. G09-V1.
29	Nguyen, C. (2012) "Do Minimum Wages Affect Firms' Labor and Capital? Evidence from Vietnam". MPRA Paper No. 48656.
30	Anton, J.-I. and Bustillo, R.M. (2011) "The Impact of the Minimum Wage on Spanish Youth: Evidence from a Natural Experiment". MPRA Paper No. 33488.
31	Brochu, P. and Green, D.A. (2011) "The Impact of Minimum Wages on Quit, Layoff and Hiring Rates". IFS Working Paper No. 06.
32	Dube, A., Lester, T.W. and Reich, M. (2011) "Do Frictions Matter in the Labor Market? Accessions, Separations and Minimum Wage Effects". Institute for the Study of Labor, IZA DP No. 5811.

33	Grau, N. and Landerretche, O. (2011) "The Labor Impact of Minimum Wages: A Method for Estimating the Effect in Emerging Economies Using Chilean Panel Data". Serie Documentos de Trabajo (SDT) No. 329 Santiago.
34	Hazans, M. (2011) "What Explains Prevalence of Informal Employment in European Countries: The Role of Labor Institutions, Governance, Immigrants, and Growth". Institute for the Study of Labor, IZA DP No. 5872.
35	Hoffman, S.D. and Ke, C. (2011) "Employment Effects of the 2009 Minimum Wage Increase: Evidence from State Comparisons of At-Risk Workers". University of Delaware, Working Paper No. 16.
36	Schmitt, J. and Rosnick, D. (2011) "The Wage and Employment Impact of Minimum-Wage Laws in Three Cities". Center for Economic and Policy Research No. 3.
37	Skedinger, P. (2011) "Effects of Increasing Minimum Wages on Employment and Hours: Evidence from Sweden's Retail Sector". IFN Working Paper No. 869.
38	Belser, P. and Rani, U. (2010) "Extending the Coverage of Minimum Wages in India: Simulations from Household Data". Conditions of Work and Employment Series No. 26.
39	Chun, N. and Khor, N. (2010) "Minimum Wages and Changing Wage Inequality in Indonesia". ADB Economics Working Paper Series No. 196.
40	Mora, J.J. and Muro, J. (2010) "A Cohort-Based Analysis of the Influence of Minimum Wage Levels on the Labor Force Participation in the Informal Sector: Quantitative and Substitution Effects". Universidad Icesi Department of Economics Research Paper No. 25.
41	Müller K.-U. and Steiner, V. (2010) "Labor Market and Income Effects of a Legal Minimum Wage in Germany". Institute for the Study of Labor, IZA DP No. 4929.
42	Orrenius, P. and Zavodny, M. (2010) "The Minimum Wage and Latino Workers". Institute for the Study of Labor, IZA DP No. 5341.
43	Pinoli, S. (2010) "Rational Expectations and the Puzzling No-Effect of the Minimum Wage". Institute for the Study of Labor, IZA DP No. 4933.