

Are the Supporters of Socialism the Losers of Capitalism? Conformism in East Germany and Transition Success*

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Abstract

The empirical literature is inconclusive about whether democratization of a country goes hand in hand with a redistribution of economic resources. With newly available individual-level data of former residents from the state socialist German Democratic Republic (GDR), we analyze how supporters and opponents of the socialist system performed after reunification within the market-based democracy of West Germany. Protesters, who helped to overturn the socialist regime in the Peaceful Revolution show higher life satisfaction, income, and employment levels in the new economic system. Former members of the single ruling socialist party and employees in state-supervised sectors become substantially less satisfied. Lower economic outcomes are found for those who have been politically inactive in the GDR, but silently supported the socialist system. Additional results indicate that conformism in the GDR explains also political preferences over almost three decades after the reunification of Germany.

JEL classification: H10, N44, P20, D31

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1 Introduction

Autocracies have been the dominant form of government in the history of mankind. Often times, when the population of a country is able to overthrow autocratic governments in order to implement a democratic system, high hopes emerge that this new system will improve economic prosperity. While there seems to be a consensus that democracies are in general better fit to improve overall living conditions and economic welfare than autocracies (i.e. see Acemoglu et al., 2015, with a notable recent exception of China), it is less clear how democratization affects the redistribution of economic resources and opportunities within the population. The new system may favor former opponents who helped to overthrow the old system, but at the same time, former supporters of the autocracy may find ways to retain their economic and social privileges.

In this article, we elucidate the question how the transition from an autocratic to a democratic rule affects the economic position of different groups within the population. In particular, we are interested in differences in economic and social outcomes after the transition to a democracy between opponents and supporters of the former regime. This question is of particular importance as it directly impacts the approval with the new system. If former supporters of the autocracy retain their higher societal and economic status, the majority of the people may lose confidence in the new system. The same could be true if opponents of the overthrown system do not benefit from the politico-economic transition.

In order to analyze this question, we consider the case of East Germany, that has been a former state socialist, authoritarian country (German Democratic Republic, GDR) until October 3, 1990. After that date, East Germany reunited with West Germany, thereby adopting the parliamentary democracy and market-based economy of the West. Using individual-level panel data over almost three decades, we analyze economic, social, and political outcomes of former supporters and opponents of the state socialist system in reunified Germany. The data allows us to observe outcomes in the pre- and post-transition years, such that we can investigate changes in outcomes from the old to the new system. Supporters and opponents are identified by their political engagement in favor or against the autocratic system. In our main regression framework, we analyze the outcomes of supporters and opponents relative to the majority of the population, who have been politically inactive in the former regime.

Our results show that former opponents benefited from East Germany's transition to a democratic, market-based system. Individuals, who helped to overthrow the government in the Peaceful Revolution of 1989/90, score higher on levels and changes in economic outcomes after transition. The effect of transition on outcomes is substantial. Life satisfaction, for example, improved by more than half a point on a zero-to-ten scale. This is comparable to an effect of an unemployed person finding a new job (Gielen and Van Ours, 2014). In contrast, supporters of the autocracy, measured by Communist party membership and employment in state supervised sectors, lost almost one point in life satisfaction in the new system compared to pre-transition levels. While opponents increase their income by six percent compared to the majority of the population and show a wage and employment premium even when controlling for several measures of ability, such a wage premium is absent for former supporters of the state

socialist system. When taking a closer look at the politically inactive population, those who have “silently” supported the state socialist regime suffer the largest economic penalty from the change of the system. Regression results for today’s political preferences show significant differences between former supporters and opponents of the GDR. Former supporters tend to vote much more often for the successor party *The Left* of the single-ruling party in the GDR, while opponents do not.

Since group status within the autocracy is non-random, we address potential endogeneity concerns by a selection on observables strategy. By controlling for several variables that prove important for post-transition outcomes and group status within the GDR, i.e. measures of ability, personality traits, and repression experiences, we aim to circumvent a potential omitted variable bias. In addition, our results are robust to several alterations of our estimation sample.

Our study contributes to the literature about the effect of democratization on redistribution of power and income. Previous work in this area has shown that the impact of the political system on distribution depends on the laws, institutions, and policies, that, in turn depend on the distribution of power and preferences in society (Acemoglu et al., 2015). After democratization, old elites can keep their *de facto* political power by lobbying, repression, media control, and connections to the new elites (Scheve and Stasavage, 2012). Complementary to the commonly performed cross-national comparisons of autocratic and democratic countries (e.g. Rodrik, 1999), we focus on within-country variation. Previous studies that have taken a similar approach seem to indicate that transitions to democracy had little impact on incomes or political power of the (former) ruling class (Larcinese, 2011; Berlinski et al., 2011; Anderson et al., 2015; Aidt et al., 2020; González et al., 2021). However, different from most studies that analyze democratic reforms within a country, for example the improvements in voting rights (e.g. Larcinese, 2011; Naidu and Yuchtman, 2013), we contribute to the literature by focusing on a complete transformation of the politico-economic system, i.e. from a state socialist autocracy to a market-based democracy.

For the case of socialist countries, previous studies documented that the communist elites, known as Nomenklatura, usually maintained their privileges after the fall of the Iron Curtain, and show higher economic outcomes (Ivlevs et al., 2020; Rona-Tas, 1994; Djankov et al., 2005; Aidis et al., 2008). For instance, studies for the Czech Republic, the former Soviet Union, Poland, and Hungary find a wage premium of 5-15 percent for communist party members after the collapse of communism (Večerník, 1995; Geishecker and Haisken-DeNew, 2004; Wasilewski, 1995; Eyal et al., 1998). In that vein, Bird et al. (1998), who use rarely available telephone access as a proxy for belonging to the socialist upper class in East Germany, find a persistence in the relative income positions in the immediate years after reunification. In our study, we also document a wage premium for former supporters before the end of socialism. However, using newly available data to analyze former supporters’ economic outcomes over a much longer time period, we find that these privileges disappear after the first years in the market-based democracy.

In terms of life satisfaction, Otrachshenko et al. (2021) show that individuals with former connections to the communist party in the former Soviet Union, but not in Central and Eastern European countries, display higher life satisfaction than those without these connections.

Consistently with their finding, we document that former communist party membership does not relate to higher satisfaction after the fall of the Iron curtain in the case of East Germany. Instead, former supporters of the state socialist regime become substantially less satisfied in the new system compared to life in the GDR. This finding is in line with the interpretation that a strong historical reappraisal of the socialist period can lead to a different distribution of economic and social outcomes in the new system.

Our study also relates to the economic literature on long-lasting effects of state socialism. Previous studies documented that, compared to West Germans, former citizens of the GDR persistently show increased selfishness, preferences for redistribution, career intentions for women, and negative views about immigration (Ockenfels and Weimann, 1999; Alesina and Fuchs-Schündeln, 2007; Necker and Voskort, 2014; Laudenbach et al., 2018; Campa and Serafinelli, 2019; Lange, 2021). While these studies usually rely on East-West German comparisons (e.g. see Becker et al., 2020), our study is one of the few studies that focuses on within-differences in the GDR. We contribute to this literature by showing that also the extent to which individuals were involved in the socialist system, i.e. expressed conformism, can persistently shape economic and social outcomes, depending on the system they live in.

The paper continues as follows. In Section 2, we discuss the historical background, followed by an introduction to the data and methodology. Section 4 presents our main empirical results. Finally, we provide a discussion of our findings and offer some conclusions in Section 5.

2 Historical Background

The autocratic system of the GDR The German Democratic Republic, a highly authoritarian and repressive state socialist regime, was founded on the Soviet occupation zone after World War II. The GDR was designated to become a role model for the socialist system by Soviet authorities. A fortified border to West Germany separated the country from Western influences from 1961. East Germany had one of the most rigid systems of former communist states, with the single ruling party SED (Socialist Unity Party) and the Ministry of State Security (MfS), the so-called *Stasi*, repressing opposition by extensive observation, imprisonment, and psychological destruction (*Zersetzung*) (Rainer and Siedler, 2009; Hensel et al., 2009; Grashoff, 2006).

Supporters and Opposition in the GDR The Nomenklatura in the GDR, i.e. the ruling elites, consisted almost exclusively of members of the SED (Atkinson et al., 1992). In a population of about 12 million adults, 2.3 million were members of the SED in 1989 (Knabe, 2007).¹ The many members of the SED signified that it was not a party in a strict sense, but rather a community of political conviction and a career ladder. Party leaders estimated that they could rely only on one in ten of its members—a number that was confirmed after the fall of the Berlin Wall in 1989, when only 285,000 of its original members remained in the party (Kowalczyk, 2019).

¹Another 500,000 were part of the “block parties”, i.e. other parties in the parliament that basically supported the decisions of the SED.

An effective outside opposition did not exist for decades in East Germany. The secret service *Stasi* surveilled and spotted dissident behavior, which was punished by the denial of basic rights and imprisonment (Lohmann, 1994). Freedom of speech, freedom of press, and religious conviction, were repressed. Between 170,000 and 280,000 citizens were sentenced for political reasons. The country had one of the highest suicide rates in the world (Hensel et al., 2009; Grashoff, 2006). Oppositional behavior also led to limited job opportunities. The *Stasi* had the “primary duty of ensuring that only those loyal to the Party got good or important jobs, and that those disloyal got the worst ones” (Popplewell, 1992).

Before 1989, outside party opposition became notable only once, in 1953, when the dissatisfaction with working conditions and the implementation of socialism led to the People’s Uprising. Martinez et al. (2021) show that the 1953 uprising was partly caused by regions that were briefly exposed to Allied control, thus, a “glimpse of freedom” increased the likelihood of government opposition. When the Soviet forces and German police violently suppressed the movement, East Germans “felt they had to try to work with socialism, and to confront and make the best of the constraints within which they had to operate” (Fulbrook, 2014). Mohr (2019) found that districts where the 1953 Uprising occurred were successfully kept in check with “sticks and carrots”, thus, with increased military presence and government construction. Opposition became visible again in the East German public after the forged local elections in May 1989, where the SED declared an unreal voter turnout of almost 99 percent (Kowalczyk, 2019). Peaceful protests were formed all across the country, demanding a reform of the GDR system to find a self-determined way to freedom and social justice. When the protest movement increased to millions of people in October and November 1989, the SED leadership decided to allow migration to West Germany on November 9, an act that signified the dissolution of the GDR (Rödter, 2009; Hirschman, 1993). This came as a total surprise for the majority of the East and West German population (Frijters et al., 2005). Quantitative studies on the causes of the revolution find that West German television (Grdešić, 2014), visits from West Germany (Stegmann, 2019), and a *lower* incidence of emigration (Lueders, 2021) was partly responsible for revolutionary appearance in 1989.

Transition Shortly after the opening of the border to West Germany, a free election took place in East Germany in 1990. The *Alliance for Germany*, that favored a quick reunification, won by a large margin (48.1 percent).² Reunification between East and West Germany occurred within one year after the opening of the border, leaving East Germans almost no time to adapt to the new democratic and economic system.

Although expectations for welfare increases were high in the beginning,³ the transition was accompanied by an economic collapse and mass unemployment in the early 1990s. After two decades of structurally high unemployment in East Germany, unemployment rates are approaching relatively low levels today, comparable to the West (Federal Labor Office, 2021). GDP per capita stands at about two thirds of levels in West Germany (Federal Statistical Office,

²Opposition groups, represented in the party *Democratic Awakening*, were marginalized and received less than one percent, much less even than the successor party of the discredited Communists that won a surprising 16.3 percent of the vote (Federal Government of Germany, 2021).

³Then-chancellor Helmut Kohl promised “flourishing landscapes” and that “nobody would be worse off than before” (Mitteldeutscher Rundfunk, 2004).

2020). Life satisfaction has followed the V-shaped pattern of GDP (Shleifer, 1997), and in 2018 has almost reached the same level as in West Germany.

The transition from an autocratic to a democratic rule might have benefited supporters and opponents of the old system differently. Communist members could have enjoyed privileges and connections at least in the first years after reunification (Bird et al., 1998). Moreover, communist party membership was (and is, see China) not only a rent-seeking device, but also used as a screening for talent, comparable to the education system in the West (Bishop and Liu, 2008; McLaughlin, 2017). Thus, since productivity is remunerated more highly in market-based economies, former supporters might have benefited in economic terms from transition (Andren et al., 2005). However, due to an intensive documentation by the *Stasi* about the actions of its informers, former elites were denied access to high-ranking public employment. Furthermore, due to the same language and culture, elite positions in East Germany were often filled with West German professionals who have been educated and trained in a market-based democracy.

The opposition within the former GDR may have become more satisfied because of their self-liberalization and recognition of basic rights. East Germans experienced an improvement in life satisfaction to which increased household incomes, but especially better average life circumstances and greater political freedom contributed (Frijters et al., 2004). We expect that better (economic) opportunities benefited to a much greater extent the opposition than the supporters of the old regime. However, former discrimination on the labor market and the psychological *destruction* in the GDR could result in long-term economic and psychological scars (Popplewell, 1992; Lichter et al., 2021). Lower work experience in the GDR might have persistent effects for economic success in reunified Germany.

3 Data and Empirical Strategy

3.1 Data

In our empirical analysis, we use data from the German Socio-Economic Panel (GSOEP), a representative, annual panel survey of the German population (Goebel et al., 2019), for the years 1990-2018. In 2018, a special survey was conducted on former GDR residents who were at least 18 years old in 1989. The survey asked respondents retrospectively about their life in the GDR, including questions about communist party membership, participation in protests, and surveillance by the MfS. Combining the 2018 special survey with all previous waves of the GSOEP including 1990, the year in which the survey was also conducted in the GDR, allows us to observe individual life trajectories over 29 years in two different politico-economic systems. We are thus able to investigate how different groups of former GDR residents adapted to the new system and compare their economic, political, and social outcomes in unified Germany.

Our sampling design includes only former GDR residents, who were interviewed in both surveys, the initial survey in 1990 and the special survey in 2018.⁴ We restrict the sample to individuals for those we have full information for all explanatory and control variables in order to facilitate the interpretation of the results. Thus, our sample for the main analysis covers 672

⁴In a robustness test, we extend our sample by former GDR residents who joined the GSOEP after 1990. Results are very similar using the enlarged sample.

individuals, resulting in 19,243 person-year observations between 1990 and 2018.

In Table A1 in the appendix, we present a detailed overview of the operationalization of the explanatory variables and the main outcomes. The next subsections briefly introduce the main variables used in the empirical analysis.

3.1.1 System Conformity in the GDR

We define four societal groups in the GDR in order to approximate conformity with the socialist system. In order to do so, we rely on retrospective information from the special 2018 GSOEP questionnaire about an individual’s political engagement, employment, and satisfaction with the GDR.

Supporters To approximate support of the GDR system we combine two measures, SED party membership and employment in the so-called Sensitive Public Sector or *X-Area*. In our sample, over 19 percent stated to have been a member of the SED—a figure that corresponds to official numbers (Kowalczyk, 2019) and also communist party member rates in other Eastern European and former Soviet Union countries (Ivlevs et al., 2020). The Sensitive Public Sector was the sector that was supervised by the *Stasi*. It encompassed all jobs that were deemed crucial for national security, including the MfS itself, the NVA (National Army), police forces, penal system, fire brigade, border troops, customs duty, political parties, mass organizations, and the AG-Wismut, an uranium producer. In order to work in this sector, potential employees had to undergo a rigorous assessment about their loyalty and mindset with regard to the socialist system (Koehler, 2008; Kowalczyk, 2013). We define the variable *Supporters* equal to one if an individual worked in the Sensitive Public Sector or was a SED member, and else set it to zero.⁵

Opponents Since opposition to the GDR system became salient only at protests in 1989, we define opposition status in the GDR by protest participation in the Peaceful Revolution of 1989/90. Demonstrating in the streets was a dangerous endeavor in 1989. The SED leadership openly supported the Tianmen Square massacre in communist People’s Republic of China, where thousands of protesters were shot dead by the police. The so-called “Chinese solution” was a possible scenario for the GDR to deal with the protests, but SED leaders ultimately decided not to intervene with the mass demonstrations in Leipzig and Berlin. If respondents stated that they joined the protests that led to the Peaceful Revolution in 1989 or 1990, we categorize these individuals as opponents of the former socialist system in the GDR. In our sample, 20 percent stated to have participated in the demonstrations starting in 1989.⁶ Even though this seems to be a high number, estimates about the number of participants at the Berlin demonstrations on November 4, 1989 are compatible with this number. Scholars believe that at this single event, the number of participants ranged from 300,000 to almost one million (German Historical Museum, 2021). In addition, there have been numerous protests, not only in big cities, showing that there was large-scale support for a change of the system (Federal

⁵Only about three percent (see Table 1) of supporters stated to have worked in the X-Area. If we restrict supporters in the main results to either SED members or X-Area employees, the results are very similar. The regression results are available upon request.

⁶In order to have a clear definition of supporters and opponents, we drop supporters that also demonstrated.

Commission on German Reunification, 2020; Kowalczyk, 2019). In October and November 1989, the months preceding the fall of the Wall, protests peaked with 60 demonstrations and almost five million citizens demonstrating (Lohmann, 1994). After the fall of the Berlin Wall on November 9, demonstrations continued, but to a much lower extent.⁷

Silent Majority The remaining group in our sample, i.e. individuals that were neither supporters nor opponents of the system, is referred to as the *silent majority* that mainly stayed politically inactive in the GDR. In order to elucidate heterogeneous responses within this group to the transition of the politico-economic regime, we distinguish between *silent supporters* and *silent opponents*. We do so by using answers to the question about individual satisfaction with the political system in the GDR. Individuals are categorized either as silent supporters, if they respond that they were “very satisfied” or “rather satisfied” with the political system in the GDR, or as silent opponents if they stated that they were “rather dissatisfied” or “very dissatisfied”.

3.1.2 Outcome Variables

We use three main outcomes to assess transition success after reunification: Life satisfaction, log gross labor income, and unemployment experience. Life satisfaction is based on responses to the question, “On a scale from 0 to 10, where 0 means completely dissatisfied and 10 means completely satisfied, how satisfied are you with your life, all things considered?”. Self-reported life satisfaction recognizes the fact that “everybody has their own ideas about happiness and a good life” and “people are reckoned to be the best judges of the overall quality of life” (Frey and Stutzer, 2002, p.405). Although self-reported satisfaction statements can be biased, for example by daily moods (Schwarz and Strack, 1999), they contain a signal about an individual’s true overall satisfaction with life and are correlated with assessments of an individual’s life satisfaction by friends and relatives. Moreover, self-reported life satisfaction correlates with physiological measures of well-being, such as heart rate and blood pressure (for an overview, see Kahneman, 2006). Life satisfaction is positively associated with income, economic growth, democracy, and employment (Stevenson and Wolfers, 2008; Gardner and Oswald, 2007; Frey and Stutzer, 2000; Clark, 2003; Deter, 2020).

In terms of labor market success, we consider labor income and unemployment experience. Individual income is measured by log monthly personal gross income. East German “Ostmark” were converted 1:1 to German Mark on July 1, 1990, shortly before or after the first interviews in 1990. Furthermore, we convert pre-Euro income and adjust all incomes by inflation to 2016 price levels. Unemployment experience is defined as the time spent in unemployment (measured in years) over the life course. When considering income and unemployment experience as an outcome we only include working-age individuals, i.e. 18 to 65 years of age, in our analysis. We assess transition success by looking at the levels of all our outcome variables and at changes from GDR to post-reunification values for life satisfaction and income.

⁷Our measure of opposition might also include individuals that might have joined the protest very late, when it was clear that the GDR system will be abolished. When we restrict our definition of the opposition to include only individuals that organized the protests, results remain very similar.

Table 1: Summary Statistics

	Mean	SD	Min.	Max.
Dependent Variables				
Life Satisfaction	6.43	1.71	0	10
Life Satisfaction 5 years ago	6.23	2.52	0	10
Log Gross Labor Income	7.15	0.70	3.9	9.9
Unemployment Experience in Years	1.38	2.74	0	26
SED Member	0.17	0.38	0	1
X-Area	0.03	0.18	0	1
Supporter	0.19	0.39	0	1
Opponent	0.23	0.42	0	1
Silent Supporter	0.29	0.46	0	1
Silent Opponent	0.29	0.45	0	1
Age	51.62	13.70	18	93
Male	0.42	0.49	0	1
Education				
No formal Educ.	0.00	0.05	0	1
8 years	0.25	0.43	0	1
10 years	0.57	0.49	0	1
High School	0.17	0.38	0	1
Qualification				
None	0.03	0.17	0	1
Vocational Degree	0.66	0.47	0	1
University/College	0.31	0.46	0	1
Big 5 Personality Traits				
Extraversion	6.24	3.20	-5	13
Agreeableness	8.44	2.83	-3	13
Conscientiousness	10.23	2.42	-4	13
Neuroticism	4.32	3.27	-5	13
Openness	13.17	3.33	3	21
Observed by MfS	0.43	0.49	0	1
Living in West	0.04	0.19	0	1
Observations	19,243			
Individuals	672			

Note: The Table reports the sample averages, standard deviations, minimum and maximum values, and number of observations of our main explanatory, outcome, and control variables. Data comes from GSOEP. A detailed explanation of the variables can be found in Table A1 in the appendix.

In order to calculate changes in life satisfaction we subtract the individual assessment of life satisfaction from 1985 from the annual life satisfaction scores after 1990. Specifically, we make use of the answers to the 1990 question “How satisfied were you with your life five years ago?”⁸ Similarly, when calculating the change in income, we subtract the gross labor income in May 1989 (surveyed in 1990) from later incomes after reunification. Finally, we calculate the logarithm of this income difference in order to assess relative changes in real income gains. Changes in outcomes from the GDR to the post-reunification period supplement outcome levels as dependent variables by enabling a direct comparison of relative improvements or deterioration of life outcomes. This may be highly relevant, if for instance a group earns on average higher incomes relative to others, but at the same time experiences an income reduction compared to their income in the GDR.

In additional tests, we analyze whether belonging to a group in the GDR predicts also political preferences. In order to do so, we make use of survey questions regarding party tendencies

⁸In the GSOEP, life satisfaction in 1990 is also available. We, however, abstain from using this measure as it could be already confounded by the severe uncertainties revolving around the reunification process at that time.

that is available in the GSOEP since 1992 (“Which party do you lean toward?”) as well as their actual voting in the federal elections 2013 and 2017 in the subsequent survey (“And how was it at the last general election (Bundestagswahl)? Which party did you vote for?”). We focus on the six major parties that are currently present in the Bundestag, Germany’s federal parliament (CDU, SPD, Green Party, FDP, AfD, Left Party).

3.1.3 Additional Variables

In the main analysis we control for a set of socio-economic factors that is determined prior to the change of the system: age and gender. We control for a cubic polynomial of age, as age may influence both, the selection into groups and post-transition outcomes. In addition, we include a gender dummy in the main regressions. The variable *male* is equal to one if a respondent considers himself male and zero otherwise.

In some specifications, we include dummies for education and qualification in the GDR as a proxy of individual ability. In socialism, education was often used as an instrument for consolidation and perpetuation of political regimes and their elites (Fuchs-Schündeln and Masella, 2016). We distinguish between four levels of educational attainment: no formal educational degree, Secondary school (*Polytechnische Hochschule*, POS) - 8 years, Secondary School - 10 years, and an Upper Secondary Degree (*Erweiterte Oberschule*, EOS), surveyed in year 1990. Vocational attainment, or qualification, is classified as follows: no vocational degree, vocational degree, and university/technical college. Education and qualification may function as a predictor of economic success after transition, both as a signal for ability, and through working experience in the GDR.

We also consider personality traits (Big 5 – extraversion, agreeableness, conscientiousness, neuroticism, and openness).⁹ Non-cognitive skills, such as personality, are shown to predict economic outcomes (Heckman and Kautz, 2012; Almlund et al., 2011) and may also explain selection into group status in the GDR.

Finally, we control for the circumstance whether an individual was observed by the *Stasi*.¹⁰ The *Stasi* not only observed citizens that could become a threat to the system, but also surveilled MfS employees and SED members as their work was crucial for state security.

Table 2 shows the socio-economic characteristics of the four groups in 1990, when the GDR was still in place. Life Satisfaction is surveyed retrospectively for the year 1985 and Income for May 1989, thus, when the collapse of East German communism could not have been foreseen. In the GDR, supporters are relatively older, substantially more satisfied with life, have the highest labor income and almost half of them hold an university degree. For the 1989 income, East German supporters have a wage premium of 10 percent when all controls are applied (not shown). Opponents are the youngest, least satisfied, but show high employment and education levels. *Silent Opponents* exhibit the lowest incomes and education levels in the GDR. Opponents are the group that have the highest likelihood to be observed.

⁹As the Big 5 are shown to be quite constant over the life course from adulthood onwards (Caliendo et al., 2014), we use measures of them that have been surveyed post-transition. Questions about the Big 5 were only asked in 2005, 2009, 2013, 2017.

¹⁰The question is: “Did you know or have you had the feeling that during the time in the GDR you were observed/monitored by other people?” where the variable takes the value 1 if the individual “knew it”, and 0 if

Table 2: Socio-Economic Characteristics in the GDR

	Supporter		Opponent		Sil. Supporter		Sil. Opponent	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Age	42.14	9.85	35.50	10.49	37.23	11.22	36.68	10.76
Male	0.54	0.50	0.55	0.50	0.34	0.48	0.34	0.47
Life Satisfaction 5 years ago	7.12	2.13	5.78	2.46	6.03	2.45	6.18	2.71
Log Labor Income 1989	5.85	0.38	5.65	0.49	5.56	0.54	5.50	0.53
Full-Time Employment	0.89	0.32	0.82	0.39	0.74	0.44	0.66	0.47
Part-Time Employment	0.06	0.23	0.07	0.25	0.13	0.34	0.16	0.37
in Education	0.00	0.00	0.04	0.19	0.03	0.18	0.03	0.17
Non-Employed	0.06	0.23	0.08	0.27	0.10	0.30	0.14	0.35
UE Experience	0.00	0.00	0.01	0.07	0.02	0.18	0.03	0.16
Education								
No formal Educ.	0.01	0.09	0.00	0.00	0.00	0.00	0.00	0.07
8 years	0.24	0.43	0.16	0.36	0.28	0.45	0.29	0.46
10 years	0.50	0.50	0.63	0.49	0.59	0.49	0.57	0.50
High School	0.25	0.43	0.22	0.41	0.13	0.33	0.14	0.34
Qualification								
None	0.02	0.15	0.01	0.08	0.03	0.16	0.05	0.22
Vocational Degree	0.49	0.50	0.67	0.47	0.67	0.47	0.73	0.44
University/College	0.49	0.50	0.32	0.47	0.31	0.46	0.22	0.41
Big 5 Personality Traits								
Extraversion	5.79	3.08	6.62	3.10	6.43	3.07	6.24	3.38
Agreeableness	8.80	2.81	8.08	2.69	8.45	2.78	8.71	3.00
Conscientiousness	10.35	2.41	10.03	2.26	10.52	2.14	10.54	2.41
Neuroticism	4.34	3.31	4.17	3.37	4.65	3.29	4.71	3.10
Openness	12.83	2.90	13.75	3.39	13.33	3.27	12.86	3.53
Observed by MfS	0.37	0.48	0.67	0.47	0.39	0.49	0.32	0.47
Observations	125		153		159		235	

Note: The Table reports the sample averages and standard deviations of former supporters, opponents, silent supporters and silent opponents from the 1990 survey. Data comes from GSOEP. A detailed explanation of the variables can be found in Table A1 in the appendix.

3.2 Empirical Strategy

In order to investigate the influence of conformity with the socialist system on economic success after reunification, we estimate standard linear regression models with either the level of our main outcome indicators or the change in outcomes with respect to the GDR period as dependent variable. Our main explanatory variables are the classifications of support for or opposition against the socialist system in the GDR. All estimations include a set of baseline control variables, i.e. gender and a cubic polynomial of age, as well as survey year fixed effects and clustered standard errors at the individual level.

We also present estimation results of a full-fledged model that controls for three sets of variables that could potentially confound the estimation of our main parameters of interest. First, we aim to control for individual ability by using educational attainment and professional qualifications as proxies. Even though these concepts are influenced by the socialist system itself, they may nonetheless be important proxies for human capital accumulation and correlate with the general component of individual productivity. Second, we control for differences in personality traits, which were shown to be important for labor market success in market-based economies (Borghans et al., 2008; Almlund et al., 2011). Finally, recent studies have documented a negative relationship between state surveillance and individual productivity (Lichter

the answer was “had the feeling” or “no”.

et al., 2021; Jacob and Tyrell, 2010). In the full model, we include information on individual surveillance by the Stasi in order to control for the potential negative effect of repressive state actions on labor market productivity. Controlling for these three potential sources of confounding variation should shut down alternative explanations for differences in transition success and strengthens the interpretation of our main coefficients of interest.

4 Results

4.1 Conformism in the GDR and Transition Success

Table 3 shows the main results of post-transitional outcomes for former supporters and opponents of the old system. Odd columns show the baseline regression, in which we control for age, gender, and survey year fixed effects. Even columns present the full model including additional control variables.¹¹ Panel A presents the results for outcomes in levels whereas Panel B shows the results for changes in outcomes between our single GDR survey wave and the respective post-transition years. The reference group in Table 3 is the politically inactive majority of the population.

Column (1) and (2) in Table 3 show the results for life satisfaction. When all controls are applied, former opponents show significantly higher life satisfaction values after transition. The results for changes in life satisfaction (Panel B) are even stronger. This can be explained by both a comparably lower life satisfaction in the GDR (compared to the general population, see Table 2), and a relatively higher life satisfaction in the new system. Former supporters experience a large drop in life satisfaction that can be mostly explained by their previous high level of life satisfaction in the GDR (see Table 2). More precisely, being a former supporter reduces life satisfaction by almost one point on the zero-to-ten well-being scale. This difference is comparable to losing one’s job (Gielen and Van Ours, 2014).

Column (3) and (4) in Panel A of Table 3 present income differences between the different conformity groups. Estimates in column (3) show that former supporters and opponents hold a 13 percent wage premium compared to the political inactive population in the GDR. These estimates seem to reflect the higher productivity of these groups as they are both better educated than the reference group. When controlling for ability, personality, and repression experience in the GDR in column (4), former supporters of the GDR regime do not display a statistically significant wage premium anymore. Former opponents, on the other hand, still show a marginally statistical significant wage premium of six percent. The higher income level of opponents of six percent after transition (Panel A) almost exactly matches the relative income increase after 1989 (Panel B). The income increase for former opponents might be explained by a discrimination in the GDR when the ability of opponents was not adequately rewarded. After reunification, when the importance of ability increased in the market-based economy, former opponents may have been better able to find jobs that match their productivity.

Column (5) and (6) show the results for unemployment experience in reunified Germany. Over the life cycle, former opponents are, on average, half a year less unemployed than the political inactive majority of former GDR citizens. The premium in satisfaction levels for

¹¹The estimated coefficients of covariates is shown in Table A2 and Table A7 in the appendix.

Table 3: Post-Transition Outcomes for Supporters and Opponents

	Life Satisfaction		Labor Income		Unemployment Experience	
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: Levels						
Supporter	0.081 (0.117)	0.004 (0.108)	0.131*** (0.050)	0.046 (0.047)	-0.161 (0.249)	0.082 (0.244)
Opponent	0.357*** (0.107)	0.294*** (0.098)	0.137*** (0.043)	0.065* (0.038)	-0.700*** (0.183)	-0.565*** (0.178)
Baseline Control Variables	Yes	Yes	Yes	Yes	Yes	Yes
Additional Control Variables	No	Yes	No	Yes	No	Yes
Year Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
No. of Individuals	672	672	612	612	672	672
No. of Observations	19,243	19,243	10,725	10,725	16,019	16,019
R ²	0.025	0.086	0.504	0.588	0.139	0.185
Panel B: Changes						
Supporter	-0.992*** (0.251)	-0.969*** (0.251)	0.073 (0.071)	-0.015 (0.069)		
Opponent	0.745*** (0.254)	0.680*** (0.252)	0.164*** (0.054)	0.086* (0.050)		
Baseline Control Variables	Yes	Yes	Yes	Yes		
Additional Control Variables	No	Yes	No	Yes		
Year Fixed Effects	Yes	Yes	Yes	Yes		
No. of Individuals	672	672	612	612		
No. of Observations	19,243	19,243	10,725	10,725		
R ²	0.042	0.060	0.583	0.608		

Note: The table reports OLS regression results of the respective outcome on two dummy variables indicating whether an individual was a supporter or a opponent of the system in the GDR. Panel A shows the results for outcomes in levels, Panel B for changes in outcomes from pre- to post-transition years. Standard errors are clustered at the individual level and are displayed in parentheses. Statistical significance is indicated by asterisks according to: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

former opponents, the wage premium of six percent, and their lower unemployment experience hint at a substantial improvement of life conditions of this group. The more positive outcomes in levels and in changes could be due to removed discrimination from the old system as well as to a favorable treatment of opponents after reunification. Especially the public sector, such as the *Federal Commission for the Records of the State Security Services*, or political parties, prioritized employment of those with “clean hands”, or, even better, with participation in the protest movement in 1989/90. In sum, former opponents fare well relative to the politically inactive majority of the population, whereas former supports of the GDR are negative or insignificantly affected by transition.

Table 4 presents the estimated difference in economic outcome levels (Panel A) and changes (Panel B) for the silent majority, i.e. the politically inactive East German population, relative to former supporters and opponents. Column (1) and (2) in Panel A show that silent supporters are less satisfied after reunification—a circumstance that can be attributed to decreasing life satisfaction levels compared to life in state socialism (Panel B). Silent opponents, politically

Table 4: Post-Transition Outcomes for Silent Supporters and Silent Opponents

	Life Satisfaction		Labor Income		Unemployment Experience	
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: Levels						
Silent Supporter	-0.364*** (0.108)	-0.259** (0.103)	-0.150*** (0.046)	-0.064 (0.040)	0.811*** (0.229)	0.597*** (0.222)
Silent Opponent	-0.110 (0.108)	-0.085 (0.099)	-0.123*** (0.043)	-0.053 (0.038)	0.174 (0.192)	0.050 (0.188)
Baseline Control Variables	Yes	Yes	Yes	Yes	Yes	Yes
Additional Control Variables	No	Yes	No	Yes	No	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Individuals	672	672	612	612	672	672
Obs.	19,243	19,243	10,725	10,725	16,019	16,019
R ²	0.026	0.085	0.504	0.588	0.143	0.186
Panel B: Changes						
Silent Supporter	-0.549** (0.235)	-0.519** (0.236)	-0.131** (0.061)	-0.035 (0.057)		
Silent Opponent	0.578** (0.244)	0.541** (0.243)	-0.128** (0.056)	-0.056 (0.050)		
Baseline Control Variables	Yes	Yes	Yes	Yes		
Additional Control Variables	No	Yes	No	Yes		
Year FE	Yes	Yes	Yes	Yes		
Individuals	672	672	612	612		
Obs.	19,243	19,243	10,725	10,725		
R ²	0.028	0.047	0.582	0.607		

Note: The table reports OLS regression results of the respective outcome on two dummy variables indicating whether an individual was a silent supporter or a silent opponent of the system in the GDR. Panel A shows the results for outcomes in levels, Panel B for changes in outcomes from pre- to post-transition years. Standard errors are clustered at the individual level and are displayed in parentheses. Statistical significance is indicated by asterisks according to: *p < 0.10, **p < 0.05, ***p < 0.01.

inactive, but critical individuals, become substantially more satisfied with life after transition from state socialism to a market-based democracy according to the estimates in column (1) and (2) in Panel B. These estimates suggest that the extent to which different groups in East Germany manage the transition from socialism to capitalism depends to some degree on their inner support for the socialist autocracy.

Column (3) and (4) show that the negative relation between income and conformity in the GDR of the silent majority both in levels and changes can be attributed to differences in their ability, personality, and repression experience, as the coefficients become insignificant with the full set of controls included (see also Table A5 in the appendix). GDR specific experiences as well as individual characteristics seem to prove more important for income gains than conformity status. Nonetheless, there seem to be substantial differences in unemployment experience over the life course. Column (6) shows that silent supporters are, on average, half a year longer in unemployment compared to the former supporters and opponents. Presumably, worse education and qualification as former supporters, but at the same time a higher attachment to the old system than (silent) opponents, manifests in longer unemployment periods for silent supporter.

Transition Success over Time

In almost three decades after reunification, East Germany experienced very different economic phases. The turbulent transition years and hopes for improvement in economic conditions were followed by a recession in the early 1990s with mass unemployment. High unemployment rates persisted until mid-2000, and approached West German levels thereafter.

Conformity in the GDR may be sensitive to the overall economic conditions, which may amplify existing differences between the groups. Thus, we adjust our previous analysis by interacting group status with survey year dummy variables. Figure 1 shows the estimated average marginal effects of conformity on outcome levels by year. Estimates of former supporters are shown in grey, while those of former opponents are depicted in black in Panel (a). Former opponents' satisfaction with life shows a jump directly after 1990 and remains fairly stable thereafter. A positive association of income with opposition status becomes visible only after the economic recovery phase of the mid-2000s. Similarly, unemployment experience reduces relative the political inactive population over this period. Over the total observational period, former supporters do not outperform nor underachieve the economic outcomes of the reference group. However, we detect a wage premium for four years after reunification. This is in line with the finding of Bird et al. (1998) that the socialist upper class kept its privileges in the early years after reunification. The absence of longer term advantageous outcomes for former supporters of the state socialist regime might be due to a severe historical appraisal in Germany and the opportunity of replacing jobs with Western professionals. To discard the burden of the past, even the communist successor party excluded most old leaders (although many members remained active in the new party) (Avdeenko, 2018).

Similar (reversed) trends can be observed for the silent majority in Panel (b) of Figure 1. Overall, the political inactive population in the GDR shows lower life satisfaction, income, and more unemployment experience than the politically active parts of former GDR residents. However, these differences become statistically significant solely for silent supporters of the

overthrown regime. Worse labor market outcomes of this group manifested after the mid-2000s.

Cohort Differences

The end of socialism and the subsequent transition to a market-based democracy came unexpectedly for the majority of former GDR citizens. This severe politico-economic shock hit individuals in different phases of their life, giving rise to potential heterogeneities with respect to age. We test for these differences by including conformity-age-group interaction effects in our main regression with outcome levels. Figure 2 presents the average marginal effects of conformity by age in 1990. Age in 1990 was pooled into five age groups spanning about ten years. The left column shows the results for former supporters and opponents, while the right column does so for silent supporters and opponents.

Interestingly, within the conformity groups, age at reunification does not seem to be too important for economic outcomes. The only group that shows statistically significant better outcomes are former opponents at ages 26-35 at the time of reunification.¹² Thus, those individuals that were at the beginning of their career but already completed their education.

4.2 Political Preferences

Next, we test whether conformism in the GDR predicts not only life satisfaction and labor market outcomes, but also political preferences in reunified Germany.

Figure 3 shows how much individuals with different conformism in the GDR lean to the respective parties. Former supporters of the GDR system substantially favor successor party of the SED, The Left, and abstain from voting for the CDU, Germany’s major conservative party, and the AfD, Germany’s main right-wing populist party. This seems to be a clear sign for ideological persistence. Former opponents and silent opponents statistically significantly abstain from supporting the ex-communist party The Left and are more inclined to vote for the CDU—the party that is heavily associated with the swift reunification of Germany through its Chancellor Helmut Kohl. Interestingly, although representatives of the AfD in East Germany claim to be the successors of the revolutionary democratic resistance against the SED regime (Federal Commission on German Reunification, 2020), former opponents are not more likely to lean towards the right-wing populist party AfD. The results on political preferences are robust to actual voting behavior (see Figure A1 in the appendix).

Moreover, Figure A2 and Figure A3 in the appendix show that these political preferences are relatively stable over time within the conformity groups.

4.3 Robustness

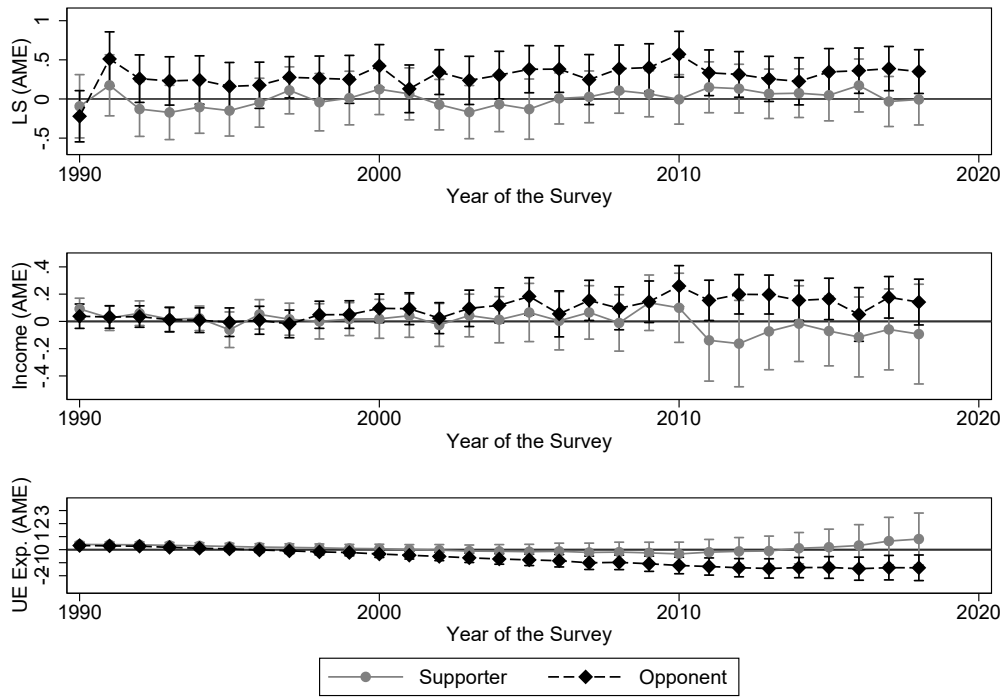
Finally, we check the sensitivity of our results regarding the sampling design. We redo our main analyses by including longitudinal weights to control for survey attrition, averaging all variables in order to cope with the fact that we observe the same individuals multiple times, and enlarge our sample to include also GDR citizens that joined the GSOEP after 1990. Figure

¹²We also tested for heterogeneous effects by gender. We could, however, do not detect any substantial differences (results not shown).

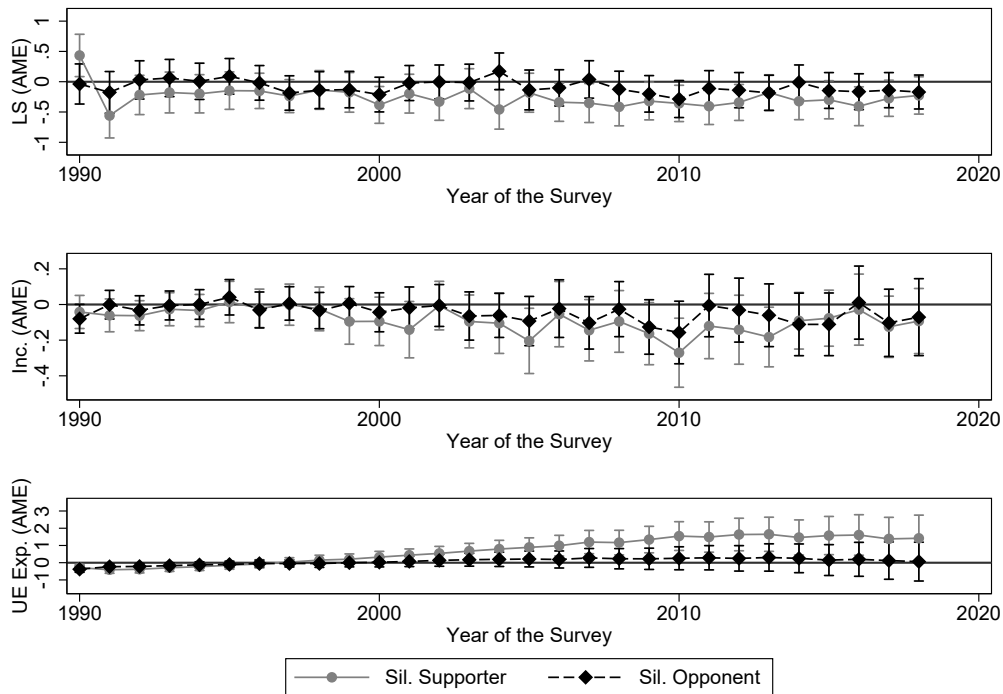
A4 to A6 present these robustness checks in the appendix. In all three additional specifications, the coefficients of interest remain mostly unchanged, indicating the robustness of our results.

Figure 1: Conformity and Economic Outcomes over Time

a) Former Supporters and Opponents

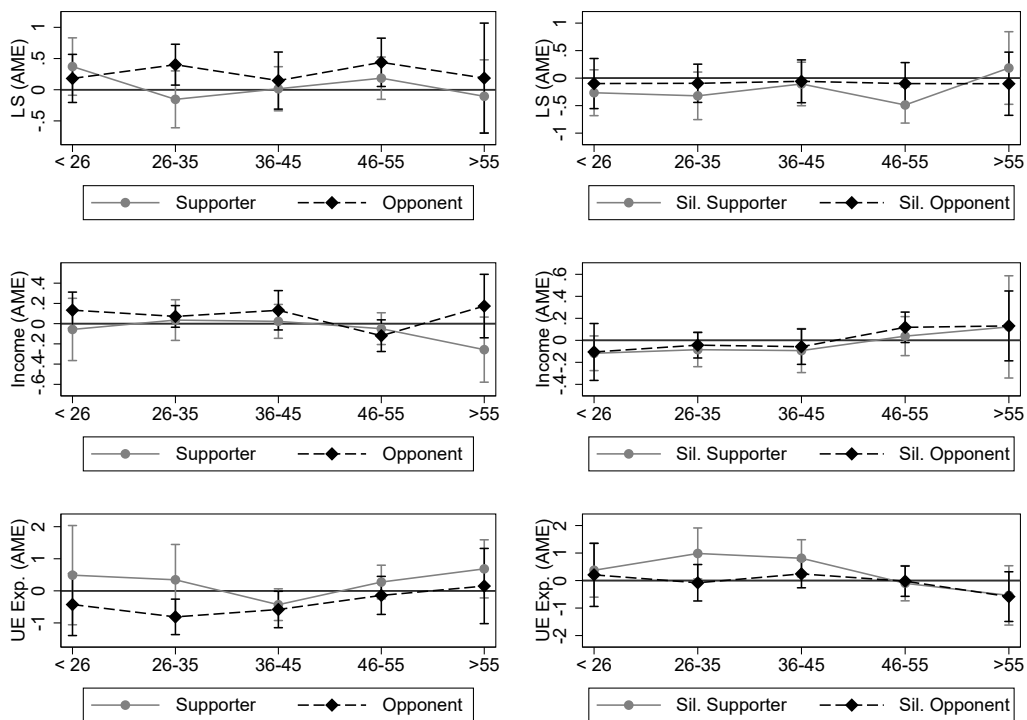


b) Political Inactive Majority



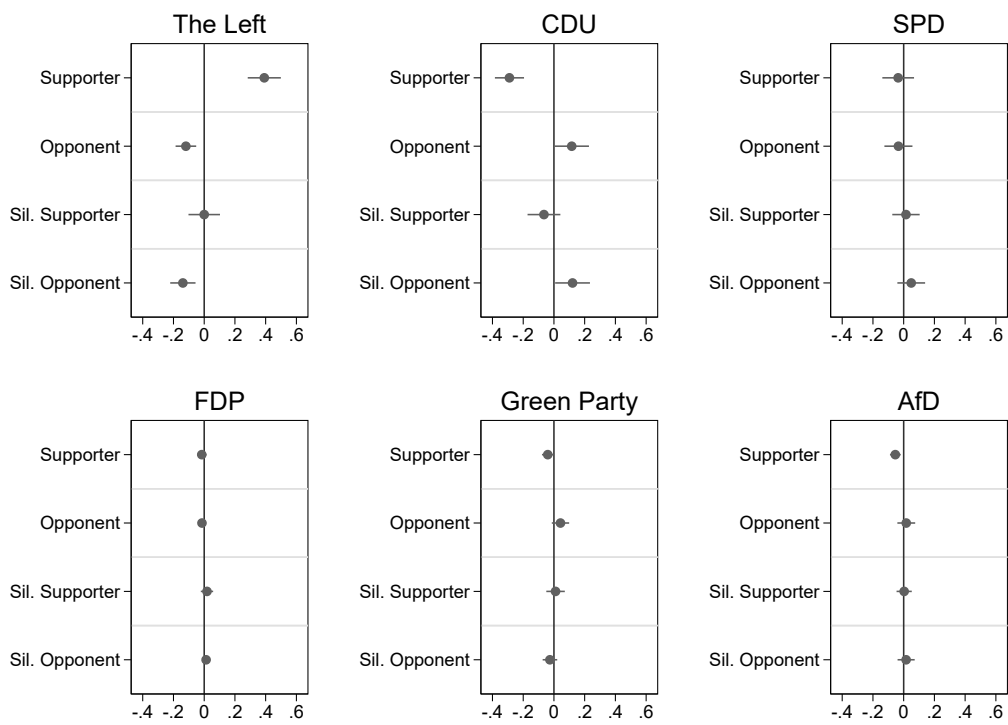
Note: The graphs show the average marginal effect (AME) of life satisfaction (upper graph), income (middle graph), and unemployment experience (lower graph) by year. Panel (a) presents the AME from an OLS regression of the respective outcome on whether the individual was a supporter or opponent of the GDR, interacted with year dummy variables. Panel (b) depicts the analogous relationship for silent supporters and opponents. Data is taken from GSOEP (see Section 3). 95 percent confidence intervals are shown. Own depiction.

Figure 2: Economic Outcomes by Age



Note: The graphs show the average marginal effect (AME) of life satisfaction (upper graphs), income (middle graphs), and unemployment experience (lower graphs) by age at the time of reunification. AME were calculated from an OLS regression of the respective outcome on whether the individual was a supporter or opponent of the GDR (left-hand side), or a silent supporter or silent opponent (right-hand side), interacted with cohort dummy variables. Data is taken from GSOEP (see Section 3). 95 percent confidence intervals are shown. Own depiction.

Figure 3: Conformism and Political Preferences



Note: The graphs show the coefficients from two OLS regressions of a dummy variable on party preferences on whether the individual was a supporter, opponent (first regression), silent supporter, or silent opponent (second regression). The same control variables are included as in the main regression (see Section 3). Data is taken from GSOEP. 95 percent confidence intervals are shown. Own depiction.

5 Conclusion

This study documents the economic, social, and political development of former supporters and opponents of a state socialist autocracy in a market-based democracy over almost three decades. Using rich individual-level panel data and the unique transformation of East Germany from a state socialist regime to a market-based democracy allows us to observe economic outcomes in the pre- and post-transition years, enabling the comparison of life satisfaction and wages between two very different politico-economic systems. Our results show that the former opponents of the system benefited from the abolishment of the old system in terms of life satisfaction, income, and employment. Former supporters of the state socialist system lack the wage premium that exists for other transition countries, and even lost substantially in terms of satisfaction with life. The transition success of the politically inactive majority of the population depended on its inner support with state socialism—silent supporters of the autocracy fare worse than silent opponents of the old system.

Our results enlarge the current state of the literature that looks at transformation processes from former state socialist and communist countries to modern democracies. The findings highlight that the historical reappraisal of the socialist period and a rapid economic and political transformation in East Germany can lead to a different redistribution of economic resources than in other former state socialist and communist countries. Moreover, our results show that those who fight for democracy are rewarded by higher life satisfaction and better labor market outcomes than those who cling to a doomed system.

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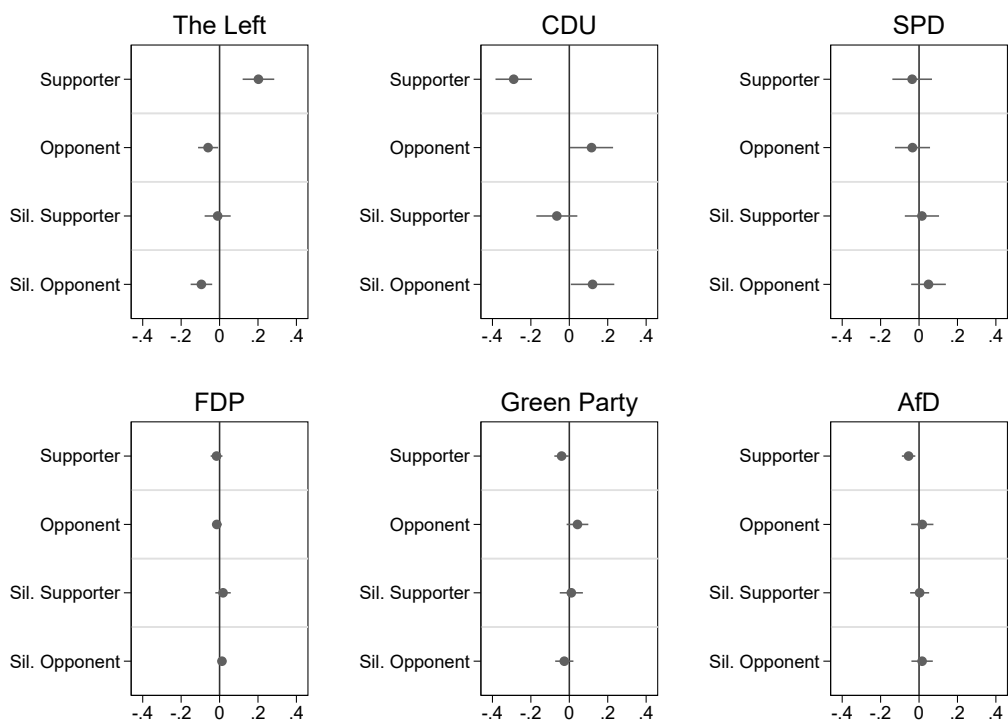
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A Online Appendix

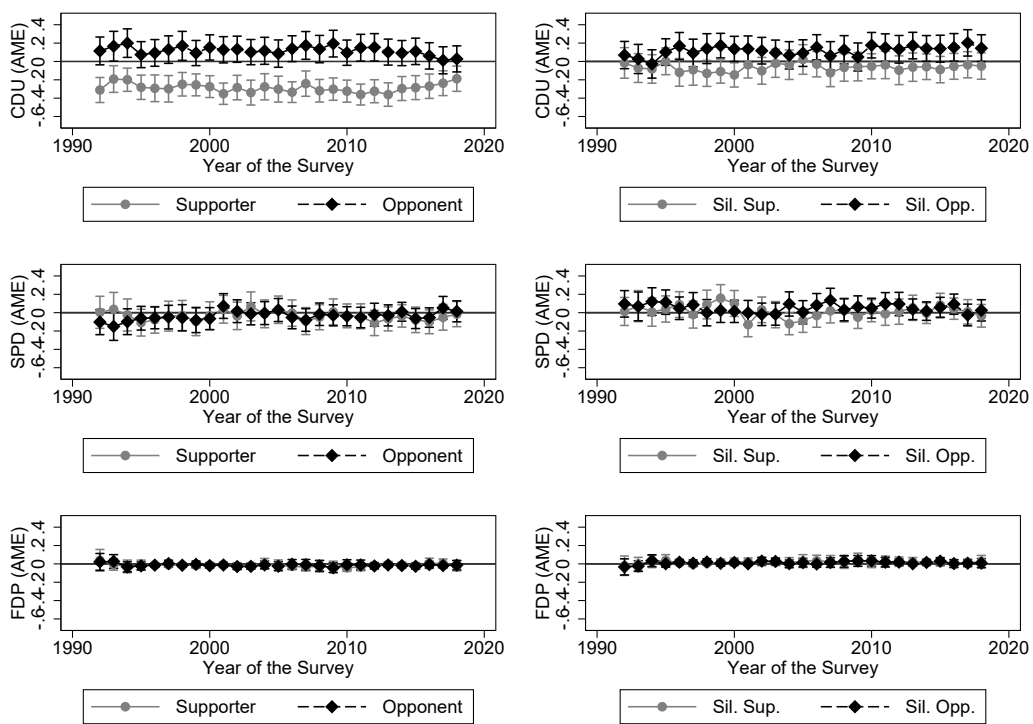
Figures

Figure A1: Voting Behavior



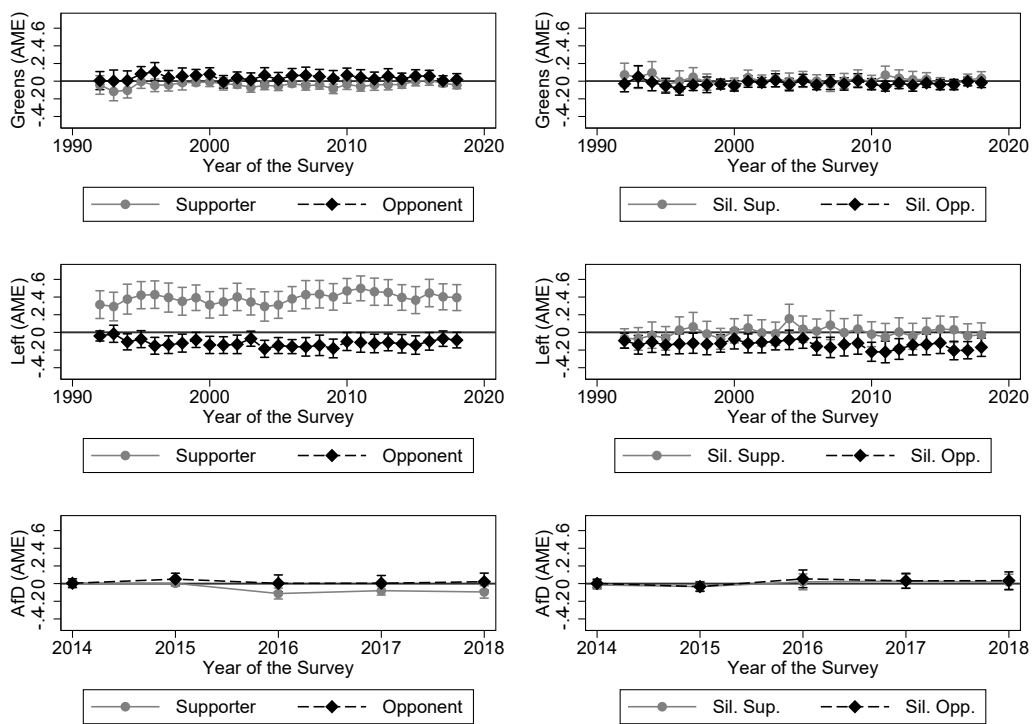
Note: The graphs show the coefficients from two OLS regressions of a dummy variable on voting behavior in the 2013 and 2017 General Federal Elections on whether the individual was a supporter, Opponents (first regression), silent supporter, or silent opponent (second regression). The same controls are included as in the main regression (see section 3). Data is taken from GSOEP (see Section 3). 95 percent confidence intervals are shown. Own depiction.

Figure A2: Political Preferences over time (CDU, SPD, FDP)



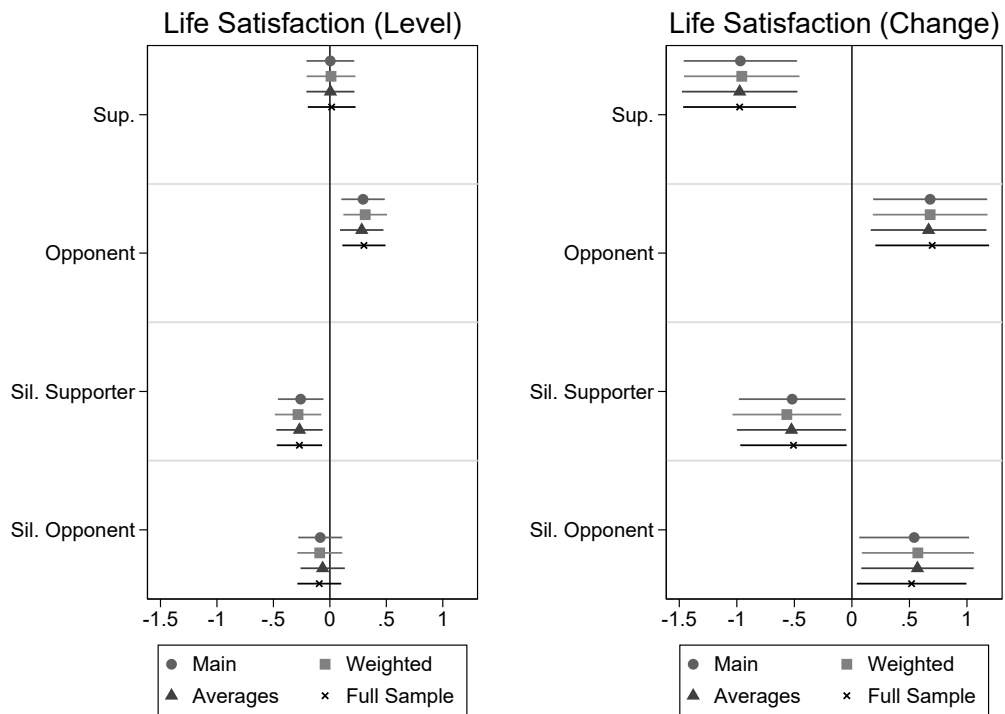
Note: Graph shows the average marginal effect (AME) of political preferences by year. AME were calculated from an OLS regression of a variable on the party preference on whether the individual was a silent supporter, silent opponent (left-hand side), and a silent supporter or silent opponent (right-hand side) interacted with year dummies. Data is taken from GSOEP (see Section 3). 95 percent confidence intervals are shown. Own depiction.

Figure A3: Political Preferences over time (Green Party, The Left, AfD)



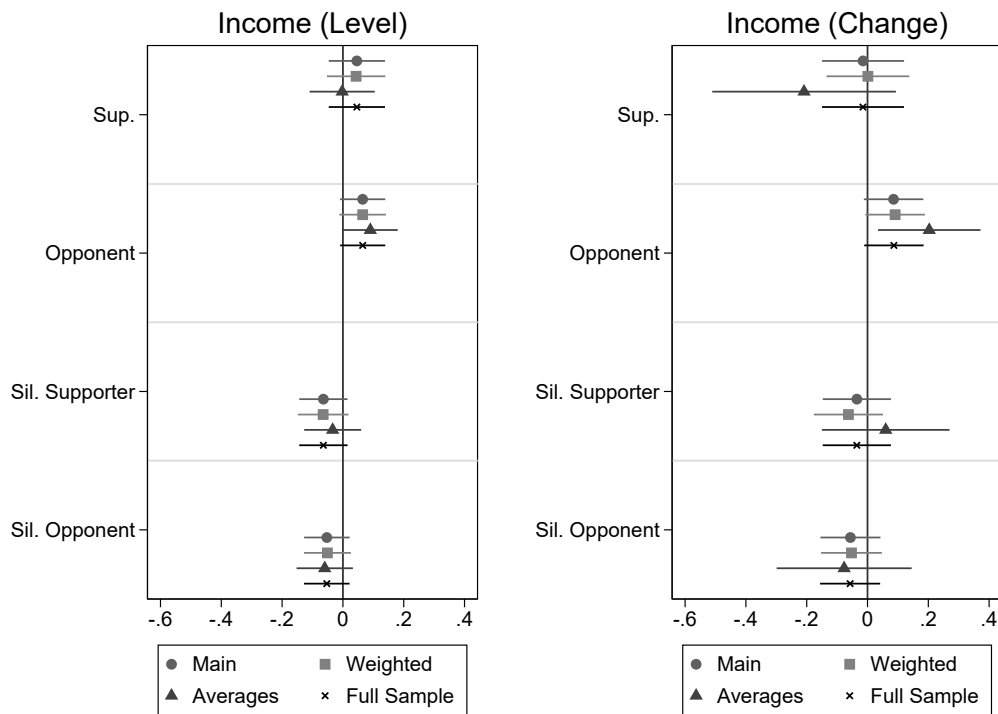
Note: Graph shows the average marginal effect (AME) of political preferences by year. AME were calculated from an OLS regression of a variable on the party preference on whether the individual was a silent supporter, silent opponent (left-hand side), and a silent supporter or silent opponent (right-hand side) interacted with year dummies. Data is taken from GSOEP (see Section 3). 95 percent confidence intervals are shown. Own depiction.

Figure A4: Robustness of Life Satisfaction



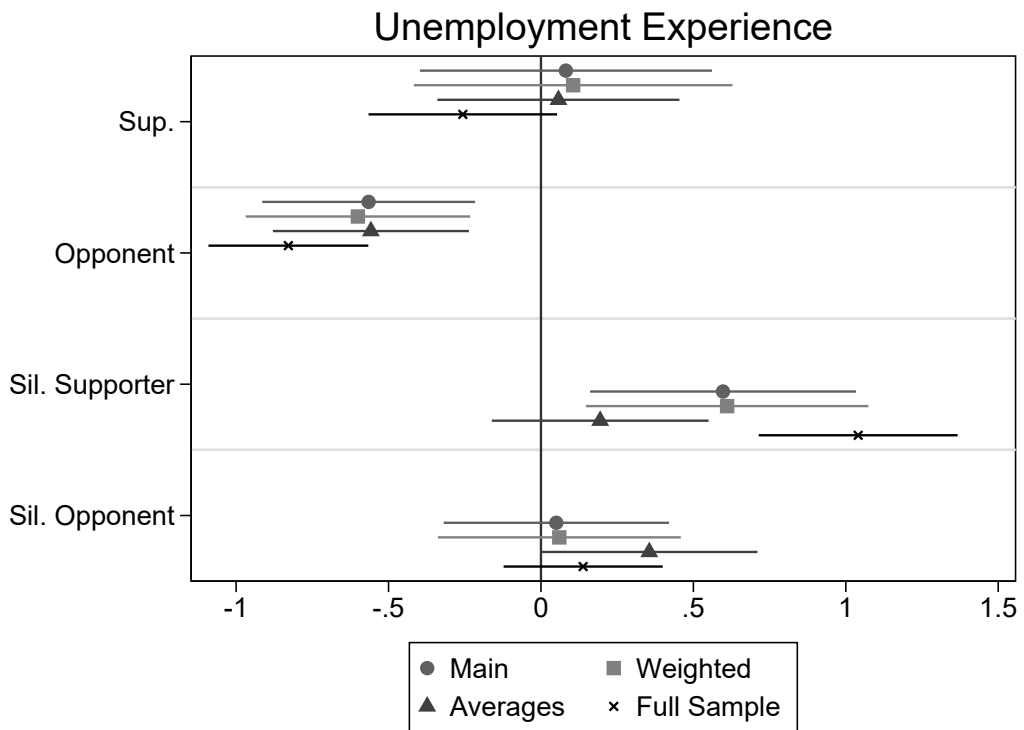
Note: The graphs show the coefficients of the main regressions (Table 3), once with the original sample, with weights applied, the averages of all variables (number of observations = individuals), and with the full sample. 95 percent confidence intervals are shown. Own depiction.

Figure A5: Robustness of Income



Note: The graphs show the coefficients of the main regressions (Table 3), once with the original sample, with weights applied, the averages of all variables (number of observations = individuals), and with the full sample. 95 percent confidence intervals are shown. Own depiction.

Figure A6: Robustness of Unemployment Experience



Note: The graphs show the coefficients of the main regressions (Table 3), once with the original sample, with weights applied, the averages of all variables (number of observations = individuals), and with the full sample. 95 percent confidence intervals are shown. Own depiction.

Tables

Table A1: Operationalization of Main Variables

Outcome Variables	Item	Years
Life Satisfaction FRG	“On a scale from 0 to 10, where 0 means completely dissatisfied and 10 means completely satisfied. How satisfied are you with your life, all things considered.”	all
Life Satisfaction GDR	“All in all: How satisfied were you with your life five years ago?” (0-10)	1990
Income	“How much did you earn from your work last month?” Gross income	all
Unemployment Experience	in Years	all
Explanatory Variables		
Supporter	Before 1.1.1989 Member of the Socialist Unity Party (SED) (and have not left the party before 1989) Sector mostly worked in GDR: [10] Sensitive Public Sector (Supporter = 1 if individual was SED member, worked in Sensitive Public sector, or both)	2018 2018
Opponent	Have you personally participated in the demonstrations of the opposition movements in the years 1989 and 1990?	2018
<i>Silent Supporter</i>	No Supporter/Demonstrant; very/rather satisfied with democracy in the political system of the GDR	2018
<i>Silent Opponent</i>	No Supporter/Demonstrant; very/rather unsatisfied with democracy in the political system of the GDR	2018
Control Variables		
Age	Age in year of survey (1990-2018)	all
Male	Gender in year of survey (1990-2018)	all
Education	no formal educational degree, Secondary school (<i>Polytechnische Hochschule, POS</i>) - 8 years; Secondary school (<i>Polytechnische Hochschule, POS</i>) - 10 years Upper Secondary Degree (<i>Erweiterte Oberschule, EOS</i>)	all
Qualification	No vocational degree, Vocational degree, University/technical college	all
Big 5 Personality	1 ('does not apply to me at all') to 7 ('applies to me perfectly'), I see myself as someone who is/has Openness: original, values artistic experiences, active imagination Conscientiousness: a thorough worker, efficient, (reversed) tends to be lazy Extraversion: communicative, outgoing, (reversed) reserved Agreeableness: forgiving, kind, (reversed) rude Neuroticism: worries, nervous, (reversed) relaxed	2005, 2009, 2013, 2017
Mfs Observation	“Did you know or felt that during the time in the GDR time in the GDR, you were observed by others? “Yes, knew it” (=1)	2018

Note: The Table reports measures of outcome and explanatory variables. Data comes from GSOEP. For the personality questions three values are added (and subtracted for reversed measures) to represent the Big Five Factor Model Scale (Gerlitz and Schupp, 2005; Caliendo et al., 2014). As the Big 5 are shown to be quite constant over the life course from adulthood onwards (Caliendo et al., 2014)), we use measures of them that have been surveyed post-transition. More specifically, if a personality trait is missing for some years (for example from 2010-2012) we insert the value of the last observed year (2009). For the years 1990-2004, we insert the value from 2005.

Table A2: Life Satisfaction of Supporters and Opponents

	Life Satisfaction				Change in Life Satisfaction			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Supporter	0.081 (0.117)	-0.002 (0.118)	0.005 (0.108)	0.004 (0.108)	-0.992*** (0.251)	-0.969*** (0.254)	-0.954*** (0.251)	-0.969*** (0.251)
Opponent	0.357*** (0.107)	0.322*** (0.106)	0.295*** (0.098)	0.294*** (0.098)	0.745*** (0.254)	0.750*** (0.255)	0.718*** (0.254)	0.680*** (0.252)
Age	-0.119*** (0.043)	-0.134*** (0.043)	-0.108** (0.042)	-0.108** (0.042)	0.033 (0.074)	0.033 (0.073)	0.051 (0.074)	0.049 (0.074)
Age ²	0.002** (0.001)	0.002*** (0.001)	0.002** (0.001)	0.002** (0.001)	-0.000 (0.001)	0.000 (0.001)	-0.000 (0.001)	-0.000 (0.001)
Age ³	-0.000** (0.000)	-0.000** (0.000)	-0.000** (0.000)	-0.000** (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Male	0.124 (0.091)	0.154* (0.092)	0.064 (0.090)	0.064 (0.090)	0.048 (0.202)	0.053 (0.206)	0.028 (0.211)	0.022 (0.211)
8 Years Educ.		-1.259** (0.636)	-1.170** (0.538)	-1.172** (0.538)		1.540 (1.476)	1.662 (1.457)	1.617 (1.459)
10 Years Educ.		-1.164* (0.642)	-1.099** (0.545)	-1.101** (0.545)		1.794 (1.490)	1.894 (1.472)	1.851 (1.474)
High School		-1.150* (0.653)	-1.084* (0.557)	-1.086* (0.558)		1.577 (1.513)	1.690 (1.494)	1.629 (1.496)
Vocational Degree		0.053 (0.204)	0.130 (0.196)	0.129 (0.196)		-0.371 (0.621)	-0.408 (0.607)	-0.437 (0.609)
Univ./Techn. College		0.317 (0.227)	0.298 (0.217)	0.296 (0.217)		-0.462 (0.652)	-0.603 (0.640)	-0.673 (0.641)
Extraversion			0.043*** (0.012)	0.043*** (0.012)			0.007 (0.030)	0.007 (0.030)
Agreeableness			0.018 (0.015)	0.018 (0.015)			0.011 (0.032)	0.016 (0.032)
Conscientiousness			0.011 (0.015)	0.011 (0.015)			0.032 (0.036)	0.030 (0.036)
Neuroticism			-0.100*** (0.012)	-0.100*** (0.012)			-0.058** (0.027)	-0.055** (0.027)
Openness			0.021* (0.012)	0.021* (0.012)			0.061** (0.029)	0.059** (0.028)
MfS Observation				0.012 (0.101)				0.365 (0.243)
Constant	8.684*** (0.680)	10.002*** (0.937)	9.033*** (0.873)	9.034*** (0.873)	-0.499 (1.220)	-1.926 (1.944)	-3.302 (2.009)	-3.246 (2.011)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Individuals	672	672	672	672	672	672	672	672
Obs.	19,243	19,243	19,243	19,243	19,243	19,243	19,243	19,243
R ²	0.025	0.033	0.086	0.086	0.042	0.045	0.057	0.060

Note: The table reports OLS regression results of life satisfaction (1-4) and change in life satisfaction (5-8) on two dummy variables indicating whether an individual was a supporter or an opponent. Standard errors are clustered at the individual level and displayed in parentheses. Statistical significance is indicated by asterisks according to: *p < 0.10, **p < 0.05, ***p < 0.01.

Table A3: Life Satisfaction of Silent Supporters and Silent Opponents

	Life Satisfaction			Change in Life Satisfaction				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sil. Supporter	-0.364*** (0.108)	-0.299*** (0.110)	-0.259** (0.103)	-0.259** (0.103)	-0.549** (0.235)	-0.613** (0.238)	-0.562** (0.237)	-0.519** (0.236)
Sil. Opponent	-0.110 (0.108)	-0.075 (0.107)	-0.085 (0.099)	-0.085 (0.099)	0.578** (0.244)	0.547** (0.244)	0.534** (0.243)	0.541** (0.243)
Age	-0.130*** (0.044)	-0.144*** (0.044)	-0.116*** (0.043)	-0.116*** (0.043)	-0.028 (0.075)	-0.019 (0.074)	0.002 (0.075)	0.002 (0.075)
Age ²	0.002** (0.001)	0.002*** (0.001)	0.002** (0.001)	0.002** (0.001)	0.001 (0.001)	0.001 (0.001)	0.000 (0.001)	0.000 (0.001)
Age ³	-0.000** (0.000)	-0.000** (0.000)	-0.000** (0.000)	-0.000** (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Male	0.114 (0.091)	0.141 (0.092)	0.052 (0.091)	0.052 (0.091)	0.006 (0.204)	-0.013 (0.207)	-0.047 (0.212)	-0.050 (0.212)
8 Years Educ.		-1.091* (0.614)	-1.028** (0.508)	-1.029** (0.509)		2.423* (1.358)	2.523* (1.297)	2.464* (1.298)
10 Years Educ.		-1.017 (0.618)	-0.975* (0.514)	-0.975* (0.514)		2.566* (1.372)	2.641** (1.311)	2.587** (1.313)
High School		-0.979 (0.631)	-0.942* (0.527)	-0.943* (0.528)		2.471* (1.401)	2.544* (1.340)	2.472* (1.341)
Vocational Degree		0.026 (0.196)	0.112 (0.192)	0.112 (0.192)		-0.512 (0.594)	-0.524 (0.582)	-0.545 (0.583)
Univ./Techn. College		0.257 (0.221)	0.250 (0.212)	0.249 (0.212)		-0.776 (0.630)	-0.895 (0.617)	-0.949 (0.618)
Extraversion			0.044*** (0.013)	0.044*** (0.013)			0.010 (0.030)	0.010 (0.030)
Agreeableness			0.015 (0.015)	0.015 (0.015)			-0.002 (0.032)	0.003 (0.032)
Conscientiousness			0.008 (0.015)	0.008 (0.015)			0.015 (0.036)	0.014 (0.035)
Neuroticism			-0.100*** (0.012)	-0.100*** (0.012)			-0.058** (0.028)	-0.055** (0.028)
Openness			0.022* (0.012)	0.022* (0.012)			0.069** (0.029)	0.067** (0.029)
MfS Observation				0.005 (0.101)				0.320 (0.253)
Constant	9.143*** (0.706)	10.273*** (0.941)	9.293*** (0.870)	9.293*** (0.870)	0.678 (1.238)	-1.453 (1.870)	-2.749 (1.920)	-2.740 (1.921)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Individuals	672	672	672	672	672	672	672	672
Obs.	19,243	19,243	19,243	19,243	19,243	19,243	19,243	19,243
R ²	0.026	0.032	0.085	0.085	0.028	0.033	0.045	0.047

Note: The table reports OLS regression results of income (1-4) and change in income (5-8) on two dummy variables indicating whether an individual was a silent supporter or a silent opponent. Standard errors are clustered at the individual level and displayed in parentheses. Statistical significance is indicated by asterisks according to: *p < 0.10, **p < 0.05, ***p < 0.01.

Table A4: Income of Supporters and Opponents

	Income				Change in Income			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Supporter	0.131*** (0.050)	0.037 (0.047)	0.046 (0.047)	0.046 (0.047)	0.073 (0.071)	-0.026 (0.069)	-0.015 (0.069)	-0.015 (0.069)
Opponent	0.137*** (0.043)	0.084** (0.038)	0.068* (0.037)	0.065* (0.038)	0.164*** (0.054)	0.107** (0.050)	0.090* (0.049)	0.086* (0.050)
Age	-0.010 (0.044)	-0.037 (0.035)	-0.036 (0.033)	-0.037 (0.033)	-0.193*** (0.056)	-0.222*** (0.053)	-0.221*** (0.053)	-0.222*** (0.053)
Age ²	0.001 (0.001)	0.002** (0.001)	0.002** (0.001)	0.002** (0.001)	0.005*** (0.001)	0.006*** (0.001)	0.006*** (0.001)	0.006*** (0.001)
Age ³	-0.000 (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)
Male	0.185*** (0.036)	0.238*** (0.034)	0.223*** (0.035)	0.222*** (0.035)	0.194*** (0.048)	0.249*** (0.047)	0.233*** (0.048)	0.232*** (0.047)
8 Years Educ.		0.286*** (0.040)	0.271*** (0.041)	0.268*** (0.041)		0.415*** (0.160)	0.396** (0.167)	0.392** (0.167)
10 Years Educ.		0.440*** (0.040)	0.418*** (0.043)	0.414*** (0.043)		0.658*** (0.152)	0.632*** (0.159)	0.626*** (0.160)
High School		0.566*** (0.066)	0.547*** (0.070)	0.542*** (0.070)		0.767*** (0.170)	0.742*** (0.178)	0.735*** (0.178)
Vocational Degree		0.242*** (0.078)	0.235*** (0.070)	0.233*** (0.070)		0.163 (0.124)	0.156 (0.121)	0.154 (0.121)
Univ./Techn. College		0.545*** (0.088)	0.526*** (0.083)	0.520*** (0.083)		0.470*** (0.136)	0.451*** (0.135)	0.443*** (0.135)
Extraversion			0.000 (0.005)	0.001 (0.005)			-0.000 (0.007)	-0.000 (0.007)
Agreeableness			-0.015*** (0.005)	-0.014*** (0.005)			-0.017** (0.007)	-0.016** (0.007)
Conscientiousness			-0.001 (0.006)	-0.001 (0.006)			-0.003 (0.009)	-0.003 (0.009)
Neuroticism			-0.007 (0.004)	-0.006 (0.004)			-0.006 (0.006)	-0.005 (0.006)
Openness			0.009 (0.006)	0.009 (0.006)			0.009 (0.008)	0.009 (0.008)
MfS Observation				0.032 (0.043)				0.045 (0.056)
Constant	5.225*** (0.581)	4.896*** (0.477)	4.961*** (0.471)	4.971*** (0.471)	4.830*** (0.815)	4.379*** (0.795)	4.480*** (0.812)	4.495*** (0.811)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Individuals	612	612	612	612	612	612	612	612
Obs.	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725
R ²	0.504	0.582	0.588	0.588	0.583	0.606	0.608	0.608

Note: The table reports OLS regression results of income (1-4) and change in income (5-8) on two dummy variables indicating whether an individual was a supporter or an opponent. Standard errors are clustered at the individual level and displayed in parentheses. Statistical significance is indicated by asterisks according to: *p < 0.10, **p < 0.05, ***p < 0.01.

Table A5: Income of Silent Supporters and Silent Opponents

	Income				Change in Income			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sil. Supporter	-0.150*** (0.046)	-0.077* (0.040)	-0.068* (0.040)	-0.064 (0.040)	-0.131** (0.061)	-0.051 (0.057)	-0.042 (0.056)	-0.035 (0.057)
Sil. Opponent	-0.123*** (0.043)	-0.059 (0.039)	-0.053 (0.038)	-0.053 (0.038)	-0.128** (0.056)	-0.062 (0.052)	-0.057 (0.050)	-0.056 (0.050)
Age	-0.011 (0.044)	-0.039 (0.035)	-0.037 (0.033)	-0.038 (0.033)	-0.194*** (0.056)	-0.223*** (0.053)	-0.221*** (0.053)	-0.221*** (0.053)
Age ²	0.001 (0.001)	0.002** (0.001)	0.002** (0.001)	0.002** (0.001)	0.005*** (0.001)	0.006*** (0.001)	0.006*** (0.001)	0.006*** (0.001)
Age ³	-0.000* (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)
Male	0.186*** (0.036)	0.238*** (0.034)	0.223*** (0.035)	0.222*** (0.035)	0.194*** (0.048)	0.249*** (0.047)	0.233*** (0.048)	0.232*** (0.048)
8 Years Educ.		0.295*** (0.045)	0.278*** (0.045)	0.273*** (0.045)		0.410** (0.166)	0.386** (0.172)	0.378** (0.172)
10 Years Educ.		0.448*** (0.043)	0.424*** (0.045)	0.418*** (0.046)		0.657*** (0.157)	0.624*** (0.164)	0.615*** (0.164)
High School		0.575*** (0.070)	0.554*** (0.074)	0.547*** (0.074)		0.760*** (0.177)	0.729*** (0.184)	0.717*** (0.185)
Vocational Degree		0.240*** (0.078)	0.234*** (0.071)	0.233*** (0.071)		0.157 (0.124)	0.149 (0.120)	0.147 (0.120)
Univ./Techn. College		0.541*** (0.088)	0.523*** (0.083)	0.518*** (0.083)		0.460*** (0.135)	0.440*** (0.133)	0.432*** (0.133)
Extraversion			0.000 (0.005)	0.001 (0.005)			0.000 (0.007)	0.001 (0.007)
Agreeableness			-0.015*** (0.005)	-0.015*** (0.005)			-0.018** (0.007)	-0.017** (0.007)
Conscientiousness			-0.001 (0.006)	-0.001 (0.006)			-0.003 (0.009)	-0.004 (0.009)
Neuroticism			-0.007 (0.004)	-0.006 (0.004)			-0.006 (0.006)	-0.005 (0.006)
Openness			0.009* (0.006)	0.009 (0.006)			0.010 (0.008)	0.010 (0.008)
MfS Observation				0.032 (0.043)				0.053 (0.056)
Constant	5.385*** (0.583)	4.986*** (0.478)	5.037*** (0.472)	5.042*** (0.471)	4.991*** (0.815)	4.470*** (0.799)	4.564*** (0.816)	4.573*** (0.815)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Individuals	612	612	612	612	612	612	612	612
Obs.	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725
R ²	0.504	0.582	0.588	0.588	0.582	0.605	0.607	0.607

Note: The table reports OLS regression results of income (1-4) and change in income (5-8) on two dummy variables indicating whether an individual was a silent supporter or a silent opponent. Standard errors are clustered at the individual level and displayed in parentheses. Statistical significance is indicated by asterisks according to: *p < 0.10, **p < 0.05, ***p < 0.01.

Table A6: Unemployment Experience of Supporters and Opponents

	Unemployment Experience			
	(1)	(2)	(3)	(4)
Supporter	-0.161 (0.249)	0.115 (0.250)	0.087 (0.244)	0.082 (0.244)
Opponent	-0.700*** (0.183)	-0.562*** (0.176)	-0.548*** (0.181)	-0.565*** (0.178)
Age	0.034 (0.097)	0.111 (0.102)	0.102 (0.103)	0.101 (0.103)
Age ²	-0.001 (0.002)	-0.003 (0.003)	-0.003 (0.003)	-0.003 (0.003)
Age ³	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Male	-0.768*** (0.165)	-0.907*** (0.168)	-0.800*** (0.169)	-0.802*** (0.169)
8 Years Educ.		2.121*** (0.332)	2.136*** (0.376)	2.113*** (0.375)
10 Years Educ.		1.385*** (0.280)	1.408*** (0.334)	1.385*** (0.336)
High School		1.434*** (0.317)	1.441*** (0.365)	1.412*** (0.366)
Vocational Degree		0.154 (0.821)	0.110 (0.810)	0.095 (0.808)
Univ./Techn. College		-0.809 (0.819)	-0.833 (0.810)	-0.871 (0.807)
Extraversion			-0.002 (0.022)	-0.002 (0.022)
Agreeableness			0.065** (0.025)	0.068*** (0.025)
Conscientiousness			-0.017 (0.030)	-0.018 (0.030)
Neuroticism			0.037* (0.021)	0.038* (0.021)
Openness			0.001 (0.021)	-0.000 (0.021)
MfS Observation				0.189 (0.196)
Constant	0.273 (1.231)	-2.263* (1.301)	-2.653* (1.389)	-2.619* (1.388)
Year FE	Yes	Yes	Yes	Yes
Individuals	672	672	672	672
Obs.	16,019	16,019	16,019	16,019
R ²	0.139	0.179	0.184	0.185

Note: The table reports OLS regression results of unemployment experience on two dummy variables indicating whether an individual was a supporter or an opponent. Standard errors are clustered at the individual level and displayed in parentheses. Statistical significance is indicated by asterisks according to: *p < 0.10, **p < 0.05, ***p < 0.01.

Table A7: Unemployment Experience of Silent Supporters and Silent Opponents

	Unemployment Experience			
	(1)	(2)	(3)	(4)
Silent Supporter	0.811*** (0.229)	0.569** (0.222)	0.569** (0.223)	0.597*** (0.222)
Silent Opponent	0.174 (0.192)	0.045 (0.191)	0.047 (0.188)	0.050 (0.188)
Age	0.064 (0.097)	0.134 (0.101)	0.124 (0.102)	0.124 (0.102)
Age ²	-0.002 (0.002)	-0.003 (0.002)	-0.003 (0.003)	-0.003 (0.003)
Age ³	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Male	-0.753*** (0.164)	-0.889*** (0.168)	-0.774*** (0.169)	-0.775*** (0.169)
8 Years Educ.		1.793*** (0.348)	1.821*** (0.397)	1.780*** (0.394)
10 Years Educ.		1.119*** (0.296)	1.157*** (0.357)	1.119*** (0.359)
High School		1.118*** (0.345)	1.147*** (0.397)	1.099*** (0.397)
Vocational Degree		0.223 (0.812)	0.175 (0.798)	0.160 (0.796)
Univ./Techn. College		-0.683 (0.809)	-0.710 (0.796)	-0.750 (0.793)
Extraversion			-0.002 (0.022)	-0.002 (0.022)
Agreeableness			0.070*** (0.025)	0.074*** (0.025)
Conscientiousness			-0.010 (0.029)	-0.012 (0.029)
Neuroticism			0.037* (0.021)	0.039* (0.021)
Openness			-0.002 (0.021)	-0.004 (0.022)
MfS Observation				0.220 (0.196)
Constant	-0.729 (1.225)	-2.806** (1.297)	-3.265** (1.371)	-3.250** (1.374)
Year FE	Yes	Yes	Yes	Yes
Individuals	672	672	672	672
Obs.	16,019	16,019	16,019	16,019
R ²	0.143	0.179	0.185	0.186

Note: The table reports OLS regression results of unemployment experience on two dummy variables indicating whether an individual was a silent supporter or a silent opponent. Standard errors are clustered at the individual level and displayed in parentheses. Statistical significance is indicated by asterisks according to: *p < 0.10, **p < 0.05, ***p < 0.01.