

Online Appendix

Changing Fortunes During Economic Transition - Low-Wage Persistence before and after German Unification

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Table 1: Pooled Probit Models, by Gender

Variables	Model 1 β constant		Model 2 β variable	
	Males	Females	Males	Females
$Low - wage_{t-1}$	0.522*** (0.036)	2.487*** (0.038)	0.499*** (0.036)	2.474*** (0.038)
$\times H_{FRG}$	1.353*** (0.055)	-0.168*** (0.060)	1.355*** (0.054)	-0.169*** (0.059)
$Unemployed_{t-1}$	0.644*** (0.085)	1.253*** (0.052)	0.646*** (0.085)	1.233*** (0.051)
$\times H_{FRG}$	0.692*** (0.103)	-0.279*** (0.074)	0.616*** (0.107)	-0.245*** (0.076)
<i>Individual characteristics</i>				
Age_{30-40}	-0.029 (0.053)	-0.055 (0.063)	-0.081 (0.056)	-0.052 (0.063)
Age_{40-50}	-0.104* (0.058)	-0.088 (0.071)	-0.174*** (0.064)	-0.096 (0.076)
$\times H_{FRG}$	-	-	0.045 (0.052)	-0.004 (0.061)
$Age_{>50}$	-0.043 (0.083)	-0.140 (0.091)	-0.027 (0.097)	-0.107 (0.096)
$Low - skilled$	0.097*** (0.037)	-0.023 (0.032)	0.073 (0.046)	0.031 (0.042)
$\times H_{FRG}$	-	-	0.073 (0.075)	-0.125* (0.065)
$High - skilled$	-0.140*** (0.046)	-0.328*** (0.061)	-0.152*** (0.055)	-0.376*** (0.086)
$\times H_{FRG}$	-	-	0.032 (0.105)	0.120 (0.126)
$Experience_{10-30}$	-0.092* (0.051)	-0.019 (0.057)	-0.073 (0.054)	-0.042 (0.059)
$\times H_{FRG}$	-	-	-0.295 (0.213)	0.184 (0.142)
$Experience_{>30}$	-0.116* (0.078)	-0.069 (0.085)	-0.086 (0.133)	-0.058 (0.205)
$\times H_{FRG}$	-	-	-0.325 (0.255)	0.118 (0.254)
$Interruption_{length}$	0.009*** (0.001)	0.004*** (0.000)	-0.004 (0.003)	0.005*** (0.001)
$\times H_{FRG}$	-	-	0.024*** (0.004)	-0.002* (0.001)
$Interruption_{number}$	0.028*** (0.005)	-0.011*** (0.004)	0.087*** (0.008)	-0.010* (0.006)
$\times H_{FRG}$	-	-	-0.115*** (0.010)	-0.001 (0.008)
<i>Firm related characteristics</i>				
$Whitecollar$	-0.276*** (0.031)	-0.249*** (0.027)	-0.227*** (0.038)	-0.169*** (0.035)
$\times H_{FRG}$	-	-	-0.139** (0.066)	-0.169*** (0.053)
$Occupation_{skilled}$	-0.204*** (0.041)	-0.360*** (0.045)	-0.148*** (0.049)	-0.258*** (0.059)
$\times H_{FRG}$	-	-	-0.218** (0.092)	-0.258*** (0.097)
$Occupation_{simple}$	0.053** (0.021)	-0.011 (0.027)	0.002 (0.028)	-0.115*** (0.037)
$\times H_{FRG}$	-	-	0.125*** (0.044)	0.205*** (0.054)
$Year\ dummies$	✓	✓	✓	✓
Observations	35847	36178	35847	36178
Log-Lik	-9519.2	-6484.2	-9437.7	-6454.6
AIC	19110.3	13040.5	18969.5	13003.2

Source: BASiD 2007.

Notes: The table corresponds to Table 5 in the paper: "Changing Fortunes during Economic Transition - Low-Wage Persistence before and after German Unification". Robust standard errors are in parentheses. All estimations contain a constant, the specified Mundlak-Chamberlain device and control for missings in the education variable. Reference age category is age between 20-30. Reference experience category is experience below 10 years. Interruption length (number) refers to the cumulative length (number) of labour market interruptions in months. Reference for white-collar workers are blue-collar workers. Skilled occupations include engineers, professionals and managers whereas simple occupations include simple manual, simple service and simple commercial defined by IAB standards. The low-wage threshold is the first decile. Asterisks next to coefficients indicate significance levels as follows: *** 1%, ** 5%, * 10%.

Table 2: Random Effect Probit Models, by Gender

Variables	Model 1 β constant α_i constant		Model 2 β variable α_i constant	
	Males	Females	Males	Females
<i>Low</i> – <i>wage</i> _{<i>t</i>-1}	0.271*** (0.041)	1.973*** (0.049)	0.248*** (0.049)	1.951*** (0.052)
$\times H_{FRG}$	1.441*** (0.058)	-0.097 (0.068)	1.420*** (0.067)	-0.107 (0.092)
<i>Unemployed</i> _{<i>t</i>-1}	0.556*** (0.089)	1.235*** (0.057)	0.571*** (0.083)	1.216*** (0.053)
$\times H_{FRG}$	0.783*** (0.110)	-0.321*** (0.068)	0.664*** (0.101)	-0.329*** (0.084)
<i>Low</i> – <i>wage</i> ₁₉₈₀	0.360*** (0.045)	0.813*** (0.066)	0.359*** (0.039)	0.821*** (0.073)
$\times H_{FRG}$	-0.240*** (0.069)	-0.394*** (0.082)	-0.213** (0.097)	-0.388*** (0.104)
<i>Unemployed</i> ₁₉₈₀	-0.273 (0.272)	0.241*** (0.079)	-0.223 (0.315)	0.232** (0.093)
<i>Individual characteristics</i>				
<i>Age</i> ₃₀₋₄₀	0.007 (0.059)	-0.065 (0.069)	-0.033 (0.055)	-0.066 (0.086)
<i>Age</i> ₄₀₋₅₀	0.019 (0.074)	-0.007 (0.089)	-0.059 (0.069)	-0.027 (0.096)
$\times H_{FRG}$	-	-	0.075 (0.076)	0.017 (0.074)
<i>Age</i> _{>50}	0.122 (0.105)	0.023 (0.122)	0.165 (0.102)	0.113 (0.156)
<i>Low</i> – <i>skilled</i>	0.134*** (0.048)	0.032 (0.050)	0.088* (0.053)	0.085 (0.063)
$\times H_{FRG}$	-	-	0.124 (0.099)	-0.108 (0.095)
<i>High</i> – <i>skilled</i>	-0.201*** (0.057)	-0.386*** (0.088)	-0.181*** (0.066)	-0.434*** (0.129)
$\times H_{FRG}$	-	-	-0.055 (0.152)	0.100 (0.191)
<i>Experience</i> ₁₀₋₃₀	-0.014 (0.059)	0.049 (0.066)	0.014 (0.069)	0.049 (0.085)
$\times H_{FRG}$	-	-	-0.233 (0.262)	0.192 (0.195)
<i>Experience</i> _{>30}	0.038 (0.093)	0.206* (0.108)	0.075 (0.152)	0.328 (0.270)
$\times H_{FRG}$	-	-	-0.225 (0.315)	0.077 (0.339)
<i>Interruption</i> _{length}	0.011*** (0.002)	0.002 (0.002)	0.000 (0.003)	0.000 (0.002)
$\times H_{FRG}$	-	-	0.014*** (0.005)	0.004 (0.003)
<i>Interruption</i> _{number}	-0.046*** (0.011)	0.031** (0.013)	0.012 (0.013)	0.051*** (0.017)
$\times H_{FRG}$	-	-	-0.040 (0.030)	-0.021 (0.035)
<i>Individual means</i>				
$\overline{Experience}_{i,10-30}$	-0.339*** (0.098)	-0.255** (0.115)	-0.379*** (0.109)	-0.329** (0.139)
$\times H_{FRG}$	-	-	0.108 (0.210)	0.088 (0.225)
$\overline{Experience}_{i,>30}$	-0.571*** (0.148)	-1.011*** (0.203)	-0.536*** (0.169)	-1.009*** (0.233)
$\times H_{FRG}$	-	-	-0.119 (0.285)	-0.258 (0.412)
$\overline{Interruption}_{i,length}$	0.001 (0.003)	0.002 (0.002)	-0.007** (0.003)	0.005** (0.002)
$\times H_{FRG}$	-	-	0.035*** (0.008)	-0.007* (0.004)
$\overline{Interruption}_{i,number}$	0.085*** (0.014)	-0.047*** (0.015)	0.093*** (0.012)	-0.060*** (0.017)
$\times H_{FRG}$	-	-	-0.128*** (0.037)	0.009 (0.041)
<i>Firm related characteristics</i>				
<i>Whitecollar</i>	-0.304*** (0.038)	-0.302*** (0.039)	-0.258*** (0.043)	-0.171*** (0.053)
$\times H_{FRG}$	-	-	-0.135 (0.104)	-0.271*** (0.086)
<i>Occupation</i> _{skilled}	-0.173*** (0.049)	-0.446*** (0.065)	-0.095 (0.063)	-0.311*** (0.091)
$\times H_{FRG}$	-	-	-0.289** (0.122)	-0.323*** (0.119)
<i>Occupation</i> _{simple}	0.080*** (0.027)	0.016 (0.038)	0.022 (0.043)	-0.095* (0.057)
$\times H_{FRG}$	-	-	0.120* (0.064)	0.202** (0.081)
<i>Year</i>	✓	✓	✓	✓

Table 2: Random Effect Probit Models, by Gender (continued)

Variables	Model 1 β constant α_i constant		Model 2 β variable α_i constant	
	Males	Females	Males	Females
<i>Unobserved heterogeneity</i>				
σ^2	0.111*** (0.038)	0.302*** (0.056)	0.117*** (0.043)	0.315*** (0.056)
Observations	35847	36178	35847	36178
Log-Lik	-9363.7	-6268.1	-9268.6	-6230.1
AIC	18815.5	12624.2	18631.2	12558.3

Source: BASiD 2007.

Notes: The table corresponds to Table 6 in the paper: "Changing Fortunes during Economic Transition - Low-Wage Persistence before and after German Unification". Robust standard errors are in parentheses. All estimations contain a constant, the specified Mundlak-Chamberlain device and control for missings in the education variable. Reference age category is age between 20-30. Reference experience category is experience below 10 years. Interruption length (number) refers to the cumulative length (number) of labour market interruptions in months. Reference for white-collar workers are blue-collar workers. Skilled occupations include engineers, professionals and managers whereas simple occupations include simple manual, simple service and simple commercial defined by IAB standards. The low-wage threshold is the first decile. Asterisks next to coefficients indicate significance levels as follows: *** 1%, ** 5%, * 10%.

Table 3: Random Effect Probit Models, by Gender

Variables	Model 3 β constant α_i variable		Model 4 β variable α_i variable		Model 5 β variable α_i variable	
	Males	Females	Males	Females	Males	Females
<i>Low</i> – $wage_{t-1}$	0.169*** (0.046)	1.751*** (0.071)	0.174*** (0.046)	1.757*** (0.071)	0.174*** (0.046)	1.746*** (0.070)
$\times H_{FRG}$	1.236*** (0.071)	0.078 (0.097)	1.193*** (0.072)	0.059 (0.099)	1.196*** (0.073)	-0.100 (0.099)
<i>Unemployed</i> $_{t-1}$	0.378*** (0.100)	1.186*** (0.067)	0.393*** (0.099)	1.185*** (0.066)	0.393*** (0.100)	1.178*** (0.067)
$\times H_{FRG}$	1.028*** (0.122)	-0.233** (0.098)	0.883*** (0.129)	-0.257** (0.100)	0.884*** (0.129)	-0.298*** (0.104)
<i>Low</i> – $wage_{1980}$	0.382*** (0.053)	0.929*** (0.077)	0.376*** (0.052)	0.905*** (0.075)	0.376*** (0.052)	0.980*** (0.081)
$\times H_{FRG}$	-0.126 (0.117)	-0.413*** (0.119)	-0.129 (0.118)	-0.395*** (0.120)	-0.127 (0.117)	-0.406*** (0.126)
<i>Unemployed</i> $_{1980}$	0.175 (0.301)	0.320*** (0.111)	0.206 (0.285)	0.309*** (0.108)	0.204 (0.286)	0.330*** (0.113)
<i>Individual characteristics</i>						
<i>Age</i> $_{30-40}$	-0.014 (0.044)	-0.029 (0.075)	-0.051 (0.062)	-0.040 (0.048)	-0.050 (0.062)	-0.044 (0.045)
<i>Age</i> $_{40-50}$	0.004 (0.051)	0.037 (0.098)	-0.050 (0.083)	0.004 (0.031)	-0.048 (0.113)	-0.001 (0.007)
$\times H_{FRG}$	-	-	0.055 (0.073)	0.024 (0.078)	0.054 (0.203)	0.029 (0.095)
<i>Age</i> >50	0.152 (0.102)	0.202 (0.130)	0.195 (0.129)	0.267** (0.113)	0.195 (0.221)	0.290** (0.135)
<i>Low</i> – <i>skilled</i>	0.154*** (0.052)	0.066 (0.057)	0.113* (0.067)	0.106 (0.069)	0.113* (0.067)	0.099 (0.070)
$\times H_{FRG}$	-	-	0.154 (0.128)	-0.071 (0.098)	0.154 (0.139)	-0.055 (0.103)
<i>High</i> – <i>skilled</i>	-0.225*** (0.073)	-0.443*** (0.107)	-0.176** (0.081)	-0.467*** (0.134)	-0.176** (0.085)	-0.449*** (0.141)
$\times H_{FRG}$	-	-	-0.241 (0.163)	0.063 (0.185)	-0.239 (0.178)	-0.012 (0.224)
<i>Experience</i> $_{10-30}$	0.009 (0.060)	0.042 (0.072)	0.044 (0.061)	0.027 (0.071)	0.044 (0.106)	0.037 (0.080)
$\times H_{FRG}$	-	-	-0.317 (0.239)	0.127 (0.106)	-0.313 (0.279)	0.153 (0.193)
<i>Experience</i> >30	0.030 (0.103)	0.131 (0.117)	0.119 (0.155)	0.236 (0.148)	0.120 (0.228)	0.328 (0.241)
$\times H_{FRG}$	-	-	-0.396 (0.290)	-0.004 (0.070)	-0.393 (0.419)	-0.086 (0.328)
<i>Interruption</i> $_{length}$	0.008*** (0.002)	0.004** (0.002)	-0.003 (0.003)	0.002 (0.003)	-0.004 (0.003)	0.002 (0.003)
$\times H_{FRG}$	-	-	0.016*** (0.006)	0.004 (0.004)	0.016*** (0.006)	0.004 (0.004)
<i>Interruption</i> $_{number}$	-0.023* (0.012)	0.034** (0.014)	0.010 (0.014)	0.049*** (0.018)	0.010 (0.015)	0.048** (0.019)
$\times H_{FRG}$	-	-	-0.010 (0.032)	-0.024 (0.033)	-0.009 (0.032)	-0.017 (0.035)
<i>Individual means</i>						
$\overline{Experience}_{i,10-30}$	-0.447*** (0.103)	-0.325*** (0.122)	-0.463*** (0.113)	-0.332*** (0.120)	-0.464* (0.243)	-0.352** (0.160)
$\times H_{FRG}$	-	-	0.067 (0.207)	-0.001 (0.020)	0.072 (0.624)	-0.050 (0.314)
$\overline{Experience}_{i,>30}$	-0.651*** (0.152)	-1.294*** (0.223)	-0.655*** (0.156)	-1.181*** (0.226)	-0.657 (0.415)	-1.153*** (0.251)
$\times H_{FRG}$	-	-	-0.008 (0.093)	-0.364 (0.343)	-0.003 (1.145)	-0.508 (0.476)
$\overline{Interruption}_{i,length}$	0.001 (0.003)	0.000 (0.002)	-0.010*** (0.004)	0.004 (0.003)	-0.010*** (0.004)	0.003 (0.003)
$\times H_{FRG}$	-	-	0.052*** (0.010)	-0.007* (0.004)	0.053*** (0.010)	-0.006 (0.004)
$\overline{Interruption}_{i,number}$	0.086*** (0.015)	-0.050*** (0.017)	0.113*** (0.016)	-0.059*** (0.018)	0.113*** (0.016)	-0.058*** (0.019)
$\times H_{FRG}$	-	-	-0.197*** (0.045)	0.012 (0.039)	-0.198*** (0.044)	0.006 (0.041)
<i>Firm related characteristics</i>						
<i>Whitecollar</i>	-0.334*** (0.045)	-0.348*** (0.056)	-0.286*** (0.051)	-0.209*** (0.058)	-0.286*** (0.052)	-0.208*** (0.057)
$\times H_{FRG}$	-	-	-0.182* (0.096)	-0.287*** (0.082)	-0.182* (0.096)	-0.328*** (0.083)
<i>Occupation</i> $_{skilled}$	-0.202*** (0.061)	-0.502*** (0.090)	-0.111 (0.068)	-0.337*** (0.101)	-0.111 (0.068)	-0.336*** (0.100)
$\times H_{FRG}$	-	-	-0.421*** (0.134)	-0.370*** (0.130)	-0.420*** (0.134)	-0.418*** (0.137)
<i>Occupation</i> $_{simple}$	0.066** (0.030)	-0.003 (0.149)	-0.012 (0.036)	-0.136** (0.060)	-0.013 (0.038)	-0.123** (0.059)
$\times H_{FRG}$	-	-	0.194*** (0.067)	0.241*** (0.080)	0.196*** (0.069)	0.226*** (0.082)
<i>Year</i>	✓	✓	✓	✓	✓	✓

Table 3: Random Effect Probit Models, by Gender (continued)

Variables	Model 3 β constant α_i variable		Model 4 β variable α_i variable		Model 5 β variable α_i variable	
	Males	Females	Males	Females	Males	Females
<i>Unobserved heterogeneity</i>						
$\sigma_{GDR,FRG}$	-	-	-	-	-0.009 (0.009)	0.305*** (0.076)
σ_{GDR}^2	0.201*** (0.029)	0.519*** (0.045)	0.189*** (0.029)	0.480*** (0.045)	0.189*** (0.069)	0.494*** (0.119)
σ_{FRG}^2	0.703*** (0.046)	0.624*** (0.055)	0.668*** (0.043)	0.638*** (0.055)	0.666*** (0.134)	0.872** (0.372)
Observations	35847	36178	35847	36178	35847	36178
Log-Lik	-9207.0	-6345.2	-9124.5	-6319.9	-9124.4	-6287.7
AIC	18505.9	12782.4	18372.9	12763.7	18372.8	12677.4

Source: BASiD 2007.

Notes: The table corresponds to Table 6 in the paper: "Changing Fortunes during Economic Transition - Low-Wage Persistence before and after German Unification". Robust standard errors are in parentheses. All estimations contain a constant, the specified Mundlak-Chamberlain device and control for missings in the education variable. Reference age category is age between 20-30. Reference experience category is experience below 10 years. Interruption length (number) refers to the cumulative length (number) of labour market interruptions in months. Reference for white-collar workers are blue-collar workers. Skilled occupations include engineers, professionals and managers whereas simple occupations include simple manual, simple service and simple commercial defined by IAB standards. The low-wage threshold is the first decile. Asterisks next to coefficients indicate significance levels as follows: *** 1%, ** 5%, * 10%.

Table 4: Multinomial Logit Models with Random Effects, Males

Variables	Model 1		Model 2		Model 3	
	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>
<i>Short-run dynamics</i>						
<i>Low</i> – <i>wage</i> _{<i>t</i>–1}	3.029*** (0.148)	1.420*** (0.132)	3.197*** (0.172)	1.015*** (0.141)	2.238*** (0.307)	0.570** (0.275)
× <i>H</i> _{94–96}	-	-	-	-	1.060*** (0.406)	0.837** (0.348)
× <i>H</i> _{97–99}	-	-	-	-	1.918*** (0.439)	0.691* (0.365)
<i>Non</i> – <i>employed</i> _{<i>t</i>–1}	2.401*** (0.153)	1.742*** (0.102)	2.622*** (0.191)	1.583*** (0.117)	1.745*** (0.401)	0.153 (0.275)
× <i>H</i> _{94–96}	-	-	-	-	0.305 (0.480)	0.870*** (0.333)
× <i>H</i> _{97–99}	-	-	-	-	2.062*** (0.501)	2.215*** (0.316)
<i>Initial condition</i>						
<i>Low</i> – <i>wage</i> ₁₉₉₀	0.215 (0.264)	-0.119 (0.135)	0.638* (0.372)	0.107 (0.173)	1.083** (0.482)	0.376 (0.346)
× <i>H</i> _{94–96}	-	-	-	-	-0.240 (0.508)	-0.105 (0.481)
× <i>H</i> _{97–99}	-	-	-	-	-0.832 (0.510)	-0.499 (0.486)
<i>Non</i> – <i>employed</i> ₁₉₉₀	-0.182 (0.343)	-0.024 (0.181)	0.367 (0.446)	-0.079 (0.300)	0.572 (0.849)	1.285** (0.514)
× <i>H</i> _{94–96}	-	-	-	-	0.655 (0.846)	-1.163* (0.627)
× <i>H</i> _{97–99}	-	-	-	-	-1.430 (1.261)	-2.532*** (0.884)
<i>Long-run dynamics</i>						
# <i>Low-wage years</i>						
1 – 3	0.065 (0.151)	-0.043 (0.063)	0.117 (0.180)	-0.058 (0.075)	0.105 (0.265)	-0.018 (0.141)
× <i>H</i> _{94–96}	-	-	-	-	-0.048 (0.292)	-0.090 (0.192)
× <i>H</i> _{97–99}	-	-	-	-	0.101 (0.296)	-0.024 (0.220)
> 3	0.353 (0.298)	0.185 (0.141)	-0.012 (0.455)	0.143 (0.191)	0.838* (0.450)	0.270 (0.313)
× <i>H</i> _{94–96}	-	-	-	-	-1.699*** (0.594)	-0.255 (0.460)
× <i>H</i> _{97–99}	-	-	-	-	-0.839 (0.577)	-0.104 (0.437)
# <i>Interruptions</i>						
<i>Medium</i>	-0.010 (0.378)	0.036 (0.098)	-0.025 (0.172)	-0.002 (0.013)	-0.164 (0.268)	-0.111 (0.145)
× <i>H</i> _{94–96}	-	-	-	-	-0.075 (0.301)	0.049 (0.198)
× <i>H</i> _{97–99}	-	-	-	-	0.415 (0.317)	0.185 (0.207)
<i>High</i>	-0.119 (0.343)	0.034 (0.103)	-0.313 (0.234)	-0.104 (0.099)	-0.498 (0.360)	-0.411** (0.205)
× <i>H</i> _{94–96}	-	-	-	-	0.134 (0.428)	0.213 (0.282)
× <i>H</i> _{97–99}	-	-	-	-	0.391 (0.458)	0.533* (0.282)
<i>Individual characteristics</i>						
<i>Unemployment</i> _{<i>region</i>}	0.034 (0.096)	0.001 (0.074)	0.146 (0.092)	0.130* (0.071)	0.120 (0.095)	0.127* (0.068)
<i>Age</i> _{40–50}	-0.111 (0.131)	-0.082 (0.078)	-0.276 (0.169)	0.008 (0.089)	-0.259* (0.141)	0.026 (0.085)
<i>Age</i> _{>50}	0.183 (0.186)	0.235*** (0.090)	0.023 (0.216)	0.426*** (0.108)	0.003 (0.130)	0.423*** (0.098)
<i>Low</i> – <i>skilled</i>	0.006 (0.477)	0.113 (0.129)	0.037 (0.293)	0.118 (0.133)	0.026 (0.262)	0.106 (0.123)
<i>High</i> – <i>skilled</i>	-0.778** (0.333)	-0.166 (0.106)	-0.956** (0.446)	-0.218 (0.133)	-0.876* (0.447)	-0.186 (0.126)
<i>Experience</i> _{1–3}	-0.368 (0.330)	-2.357*** (0.210)	-1.395*** (0.414)	-2.852*** (0.261)	-1.487*** (0.372)	-3.197*** (0.244)
<i>Experience</i> _{3–5}	-0.737* (0.430)	-2.572*** (0.273)	-2.288*** (0.508)	-2.887*** (0.338)	-2.526*** (0.464)	-3.343*** (0.321)
<i>Experience</i> _{>5}	-1.092** (0.495)	-2.392*** (0.329)	-2.963*** (0.574)	-2.511*** (0.402)	-3.034*** (0.529)	-2.791*** (0.380)
<i>Individual means</i>						
<i>Experience</i> _{<i>i</i>,1–3}	-0.782 (0.483)	-0.938*** (0.267)	0.381 (0.662)	-0.451 (0.362)	0.323 (0.680)	-0.458 (0.364)
<i>Experience</i> _{<i>i</i>,3–5}	-1.333*** (0.483)	-2.575*** (0.255)	-0.450 (0.723)	-3.001*** (0.318)	-0.623 (0.734)	-3.187*** (0.320)
<i>Experience</i> _{<i>i</i>,>5}	-4.493*** (0.486)	-9.562*** (0.299)	-6.328*** (0.797)	-11.593*** (0.349)	-5.890*** (0.780)	-11.473*** (0.344)

Table 4: Multinomial Logit Models with Random Effects, Males (continued)

Variables	Model 1		Model 2		Model 3	
	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>
<i>Firm characteristics</i>						
<i>Size2</i>	-	-	0.533** (0.231)	-	0.516** (0.231)	-
<i>Size3</i>	-	-	0.045 (0.239)	-	0.044 (0.241)	-
<i>Size4</i>	-	-	-0.526** (0.256)	-	-0.515** (0.253)	-
<i>Size5</i>	-	-	-1.117*** (0.311)	-	-1.180*** (0.309)	-
<i>Share_{women}</i>	-	-	4.091*** (0.355)	-	3.994*** (0.349)	-
<i>Share_{low-skilled}</i>	-	-	2.138*** (0.548)	-	2.077*** (0.531)	-
<i>Age_{median}</i>	-	-	0.020*** (0.005)	-	0.021*** (0.005)	-
Controls						
<i>Year</i>	✓	✓	✓	✓	✓	✓
<i>Region</i>	✓	✓	✓	✓	✓	✓
<i>White collar</i>	✓	✓	✓	✓	✓	✓
<i>Occupation</i>	✓	✓	✓	✓	✓	✓
<i>Unobserved heterogeneity</i>						
<i>Variance</i>	2.044*** (0.318)	0.075** (0.032)	4.225*** (0.625)	0.429 (0.264)	3.633*** (0.613)	0.293 (0.184)
<i>Covariance</i>		0.383*** (0.052)		1.346*** (0.271)		1.032*** (0.195)
Observations	17542		16312		16312	
Log-Lik	-6388.2		-5330.5		-5258.8	
AIC	12707.3		10837.0		10757.6	

Source: BASID 2007.

Notes: The table corresponds to Tables 8 and 9 and Figures 4, 5, 6 in the paper: "Changing Fortunes during Economic Transition - Low-Wage Persistence before and after German Unification". Robust standard errors are in parentheses. All estimations contain a constant, the specified Mundlak-Chamberlain device and control for missings in the education variable. The reference category for the years of labour market interruptions differ by gender. For males, the reference is zero labour market interruptions; medium: up to six months; high: more than six months. For females, the reference is zero to 12 months; medium: 12 to 48 months; high: more than 48 months. Reference age category is age between 30-40. Reference experience category is 0 years of labour market experience in the new regime. Size2: 20-49, size3: 50-199, size4: 200-999, size5: >999. Further control variables include: year dummies, regional dummies and occupational (10 occupation and white-collar classification) dummies by IAB standards. The non-employment equation includes lagged dummy variables of white-collar, skilled and simple occupations. Before Unification, the low-wage threshold is the first decile, while after unification two-thirds of the median is used. Asterisks next to coefficients indicate significance levels as follows: *** 1%, ** 5%, * 10%.

Table 5: Multinomial Logit Models with Random Effects, Females

Variables	Model 1		Model 2		Model 3	
	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>
<i>Short-run dynamics</i>						
<i>Low</i> – $wage_{t-1}$	3.846*** (0.129)	1.955*** (0.109)	4.178*** (0.186)	1.758*** (0.132)	3.477*** (0.284)	1.690*** (0.211)
$\times H_{94-96}$	-	-	-	-	0.662* (0.383)	0.051 (0.285)
$\times H_{97-99}$	-	-	-	-	1.751*** (0.451)	0.379 (0.321)
<i>Non</i> – $employed_{t-1}$	2.386*** (0.116)	1.951*** (0.092)	3.144*** (0.200)	1.830*** (0.117)	1.439*** (0.326)	0.185 (0.200)
$\times H_{94-96}$	-	-	-	-	1.522*** (0.428)	1.212*** (0.245)
$\times H_{97-99}$	-	-	-	-	3.410*** (0.463)	2.843*** (0.255)
<i>Initial condition</i>						
<i>Low</i> – $wage_{1990}$	-0.007 (0.132)	-0.120 (0.091)	0.405* (0.243)	0.073 (0.125)	0.597* (0.329)	0.029 (0.188)
$\times H_{94-96}$	-	-	-	-	0.314 (0.368)	0.402 (0.258)
$\times H_{97-99}$	-	-	-	-	-0.757 (0.468)	-0.230 (0.335)
<i>Non</i> – $employed_{1990}$	0.002 (0.053)	0.128 (0.113)	0.359 (0.446)	0.149 (0.218)	0.688 (0.608)	1.277*** (0.259)
$\times H_{94-96}$	-	-	-	-	0.533 (0.686)	-0.989** (0.495)
$\times H_{97-99}$	-	-	-	-	-1.011 (0.830)	-1.599*** (0.499)
<i>Long-run dynamics</i>						
# <i>Low-wage years</i>						
1 – 3	0.099 (0.119)	-0.005 (0.060)	-0.124 (0.208)	-0.056 (0.091)	0.013 (0.342)	0.158 (0.132)
$\times H_{94-96}$	-	-	-	-	-0.189 (0.388)	-0.054 (0.190)
$\times H_{97-99}$	-	-	-	-	-0.294 (0.416)	-0.602** (0.244)
> 3	0.599*** (0.169)	0.263*** (0.100)	0.504* (0.302)	0.197 (0.130)	0.576 (0.389)	-0.048 (0.191)
$\times H_{94-96}$	-	-	-	-	-0.259 (0.364)	0.204 (0.266)
$\times H_{97-99}$	-	-	-	-	0.045 (0.485)	0.514 (0.323)
# <i>Interruptions</i>						
<i>Medium</i>						
	0.029 (0.110)	0.039 (0.060)	0.033 (0.202)	0.039 (0.076)	0.041 (0.262)	0.145 (0.136)
$\times H_{94-96}$	-	-	-	-	0.048 (0.331)	0.091 (0.183)
$\times H_{97-99}$	-	-	-	-	-0.085 (0.358)	-0.327 (0.241)
<i>High</i>	-0.102 (0.145)	0.030 (0.081)	0.380 (0.278)	0.050 (0.110)	0.639* (0.364)	-0.035 (0.218)
$\times H_{94-96}$	-	-	-	-	-0.185 (0.409)	0.269 (0.286)
$\times H_{97-99}$	-	-	-	-	-0.673 (0.520)	0.015 (0.470)
<i>Individual characteristics</i>						
<i>Unemployment</i> _{region}	-0.099 (0.179)	-0.056 (0.081)	-0.162 (0.125)	0.150 (0.154)	-0.140 (0.105)	0.155** (0.074)
<i>Age</i> ₄₀₋₅₀	-0.262** (0.106)	-0.231*** (0.072)	-0.521*** (0.172)	-0.156* (0.089)	-0.487*** (0.169)	-0.112 (0.086)
<i>Age</i> _{>50}	-0.075 (0.138)	0.132* (0.080)	-0.239 (0.220)	0.313*** (0.101)	-0.249 (0.211)	0.284*** (0.095)
<i>Low</i> – <i>skilled</i>	-0.038 (0.123)	0.022 (0.068)	0.159 (0.210)	0.039 (0.087)	0.157 (0.203)	0.022 (0.084)
<i>High</i> – <i>skilled</i>	-0.697*** (0.261)	-0.087 (0.092)	-1.420*** (0.400)	-0.162 (0.114)	-1.289*** (0.386)	-0.130 (0.106)
<i>Experience</i> ₁₋₃	0.174 (0.278)	-1.874*** (0.170)	-0.796** (0.364)	-2.312*** (0.254)	-1.278*** (0.333)	-2.848*** (0.213)
<i>Experience</i> ₃₋₅	-0.063 (0.368)	-1.970*** (0.224)	-1.428*** (0.483)	-2.180*** (0.355)	-1.873*** (0.427)	-2.719*** (0.269)
<i>Experience</i> _{>5}	-0.598 (0.403)	-1.809*** (0.276)	-2.305*** (0.573)	-1.672*** (0.442)	-2.442*** (0.494)	-1.932*** (0.312)
<i>Individual means</i>						
$\overline{Experience}_{i,1-3}$	-2.108*** (0.454)	-0.517** (0.235)	-1.586*** (0.573)	-0.589* (0.305)	-1.517*** (0.554)	-0.587** (0.288)
$\overline{Experience}_{i,3-5}$	-2.303*** (0.474)	-1.979*** (0.242)	-2.263*** (0.610)	-2.825*** (0.287)	-2.314*** (0.595)	-3.059*** (0.270)
$\overline{Experience}_{i,>5}$	-2.835*** (0.470)	-8.040*** (0.276)	-5.361*** (0.664)	-10.244*** (0.299)	-4.888*** (0.627)	-10.238*** (0.286)

Table 5: Multinomial Logit Models with Random Effects, Females (continued)

Variables	Model 1		Model 2		Model 3	
	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>
<i>Firm characteristics</i>						
<i>Size2</i>	-	-	0.960*** (0.240)	-	0.902*** (0.238)	-
<i>Size3</i>	-	-	0.159 (0.233)	-	0.164 (0.226)	-
<i>Size4</i>	-	-	-0.763*** (0.254)	-	-0.806*** (0.248)	-
<i>Size5</i>	-	-	-1.612*** (0.370)	-	-1.689*** (0.365)	-
<i>Share_{women}</i>	-	-	6.284*** (0.322)	-	6.182*** (0.323)	-
<i>Share_{low-skilled}</i>	-	-	3.055*** (0.659)	-	3.010*** (0.630)	-
<i>Medianage</i>	-	-	0.010* (0.006)	-	0.012** (0.006)	-
Controls						
<i>Year</i>	✓	✓	✓	✓	✓	✓
<i>Region</i>	✓	✓	✓	✓	✓	✓
<i>White collar</i>	✓	✓	✓	✓	✓	✓
<i>Occupation</i>	✓	✓	✓	✓	✓	✓
<i>Unobserved heterogeneity</i>						
Variance	1.458*** (0.246)	0.114*** (0.036)	4.525*** (0.508)	0.357* (0.184)	3.910*** (0.500)	0.241** (0.121)
Covariance		0.408*** (0.038)		1.270*** (0.195)		0.971*** (0.123)
Observations	18011		16465		16465	
Log-Lik	-8236.1		-5748.2		-5630.3	
AIC	16638.2		11672.5		11500.5	

Source: BASID 2007.

Notes: The table corresponds to Tables 8 and 9 and Figures 4, 5, 6 in the paper: "Changing Fortunes during Economic Transition - Low-Wage Persistence before and after German Unification". Robust standard errors are in parentheses. All estimations contain a constant, the specified Mundlak-Chamberlain device and control for missings in the education variable. The reference category for the years of labour market interruptions differ by gender. For males, the reference is zero labour market interruptions; medium: up to six months; high: more than six months. For females, the reference is zero to 12 months; medium: 12 to 48 months; high: more than 48 months. Reference age category is age between 30-40. Reference experience category is 0 years of labour market experience in the new regime. Size2: 20-49, size3: 50-199, size4: 200-999, size5: >999. Further control variables include: year dummies, regional dummies and occupational (10 occupation and white-collar classification) dummies by IAB standards. The non-employment equation includes lagged dummy variables of white-collar, skilled and simple occupations. Before Unification, the low-wage threshold is the first decile, while after unification two-thirds of the median is used. Asterisks next to coefficients indicate significance levels as follows: *** 1%, ** 5%, * 10%.

Table 6: Multinomial Logit Models with Random Effects for Skilled Individuals, by Gender

Variables	Model 1				Model 2			
	Males		Females		Males		Females	
	Low-wage	Non-empl.	Low-wage	Non-empl.	Low-wage	Non-empl.	Low-wage	Non-empl.
<i>Short-run dynamics</i>								
<i>Low - wage_{t-1}</i>	3.283*** (0.191)	1.169*** (0.160)	4.090*** (0.208)	1.735*** (0.153)	2.290*** (0.330)	0.605** (0.286)	3.516*** (0.322)	1.672*** (0.251)
× <i>H₉₄₋₉₆</i>	-	-	-	-	1.080** (0.449)	0.861** (0.376)	0.606 (0.439)	0.057 (0.340)
× <i>H₉₇₋₉₉</i>	-	-	-	-	1.970*** (0.484)	0.999** (0.389)	1.572*** (0.524)	0.339 (0.379)
<i>Non - employed_{t-1}</i>	2.471*** (0.210)	1.578*** (0.134)	3.192*** (0.237)	1.767*** (0.120)	1.542*** (0.448)	0.041 (0.283)	1.354*** (0.383)	0.131 (0.232)
× <i>H₉₄₋₉₆</i>	-	-	-	-	0.408 (0.539)	1.008*** (0.343)	1.676*** (0.512)	1.199*** (0.289)
× <i>H₉₇₋₉₉</i>	-	-	-	-	2.051*** (0.557)	2.371*** (0.326)	3.501*** (0.546)	2.756*** (0.296)
<i>Initial condition</i>								
<i>Low - wage₁₉₉₀</i>	0.592 (0.364)	0.113 (0.169)	0.421 (0.288)	0.105 (0.146)	1.024** (0.500)	0.468 (0.361)	0.369 (0.384)	0.123 (0.203)
× <i>H₉₄₋₉₆</i>	-	-	-	-	-0.211 (0.533)	-0.199 (0.518)	0.816** (0.402)	0.436 (0.290)
× <i>H₉₇₋₉₉</i>	-	-	-	-	-0.858 (0.576)	-0.634 (0.530)	-0.478 (0.624)	-0.417 (0.394)
<i>Non - employed₁₉₉₀</i>	0.081 (0.636)	-0.182 (0.342)	-0.215 (0.516)	-0.070 (0.268)	0.595 (0.994)	0.979* (0.581)	0.624 (0.642)	1.169*** (0.303)
× <i>H₉₄₋₉₆</i>	-	-	-	-	0.408 (1.047)	-0.661 (0.679)	-0.483 (-1.659)	-1.393** (0.608)
× <i>H₉₇₋₉₉</i>	-	-	-	-	-1.785 (1.519)	-2.378** (0.987)	-1.659* (0.871)	-1.691*** (0.582)
<i>Long-run dynamics</i>								
<i># Low-wage years</i>								
1 - 3	0.116 (0.190)	-0.091 (0.080)	0.119 (0.232)	-0.037 (0.110)	0.204 (0.270)	0.056 (0.139)	0.041 (0.337)	0.043 (0.150)
× <i>H₉₄₋₉₆</i>	-	-	-	-	-0.194 (0.309)	-0.216 (0.192)	0.015 (0.347)	0.071 (0.222)
× <i>H₉₇₋₉₉</i>	-	-	-	-	-0.032 (0.311)	-0.187 (0.200)	0.151 (0.448)	-0.307 (0.282)
> 3	-0.030 (0.399)	0.099 (0.194)	0.618 (0.393)	0.161 (0.171)	1.075** (0.544)	0.438 (0.334)	0.559 (0.471)	-0.082 (0.241)
× <i>H₉₄₋₉₆</i>	-	-	-	-	-2.258*** (0.618)	-0.480 (0.513)	-0.163 (0.399)	0.102 (0.333)
× <i>H₉₇₋₉₉</i>	-	-	-	-	-1.207* (0.655)	-0.518 (0.476)	0.376 (0.464)	0.637 (0.388)
<i># Interruptions</i>								
<i>Medium</i>								
	-0.067 (0.202)	0.021 (0.087)	-0.077 (0.221)	0.018 (0.091)	-0.104 (0.307)	-0.119 (0.148)	-0.176 (0.280)	0.122 (0.134)
× <i>H₉₄₋₉₆</i>	-	-	-	-	-0.179 (0.347)	0.033 (0.208)	0.073 (0.341)	0.066 (0.202)
× <i>H₉₇₋₉₉</i>	-	-	-	-	0.306 (0.354)	0.265 (0.217)	0.218 (0.378)	-0.274 (0.232)
<i>High</i>								
	-0.131 (0.280)	-0.057 (0.123)	0.293 (0.328)	0.038 (0.139)	-0.331 (0.406)	-0.363* (0.216)	0.570 (0.419)	-0.061 (0.189)
× <i>H₉₄₋₉₆</i>	-	-	-	-	0.223 (0.462)	0.215 (0.301)	-0.220 (0.473)	0.370 (0.294)
× <i>H₉₇₋₉₉</i>	-	-	-	-	0.324 (0.500)	0.511* (0.301)	-0.787 (0.524)	-0.058 (0.344)
<i>Individual characteristics</i>								
<i>Unemployment_{region}</i>								
	0.132 (0.160)	0.164 (0.123)	-0.041 (0.115)	0.133*** (0.039)	0.081 (0.089)	0.128 (0.079)	-0.135 (0.112)	0.121 (0.075)
<i>Age₄₀₋₅₀</i>	-0.228 (0.188)	-0.007 (0.088)	-0.284 (0.197)	-0.031 (0.099)	-0.224 (0.170)	0.012 (0.094)	-0.272 (0.184)	-0.011 (0.089)
<i>Age_{>50}</i>	0.051 (0.261)	0.407*** (0.112)	0.048 (0.264)	0.377*** (0.117)	0.012 (0.193)	0.397*** (0.110)	0.043 (0.238)	0.347*** (0.106)
<i>High - skilled</i>	-0.551 (0.436)	-0.187 (0.133)	-1.353*** (0.385)	-0.162 (0.116)	-0.492 (0.420)	-0.161 (0.126)	-1.232*** (0.381)	-0.120 (0.109)
<i>Experience₁₋₃</i>	-1.536*** (0.580)	-2.802*** (0.348)	-0.642 (0.400)	-2.240*** (0.243)	-1.763*** (0.415)	-3.244*** (0.259)	-1.273*** (0.390)	-2.858*** (0.253)
<i>Experience₃₋₅</i>	-2.416*** (0.702)	-2.736*** (0.441)	-1.196** (0.522)	-2.012*** (0.297)	-2.861*** (0.528)	-3.290*** (0.344)	-1.786*** (0.511)	-2.628*** (0.312)
<i>Experience_{>5}</i>	-3.015*** (0.787)	-2.274*** (0.516)	-1.973*** (0.593)	-1.522*** (0.349)	-3.353*** (0.592)	-2.658*** (0.411)	-2.254*** (0.587)	-1.867*** (0.357)
<i>Individual means</i>								
<i>Experience_{i,1-3}</i>	0.793 (0.784)	-0.213 (0.383)	-1.006 (0.693)	-0.465 (0.351)	0.722 (0.774)	-0.284 (0.382)	-1.037 (0.682)	-0.454 (0.340)
<i>Experience_{i,3-5}</i>	0.295 (0.832)	-2.831*** (0.337)	-2.118*** (0.736)	-2.726*** (0.333)	0.240 (0.841)	-3.072*** (0.340)	-2.282*** (0.720)	-2.945*** (0.315)
<i>Experience_{i,>5}</i>	-6.033*** (0.930)	-11.611*** (0.370)	-4.821*** (0.788)	-10.291*** (0.356)	-5.471*** (0.908)	-11.471*** (0.360)	-4.422*** (0.763)	-10.274*** (0.340)

Table 6: Multinomial Logit Models with Random Effects for Skilled Individuals, by Gender (continued)

Variables	Model 1				Model 2			
	Males		Females		Males		Females	
	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>
<i>Firm characteristics</i>								
<i>Size2</i>	0.454* (0.248)	-	0.743*** (0.288)	-	0.450* (0.250)	-	0.686** (0.289)	-
<i>Size3</i>	-0.074 (0.261)	-	0.161 (0.264)	-	-0.062 (0.260)	-	0.171 (0.256)	-
<i>Size4</i>	-0.700** (0.280)	-	-0.954*** (0.294)	-	-0.664** (0.278)	-	-0.984*** (0.289)	-
<i>Size5</i>	-1.145*** (0.339)	-	-2.220*** (0.458)	-	-1.178*** (0.340)	-	-2.238*** (0.443)	-
<i>Sharewomen</i>	4.296*** (0.394)	-	6.042*** (0.375)	-	4.167*** (0.388)	-	5.961*** (0.380)	-
<i>Share_{low-skilled}</i>	1.612*** (0.617)	-	2.851*** (0.857)	-	1.575*** (0.598)	-	2.830*** (0.803)	-
<i>Medianage</i>	0.018*** (0.005)	-	0.014** (0.006)	-	0.019*** (0.005)	-	0.015** (0.006)	-
<i>Controls</i>								
<i>Year</i>	✓	✓	✓	✓	✓	✓	✓	✓
<i>Region</i>	✓	✓	✓	✓	✓	✓	✓	✓
<i>White collar</i>	✓	✓	✓	✓	✓	✓	✓	✓
<i>Occupation</i>	✓	✓	✓	✓	✓	✓	✓	✓
<i>Unobserved heterogeneity</i>								
Variance	4.222*** (0.639)	0.385 (0.243)	4.984*** (0.700)	0.369 (0.244)	3.643*** (0.619)	0.240 (0.152)	4.311*** (0.695)	0.253 (0.172)
Covariance		1.275*** (0.293)		1.356*** (0.235)		0.935*** (0.192)		1.043*** (0.168)
Observations	14327		11778		14327		11778	
Log-Lik	-4524.2		-4195.0		-4459.9		-4112.2	
AIC	9216.4		8558.1		9151.9		8456.4	

Source: BASiD 2007.

Notes: The table corresponds to Figure 7 in the paper: "Changing Fortunes during Economic Transition - Low-Wage Persistence before and after German Unification". Robust standard errors are in parentheses. All estimations contain a constant, the specified Mundlak-Chamberlain device and control for missings in the education variable. The reference category for the years of labour market interruptions differ by gender. For males, the reference is zero labour market interruptions; medium: up to six months; high: more than six months. For females, the reference is zero to 12 months; medium: 12 to 48 months; high: more than 48 months. Reference age category is age between 30-40. Reference experience category is 0 years of labour market experience in the new regime. Size2: 20-49, size3: 50-199, size4: 200-999, size5: >999. Further control variables include: year dummies, regional dummies and occupational (10 occupation and white-collar classification) dummies by IAB standrads. The non-employment equation includes lagged dummy variables of white-collar, skilled and simple occupations. Before Unification, the low-wage threshold is the first decile, while after unification two-thirds of the median is used. Asterisks next to coefficients indicate significance levels as follows: *** 1%, ** 5%, * 10%.

Table 7: Multinomial Logit Models with Random Effects, Sector Robustness Check, by Gender

Variables	Model 1				Model 2			
	Males		Females		Males		Females	
	Low-wage	Non-empl.	Low-wage	Non-empl.	Low-wage	Non-empl.	Low-wage	Non-empl.
<i>Short-run dynamics</i>								
<i>Low - wage</i> _{t-1}	3.042*** (0.267)	0.777*** (0.215)	4.516*** (0.263)	1.694*** (0.196)	2.116*** (0.496)	0.289 (0.372)	3.360*** (0.376)	1.489*** (0.294)
× <i>H</i> ₉₄₋₉₆	-	-	-	-	1.256** (0.603)	1.223** (0.512)	1.240** (0.513)	0.121 (0.400)
× <i>H</i> ₉₇₋₉₉	-	-	-	-	1.773** (0.704)	0.768 (0.499)	3.200*** (0.600)	1.074** (0.485)
<i>Non - employed</i> _{t-1}	3.195*** (0.299)	1.794*** (0.181)	3.172*** (0.271)	1.628*** (0.145)	2.553*** (0.554)	0.520 (0.350)	1.307*** (0.407)	-0.030 (0.246)
× <i>H</i> ₉₄₋₉₆	-	-	-	-	0.213 (0.699)	0.642 (0.433)	2.077*** (0.433)	1.392*** (0.316)
× <i>H</i> ₉₇₋₉₉	-	-	-	-	1.972*** (0.721)	2.494*** (0.454)	4.251*** (0.649)	3.167*** (0.354)
<i>Initial condition</i>								
<i>Low - wage</i> ₁₉₉₀	0.022 (0.499)	-0.197 (0.234)	0.117 (0.304)	0.063 (0.154)	0.371 (0.820)	-0.013 (0.400)	0.558 (0.415)	-0.021 (0.236)
× <i>H</i> ₉₄₋₉₆	-	-	-	-	0.401 (0.826)	0.285 (0.643)	-0.055 (0.490)	0.521 (0.347)
× <i>H</i> ₉₇₋₉₉	-	-	-	-	-0.059 (0.882)	-0.333 (0.620)	-1.197** (0.585)	-0.190 (0.430)
<i>Non - employed</i> ₁₉₉₀	1.131** (0.538)	0.271 (0.349)	-0.082 (0.623)	0.121 (0.267)	1.158 (1.011)	1.055 (0.662)	0.140 (0.724)	1.084*** (0.311)
× <i>H</i> ₉₄₋₉₆	-	-	-	-	0.814 (0.996)	-0.648 (0.776)	1.045 (0.783)	-0.537 (0.537)
× <i>H</i> ₉₇₋₉₉	-	-	-	-	-0.825 (1.763)	-1.346 (1.011)	-1.046 (0.846)	-1.385*** (0.494)
<i>Long-run dynamics</i>								
# <i>Low-wage years</i>								
1 - 3	0.245 (0.279)	0.051 (0.117)	-0.067 (0.250)	-0.013 (0.128)	0.340 (0.389)	0.099 (0.151)	0.005 (0.097)	0.041 (0.153)
× <i>H</i> ₉₄₋₉₆	-	-	-	-	-0.203 (0.417)	-0.129 (0.225)	-0.059 (0.401)	0.050 (0.272)
× <i>H</i> ₉₇₋₉₉	-	-	-	-	0.223 (0.428)	0.002 (0.088)	-0.192 (0.410)	-0.317 (0.320)
> 3	-0.441 (0.546)	-0.071 (0.266)	0.062 (0.457)	0.074 (0.181)	0.757 (0.667)	0.237 (0.414)	0.496 (0.515)	-0.066 (0.287)
× <i>H</i> ₉₄₋₉₆	-	-	-	-	-2.325*** (0.884)	-0.781 (0.658)	-0.996** (0.453)	0.087 (0.395)
× <i>H</i> ₉₇₋₉₉	-	-	-	-	-0.985 (1.001)	-0.204 (0.579)	-0.427 (0.561)	0.343 (0.432)
# <i>Interruptions</i>								
<i>Medium</i>	-0.419 (0.282)	-0.098 (0.125)	0.156 (0.253)	0.095 (0.113)	-0.281 (0.404)	-0.232 (0.201)	0.199 (0.329)	0.192 (0.163)
× <i>H</i> ₉₄₋₉₆	-	-	-	-	-0.424 (0.466)	-0.107 (0.290)	-0.048 (0.437)	0.171 (0.254)
× <i>H</i> ₉₇₋₉₉	-	-	-	-	0.262 (0.497)	0.388 (0.312)	-0.189 (0.440)	-0.426 (0.283)
<i>High</i>	-0.199 (0.340)	-0.034 (0.170)	0.740** (0.342)	0.227 (0.152)	0.050 (0.558)	-0.309 (0.290)	0.852* (0.438)	-0.215 (0.209)
× <i>H</i> ₉₄₋₉₆	-	-	-	-	-0.560 (0.587)	0.072 (0.404)	0.096 (0.484)	0.799** (0.333)
× <i>H</i> ₉₇₋₉₉	-	-	-	-	-0.170 (0.629)	0.550 (0.410)	-0.562 (0.521)	0.499 (0.368)
<i>Individual characteristics</i>								
<i>Unemployment</i> _{region}	0.110 (0.124)	0.213*** (0.080)	-0.275** (0.114)	0.132 (0.082)	0.147 (0.126)	0.234*** (0.085)	-0.319*** (0.120)	0.129 (0.083)
<i>Age</i> ₄₀₋₅₀	-0.576** (0.249)	-0.015 (0.136)	-0.506** (0.221)	-0.112 (0.121)	-0.554** (0.267)	0.038 (0.136)	-0.424** (0.211)	-0.055 (0.116)
<i>Age</i> _{>50}	-0.421 (0.323)	0.241 (0.172)	-0.151 (0.264)	0.306** (0.144)	-0.361 (0.335)	0.289* (0.167)	-0.120 (0.251)	0.300** (0.132)
<i>Low - skilled</i>	0.033 (0.373)	0.029 (0.185)	0.244 (0.250)	0.194 (0.145)	-0.107 (0.358)	-0.026 (0.175)	0.146 (0.247)	0.159 (0.134)
<i>High - skilled</i>	-1.056* (0.570)	-0.265 (0.192)	-0.758 (0.514)	-0.038 (0.150)	-1.197** (0.547)	-0.233 (0.178)	-1.015** (0.468)	-0.044 (0.138)
<i>Experience</i> ₁₋₃	-0.680 (0.571)	-2.217*** (0.353)	-0.879** (0.445)	-2.183*** (0.271)	-0.539 (0.565)	-2.522*** (0.337)	-1.353*** (0.426)	-2.725*** (0.268)
<i>Experience</i> ₃₋₅	-1.063 (0.690)	-2.130*** (0.473)	-1.581*** (0.585)	-2.150*** (0.348)	-1.021 (0.702)	-2.494*** (0.439)	-1.838*** (0.566)	-2.528*** (0.341)
<i>Experience</i> _{>5}	-1.866** (0.792)	-1.628*** (0.590)	-2.319*** (0.682)	-1.326*** (0.426)	-1.767** (0.794)	-1.738*** (0.559)	-2.205*** (0.657)	-1.375*** (0.401)
<i>Individual means</i>								
<i>Experience</i> _{i,1-3}	-1.285 (0.971)	-1.034** (0.518)	-1.300* (0.720)	-0.594 (0.374)	-1.344 (0.969)	-0.946* (0.502)	-1.341* (0.706)	-0.788** (0.357)
<i>Experience</i> _{i,3-5}	-2.723*** (0.983)	-3.555*** (0.456)	-1.781** (0.802)	-2.360*** (0.368)	-2.681*** (1.003)	-3.682*** (0.432)	-2.052** (0.810)	-2.903*** (0.349)
<i>Experience</i> _{i,>5}	-7.620*** (1.219)	-12.965*** (0.582)	-6.369*** (0.912)	-11.577*** (0.421)	-6.186*** (1.154)	-12.445*** (0.515)	-5.675*** (0.874)	-11.623*** (0.395)

Table 7: Multinomial Logit Models with Random Effects, Sector robustness check, by Gender (continued)

Variables	Model 1				Model 2			
	Males		Females		Males		Females	
	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>
<i>Firm characteristics</i>								
<i>Size2</i>	0.370 (0.349)	-	0.359 (0.328)	-	0.333 (0.350)	-	0.297 (0.323)	-
<i>Size3</i>	-0.150 (0.385)	-	-0.292 (0.289)	-	-0.102 (0.364)	-	-0.247 (0.287)	-
<i>Size4</i>	-0.534 (0.388)	-	-1.170*** (0.348)	-	-0.471 (0.388)	-	-1.256*** (0.338)	-
<i>Size5</i>	-0.217 (0.462)	-	-2.594*** (0.584)	-	-0.210 (0.457)	-	-2.593*** (0.584)	-
<i>Share_{women}</i>	3.262*** (0.471)	-	6.210*** (0.463)	-	3.432*** (0.479)	-	6.018*** (0.448)	-
<i>Share_{low-skilled}</i>	1.713* (0.874)	-	3.325*** (0.683)	-	1.443 (0.889)	-	3.062*** (0.701)	-
<i>Medianage</i>	0.029*** (0.007)	-	0.008 (0.008)	-	0.027*** (0.008)	-	0.011 (0.008)	-
<i>Controls</i>								
<i>Year</i>	✓	✓	✓	✓	✓	✓	✓	✓
<i>Region</i>	✓	✓	✓	✓	✓	✓	✓	✓
<i>White collar</i>	✓	✓	✓	✓	✓	✓	✓	✓
<i>Occupation</i>	✓	✓	✓	✓	✓	✓	✓	✓
<i>Unobserved heterogeneity</i>								
Variance	5.406*** (0.908)	0.572 (0.480)	4.298*** (0.663)	0.373 (0.243)	5.150*** (1.165)	0.331 (0.361)	3.596*** (0.699)	0.208 (0.150)
Covariance		1.758*** (0.570)		1.267*** (0.268)		1.305*** (0.397)		0.866*** (0.162)
Observations		7652		10260		7652		10260
Log-Lik		-2342.7		-3027.0		-2302.4		-2932.0
AIC		4843.5		6212.0		4826.8		6086.1

Source: BASiD 2007.

Notes: The table corresponds to the section on structural change on the sectoral level in the paper: "Changing Fortunes during Economic Transition - Low-Wage Persistence before and after German Unification". Robust standard errors are in parentheses. All estimations contain a constant, the specified Mundlak-Chamberlain device and control for missings in the education variable. The reference category for the years of labour market interruptions differ by gender. For males, the reference is zero labour market interruptions; medium: up to six months; high: more than six months. For females, the reference is zero to 12 months; medium: 12 to 48 months; high: more than 48 months. Reference age category is age between 30-40. Reference experience category is 0 years of labour market experience in the new regime. Size2: 20-49, size3: 50-199, size4: 200-999, size5: >999. Further control variables include: year dummies, regional dummies and occupational (10 occupation and white-collar classification) dummies by IAB standards. The non-employment equation includes lagged dummy variables of white-collar, skilled and simple occupations. Before Unification, the low-wage threshold is the first decile, while after unification two-thirds of the median is used. Asterisks next to coefficients indicate significance levels as follows: *** 1%, ** 5%, * 10%.

Table 8: Multinomial Logit Models with Random Effects, Seperate Estimation by Sub-periods, Males

Variables	1991-1993		1994-1996		1997-1999	
	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>	<i>Low-wage</i>	<i>Non-empl.</i>
<i>Short-run dynamics</i>						
<i>Low – wage_{t-1}</i>	2.132*** (0.287)	2.122*** (0.424)	2.456*** (0.453)	1.142*** (0.328)	2.518*** (0.590)	0.151 (0.388)
<i>Non – employed_{t-1}</i>	3.390*** (0.474)	-1.979** (0.868)	1.691*** (0.384)	1.266*** (0.267)	2.754*** (0.501)	1.525*** (0.265)
<i>Initial condition</i>						
<i>Low – wage₁₉₉₀</i>	0.535 (0.369)	0.278 (0.509)	4.478*** (0.805)	1.339** (0.581)	7.028*** (0.881)	2.862*** (0.532)
<i>Non – employed₁₉₉₀</i>	-0.740 (0.958)	3.214*** (1.107)	0.850 (0.519)	-0.817** (0.312)	3.728*** (0.723)	1.183*** (0.428)
<i>Long-run dynamics</i>						
<i># Low-wage years</i>						
1 – 3	0.054 (0.210)	-0.011 (0.215)	-0.062 (0.263)	-0.011 (0.169)	0.031 (0.283)	0.010 (0.128)
> 3	0.765** (0.372)	0.047 (0.479)	-1.105* (0.658)	0.318 (0.385)	0.277 (0.623)	0.311 (0.405)
<i># Interruptions</i>						
<i>Medium</i>	-0.089 (0.235)	0.398 (0.249)	-0.032 (0.289)	0.096 (0.175)	0.507* (0.295)	0.197 (0.174)
<i>High</i>	-0.145 (0.315)	0.073 (0.333)	0.071 (0.378)	0.152 (0.230)	0.003 (0.149)	0.214 (0.205)
Controls						
Individual characteristics	✓	✓	✓	✓	✓	✓
Individual means	✓	✓	✓	✓	✓	✓
Firm characteristics	✓	✓	✓	✓	✓	✓
Year	✓	✓	✓	✓	✓	✓
Region	✓	✓	✓	✓	✓	✓
White collar	✓	✓	✓	✓	✓	✓
Occupation	✓	✓	✓	✓	✓	✓
<i>Unobserved heterogeneity</i>						
Variance	1.604*** (0.584)	5.618 (4.015)	6.585*** (1.551)	2.241 (3.045)	11.896*** (1.784)	3.860 (5.054)
Covariance		-3.002 (2.576)		3.842 (2.369)		6.777* (4.021)
Observations	6235		5789		5469	
Log-Lik	-1528.0		-1823.3		-2067.9	
AIC	3199.9		3790.7		4279.9	

Source: BASiD 2007.

Notes: The table corresponds to Table 9 and Figures 4, 5, 6 in the paper: "Changing Fortunes during Economic Transition - Low-Wage Persistence before and after German Unification". Robust standard errors are in parentheses. All estimations contain a constant, the specified Mundlak-Chamberlain device and control for missings in the education variable. The reference category for the years of labour market interruptions differ by gender. For males, the reference is zero labour market interruptions; medium: up to six months; high: more than six months. For females, the reference is zero to 12 months; medium: 12 to 48 months; high: more than 48 months. Reference age category is age between 30-40. Reference experience category is 0 years of labour market experience in the new regime. Size2: 20-49, size3: 50-199, size4: 200-999, size5: >999. Further control variables include: year dummies, regional dummies and occupational (10 occupation and white-collar classification) dummies by IAB standards. The non-employment equation includes lagged dummy variables of white-collar, skilled and simple occupations. Before Unification, the low-wage threshold is the first decile, while after unification two-thirds of the median is used. Asterisks next to coefficients indicate significance levels as follows: *** 1%, ** 5%, * 10%.

Table 9: Multinomial Logit Models with Random Effects, Separate Estimation by Sub-periods, Females

Variables	1991-1993		1994-1996		1997-1999	
	Low-wage	Non-empl.	Low-wage	Non-empl.	Low-wage	Non-empl.
<i>Short-run dynamics</i>						
<i>Low</i> – $wage_{t-1}$	3.355*** (0.321)	1.896*** (0.254)	3.515*** (0.467)	1.506*** (0.300)	4.009*** (0.699)	0.639 (0.427)
<i>Non</i> – $employed_{t-1}$	0.541 (0.393)	-0.556* (0.322)	2.447*** (0.467)	1.715*** (0.198)	3.656*** (0.574)	2.040*** (0.277)
<i>Initial condition</i>						
<i>Low</i> – $wage_{1990}$	0.752** (0.364)	0.433 (0.270)	4.898*** (0.745)	1.040*** (0.369)	6.978*** (0.923)	3.830*** (0.635)
<i>Non</i> – $employed_{1990}$	0.855 (0.689)	1.317*** (0.372)	1.963*** (0.633)	-0.820*** (0.261)	3.461*** (0.811)	1.812*** (0.501)
<i>Long-run dynamics</i>						
# <i>Low-wage years</i>						
1 – 3	0.211 (0.299)	0.458** (0.177)	0.063 (0.332)	0.161 (0.169)	-0.124 (0.425)	-0.175 (0.264)
> 3	0.715** (0.356)	-0.004 (0.147)	0.668 (0.444)	0.437* (0.230)	1.278** (0.518)	1.010** (0.395)
# <i>Interruptions</i>						
<i>Medium</i>	0.110 (0.251)	0.097 (0.144)	0.173 (0.311)	0.075 (0.146)	-0.309 (0.362)	-0.311 (0.224)
<i>High</i>	0.871** (0.356)	0.304 (0.206)	0.304 (0.404)	0.292 (0.198)	-0.570 (0.467)	-0.222 (0.313)
Controls						
Individual characteristics	✓	✓	✓	✓	✓	✓
Individual means	✓	✓	✓	✓	✓	✓
Firm characteristics	✓	✓	✓	✓	✓	✓
Year	✓	✓	✓	✓	✓	✓
Region	✓	✓	✓	✓	✓	✓
White collar	✓	✓	✓	✓	✓	✓
Occupation	✓	✓	✓	✓	✓	✓
<i>Unobserved heterogeneity</i>						
Variance	4.783*** (1.230)	1.182 (1.389)	9.350*** (1.423)	1.475 (1.660)	13.320*** (1.671)	5.440 (6.437)
Covariance		2.378 (1.287)		3.714*** (1.374)		8.512 (5.774)
Observations	6593		5944		5418	
Log-Lik	-1844.9		-2044.2		-1780.2	
AIC	3833.9		4232.4		3704.4	

Source: BASiD 2007.

Notes: The table corresponds to Table 9 and Figures 4, 5, 6 in the paper: "Changing Fortunes during Economic Transition - Low-Wage Persistence before and after German Unification". Robust standard errors are in parentheses. All estimations contain a constant, the specified Mundlak-Chamberlain device and control for missings in the education variable. The reference category for the years of labour market interruptions differ by gender. For males, the reference is zero labour market interruptions; medium: up to six months; high: more than six months. For females, the reference is zero to 12 months; medium: 12 to 48 months; high: more than 48 months. Reference age category is age between 30-40. Reference experience category is 0 years of labour market experience in the new regime. Size2: 20-49, size3: 50-199, size4: 200-999, size5: >999. Further control variables include: year dummies, regional dummies and occupational (10 occupation and white-collar classification) dummies by IAB standards. The non-employment equation includes lagged dummy variables of white-collar, skilled and simple occupations. Before Unification, the low-wage threshold is the first decile, while after unification two-thirds of the median is used. Asterisks next to coefficients indicate significance levels as follows: *** 1%, ** 5%, * 10%.