

INTERVIEW

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Economy Meets History: How Reunification Still Affects Social Skills of East Germans

Interview with Yasemin Özdemir, EPOS Economic Research Center

Bonn, Mannheim, 20.02.2024 – East Germans who witnessed as teenagers the large economic upheaval of Reunification in 1990, have been affected in the development of their socioemotional skills. Economists from the EPOS Economic Research Center provide evidence for a causal link between increased uncertainty and youth development. Their findings are published in the discussion paper “Socioemotional Development during Adolescence: Evidence from a Large Macro Shock”.

Ms. Özdemir, why does the socioemotional development of teenagers matter to economists?

Socioemotional skills, also known as “non-cognitive skills”, have critical implications for long-term economic and social success, for example, for wages and labor market adaptation. So far, the development of socioemotional skills has been less well understood. In our study, we have focused on the development of impulse control and self-confidence over a ten-year period.

What was the impact of the “exogenous shock” of Reunification on East German adolescents?

Reunification was a historic shift from a socialist to a capitalistic system, leading rapidly to substantial changes, which initially created a highly uncertain environment for East Germans. We document that this had a sizeable negative effect on the socioemotional skills of young adolescents.

We causally identify a substantial decrease in the competencies “impulse control” and “self-confidence” in young adolescents, 13-14 years old as a result. In this age group, the change in environment had an immense impact on the development of non-cognitive skills in a relatively short time span. This is less the case for older teenagers (aged 16-17).

Changes in socioemotional skills are tightly linked to adult behavior, in terms of, e.g., physical fighting, substance abuse, mental health as well as labor-market optimism and expectations. The change in socioemotional skills in early adolescence, in particular, has a significant impact on longer-run outcomes.

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Are there specific differences in the development of boys and girls?

We find that Reunification harms the development of both, with a somewhat stronger effect on girls in terms of a fall in self-confidence. Yet, importantly, how the effect on socioemotional development is transmitted to long-term behaviors differs by gender. The decrease in impulse control due to Reunification increases antisocial behaviors, such as aggression or substance use, for boys and it increases behaviors directed inward for young women, such as anxiety or depression.

Based on your findings, what are your recommendations?

We live in times of increased political instability and economic upheavals. Parents, care takers and teachers should understand how skills change under such circumstances of uncertainty. It is critical to support young adolescents in their formative years when they experience a massive change in their environment. Otherwise, these adolescents could suffer from long-lasting behavioral consequences. What is more, differences in the way male and female youths process external shocks must be accounted for.

The presented discussion paper is a publication without peer review of the Collaborative Research Center Transregio 224 EPoS. Access the full discussion paper here : <https://www.crctr224.de/research/discussion-papers/archive/dp506>

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The Collaborative Research Center (CRC) Transregio 224 EPoS

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