Online Appendix
"Long-Lasting Effects of Socialist Education"

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1 Temporary Disruptions in Schooling

On top of the long-term changes that we are focusing on, namely the change in the content of education and teaching style, as well as the abolishment of non-meritocratic access restrictions, the change from a socialist to a Western style schooling system at reunification likely also created some temporary disruptions in teaching; for instance, some teachers might have spontaneously migrated to the West. While the literature discussed in Section 2.4 points to a quick transition to a new school system, these temporary disruptions cannot be ruled out.

Yet, there are three reasons why we do not think that they matter for our analysis. First, and most importantly, these disruptions were likely relatively short term, playing out in the first months after reunification, and thus it is unlikely that they would lead to the large long-run effects that we observe in the data. Secondly, as far as these disruptions were not short-term but rather extended for a longer time period, individuals from the treatment group should have been affected longer by these disruptions, as they were still in education for a longer time period after reunification. This should make it more difficult to detect any negative effects of socialist education, and therefore biases our estimates downwards. Thirdly, since individuals from the treatment group were in a lower school grade at reunification than individuals from the control group of the same birth cohort, they were affected by these temporary disruptions in a lower school grade. The literature (Chetty et al., 2014), however, does not provide evidence in favor of any systematic stronger effects of quality of teaching at higher grades.

2 Disaggregate Evidence on Labor Market and College Outcomes

In Web Appendix Figure W2, we provide more disaggregated evidence on labor market and college outcomes. Using the sample of male respondents in the East, we compare the entire occupational distribution of treatment and control groups within birth cohorts 1971-1973. Figure W2 shows that treated respondents in the East within the cohort group 1971 to 1973 are more likely to occupy managerial occupations and more in general occupations that require a college degree. They are significantly less likely to be a handicrafts person, mechanic, and craftsperson, as well as truck or train driver. Quite interestingly, we observe that treated and control groups within cohorts 71 to 73 seem to differ not only in terms of occupation, but also in terms of field of study. Treated respondents in the sample of male respondents in the East are more likely to complete an economics degree, which might partly explain the increase in the likelihood of being employed in managerial occupations among treated respondents. This evidence is reported in Web Appendix Figure W3.

3 Bounding Exercise

When we consider wages and type of occupation as dependent variables, the main identification strategy is comparing the difference between the outcomes of (employed) respondents in the East in the treatment and control group with the difference between the outcomes of (employed) respondents in the West in the treatment and control group. If the least able are not employed because of treatment, however, then the treated employed group has on average a higher ability level, which might explain higher wages and higher chances of having a professional job. We perform a bounding exercise in the spirit of Card et al. (2009) and Lee (2009) in order to understand the possible magnitude of the selection bias. As in Card et al. (2009) and Lee (2009), we start by performing the bounding exercise using the specification in which the dependent variable is a dichotomous variable: having a professional job or not. In this case, unlike the case of the wage variable, the worst outcome is naturally defined by the lowest possible value of the variable, 0. We assume that the respondents who are not employed because of treatment would have displayed this worst labor outcome. Let us call T_1 the group of respondents in the East in the treatment group who are employed and T_2 the group of respondents in the East in the treatment group who are not employed becuase of treatment. α and $(1-\alpha)$ are the sizes of T_1 and T_2 respectively. $P_{T_1,E}$, $P_{T_2,E}$ and $P_{C,E}$ are the fraction of respondents with a professional job resident in the East belonging to groups T_1, T_2 and control group respectively; similarly $P_{T,W}$ and $P_{C,W}$ are the fraction of respondents with a professional job resident in the West belonging to the treated and control group respectively.

The coefficient we observe using our current identification strategy is determined by the following expression:

$$\beta^{OBS} = [P_{T_1,E} - P_{C,E}] - [P_{T,W} - P_{C,W}]$$

while the true causal effect of treatment on type of occupation would be:

$$\begin{aligned} \beta^{CAUS} &= [(\alpha P_{T_1,E} + (1-\alpha) P_{T_2,E}) - P_{C,E}] \\ &- [P_{T,W} - P_{C,W}] \end{aligned}$$

It is straightforward to rewrite the two expressions as follows:

$$\beta^{CAUS} = \beta^{OBS} - (1-\alpha)(P_{T_1,E} - P_{T_2,E})$$

where $-(1-\alpha)(P_{T_1,E} - P_{T_2,E})$ is the correction we need to apply to β^{OBS} to obtain an estimate of β^{CAUS}. In the last expression, $(1-\alpha)$ represents the percent decline in employment experienced by residents in the East because of treatment. Given that we consider only the male sample (as our main findings are restricted to that sample), α corresponds to the ratio between the fraction of employed people in the treatment group in the East (male sample) and the sum of such fraction and the coefficient of East*Treat*cohort74-77 in col (ii) of Table 5, that is $\alpha = .975$. Using the Microcensus data we find that $P_{T_1,E} = .34$. As already argued, we assume the highest possible bias, therefore $P_{T_2,E} = 0$. The size of the correction we need to apply then is $(1-.975)*.34 = .008$ and the bounded estimate of our coefficient of interest is $\beta^{CAUS} = .051 - .008 = .043$.

Obviously, since wage is a continuous variable, it is less easy and rigorous to assume a lower bound of the coefficient obtained in col (viii) of table 5 where the log of the individual wage is the dependent variable. We however propose a complementary exercise to address this issue and assume that respondents who did not get employed as a result of treatment would have received a wage equivalent to the lowest decile of the male wage distribution. The size of the bias in this case would be $(1-\alpha)(\ln W_{T_1,E} - \ln W_{T_2,E})$, where $\ln W_{T_1,E}$ would be the average of the log of the wages of (employed) respondents in the male sample of East residents in the treatment group, that is 2.23 and $\ln W_{T_2,E}$ would be set to the lowest decile of the male wage distribution, that is 1.72. The correction bias to be applied would therefore correspond to $(1-.975)*(2.23-1.72) = 0.012$, and the bounded estimate of our coefficient of interest is $\beta^{CAUS} = .041 - .012 = .029$.

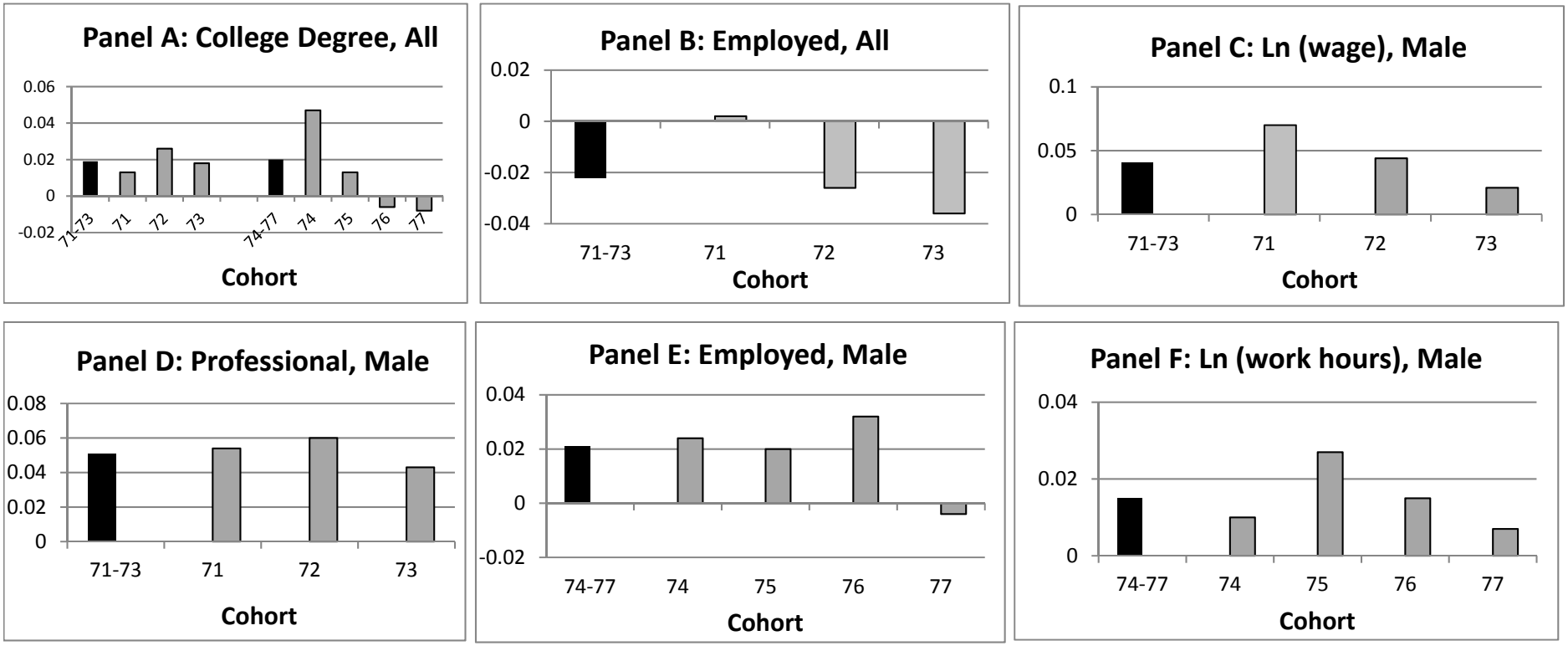
References

[1] Card, David, Carlos Dobkin, and Nicole Maestas (2009). "Does Medicare Save Lives?", Quarterly Journal of Economics, 124(2): 597–636.

[2] Chetty, Raj, John N. Friedman, and Jonah E. Rockoff (2014). "Measuring the Impact of Teachers II: Teacher Value-Added and Student Outcomes in Adulthood", American Economic Review, 104(9): 2633-2679.

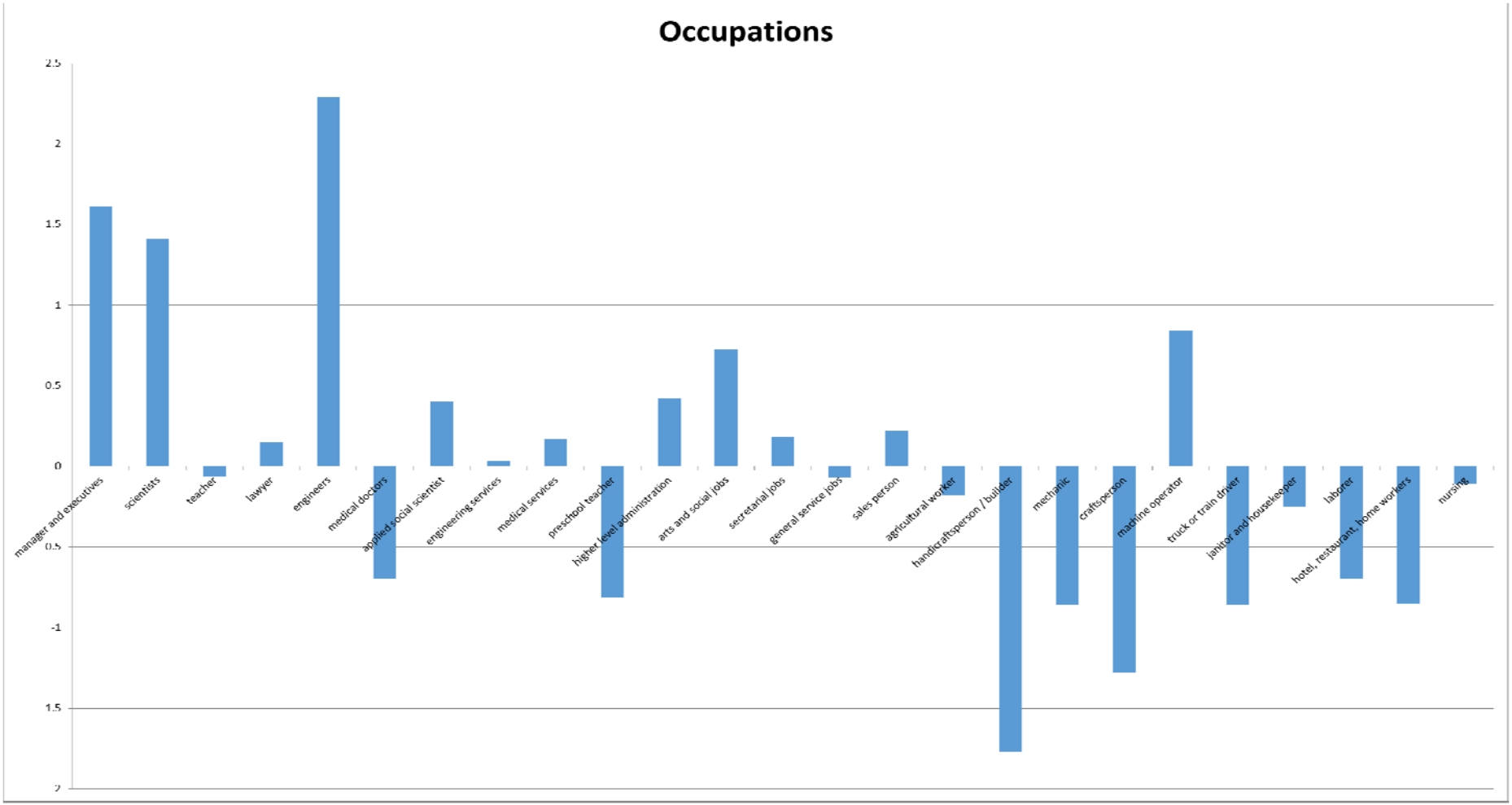
[3] Lee, David S. (2009). "Training, Wages, and Sample Selection: Estimating Sharp Bounds on Treatment Effects", Review of Economic Studies, 76(3): 1071–1102.

FIGURE W1: Long-term College Attainment and Labor Market Outcomes Cohort-by-Cohort



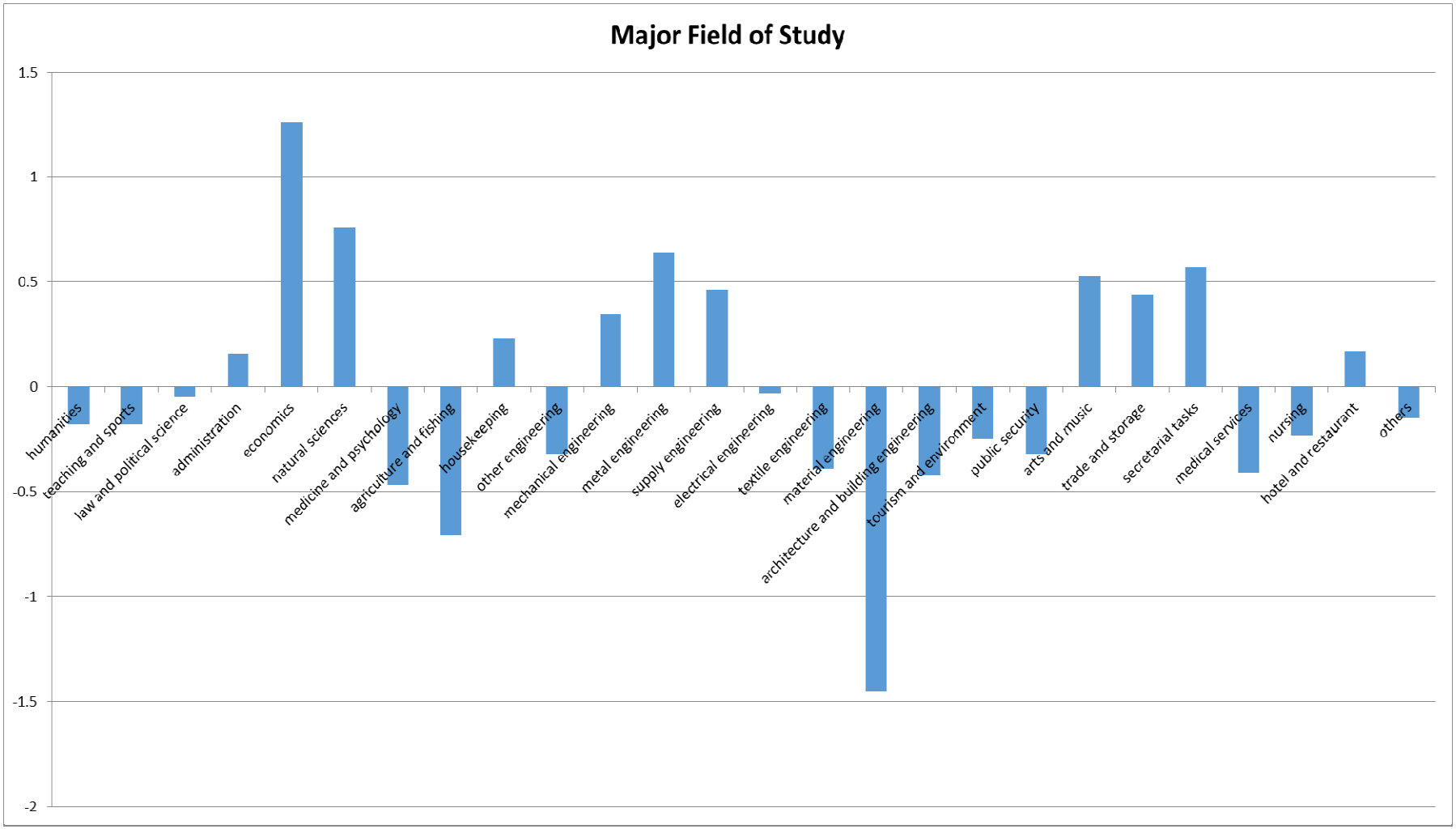
NOTE: The black columns show coefficients reported in Tables 2 (Panel A) and 3 (Panels B to F). The gray columns show coefficients of cohort-by-cohort regressions (i.e. each regression includes only one single cohort) of labor force outcomes on treatment interacted with East. In Panel A, the dependent variable of each regression is a dummy variable equal to one if the respondent obtained a college degree. In Panels B and E, the dependent variable is a dummy variable equal to one if the respondent was employed at the time of the survey. In Panel C, the dependent variable is the log of wages. In Panel D, the dependent variable is a dummy variable equal to one if the respondent is either a manager or a professional according to the ISCO classification. In Panel F, the dependent variable is the log of the number of weekly working hours. Controls include a treatment dummy, age dummies, state of residence dummies, birth year dummies, a male dummy, and month of birth. Treatment is defined according to Definition 1, that is respondents born between June and December are considered treated. The sample consists of all respondents aged between 31 and 35. Residents in the state of Berlin are dropped from the sample.

FIGURE W2: Occupational Distribution for East German Cohort 1971-1973, Treat-Control Group (Male Sample)



Note: For each occupational category we plot the difference between the share of workers belonging to that category within the treatment group and the share of workers belonging to that category within the control group. The sample consists of male respondents resident in the East and born between 1971 and 1973. Occupations from the left up to applied social scientist typically require a college degree.

FIGURE W3: Major Field of Study Distribution for East German Cohort 1971 to 1973, Treat-Control Group (Male Sample)



Note: For each field of study we plot the difference between the share of respondents belonging to that field within the treatment group and the share of respondents belonging to that field within the control group. The sample consists of male respondents resident in the East and born between 1971 and 1973.

FIGURE W4: Labor Market Conditions in East and West Germany

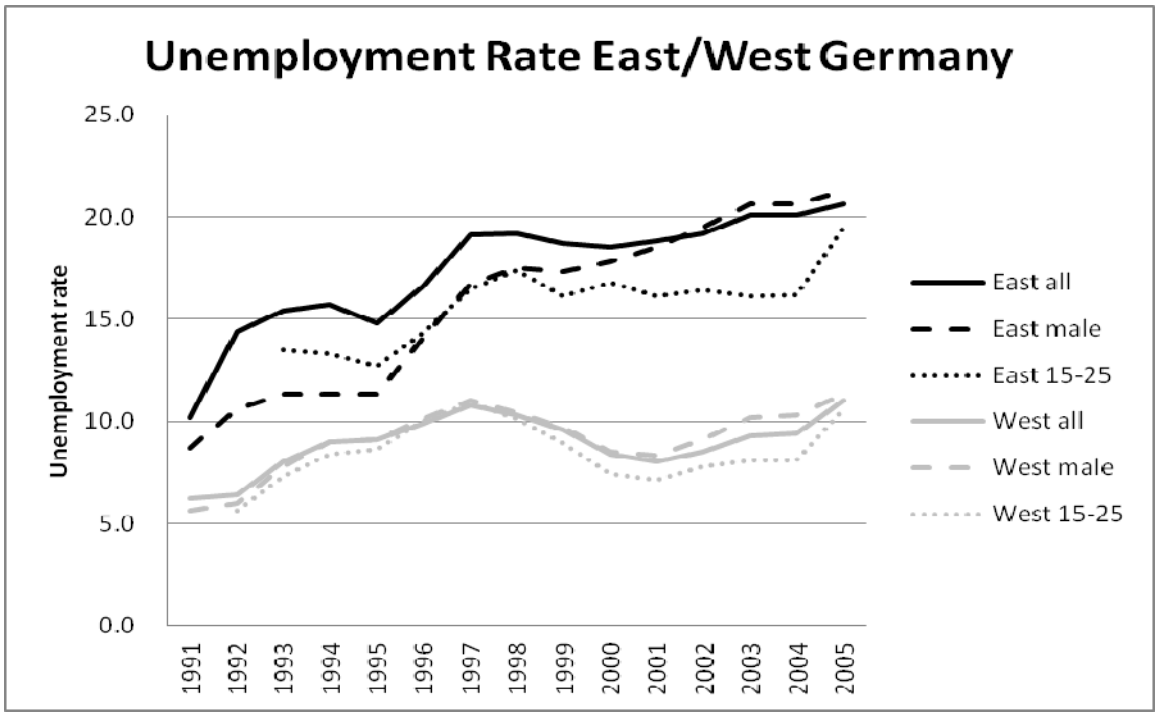


TABLE W1: Difference in RD

	sample	
College	all	.058***
		(3.56)
Ln (wage)	male	.15***
	cohort71-73	(3.19)
Professional	male	.055
	cohort71-73	(1.24)
Employed	all	-.012
	cohort71-73	(0.47)
Employed	male	.045
	cohort74-77	(1.26)
Ln (working hours)	male	-.04
	cohort74-77	(1.418)

Note: This table shows results from a difference in regression discontinuity approach as in Carneiro et al. (2015). Individuals born in the month of June are omitted, due to different assignment in treatment and control group in West and East. A 5 months uniform kernel bandwidth is used for the estimation. Z-statistics are computed based on the assumption that both RD estimates in East and West are independent, as in Carneiro et al. (2015).

TABLE W2: Alternative Measures of Educational Attainment

Dependent variable:	**Years of Schooling**		**Vocational**		**Unlearned**	
	(i)	(ii)	(iii)	(iv)	(v)	(vi)
East*Treated (Def. 1)	.139**		-.024***		.006	
	(.058)		(.007)		(.008)	
East*Treat*cohort71-73		0.096		-.025***		.009
		(.081)		(.008)		(.007)
East*Treat*cohort74-77		.182**		-.022*		.002
		(.080)		(.011)		(.007)
Sample	all	all	all	all	all	all
Observations	139605	139605	139605	139605	139605	139605

NOTE: In col. (i) and (ii) the dependent variable is the number of years of schooling (built following the methodology used by the GSOEP) , in col. (iii) and (iv) it is a dummy variable equal to one if the respondent obtained a vocational degree as highest educational attainment, in col (v) and (vi) it is a dummy variable equal to one if the respondent does not have any formal vocational degree (i.e. no college degree, no vocational degree, and no Fachschul-degree). Controls include age dummies, state of residence dummies, birth year dummies, a male dummy and month of birth. Treatment is defined according to Definition 1, that is respondents born between June and December are considered treated. Robust standard errors are in parentheses, and are clustered at the treatment-birth year-east group level. The sample consists of all respondents aged between 31 and 35 and born between 1971 and 1977. Residents in the state of Berlin are dropped from the sample. *significant at the 10% level, ** significant at the 5% level, *** significant at the 1% level.

TABLE W3: Labor Market Outcomes

Dependent variable:	**Employed**			**Ln (work hours)**			**Ln (wage)**			**Professional**		
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
	all	males	females	all	males	females	all	males	females	all	males	females
Treat	-.012**	-.019**	-.006	0.01	-.002	.024*	-.015*	-.016	-.012	-.006	-.019	.011
	(.006)	(.007)	(.008)	(.008)	(.006)	(.013)	(.008)	(.012)	(.014)	(.007)	(.013)	(.009)
East*Treat	-.004	-0.001	-.007	-.013	.003	-.033	.022***	.028**	.013	.013	.027**	-.004
	(.010)	(.008)	(.016)	(.009)	(.006)	(.022)	(.006)	(.012)	(.014)	(.009)	(.013)	(.015)
Controls	x	x	x	x	x	x	x	x	x	x	x	x
Observations	139605	69090	70515	113086	60838	52248	106496	57487	49009	111995	60140	51855

NOTE: In Columns (i)-(iii) the dependent variable is a dummy variable equal to one if the respondent was employed at the time of the survey. In Columns (iv)-(vi) the dependent variable is the log of the number of weekly working hours. In Columns (vii)-(ix) the dependent variable is the log of wages (see the text for a detailed explanation of how wages are calculated). In Columns (x) to (xii) the dependent variable is a dummy variable equal to one if the respondent is either a manager or a professional according to the ISCO classification. Controls include age dummies, state of residence dummies, birth year dummies, a male dummy, and month of birth. Treatment is defined according to Definition 1, that is respondents born between June and December are considered treated. Robust standard errors are in parentheses, and are clustered at the treatment-birth year-east group level. The sample consists of all respondents aged between 31 and 35 and born between 1971 and 1977. Residents in the state of Berlin are dropped from the sample. *significant at the 10% level, ** significant at the 5% level, *** significant at the 1% level.

TABLE W4: Main Results Controlling for the Number of Children

Dependent variable:	College Degree			
	(i)	(ii)	(iii)	(iv)
			males	females
East	-.047***			
	(.007)			
Treated (Def. 1)	-.0004	-.014**	-.008	-.019**
	(.005)	(.005)	(.007)	(.008)
East*Treated (Def. 1)	.021*	.019***	.0171*	.021**
	(.011)	(.007)	(.009)	(.010)
Controls		x	x	x
Observations	139605	139090	68759	70331

NOTE: The dependent variable is a dummy variable equal to one if the respondent obtained a college degree. Controls include age dummies, state of residence dummies, birth year dummies, a male dummy, month of birth. and the number of children. The variable East is dropped from the specifications in Columns (ii) to (iv) since state of residence dummies are added. Treatment is defined according to Definition 1, i.e. respondents born between June and December are considered treated. Robust standard errors are in parentheses, and are clustered at the treatment - birth year- east group level. The sample consists of all respondents aged between 31 and 35 and born between 1971 and 1977. Residents in the state of Berlin are dropped from the sample. *significant at the 10% level, ** significant at the 5% level, *** significant at the 1% level.

TABLE W5: Results by Cohort Group Controlling for the Number of Children

Dependent variable:	College Degree		
	(i)	(ii) males	(iii) females
East*Treat*cohort71-73	.017	.013	.021*
	(.010)	(.012)	(.011)
East*Treat*cohort74-77	.021**	.021*	.022
	(.009)	(.011)	(.015)
Controls	x	x	x
Observations	139090	68759	70331

NOTE: The dependent variable is a dummy variable equal to one if the respondent obtained a college degree. We generate 2 dummies: one that is equal to one if the respondent was born between 1971 and 1973, the other that is equal to one if the respondent was born between 1974 and 1977. We then include in the regression interactions between each of the two dummies and the variables East and Treat, that is East*cohort71-73, East*cohort74-77, Treat*cohort71-73, Treat*cohort74-77. Controls include age dummies, state of residence dummies, birth year dummies, a male dummy, month of birth, and the number of children. Treatment is defined according to Definition 1, that is respondents born between June and December are considered treated. Robust standard errors are in parentheses, and are clustered at the treatment-birth year-east group level. The sample consists of all respondents aged between 31 and 35 and born between 1971 and 1977. Residents in the state of Berlin are dropped from the sample. *significant at the 10% level, ** significant at the 5% level, *** significant at the 1% level.

TABLE W6: Labor Market Outcomes Controlling for the Number of Children

Dependent variable:	Employed			Ln (work hours)			Ln (wage)			Professional		
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
	all	males	females	all	males	females	all	males	females	all	males	females
East*Treat*cohort71-73	-.024**	-.025**	-.023	-.021*	-.009	-.037	.028***	.041***	.010	.024**	.05***	-.007
	(.009)	(.011)	(0.015)	(.010)	(.008)	(.025)	(.007)	(.013)	(.016)	(.012)	(.01)	(.014)
East*Treat*cohort74-77	.016	.02***	.009	-.004	.015***	-.031	.013	.006	.017	-.0003	.003	-.003
	(.009)	(.004)	(0.016)	(.009)	(.005)	(.026)	(.011)	(.010)	(.014)	(.006)	(.015)	(.022)
Controls	x	x	x	x	x	x	x	x	x	x	x	x
Observations	139090	68759	70331	112806	60674	52132	106247	57335	48912	111742	59993	51749

NOTE: In Columns (i)-(iii) the dependent variable is a dummy variable equal to one if the respondent was employed at the time of the survey. In Columns (iv)-(vi) the dependent variable is the log of the number of weekly working hours. In Columns (vii)-(ix) the dependent variable is the log of wages (see the text for a detailed explanation of how wages are calculated). In Columns (x) to (xii) the dependent variable is a dummy variable equal to one if the respondent is either a manager or a professional according to the ISCO classification. We generate 2 dummies: one that is equal to one if the respondent was born between 1971 and 1973, the other that is equal to one if the respondent was born between 1974 and 1977. We then include in the regression interactions between each of the two dummies and the variables East and Treat, that is East*cohort71-73, East*cohort74-77, Treat*cohort71-73, Treat*cohort74-77. Controls include age dummies, state of residence dummies, birth year dummies, a male dummy, month of birth, and the number of children. Treatment is defined according to Definition 1, that is respondents born between June and December are considered treated. Robust standard errors are in parentheses, and are clustered at the treatment-birth year-east group level. The sample consists of all respondents aged between 31 and 35 and born between 1971 and 1977. Residents in the state of Berlin are dropped from the sample. *significant at the 10% level, ** significant at the 5% level, *** significant at the 1% level.

TABLE W7: Robustness Checks

		Using survey years 2002-2008	Different West cut-off	Dropping respondents born in May	Dropping respondents born in June	Dropping respondents born in July	Fachschule defined as college
Panel A : East*Treat							
	sample	(i)	(ii)	(iii)	(iv)	(v)	(vi)
College	all	.015**	.016**	.018**	.018**	.018***	.019***
		(.007)	(.007)	(.007)	(.007)	(.006)	(.007)
Panel B : East*Treat*cohort71-73							
		(i)	(ii)	(iii)	(iv)	(v)	
Employed	all	-.019*	-.020**	-.024**	-.025**	-.020**	
		(.011)	(.009)	(.010)	(.010)	(.010)	
Ln (wage)	male	.030**	.041***	.029*	.048***	.034***	
		(.012)	(.009)	(.015)	(.012)	(.012)	
Professional	male	.044***	.048***	.057***	.057***	.051***	
		(.011)	(.008)	(.010)	(.013)	(.011)	
Panel B: East*Treat*cohort74-77							
		(i)	(ii)	(iii)	(iv)	(v)	
Employed	male	.016*	.017***	.020**	.013**	.024***	
		(.008)	(.005)	(.007)	(.005)	(.004)	
Ln (working hours)	male	.026***	.013**	.023***	.015***	.018***	
		(.007)	(.006)	(.007)	(.005)	(.005)	

NOTE: Treatment is defined according to Definition 1 (unless it is differently specified), that is respondents born between June and December are considered treated. We generate 2 dummies: one that is equal to one if the respondent was born between 1971 and 1973, and a second that is equal to one if the respondent was born between 1974 and 1977. We then include in the regression interactions between East and Treat in Panel A, and between each of the two dummies and the variables East and Treat, that is East*cohort71-73, East*cohort74-77, Treat*cohort71-73, Treat*cohort74-77, in Panels B and C. Panel A reports the coefficient on the variable East*Treat. Panel B reports the coefficient on the variable East*Treat*cohort71-73; Panel C reports the coefficient on the variable East*Treat*cohort74-77. In row (1), the dependent variable is a dummy variable equal to one if the respondent received a college degree. In rows (2) and (5) the dependent variable is a dummy variable equal to one if the respondent was employed at the time of the survey. In row (3) the dependent variable is the log of wages (see the text for a detailed explanation of how wages are calculated). In row (4) the dependent variable is a dummy variable equal to one if the respondent is either a manager or a professional according to the ISCO classification. In row (6) the dependent variable is the log of the number of weekly working hours. In Column (i) respondents born between May and December are considered treated, respondents born between January and April are considered as part of the control group, and survey years from 2002 on are used. In Column (ii) treatment and control groups are defined according to Definition 1, but respondents born in the West are not considered treated if born in June. In Column (iii), (iv), and (v), respondents born in May, June, and July, respectively, are dropped from the sample. In Column (vi) we redefine the dependent variable in row (1) by assigning one also to individuals whose highest educational degree is from a *Fachschule*. Controls include age dummies, state of residence dummies, birth year dummies, a male dummy, and month of birth. Robust standard errors are in parentheses, and are clustered at the treatment-birth year-east group level. The sample consists of all respondents (males and females) aged between 31 and 35 and born between 1971 and 1977. Residents in the state of Berlin are dropped from the sample. *significant at the 10% level, ** significant at the 5% level, *** significant at the 1% level.

TABLE W8: Placebo Exercise

Panel A : East*Treat		
	sample	
College	all	-.006
		(.011)
Panel B : East*Treat*cohort71-73		
Employed	all	.011
		(.012)
Ln (wage)	male	.023
		(.017)
Professional	male	.001
		(.020)
Panel B: East*Treat*cohort74-77		
Employed	male	-.031
		(.021)
Ln (working hours)	male	-.003
		(.008)

NOTE: We generate 2 dummies: one that is equal to one if the respondent was born between 1971 and 1973, and a second that is equal to one if the respondent was born between 1974 and 1977. We then include in the regression interactions between East and Treat in Panel A, and between each of the two dummies and the variables East and Treat, that is East*cohort71-73, East*cohort74-77, Treat*cohort71-73, Treat*cohort74-77, in Panels B and C. Panel A reports the coefficient on the variable East*Treat. Panel B reports the coefficient on the variable East*Treat*cohort71-73; Panel C reports the coefficient on the variable East*Treat*cohort74-77. In row (1), the dependent variable is a dummy variable equal to one if the respondent received a college degree. In rows (2) and (5) the dependent variable is a dummy variable equal to one if the respondent was employed at the time of the survey. In row (3) the dependent variable is the log of wages (see the text for a detailed explanation of how wages are calculated). In row (4) the dependent variable is a dummy variable equal to one if the respondent is either a manager or a professional according to the ISCO classification. In row (6) the dependent variable is the log of the number of weekly working hours. Respondents born between October and December are considered treated, respondents born between July and September are considered the control group. Controls include age dummies, state of residence dummies, birth year dummies, a male dummy, and month of birth. Robust standard errors are in parentheses, and are clustered at the treatment-birth year-east group level. The sample consists of all respondents (males and females) aged between 31 and 35 and born between 1971 and 1977. Residents in the state of Berlin are dropped from the sample. *significant at the 10% level, ** significant at the 5% level, *** significant at the 1% level.

TABLE W9: Robustness Checks-Unemployment in Year of Labor Market Entrance

Panel A : East*Treat

	sample	(i) UR (plus sq)	(ii) male UR (plus sq)	(iii) youth UR	(iv) youth UR (plus sq)	(v) state UR	(vi) state UR (plus sq)	(vii) state male UR	(viii) state male UR (plus sq)	(ix) state youth UR	(x) state youth UR (plus sq)	(xi) market entr. trends*state
College	all	.019**	.019***	.021**	.023**	.020***	.018**	.020***	.018***	.020***	.020***	.016**
		(.007)	(.006)	(.009)	(.010)	(.007)	(.006)	(.006)	(.006)	(.008)	(.008)	(.007)

Panel B : East*Treat*cohort71-73

	sample	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)
Employed	all	-.020*	-.025**			-.020**	-.020*	-.023**	-.024**			-.022**
		(.010)	(.010)			(.009)	(.010)	(.009)	(.009)			(.011)
Ln (wage)	male	.034***	.041***			.035***	.034***	.044***	.044***			.029***
		(.009)	(.012)			(.008)	(.009)	(.011)	(.012)			(.010)
Professional	male	.041***	.050***			.046***	.042***	.055***	.053***			.039***
		(.009)	(.008)			(.008)	(.009)	(.010)	(.010)			(.010)

Panel C: East*Treat*cohort74-77

	sample	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)
Employed	male	.016***	.018***	.021***	.019***	.022***	.020***	.025***	.023***	.021***	.022***	.015**
		(.005)	(.005)	(.005)	(.005)	(.004)	(.004)	(.006)	(.005)	(.004)	(.005)	(.006)
Ln (working hours)	male	.012**	.011**	.015***	.013**	.015***	.014***	.014***	.013***	.015***	.013**	.010**
		(.004)	(.005)	(.005)	(.005)	(.004)	(.004)	(.005)	(.004)	(.005)	(.005)	(.005)

NOTE: Treatment is defined according to Definition 1, that is respondents born between June and December are considered treated. We generate 2 dummies: one that is equal to one if the respondent was born between 1971 and 1973, the other that is equal to one if the respondent was born between 1974 and 1977. We then include in the regression interactions between each of the two dummies and the variables East and Treat, that is East*cohort71-73, East*cohort74-77, Treat*cohort71-73, Treat*cohort74-77. Panel A reports the coefficient on the variable East*Treat; Panel B reports the coefficient on the variable East*Treat*cohort71-73; Panel C reports the coefficient on the variable East*Treat*cohort74-77. In row (1) the dependent variable is a dummy equal to one if the respondent obtained a college degree. In rows (2) and (5) the dependent variable is a dummy variable equal to one if the respondent was employed at the time of the survey. In row (3) the dependent variable is the log of wages (see the text for a detailed explanation of how wages are calculated). In row (4) the dependent variable is a dummy variable equal to one if the respondent is either a manager or a professional according to the ISCO classification. In row (6) the dependent variable is the log of the number of weekly working hours. Controls include age dummies, state of residence dummies, birth year dummies, and gender. Column (i) adds the East/West unemployment rate in the year of labor market entrance as a control in levels and squared, column (ii) the respective male unemployment rate in levels and squared, column (iii) the youth unemployment rate for individuals aged 15-24, column (iv) the respective youth unemployment rate in levels and squared, column (v) adds the state unemployment rate in the year of labor market entrance as a control in levels, column (vi) adds the state unemployment rate in the year of labor market entrance as a control in levels and squared, column (vii) adds the state male unemployment rate in the year of labor market entrance as a control in levels, column (viii) adds the state male unemployment rate in the year of labor market entrance as a control in levels and squared, column (ix) adds the state youth unemployment rate in the year of labor market entrance as a control in levels, column (x) adds the state youth unemployment rate in the year of labor market entrance as a control in levels and squared, column (xi) state-specific linear trends in the year of market entrance. Robust standard errors are in parentheses, and are clustered at the treatment-birth year-east group level. The sample consists of all respondents (males and females) aged between 31 and 35 and born between 1971 and 1977 (in col. (iii), (viii) and (ix) we restrict the sample to cohorts 1974-1977 due to data limitation). Residents in the state of Berlin are dropped from the sample. *significant at the 10% level, ** significant at the 5% level, *** significant at the 1% level.

TABLE W10: Migration Decisions

Dependent variable: **Change of residence**		
	(i)	(ii)
Treated (Def. 2)	0.0003	0.0002
	(.0013)	(.0011)
Controls		x
Observations	73713	73713

NOTE: The dependent variable is a dummy variable equal to one if the respondent moved from East to West Germany in the year before the survey. Controls include age dummies, birth year dummies and a male dummy. Treatment is defined according to Definition 2, that is respondents born between May and December are considered treated. Therefore all available surveys (1991-2008) are employed. Robust standard errors are in parentheses, and are clustered at the treatment-birth year level. The sample consists of all respondents aged between 31 and 35 and born between 1971 and 1977 and resident in East Germany in the year before the survey. Residents in the state of Berlin are dropped from the sample. *significant at the 10% level, ** significant at the 5% level, *** significant at the 1% level.

TABLE W11: Migration Decisions Year by Year

Year	Treated (Def. 2)	
	Coefficient	Standard error
1991	.00028	.00413
1992	-.00736*	.00378
1993	.00738**	.00355
1994	-.00155	.00320
1995	.00523	.00355
1996	-.00281	.00351
1997	.00690*	.00379
1998	-.00259	.00351
1999	.00026	.00395
2000	-.00390	.00439
2001	.00462	.00553
2002	-.00526	.00449
2003	.00052	.00444
2005	.00021	.00265
2008	-.00047	.00186

NOTE: Each row corresponds to a regression using as a sample only the survey year indicated and shows the coefficient and the standard error of the variable "Treated". The dependent variable is a dummy variable equal to one if the respondent moved from East to West Germany in the year before the survey. Controls include age dummies, birth year dummies anda male dummy. Treatment is defined according to Definition 2, that is respondents born between May and December are considered treated. The sample consists of all respondents aged between 31 and 35 and born between 1971 and 1977 and resident in East Germany in the year before the survey. Residents in the state of Berlin are dropped from the sample. *significant at the 10% level, ** significant at the 5% level, *** significant at the 1% level.