

Daniel Fehrle and Vasilij Konysev

Read-Me for the article

A “Marginal” Tale of Two Germanies: Accounting for the Systemic Divide

April 23, 2026

Preface This document provides an overview of the data and computer codes required to replicate all results in the paper and the appendix. The main zipped folder `GDRPap_repl.zip` contains three subfolders `/comp`, `/data`, `/pars`, and `/pic` that will be explained in the following. The programs have been written for Matlab, Version R2019a and Gauss, Version 23.

Data construction and preparation (subfolder `/data`) The folder contains two subfolders: FRG and GDR. Each folder contains the code that compiles the dataset for the respective country (`DATA.m`, the paper and the data appendix describe the processing in detail). This code uses primary data (see `Source_Description.pdf` for source description), to compile csv-data in absolute values (`abs`), per capita (`pc`), and per output (`py`). The programs compile data on gross and net capital stocks (`_net`). The files `mny` are the consumption price inflation and nominal interest rates in the GDR (`_e`) and FRG (`_w`). The file `no_unemp.csv` contains the data on unemployment and employment used.

Computer code - baseline results (subfolder `/comp`) The baseline results of the paper can be reproduced by sequentially executing the following three Gauss programs (mostly commented inside as well):

- I. `ew1960_wa_quantify.gss` processes the data from subfolder `/data`. It calibrates model parameters, computes the model variables, computes the steady state, and derives the corresponding wedges. The program stores csv-tables for Figures and Tables in the paper, and `.ftm` data in `/pars/net` for further computational processing.
- II. `ew1960_wa_analyze.gss` processes the data from `/pars/net` and performs the counterfactual experiments, and the welfare analysis. The program stores csv-tables for Figures and Tables in the paper.
- III. `ew1960_wa_bond.gss` uses results from subfolder `/pars/net` and data on consumption price inflation and nominal interest rates from `/data`. It computes the bond wedges for the discussion section in the paper.

The file `NLEQ.src` contains routines for solving systems of non-linear equations from [Heer and Maußner \(2024\)](#).

Computer code - robustness checks (subfolder `/comp`) The following two programs execute parameter sensitivity checks of welfare measures (mostly commented inside as well):

- `ew1960_wa_sensitivity_theta.gss` uses results from subfolder `/pars/net`. It conducts the sensitivity analysis regarding the parameter θ , and stores csv-tables in `/pic/dat` for Figure on parameter sensitivity (Panel (a)).

- `ew1960_wa_sensitivity_beta.gss` uses results from subfolder `/pars/net`. It conducts the sensitivity analysis regarding the parameter β , and stores csv-tables in `/pic/dat` for Figure on parameter sensitivity (Panel (b)).

Adopting the structure of the programs `ew1960_wa_quantify.gss` (I) and `ew1960_wa_analyze.gss` (II), the following programs (mostly commented inside as well) conduct further robustness checks documented in Section 6 in the paper:

- `ew1960_wa_quantify_noh.gss` and `ew1960_wa_analyze_noh.gss` execute I and II using a model without human capital in the production function.
- `ew1960_wa_quantify_nog.gss` and `ew1960_wa_analyze_nog.gss` execute I and II using a model with log-utility that omits government consumption in the consumption aggregator.
- `ew1960_wa_quantify_net.gss` and `ew1960_wa_analyze_net.gss` execute I and II with observed capital input measured in net instead of gross terms.
- `ew1960_wa_quantify_noqc.gss` and `ew1960_wa_analyze_noqc.gss` execute I and II using a model where labor and consumption quantity constraints are disregarded.

REFERENCES

Heer, Burkhard and Alfred Maußner (2024) *Dynamic General Equilibrium Modeling: Computational Methods and Applications*, 3rd edition: Springer Cham, <https://doi.org/10.1007/978-3-031-51681-8>.