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ABSTRACT

Double-Edged Sword: Persistent Effects of Communism on Life Satisfaction*

Communism was a two-edged sword for the trustees of the former regime. Communist party members and their relatives enjoyed status and privileges, while secret police informants were often coerced to work clandestinely and gather compromising materials about friends, colleagues, and neighbors. We examine the long-term consequences of such connections to the communist regime for life satisfaction in Central and Eastern Europe and the former Soviet Union. We also calculate a monetary equivalent of those effects and empirically test mechanisms. The findings underscore that past communist regime connections have a persistent but differential effect on life satisfaction.

JEL Classification: D60, I31, N00, P26, P36, P52

Keywords: Communist regime, historical legacy, Eastern Europe, former Soviet Union, life satisfaction, elite networks, Communist party, informants

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1. INTRODUCTION

Communism durably shaped the collective consciousness and socio-economic outcomes of people in Central and Eastern Europe (CEE) and the former Soviet Union (FSU) (Fuchs-Schündeln and Fuchs-Schündeln 2020; Pop-Eleches and Tucker 2014). For example, older cohorts who lived under Communism have lower support for democracy and gender equality and stronger redistribution wishes than younger cohorts compared to relevant counterparts in the West (Fuchs-Schündeln and Schündeln 2020). Furthermore, the uneven democratization and marketization transitions following the fall of the Berlin Wall and the collapse of the Soviet Union have additionally molded the collective destiny and quality of life of post-socialist citizens (Easterlin 2009; Gruen and Klasen 2012). For example, in the early years of transition, life satisfaction—a broad welfare measure that is the key outcome in this paper— was much lower in transition compared to non-transition countries (Guriev and Zhuravskaya 2009).[1] In recent years, life satisfaction has been increasing (Figure 1), and the "happiness gap" between transition and non-transition countries has closed (Guriev and Melnikov 2018; Nikolova 2016; Skoglund 2017).

An open question in this literature is whether former regime ties for those with party or secret service connections still play a role in people's lives and their broader well-being today. While both groups were former regimes' trustees, their fates during and after Communism differed markedly. After Communism collapsed, many countries, mainly in CEE, passed lustration laws banning or limiting from public service jobs former Communist *apparatchiks* and secret police informants and agents (Appel 2005; Stan 2009; Welsh 1996). In some cases, these laws entailed declassifying the secret service state files and the public disclosure of former informants and agents (Kraske and Puhl 2005; Welsh 1996). Civil society groups and private activists have also informally disclosed names of former regime collaborators, which resulted in social outrage and diminished career chances for those whose names were published (Stan 2011). Formal and informal disclosures have been more common in countries with relatively mild lustration systems. In the same group of countries, collaborator files have been more likely to be partially destroyed or to have restrictions regarding access. Partial destruction of secret files happened in Bulgaria, Estonia, Hungary, Latvia, and Lithuania (Rumin 2007).

Countries with harsh lustration laws, such as the Czech Republic, the Baltics, Georgia, and Ukraine, bar individuals with former regime ties from public office. In Hungary and Poland, lustration has been milder and based on self-exposure or revealing the identities of public officials serving as collaborators while allowing them to stay in office. Countries like Bulgaria, Romania, and Slovakia reluctantly passed lustration laws, which often have not been systematically applied or have been temporarily repealed. Albania declared its lustration law unconstitutional in 2008.

[1] Earlier differences in life satisfaction between transition and non-transition countries are partially attributable to the long-lasting effect of Communism and the enduring values and preferences it created (Fuchs-Schündeln and Schündeln 2020).

Finally, most FSU countries, along with several countries in former Yugoslavia, have not passed lustration laws (Table A1). Russia declared lustration a criminal offense in 1991 (Horne, 2017b). In many countries, lustration has been a highly non-linear process, with laws being made stricter or not being enforced or being struck down only to be re-adopted (Nalepa 2010). Yet, it is generally true that the CEE countries and the Baltics have been more active in decommunization compared with the FSU, which motivates our choice to study these two regions separately.

Despite lustration, former Communist party members and their families, who enjoyed privileges, political power, connections, suitable housing, and pleasant jobs, typically also did economically well after the regime fall (Bird, Frick, and Wagner 1998; Geishecker and Haisken-DeNew 2004; Gerber 2000; Večerník 1995). Simultaneously, secret police informants had a less favorable fate. Yet, countries differ in their decommunization processes and the strictness of the lustration laws (Horne 2017b; Zabyelina 2017).

Given these nuances, the long-term well-being consequences of connections to the former Communist party and regime informants are a priori unclear and likely vary across the type of collaboration and between the CEE and FSU. On the one hand, if elite status carried over to the new system, former Communist party members and their relatives may enjoy favorable overall life circumstances today. On the other hand, if anti-communist sentiments combined with being exposed as an informant or a member of the ruling elite meant labor market and societal discrimination, then former regime trustees and their family members may face quality of life declines.

This paper studies whether life satisfaction differs between individuals who themselves were Communist party members or informants or had relatives in those positions and similar individuals without such former regime affiliations. The economic history literature has traditionally captured welfare and well-being in the spirit of national accounts and in terms of GDP and real wages through data compiled by the late Angus Maddison (1995; 2001). Given the growing consensus that human well-being is multi-dimensional (Prados de la Escosura 2015; Stiglitz, Sen, and Fitoussi 2009; van Zanden et al. 2014), economic historians have compiled well-being data terms of health, education, and others dating back to the 1800s (Prados de la Escosura 2015; van Zanden et al. 2014). Efforts to expand or replace GDP go back to at least the 1970s and one of the alternatives is the subjective well-being approach (Fleurbaey and Blanchet 2013) that originated with the work of Richard Easterlin in the 1970s (Easterlin 1974). Rather than having researchers define what constitutes well-being or welfare, this approach relies on people's own judgment of how their lives are going (OECD 2013).

We focus on life satisfaction as our outcome variable because it is a reflective assessment of one's overall past and present circumstances (Nikolova and Graham 2020). Answers to life satisfaction questions capture not only people's future aspirations but also comparisons with their own past, as well as social groups such as peers, neighbors, and colleagues (Clark 2018). As such,

life satisfaction is a broad welfare measure reflecting the multifaceted ramifications of complex phenomena, such as connections to trustees of the former communist regimes. Relying on income or employment information like previous papers in the literature (Bird et al. 1998; Geishecker and Heisken de New 2004) fails to provide a full picture of the true long-term consequences of connections to the past communist regime.

We find that links to the former Communist party and secret service informants still matter for citizens' life satisfaction in the FSU. While individuals with ties to the former Communist party enjoy higher life satisfaction today, those connected to the former secret service are less satisfied with their lives. In CEE countries, meanwhile, being an informer or having an informer in the family are unassociated with life satisfaction, but links to the former Communist party are negatively correlated with perceived quality of life. These results demonstrate that the dichotomy of how communist regimes treated their trustees – depending on whether they were recruited as party members or informants – had long-lasting and contrasting effects on life satisfaction in the FSU. CEE results also point to another dichotomy – about the different nature of the Communist party operations during Communism and the different nature of the transition processes in CEE and FSU. For instance, in the FSU, the communist regime was more hierarchical and relying on personalized relationships between the leader and the communist elites. By contrast, in most CEE countries, the communist elites had more opportunities for expressing their political opinions (Kitschelt 1995; Ishiyama 1997). This resulted in different voting patterns for Communist parties in the FSU and CEE in the first post-communist elections: while in the FSU, Communist parties were still able to get considerable support, in CEE, opposition parties were more successful (Ishiyama 1997). Moreover, the prospect of joining the EU has shaped the transition process in many of the CEE and Baltic countries and explains the different trajectories that CEE/Baltics and FSU countries took (Åslund 2007; Lane 2007; Nikolova and Nikolaev 2017; Otrachshenko, Popova, and Tavares 2016). Therefore, both the connections and privileges of the former Communist party members and the guilt and social discrimination associated with being an informant have different life satisfaction implications in CEE and FSU countries. While former Communist party affiliation still seems to carry privilege and status in the FSU, it implies shame and discrimination in the CEE and the Baltics. As such, the Communist party was a double-edged sword – creating enduring privileges for elites but psychologically scarring informants in the post-Soviet countries.

More broadly, this paper contributes to the literature on the persistence of various types of socio-economic and cultural phenomena (e.g., Acemoglu, Johnson, and Robinson 2001; Dell 2010; Voigtländer and Voth 2012), which has been summarized in Michalopoulos and Papaioannou (2017), Nunn (2009; 2014; 2020), Spolaore and Wacziarg (2013), and Voth (2021). Specifically, we add to the scholarship on the long-term consequences of Communism (e.g., Fuchs-Schündeln and Fuchs-Schündeln 2020; Lichter, Löffler, and Siegloch 2021) and the literature on the

perceived quality of life in transition countries (e.g., Guriev and Zhuravskaya 2009; Nikolova 2016; Selezneva 2011, 2015). Most of the work on the persistence of Communism has focused on East Germany, mainly because the separation and later reunification of East and West Germany arguably presents a natural experiment (Becker, Mergele, and Woessmann 2020). However, the nature of the communist regimes and the subsequent transition process in the CEE and FSU differed from those in the former GDR. Furthermore, studies on *within*-country differences in life satisfaction for CEE and FSU that also account for the nature of the personal connection to the regime are rare. To our knowledge, ours is the first study to investigate the long-term quality of life consequences of having ties to secret police informants, while also accounting for Communist party membership. This allows a better understanding of the personal experiences with Communism and their long-term ramifications for quality of life in the transition region.

2. BACKGROUND AND HYPOTHESES

2.1. Party Members in the CEE and FSU

The former communist regimes rewarded those close to them and punished dissidents and individuals perceived to be a threat. In between the group of privileged elites and enemies of the people were the informers who were recruited to provide information on particular individuals or groups to the secret police. Communist party members and informers were both entrusted by the regime, yet their fates during and after the regime change differed markedly.

Communist party members were often rent-seekers and opportunists who saw the party as a career ladder. The regime often selected them for their talent and human capital (Deter 2020; Gerber 2020; Geishecker and Haisken-DeNew 2004). These individuals enjoyed multiple economic and in-kind privileges, such as vacations, housing, kindergarten, high educational attainment, and pleasant working conditions (Geishecker and Haisken-DeNew 2004). Communist party membership was often a prerequisite for certain high-ranking jobs and occupations and a mechanism to select individuals of interest to the regime (Libman and Obydenkova 2015; Marks 2004). While the party aimed at representing workers' interests and actively sought to increase the membership of low-skilled workers, members were mainly white-collar (Marks 2004). In Bulgaria, Czechoslovakia, Hungary, Poland, and Russia, party members were predominantly male, married, highly educated, working in the administrative sector, and had parents who were party members (Marks 2004). A quota determined party membership, and only about 10 percent of the population was a member (Libman and Obydenkova 2013; 2015; Marks 2004; Miller 1982), which underscores the exclusiveness of members.

The evidence also suggests that the privileges were carried over after the regime changes (Pakulski, Kullberg, and Higley 1996; Szélenyi and Szélenyi 1995). For example, at least a third of those with elite status in 1988 in Poland, Russia, and Hungary remained in the same or similar status in 1993 (Wasilewski 1995). Furthermore, those connected to the Nomenklatura were more

likely to start businesses after the regime change in the post-socialist countries (Ivlevs, Nikolova, and Popova 2020).

Indeed, Communist elite continuity is in line with other examples of elite persistence (e.g., Acemoglu, Egorov, and Sonin 2021; Robinson 2013). Elites persist despite what North calls "discontinuous change" (p. 89) because change is often incremental rather than radical and because of informal constraints determined by deeply-rooted cultural structures (North 1990). Furthermore, the continuation of elites after de jure change in political institutions, such as democratization, may coincide with elites holding on to de facto political power through wealth, the capture of political parties, violence, or bribery (Acemoglu and Robinson 2008a; 2008b). Other family-level mechanisms of elite continuity include human capital transmission and kinship networks (Alesina et al. 2020).

Post-Communist elites used different tactics to preserve their status – some used their networks to acquire state-owned enterprises, others amassed economic, and later, political power through colluding with the mafia, and still others rebranded themselves as social democrats (Pakulski et al. 1996).

Former Communist party members also enjoyed higher incomes in Russia's early transition years (Geishecker and Haisken-DeNew 2004; Gerber 2000) and the Czech Republic (Večerník 1995). Bird et al. (1998) use telephone ownership in 1990 as a proxy for upper socialist class status in East Germany and also find a positive income premium. Nevertheless, much of these benefits were due to selection into party membership and dissipated as the transition process progressed. For example, by 1995, the Communist party membership income premium had vanished in Russia (Geishecker and Haisken-DeNew 2004). Similarly, Ivlevs et al. (2020) find that former Communist party connections do not help with entrepreneurial success – they facilitated business startup but did not guarantee long-term business operations.

2.2. Informants in the CEE and FSU

Party members and informants were recruited from different pools of individuals that typically did not overlap (Harrison 2019). While Communist party members tended to be loyal individuals with connections and high potential (Marks 2004), informants were frequently pressured to snitch on others by using "compromising material" to coerce them (Henizen 2007, p. 808). In contrast with the party members, informants typically operated secretively and provided information about colleagues, neighbors, and friends to the secret police. For example, in many factories and workplaces, informants documented the general mood and support for the authorities and management (Harrison and Zaksauskienė 2016).

Individuals became informants for a variety of reasons. Some were coerced or blackmailed; others were enticed by calling to their patriotic duty, trips abroad, opportunities for better jobs, or relocation from rural to urban areas (Harrison 2019; Stan and Turcescu 2005).

Often, past indiscretions or minor offenses were used as leverage in the recruitment process. Part-time informants represented all social classes and walks of life.

Assessing the size of the informant network in the FSU and CEE is challenging, though the evidence suggests that it was extensive, comprising at least about 1% of the population (Albats 1994). For example, in Lithuania, informants either had formal agreements with the secret police or were "trusted persons" who didn't sign documents (Harrison and Zaksauskienė 2016). For a country of 3 million, in 1971, Lithuania had nearly 12,000 agents and trusted persons (Harrison and Zaksauskienė 2016). In Bulgaria, an investigative committee found that 108 out of 673 government officials had collaborated with the former communist secret police (Deutsche Welle 2008). In Romania, estimates about the agents and informers range from 400,000 to 1 million on a population of 22 million (Stan and Turcescu 2005). In Czechoslovakia, the estimates point to about 140,000 informers in a population of 15.5 million (Albats 1994). In Stalin's Soviet Union, a 1935 report by the Communist Party Central Committee Secretary documents 270,777 informants for a population of 159 million (Shearer 2004), 200,000 by 1945, and 380,000 by 1951 (Heinzen 2007). Albats (1994) documents an informant network of 2.9 million across the Soviet Union or about 1% of the population. Surveillance, in other words, was widespread and a part of life. Evidence from Lithuania suggests a concentration of informers in schools, universities, and research institutes (Harrison and Zaksauskienė 2016).

Mass surveillance and the informer network were an open secret in communist societies in the CEE and FSU and ensured the subordination of the citizens (Harrison 2019). In the FSU, the secret police's goal was to "manage loyalty," as every citizen was considered a potential threat (Harrison and Zaksauskienė 2016).[2] Certainly, being an informant did not come with the same perks, social status, and recognition as being a Communist party member. In fact, some informants likely associated their status with guilt or a sense of wrongdoing (Harrison 2019) and a fear of being exposed after the fall of Communism.

The fall of the Berlin Wall and the collapse of the Soviet Union marked the beginning of the transition to democracy and market economy in the CEE and FSU region. While East Germany and Eastern European countries (including the Baltics) generally passed lustration laws and declassified secret service files, those in the FSU did not (Stan 2009). Since 2005, lists

[2] Comparing communist informers and informers to the Nazi regime is challenging due to the limited information. According to some accounts, the two groups may have shared similarities in that both were often coerced, with coercion appearing more pronounced in the Nazi German case (Weyrauch 1986). Like Communist informers, some Gestapo informers were typically not Nazi party members and were known to be unsympathetic to Nazi policies (Weyrauch 1986) but others agreed to serve as informers in exchange of being released from imprisonment or having indiscretions forgiven (Hall 2009). Unlike the Communist regimes, Gestapo tended to recruit informers from the ranks of foreign workers, clergy, and those arrested or imprisoned by Gestapo (Hall 2009).

containing the names of informants and collaborators with the former regimes have been published in several CEE countries, including Poland, Hungary, Bulgaria, Slovakia, and Lithuania. While many of the secret service files related to both victims and informants have been deliberately destroyed, the public exposure of particular names has often aimed to deter political opponents or expose prominent public figures (Kraske and Puhl 2005).

In Russia and most post-Soviet countries except the Baltics, Ukraine, and Georgia, however, revealing former informants' identities has not yet taken place (Stan 2009). On the one hand, this could imply that the fear of being exposed as an informer or being connected to informers through familial links is quite strong in the FSU. On the other hand, given that such exposure has not taken place thirty years after the fall of Communism, it may mean that the issue is becoming less salient in the public's mind.

2.3. Expected Associations between Connections to the Former Communist Party/Secret Service Informants and Present-Day Life Satisfaction

The expected long-term effects of being related (personally or through the family) to the former Communist party - either as an informant or as a party member - are likely complex and varied. On the one hand, the former communist regime's trustees and their relatives may experience lower levels of life satisfaction compared to those without such connections. This could be particularly true in the CEE and Baltic countries, where decommunization has been a prominent trend. On the other hand, former Communist party membership and the privileges and connections it brought may continue to bring tangible or intangible benefits to the old elites and their families, which would manifest itself in higher present-day life satisfaction. Given that Communist party members and informers were selected based on, for example, family pedigree or human capital, we also examine to what extent the results we document are due to these factors.

3. ECONOMETRIC APPROACH

We model the life satisfaction L of individual i living in country c as:

$$L_{ic}=\alpha+\beta C_{ic}+\pi I_{ic}+X'_{ic}\gamma+\eta_c+\varepsilon_{ic} \quad (1)$$

where C denotes personal and family ties to the former Communist party, I captures personal and family ties to former informants to the secret service, X denotes our control variables (such as age, gender, education, as well as urban or rural location, latitude, longitude, and elevation), and ε is the stochastic error term. The country dummies adjust for differences in institutions and culture, both related to dealing with the communist past (e.g., lustration laws) and the cultural component related to answering subjective well-being questions (Exton, Smith, and Vandendriessche 2015). Given the life satisfaction variable's ordered nature, we estimate equation (1) using an ordered probit estimator. Standard errors are robust to heteroskedasticity and clustered at the primary sampling unit (PSU) to account for the interdependence of characteristics of respondents living in the same locality.

At the outset, we acknowledge that the parameters π and β capture the conditional correlations (i.e., associations) between former Communist party membership and informant status, respectively, and subjective well-being rather than a causal effect. Both the Communist party and informant status variables are likely endogenous because individuals and households were selected by the party (or volunteered themselves) for these roles. Table A3 in the Appendix demonstrates that individuals with relatively high human capital and social status are more likely to be connected with party members. At the same time, those with less human capital and coming from lower social status families are more likely to be related to informants, though the patterns are less clear-cut.

In separate regressions, we address such selection issues by controlling for parental education, occupation, and the number of books the respondent had while growing up, which are proxies for human capital (ability), social status, and the family environment. While we cannot account for unobservable characteristics or personality traits, our approach deals with certain endogeneity issues related to omitted variables and selection and furnishes confidence in our results. Finally, we account for the different institutional and economic development of the analyzed countries by replacing country dummies with a set of country-level institutional and economic variables, including the share of income held by top 1% earners in a country, and corruption perception, the rule of law, and political stability indicators.

4. DATA

We employ the 2016 Life in Transition Survey (LiTS), a nationally representative survey of individuals in CEE and the FSU countries collected by the European Bank for Reconstruction and Development and the World Bank. The survey polls about 1,500 individuals per country in 34 countries, including all of the CEE and the FSU, except for Turkmenistan. In all countries, the interviews are based on the same methodology, namely based on face-to-face interviews, using a two-stage sampling procedure with strata based on geographical region and urban/rural location. In each country, primary sampling units (PSUs) include 75 locations representing electoral districts or census enumeration areas and containing 20 households per location.

The LiTS has several features that make it an opportune source for our analysis. The data for all countries are based on the same harmonized survey, which eliminates the need to match and harmonize information from different sources or time periods. Moreover, the LiTS contains rich information on individual socio-demographic characteristics, values, and past experiences. While the 2006 and 2010 LiTS waves contain information on Communist party membership, the 2016 wave is the only one to date that asked a unique set of questions related to personal or family experiences with being an informant.

5. VARIABLES

Our dependent variable, life satisfaction, is measured on a 5-point Likert scale based on responses to the question "To what extent do you agree with the following statement? All things

considered, I am satisfied with my life now," whereby 1 corresponds to "Strongly disagree," and 5 to "Strongly agree." Life satisfaction is a self-reported welfare measure frequently used in economic and policy analysis (Di Tella and MacCulloch 2006; Graham and MacLennan 2020; MacKerron 2012; Nikolova and Graham 2020). Life satisfaction is a broad welfare measure that typically captures additional information not revealed by income or employment data alone. The most important determinants of life satisfaction are income, employment status, marital status, and education (Nikolova and Graham 2020). Despite some challenges, self-reported life satisfaction measures are valid and reliable, and reflective of the underlying concept of well-being (OECD 2013; Stone and Krueger 2018).

Our two key independent variables are Communist party membership and informant status. The Communist party membership variable is based on a survey question "Were you or any member of your family a member of the Communist party prior to 1989/1991?" In the CEE region, this question was asked about 1989, and in the FSU (including the Baltics), the question referred to 1991. Possible answers include the Communist party membership of a respondent himself/herself, his/her parents, other family members, nobody, or don't know/refusal, which we code accordingly. For the baseline model, we aggregate those answers to create a dummy variable "Communist party membership" that equals one if a respondent or any member of his/her family was a Communist party member and zero otherwise. In additional specifications, we also use information about the Communist party membership of the respondent, his/her parents, and other family members.

The informant variable is based on the survey question "While living under the pre-1989/91 government in your country, did you or any member of your family experience pressure to serve as an informant to the secret service?" The answers include the respondent, his/her immediate family, grandparents, other relatives, and don't know/refusal. We aggregate these answers into a variable "Informant" that equals zero if none in the respondent's family served as a secret service informant, one if the respondent or any of his/her relatives served as an informant, two if the respondent refused to answer the question, and three if the respondent reported not knowing about such affiliation with the former regime. Given the small share of respondents reporting affiliations with informants (Table 3 and Appendix Table A2), it is impossible to distinguish between respondents who themselves served as informants and those who had family members with that task.

For both the informant and Communist party affiliation variables, we include the don't know and refusal responses in the analyses. Given these questions' sensitive nature, respondents who had affiliations to collaborators of the former regimes may refuse to provide an answer or claim that they do not know (Shoemaker, Eichholz, and Skewes 2002). Therefore, these answer categories like have informational value in this context.

Our analysis includes individual and geographic controls frequently used in the literature (for example, Ivlevs et al. 2020; Mavisakalyan et al. 2021). Specifically, the individual characteristics include age and its square, a dummy variable for being employed, a dummy for being married, gender, education, log of net household income in PPP, a wealth index summing the ownership of different durable goods, ethnicity dummies, religious denominations, household size, number of children, living in the capital city, urban/rural dummy, latitude, longitude, and elevation. LiTS respondents report income in local currency units. To create a comparable household income measure for each country, we use the World Bank PPP conversion factors for private consumption and convert the local currency units into international dollars.

In separate regressions, we also include variables capturing household elite and human capital status, namely, the number of books the respondent had in the childhood home, mother and father's education, and occupation. In addition, we use the share of income held by top 1% earners in a country from the World Inequality Database (WID), and corruption perception, the rule of law, and political stability indices from the Varieties of Democracy (V-Dem) dataset (Coppedge et al. 2021).

6. RESULTS

6.1. Summary Statistics

In this section, we first discuss the difference in the main socio-economic characteristics between "communists," i.e., those with connections to the former Communist party either by being a member themselves, or having affiliated family members (Table 1), and "informants," i.e., individuals who either themselves served as an informant for the regime or had relatives who did that (Table 2). In each case, we show the results for CEE and Baltics separately from those for the post-Soviet countries.[3] As shown in Table 1, individuals affiliated with the former Communist party have, on average higher household incomes and wealth, are better educated, and had more books at home in their childhood. Table A3 further explores the determinants of having a Communist party or informant affiliation status and further supports this conclusion. For example, having more books in the parental home and educated fathers who worked in public administration increase the probability of Communist party connections. In line with Marks (2004), this evidence implies that the former Communist party members indeed had an elite status that may have carried over to today's market economy. Interestingly, the raw life satisfaction

[3] CEE and Baltics countries in our sample include Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, North Macedonia, Hungary, Kosovo, Latvia, Lithuania, Montenegro, Poland, Romania, Serbia, Slovakia, and Slovenia. The FSU ("post-Soviet") countries include Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, and Ukraine. Uzbekistan is not included in the analysis since there is no data available on informants in this country. Given their EU orientation and overall transition trajectory, the Baltic states (Estonia, Latvia, and Lithuania) are included in the "CEE and Baltics" and not in the "post-Soviet" subsample.

levels do not differ between those with and without Communist party affiliation. These conclusions hold for both the CEE and FSU countries. Yet, Table A3 reveals that those with Communist party connections in the CEE are less likely to be employed. Simultaneously, those in the FSU are more likely to be employed than comparable individuals not connected to the former ruling party. This may suggest that former Communists and their relatives face labor market discrimination in CEE, despite their high human capital, connections, and pedigree.

[Table 1 here]

Table 2 shows that in CEE and Baltic countries, informants have on average lower household incomes but higher wealth, are more likely to be employed, married, have larger household sizes, and more children. They are also lower educated than non-informants, although there are no differences in the number of books in the parental home during childhood. In the FSU countries, informants are also more likely to be employed and married, though they have smaller household sizes and fewer children than non-informants. Also, they are more likely to have primary or secondary education and less likely to have tertiary education, be less wealthy, and have fewer books in the parental home than non-informants. In both CEE and the FSU countries, informants also have lower life satisfaction compared with non-informants. Table A3 looks at the determinants of informant connections and reveals that the father's education and occupation do not seem to matter for informant status. Yet, those connected to informants in the CEE seem to come with homes with high status/human capital (as measured by the number of books), while those in the FSU seem to be from rather low-status households.

[Table 2 here]

Figure 2 shows the distribution of life satisfaction according to Communist party and informant status. While there are no major differences in the distribution of life satisfaction of the former Communist party members in both CEE and FSU, the share of non-informants who are more satisfied with their lives is higher than the share of informants, especially in the FSU.

[Figure 2 here]

In Table 3 and Appendix Table A2, we also document the percentage of respondents reporting any link to former Communist party members and informants. According to official statistics, about 10% of citizens were Communist party members, and about 1% were informants. The percentages reported in Tables 3 and A2 are higher, likely because they capture the links to the Communist party for the whole family, including distant relatives, not just a single respondent. The figures on respondent's own membership in the Communist party or own status as an informant are lower than official statistics: 3.65% for Communist party membership and 0.44% for informants in CEE and Baltics, and 2.42% and 0.15% for Communist party membership and informants in the FSU countries, respectively.

On average, about 22% of respondents in our analysis in CEE report any links to the former Communist party. About 5.3% of respondents report that any member was pressured to serve as an informant. As shown in Table A2, the lowest percentage of respondents with links to the former Communist party is in Hungary (11.5%), while the highest is in Montenegro (35.3%). The percentage of informants in CEE ranges from 0.75% in Slovenia to 20.85% in Albania. While the survey percentage for Albania may appear high, according to the historical sources, about 25% of the population is estimated to have worked as informants (Horne 2017a). In the FSU, about 25% of respondents have links to the former Communist party, with a minimum of 14.6% in Azerbaijan and 38.6% in Belarus. About 2.8% have any links to former secret service informants, ranging from 0.3% in Armenia and Kazakhstan to 12.8% in Azerbaijan.

[Table 3 here]

6.2. Regression Results

Table 4 shows the results regarding the life satisfaction consequences of affiliations with the former Communist Party and secret informants. Models (1)-(4) demonstrate the results for CEE countries and the Baltics, while Model (5)-(8) detail the main findings for the FSU (excluding the Baltics). We present models with and without controls for family status, parental human capital, and occupation. We also offer estimations that combine own and family Communist party membership and additional ones to distinguish between own, parental, and other family members' membership. Such detailed estimates are not possible for the informant status variable, given the small number of observations (see Table A2 and Table 3).

[Table 4 here]

[Figure 3 here]

Comparing Models (1) and (5), we conclude that affiliations with the former Communist party negatively influence life satisfaction in the CEE and the Baltics. The coefficient estimate for any links to the former ruling party is marginally statistically significant at the 10 percent level. Meanwhile, the opposite is true in the FSU, where individuals with connections to the former Communist party enjoy higher life satisfaction than those without them. Meanwhile, while having a former secret police informant in the family is unassociated with life satisfaction in the CEE/Baltics today, such links seem to have long-term psychologically scarring consequences in the FSU, where the coefficient estimate is negative and marginally statistically significant.

These results likely reflect the different present-day attitudes towards the former communist regimes and their collaborators in the CEE/Baltics and FSU regions. Generally, the exposure of those who benefited from the regime or served as informants has taken place in the CEE/Baltics regions but not in the FSU. Because the declassification of secret service files has not yet taken place in the FSU, on the one hand, those connected with the Communist party may still

be enjoying the benefits of past privilege, connections, and status, while on the other, those who worked as snitches may fear that they will get exposed and become the subject of public wrath.

The negative coefficient estimate on the Communist party variable and the non-statistically significant one on the informant variable in Model (1) in the CEE deserve some attention. Based on Table A3, those with former Communist party connections are less likely to be employed today, despite their high human capital and educational attainment, which implies that they may be facing labor market discrimination. Simultaneously, respondents with links to informants seem not to experience psychological trauma in the CEE. There could be two possible explanations for this result. First, because informants' names were already made public in the 2000s, it is possible that affected individuals already experienced social discrimination and adapted to it. Based on Table A3, respondents with informant connections are more likely to be working, and as such, likely not experiencing labor market discrimination. In fact, young people in Eastern Europe are not interested in learning about the former regime collaborators (Deutsche Welle 2008). A 2007 Financial Times article suggests that only CEE politicians and old elites obsess over the secret service files, but ordinary people do not (Wagstyl and Cienski 2007). The same article claims that "life goes on" over time, and opening up the files contributes to better public life. Therefore, absent public shaming, former informers, and those connected to them may not be feeling guilt and psychological trauma. However, a second explanation is imaginable. In light of the negative and statistically significant coefficient estimate on reporting "Don't know" about any links to the former secret service, it seems plausible that CEE respondents with ties to former informants are hesitant to reveal this information. We empirically explore this explanation in our analyses.

Furthermore, Models (3) and (7) reveal that the negative life satisfaction consequences related to Communist party affiliations in the CEE and the positive ones in the FSU are due to parental and other family members' membership rather than their own. Therefore, in the CEE and Baltics, it is the relatives and children of former Communists who are paying the psychological price of regime affiliation. In the FSU, the relatives and children of those connected to the former ruling party enjoy higher life satisfaction.

Finally, we explore whether our results are due to the differential household selection into the Communist party and informant status. In Models (2), (4), (6), and (8), we control for mother and father's education and occupation, and the number of books in childhood. In all cases, the results do not change. If anything, their statistical significance becomes stronger, suggesting that selection based on status and family human capital does not explain and drive our results, which is in line with Bird et al. (1988).

So far, we have only discussed the direction of the coefficient estimates but not their magnitudes and economic significance. Figure 2 details the associated marginal effects, based on Table 4, columns (2) and (6). Connections to the former Communist party in the CEE and Baltics

is associated with a 1.2 percentage points lower likelihood to report being satisfied and with 0.7 percentage points lower likelihood to report being very satisfied with life. In the FSU, the former Communist party membership increases the likelihood to report being satisfied and very satisfied with life by 1.5 and 1.1 percentage points, respectively. Former informants in the FSU are 2.6 percentage points less likely to report being satisfied, and 1.6 percentage points less likely to report being very satisfied with life.

6.3. Robustness Checks and Alternative Explanations

To understand what underlies the "Don't know" responses and results for links with the Communist party and informant variables, we split countries in our sample into those that have enacted lustration laws and those that have not (see Table A1). We hypothesize that respondents in countries with lustration laws and public disclosure of informants' identities may be more reluctant to answer questions about their past connections with the regime than respondents in countries without lustration laws.

The impact of connections to former Communist party members and informants differs for countries without and with lustration laws (columns (1) and (2) of Table 5, respectively). In countries without lustration laws, we find a positive association between being a former Communist party member and life satisfaction and a negative link between being an informant and life satisfaction, while the estimate on reporting "Don't know" is not statistically significant. In line with our expectations, respondents are likely to reveal their true connections with the past regime.

In countries with lustration laws, the consequences of links to the Communist party and informants are negative for life satisfaction, though the latter effect is not statistically significant. At the same time, the estimate on reporting "Don't know" is negative and statistically significant. This result suggests that informant connections may still impose a psychological cost today due to the public knowledge of such connections, given that respondents are hesitant to reveal those connections even many years after the regime's fall.

When we separately analyze CEE and post-Soviet countries (columns (3)-(6)), we find that the results for CEE countries (columns (3) and (4)) are similar to those in the overall sample (columns (1) and (2)). In post-Soviet countries (columns (5) and (6)), former Communist party connections improve life satisfaction, while informant connections lower life satisfaction negatively in countries with and without lustration laws. However, the latter impact is not statistically significant, likely due to the small number of informants after splitting the post-Soviet countries into those with and without lustration laws.

Finally, in our baseline analysis, we include country dummies, capturing any country-specific differences in institutional and economic development and any unobservable characteristics, for example, the propensity of rent-seeking. To capture the effects of institutions

and economic situation in our analysis more explicitly, instead of country dummies, we control for the rule of law, perceptions of corruption, political stability, and the share of income held by top 1% earners in a country. As shown in Table A4 in the appendix, this modification of our empirical model does not alter the main conclusion regarding the effects of former Communist party and informant connections, suggesting that both the baseline and the modified specifications adequately control for the development specifics of the analyzed countries.

6.4. Mechanisms

We also explore possible explanations for our findings, including (i) comparing one's economic situation to the family's economic situation before 1989/91, (ii) valuing political connections as a way to achieve success in life, and (iii) injustice as a cause of poverty. If these variables capture the channels through which links to the former regime influence life satisfaction today, the coefficient estimates π and β will either decrease in magnitude or become statistically not significant (see Eq. (1)).

First, we expect that comparing one's economic situation to how the family lived before 1989/1991 may explain the positive coefficient estimate on Communist party membership in FSU and the negative one in the CEE. Before 1989/1991, Communist party status was synonymous with privilege and connections. As such, those with former Communist party links experiencing labor market discrimination in the CEE and their peers still enjoying economic privilege in the FSU could be comparing their lives and economic and political status before the collapse of Communism.

Second, valuing political connections to succeed in life and believing that poverty is due to injustice may explain the patterns of the coefficient estimates we observe. Political connections as a means to success could be important for both former communists and informants since both served the regime, only in different ways. We hypothesize that nowadays, political connections may still explain why the former Communist party members enjoy higher life satisfaction in the FSU, while the loss of political connections may explain why informants in the FSU and former communists in CEE became less satisfied with their lives. Similarly, believing that injustice is a cause of poverty suggests that the former Communist party members in CEE and informants in the FSU are less satisfied with their life circumstances today because they think that the new regimes did not treat them fairly after the fall of Communism and this has worsened their present economic situation.[4]

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[4] Indeed, in both the CEE and FSU, those with former Communist party links are more likely to say that they compare their economic situation today to the economic situation of their family before 1989/1991 and that political connections matter for succeeding in life (Tables 1 and 2). Former informants are less likely to compare their situation to the past economic status of their family in CEE and Baltic countries. In both CEE and FSU countries, those with former informant ties value political connections. Injustice as a cause of

The results testing these mechanisms are in Table 6. Comparing the baseline model (1) with models (2)-(4), which sequentially include the mechanism variables, it is evident that in CEE and Baltic countries, all three proposed mechanisms partially explain the negative association between former Communist party links and life satisfaction. Only about 6% of the main association between Communist party membership and life satisfaction goes through the family's economic situation before 1989/1991. In addition, about 12% of the association is driven by political connections and injustice each. Nevertheless, the differences in the coefficient estimates on Communist party members between model (1) and each of the models (2)-(4) are statistically significant with p-values 0.00, 0.00, and 0.04 for family situation, political connections, and injustice, respectively.[5] Thus, it is likely that in CEE and Baltics, the former Communist party members lost their privileges and connections and became economically worse off. The combination of these effects led to lower life satisfaction levels for this group than individuals without such ties.

This, however, is not the case in the FSU. The proposed mechanisms cannot explain the life satisfaction premium of those linked to the former Communist party in this region. P-values for the test of differences in coefficients on the former Communist party connections in the model with and without the proposed mechanisms are 0.99, 0.22, and 0.16 for a family situation, political connections, and injustice, respectively. This might be because this group's economic situation and political influence have not changed much, and their families still enjoy some privileges from the former elite networks. The benefits and status of the ruling elite likely carried over to the new regime and, as such, are not much affected by perceptions and beliefs about success or the family's economic situation before the regime fell. This result is in line with the literature on the persistence of elites, showing that former elites often preserve their status even after regime changes and revolutions (Pakulski, Kullberg, and Higley 1996; Szélenyi and Szélenyi 1995; Tudoroiu 2007).The lower life satisfaction associated with former secret service connections in the FSU may partially be due to a loss of political connections and a perception of injustice (p-values for the differences in coefficients in models with and without mechanisms are 0.00 and 0.01, respectively). There is also an important difference between those two mechanisms. While political connections fully mitigate the negative coefficient of being an informant, injustice reinforces this negative impact since the coefficient estimate's magnitude increases. Thus, former

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poverty is more likely to be mentioned by informants in the CEE and Baltics, while in the FSU, non-informants are more likely to say it.

[5] This test's null hypothesis is about the equality of coefficients on Communist party membership in the benchmark model and the model adding the proposed mechanism. We estimate each model using ordered probit and then test the difference in coefficients between the two models, using seemingly unrelated estimations. We apply a similar approach to test the difference in coefficients on informants in the model with and without mechanisms.

informants and their relatives may indeed suffer because of losing their political connections. They feel that they have been mistreated, which leaves them unsatisfied with their lives.

6.5. The Life Satisfaction Valuation Approach

In this section, we calculate the price tags (i.e., "shadow prices") of the Communist party membership and being an informant, using the life satisfaction valuation approach. This method allows computing an implicit monetary value of non-market goods, such as friendship or meeting family members, or compensatory packages for unemployment, ailments, or death of family members (Ferrer-i-Carbonell and van Praag 2002; Powdthavee 2007; 2008; Powdthavee and van den Berg 2011; Oswald and Powdthavee 2008).[6]

The idea is to use the estimates from Eq. (1) to compute the marginal rate of substitution between the respondent's net monthly household income and the benefit/cost of connections to the former Communist party or informants while maintaining the same level of life satisfaction. The price tag shows the rate at which an average respondent is willing to give up his/her life satisfaction premium from former Communist party ties or the amount he/she needs to be compensated for a life satisfaction loss due to the Communist party membership/serving as an informant.

To compute the price tags of Communist party membership or being an informant, we estimate Eq. (1) using an ordinary least squares (OLS) estimator that allows us to interpret the estimated coefficients straightforwardly. Specifically, following Powdthavee and van den Berg (2011):

$$SP = y \times \left(\exp\left(\frac{\beta^{Com./Inf.}}{\beta^{\ln(Inc.)}}\right) - 1\right) \qquad (2)$$

where *SP* is the estimated price tag associated with the communist party membership or serving as an informant for an average individual in our sample, y is the average income in our sample in international dollars, and β are the estimated coefficients on the Communist party membership (*Com.*), informant (*Inf.*), the natural logarithm of income (ln(*Inc.*)).

Table 7 shows the results. In the first part of this table, the significance and signs of the estimated coefficients for CEE and Baltic countries (columns 1 and 2) and post-Soviet countries (columns 3 and 4) are similar to the coefficient estimates from the ordered probit model (Table 4). In the second part of Table 7, we present the estimated price tags of the Communist party membership and of serving as an informant.

[Table 7 here]

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[6] One disadvantage of this approach, especially with cross-sectional data, is that it assumes that current income only affects present-day life satisfaction but ignores the possibility that individuals will use part of their current income in the future (Knabe and Rätsel 2011).

The estimated psychological cost associated with the Communist party membership in CEE and Baltic countries is 194.71 international dollars per household per month (int.$/household/month). This means that the life satisfaction cost associated with having links to the former ruling party in the CEE and the Baltics is about 194.71 int.$/household/month. Further explorations indicate that this cost is equivalent to losing 297.75 int.$/household/month or 288.38 int.$/household/month due to parental and other relatives' former party links. Given an average household monthly income in the CEE and Baltic countries of 780.55 int.$/household/month in our sample, the psychological costs of the former Communist party membership amount to one-third of that income. Having informant links in the CEE and Baltic countries is unassociated with any losses since there is no statistically significant association between this variable and life satisfaction.

In the post-Soviet countries, the benefit associated with Communist party connections is equivalent to 442.43 int.$/household/month.[7] Simultaneously, being an informant brings costs to life satisfaction in the post-Soviet countries equivalent to 822.9 int.$/household/month. Given that in the FSU, the average household monthly income in our sample is 415.72 int.$/household/month, the estimated premium for being a former Communist party member is comparable to the average household monthly income, while being an informant brings a considerable loss, which is twice higher than the average household monthly income.

7. CONCLUSION

We examine whether trustee ties with the Communist regimes, either personally or through other family members, matter for current life satisfaction in CEE and FSU. The results reveal that the former regimes had a long-lasting effect on individuals and their families belonging to the Communist elite and those forced to serve as informants. Specifically, those connected to the former Communist Party in the CEE and informants in the FSU incurred long-term psychological costs of having associations with these trustee positions. Former Communist party members and their families in the FSU were not only privileged and successful during Communism but are also more satisfied with their lives today, likely because their status, connections, and opportunities persist. Informants and their relatives in the CEE do not seem to suffer any psychological costs related to their past, meanwhile. We show evidence that this result is partly because the lists of former informants were published in most CEE countries and these groups already experienced and adapted to social scrutiny and discrimination. In the FSU, however, former informants' identities have remained secret, which may mean that this group and their relatives may fear the social backlash if lustration laws require the secret service files' declassification.

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[7] In fact, the sources of this life satisfaction benefit are the parents' and other relatives' former ruling party membership. The corresponding compensating amounts for parents and other relatives' membership are 442.43 int.$/household/month and 615.26 int.$/household/month.

Several interesting findings stand out when we quantify the life satisfaction gains/losses in terms of monetary equivalents. First, in the FSU countries, the monetary compensation for the psychological costs of being affiliated with former informants is twice as high as the monetary equivalent of the life satisfaction benefit from ties to the former Communist party. In other words, former Communist party members enjoy life satisfaction gains that are approximately equivalent to their monthly household incomes. In contrast, former informants lose twice the equivalent of twice their monthly household income. In CEE and Baltic countries, membership in the former Communist party is approximately equivalent to a loss of one-third of monthly income. These results suggest that the Communist regimes produced clear winners and losers and, as such, complement recent literature on the topic (Deter 2020; Ivlevs et al. 2020).

Our paper opens several opportune avenues for future research. First, our study is the first to provide evidence on the long-term quality of life patterns of different trustees of the communist regime, namely, former Communist party members and those coerced to serve as informants. Second, while data limitations preclude us from distinguishing between different ranks of those people, such explorations should be pursued in future work. Those who had top administrative positions in the Communist party and their relatives enjoyed more privileges than regular members. Additional qualitative and quantitative analysis using archival data from CEE and FSU countries may shed more light on how the quality of life of the elite members and their networks changed after the fall of Communism. It is also interesting to examine whether the former Communist party's elite networks, winners, and losers of Communism shaped wealth and income inequalities in the region. Third, while we have attempted to mitigate selection and omitted variables issues to the best extent possible given the data possibilities, our results provide conditional correlations and not causal results. Future work should establish causality by using panel data as in Deter (2020) for East Germany or by finding credible instruments for Communist party membership and informant status. The latter may prove an arduous task, especially for FSU countries, though an instrument for former Communist party membership in CEE has already been proposed and used in the literature (e.g., Ivlevs et al. 2020; Ivlevs and Hinks 2018). Finally, future research may provide more evidence on different values and behaviors of the former Communist Party members and those who served as informants, including their labor market and voting behavior and economic and political attitudes.

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TABLE 1: DESCRIPTIVE STATISTICS, BY FORMER COMMUNIST PARTY MEMBERSHIP STATUS

	CEE and Baltics					Post-Soviet countries (excl. Baltics)				
	Com. Party Mem.=1 N=4,224		Com. Party Mem.=0 N=13,437		Difference in means	Com. Party Mem.=1 N=2,926		Com. Party Mem.=0 N=7,798		Difference in means
	mean	S.E.	mean	S.E.	P-value	mean	S.E.	mean	S.E.	P-value
Life satisfaction=1	0.08	0.28	0.08	0.27	0.90	0.13	0.33	0.11	0.32	0.07
Life satisfaction=2	0.17	0.38	0.18	0.38	0.50	0.20	0.40	0.22	0.41	0.02
Life satisfaction=3	0.23	0.42	0.24	0.43	0.23	0.22	0.42	0.21	0.41	0.04
Life satisfaction=4	0.44	0.50	0.42	0.49	0.11	0.36	0.48	0.37	0.48	0.18
Life satisfaction=5	0.08	0.27	0.08	0.27	0.87	0.09	0.29	0.09	0.28	0.65
Log of income	6.72	0.69	6.64	0.78	0.00	6.18	0.94	5.95	1.00	0.00
Work (1=yes)	0.46	0.50	0.49	0.50	0.00	0.47	0.50	0.46	0.50	0.30
Age	55.69	16.61	51.06	18.11	0.00	51.42	16.37	45.73	16.87	0.00
Married	0.55	0.50	0.52	0.50	0.00	0.61	0.49	0.64	0.48	0.00
Household size	2.38	1.32	2.26	1.53	0.00	2.96	1.72	3.32	1.86	0.00
Num. of children	0.34	0.72	0.46	0.88	0.00	0.69	1.04	0.93	1.20	0.00
Wealth index	5.43	1.65	5.48	1.66	0.52	4.66	1.70	4.46	1.72	0.00
Education:										
No education	0.01	0.11	0.02	0.02	0.00	0.01	0.04	0.01	0.09	0.00
Primary	0.11	0.31	0.16	0.36	0.00	0.02	0.15	0.03	0.17	0.07
Secondary	0.61	0.49	0.62	0.63	0.06	0.60	0.49	0.70	0.46	0.00
Tertiary	0.27	0.44	0.20	0.40	0.00	0.37	0.48	0.26	0.44	0.00
Books:										
0-10 books	0.26	0.44	0.29	0.46	0.00	0.15	0.36	0.27	0.44	0.00
11-25 books	0.23	0.42	0.26	0.44	0.00	0.27	0.44	0.29	0.45	0.10
26-100 books	0.27	0.45	0.26	0.44	0.14	0.30	0.46	0.26	0.45	0.00
101-200	0.11	0.31	0.09	0.29	0.00	0.13	0.33	0.09	0.28	0.00
200+	0.11	0.32	0.07	0.26	0.00	0.12	0.32	0.07	0.25	0.00
Missing information	0.02	0.13	0.02	0.15	0.01	0.03	0.16	0.04	0.19	0.02
Mechanisms:										
Family before 1989/91	0.22	0.42	0.17	0.38	0.00	0.18	0.38	0.16	0.37	0.08
Political connections	0.29	0.46	0.26	0.44	0.00	0.14	0.35	0.11	0.32	0.00
Injustice	0.49	0.50	0.48	0.50	0.47	0.40	0.49	0.40	0.49	0.69

Notes: Com. Party Mem. = Communist party membership and equals 1 if anyone in a family or the respondent her-/himself had a Communist party affiliation and 0 otherwise. Life satisfaction is based on a Likert scale of 1 to 5. The wealth index is a summative index that ranges from 0 to 7, based on ownership of a telephone (including mobile), color TV, computer/laptop/tablet, washing machine, car, bicycle, and motorcycle. The books variable is based on the number of books (excluding magazines, newspapers, and school books) in the respondent's childhood home. Log of income is based on the natural logarithm of the net monthly household income, in PPP. The World Bank PPP conversion factor for private consumption was used to convert local currency units to international dollars. CEE and Baltics include Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, North Macedonia, Hungary, Kosovo, Latvia, Lithuania, Montenegro, Poland, Romania, Serbia, Slovakia, and Slovenia. Post-Soviet countries include Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, and Ukraine.

TABLE 2: DESCRIPTIVE STATISTICS, BY INFORMANT STATUS

	CEE and Baltics					Post-Soviet countries (excl. Baltics)				
	Informant=1 N=1,023		Informant =0 N=14,887		Difference in means	Informant=1 N=325		Informant =0 N=10,302		Difference in means
	mean	S.E.	mean	S.E.	P-value	mean	S.E.	mean	S.E.	P-value
Life satisfaction=1	0.09	0.29	0.08	1.08	0.19	0.10	0.31	0.12	0.32	0.48
Life satisfaction=2	0.18	0.39	0.17	0.38	0.46	0.21	0.41	0.21	0.41	0.91
Life satisfaction=3	0.26	0.44	0.24	0.43	0.10	0.37	0.48	0.21	0.40	0.00
Life satisfaction=4	0.38	0.49	0.43	0.50	0.00	0.26	0.44	0.38	0.48	0.00
Life satisfaction=5	0.09	0.27	0.08	0.50	0.67	0.06	0.23	0.09	0.29	0.02
Log of income	6.32	1.59	6.66	0.67	0.00	6.03	0.86	6.02	0.99	0.89
Work (1=yes)	0.58	0.49	0.48	0.50	0.00	0.58	0.50	0.47	0.50	0.00
Age	49.35	17.12	52.77	17.81	0.00	45.49	16.80	47.13	16.89	0.09
Married	0.63	0.48	0.52	0.50	0.00	0.73	0.44	0.63	0.48	0.00
Household size	2.87	1.58	2.51	1.48	0.00	2.98	1.41	3.25	1.85	0.01
Num. of children	0.54	0.92	0.43	0.84	0.00	0.74	0.95	0.88	1.18	0.04
Wealth index	5.63	1.61	5.39	1.69	0.00	4.10	1.73	4.55	1.71	0.00
Education:										
No education	0.02	0.14	0.02	0.14	0.89	0.02	0.12	0.01	0.08	0.04
Primary	0.12	0.32	0.15	0.36	0.01	0.07	0.26	0.02	0.16	0.00
Secondary	0.58	0.49	0.62	0.48	0.01	0.73	0.45	0.67	0.47	0.03
Tertiary	0.28	0.45	0.21	0.40	0.00	0.18	0.39	0.30	0.46	0.00
Books:										
0-10 books	0.30	0.46	0.29	0.45	0.61	0.47	0.50	0.23	0.42	0.00
11-25 books	0.23	0.42	0.25	0.43	0.24	0.23	0.42	0.28	0.45	0.03
26-100 books	0.25	0.43	0.27	0.44	0.37	0.17	0.38	0.27	0.45	0.00
101-200	0.10	0.29	0.09	0.29	0.88	0.07	0.26	0.10	0.30	0.10
200+	0.10	0.31	0.08	0.27	0.01	0.03	0.18	0.08	0.27	0.00
Missing information	0.02	0.14	0.02	0.15	0.51	0.03	0.17	0.03	0.18	0.86
Mechanisms:										
Family before 1989/91	0.14	0.35	0.19	0.39	0.00	0.13	0.34	0.16	0.37	0.11
Political connections	0.31	0.46	0.27	0.44	0.00	0.21	0.41	0.12	0.33	0.00
Injustice	0.52	0.50	0.48	0.50	0.01	0.26	0.44	0.40	0.49	0.00

Notes: Informant equals 1 if anyone in a family or her/himself served as an informant for the regime and 0 otherwise. Life satisfaction is based on a Likert scale of 1 to 5. The wealth index is a summative index that ranges from 0 to 7, based on ownership of a telephone (including mobile), color TV, computer/laptop/tablet, washing machine, car, bicycle, and motorcycle. The books variable is based on the number of books (excluding magazines, newspapers, and school books) in the respondent's childhood home. Log of income is based on the natural logarithm of the net monthly household income, in PPP. The World Bank PPP conversion factor for private consumption was used to convert local currency units to international dollars. See the notes to Table 1 for country groupings.

TABLE 3: COMMUNIST PARTY MEMBERS AND INFORMANTS IN THE ANALYSIS SAMPLE

	CEE and Baltics				Post-Soviet (excl. Baltics)			
	Communist party member		Informant		Communist party member		Informant	
	No.	% of the sample	No.	% of the sample	No.	% of the sample	No.	% of the sample
None	13,437	69.84	14,887	77.37	7,798	67.2	10,302	88.78
Yourself	702	3.65	84	0.44	281	2.42	17	0.15
Immediate family/parents	1,996	10.37	139	0.82	1,527	13.16	35	0.3
Grandparents	n.a.	n.a.	182	0.95	n.a.	n.a.	93	0.8
Other relatives	1,526	7.93	618	3.21	1,118	9.63	180	1.55
Refusal	436	2.27	1,059	5.5	68	0.59	162	1.4
Don't know	1,144	5.95	2,272	11.81	812	7	815	7.02
Total	19,241	100	19,241	100	11,604	100	11,604	100

Note: n.a.=not available, since the question on the Communist party membership of grandparents was not asked. See the notes to Table 1 for country groupings.

TABLE 4: COMMUNIST PARTY MEMBERSHIP, INFORMANT STATUS, AND LIFE SATISFACTION, ORDERED PROBIT RESULTS

Dependent variable:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	CEE and Baltics	CEE and Baltics	CEE and Baltics	CEE and Baltics	Post-Soviet countries (excl. Baltics)	Post-Soviet countries (excl. Baltics)	Post-Soviet countries (excl. Baltics)	Post-Soviet countries (excl. Baltics)
Life satisfaction								
Communist party member (Any link)	-0.046*	-0.052**			0.075**	0.077**		
	(0.024)	(0.024)			(0.031)	(0.031)		
Communist party member (Yourself)			0.051	0.061			-0.009	-0.007
			(0.043)	(0.043)			(0.069)	(0.069)
Communist party member (Parents)			-0.059*	-0.073**			0.074**	0.075**
			(0.032)	(0.033)			(0.035)	(0.035)
Communist party member (Others)			-0.073**	-0.075**			0.097*	0.102**
			(0.033)	(0.033)			(0.052)	(0.051)
Communist party member (Refusal)	-0.057	-0.049	-0.057	-0.050	-0.060	-0.058	-0.059	-0.057
	(0.068)	(0.067)	(0.068)	(0.067)	(0.148)	(0.147)	(0.147)	(0.147)
Communist party member (Don't know)	-0.066	-0.066	-0.067	-0.067	0.092*	0.091*	0.093*	0.092*
	(0.044)	(0.044)	(0.044)	(0.044)	(0.048)	(0.048)	(0.048)	(0.048)
Informant (Any link)	-0.052	-0.059	-0.049	-0.055	-0.139**	-0.125*	-0.140**	-0.126*
	(0.064)	(0.062)	(0.064)	(0.063)	(0.071)	(0.070)	(0.071)	(0.071)
Informant (Refusal)	-0.042	-0.045	-0.042	-0.045	0.106	0.105	0.104	0.104
	(0.067)	(0.067)	(0.067)	(0.067)	(0.093)	(0.091)	(0.093)	(0.092)
Informant (Don’t know)	-0.108***	-0.105***	-0.107***	-0.104***	-0.010	-0.008	-0.011	-0.008
	(0.037)	(0.037)	(0.037)	(0.037)	(0.053)	(0.052)	(0.053)	(0.052)
Parental education	no	yes	no	yes	no	yes	no	yes
Parental occupation	no	yes	no	yes	no	yes	no	yes
No. of books in childhood	no	yes	no	yes	no	yes	no	yes
Individual characteristics	yes	yes	yes	yes	yes	yes	yes	yes
Country fixed effects	yes	yes	yes	yes	yes	yes	yes	yes
Observations	19,241	19,241	19,241	19,241	11,604	11,604	11,604	11,604
Pseudo R^2	0.057	0.059	0.057	0.059	0.085	0.086	0.085	0.086

Notes: *** p<0.01, ** p<0.05, * p<0.1. Robust standard errors clustered at the PSU level are in parentheses. See the notes to Table 1 for country groupings. Individual characteristics include age and its square, dummy for being employed, a dummy for being married, gender, education, log(income), wealth index, ethnicity dummies, religious denominations, household size, no. of children, living in a capital, urban/rural dummy, latitude, longitude, and elevation.

TABLE 5: COMMUNIST PARTY MEMBERSHIP, INFORMANT STATUS, AND LIFE SATISFACTION IN COUNTRIES WITH AND WITHOUT LUSTRATION LAWS, ORDERED PROBIT RESULTS

Dependent variable: Life satisfaction	(1) Countries without lustration laws	(2) Countries with lustration laws	(3) CEE and Baltics without lustration laws	(4) CEE and Baltics with lustration laws	(5) Post-Soviet countries (excl. Baltics) without lustration laws	(6) Post-Soviet countries (excl. Baltics) with lustration laws
Communist party member (Any link)	0.049*	-0.051**	0.039	-0.083***	0.064*	0.162***
	(0.029)	(0.025)	(0.045)	(0.028)	(0.037)	(0.056)
Communist party member (Refusal)	0.089	-0.132*	0.094	-0.129*	-0.011	-0.265
	(0.094)	(0.076)	(0.117)	(0.078)	(0.156)	(0.392)
Communist party member (Don't know)	0.031	-0.039	-0.101	-0.052	0.087*	-0.015
	(0.042)	(0.050)	(0.072)	(0.053)	(0.050)	(0.162)
Informant (Any link)	-0.130**	-0.030	-0.213**	-0.017	-0.116	-0.137
	(0.064)	(0.067)	(0.099)	(0.071)	(0.079)	(0.147)
Informant (Refusal)	0.076	-0.073	0.020	-0.075	0.103	0.157
	(0.082)	(0.071)	(0.126)	(0.075)	(0.093)	(0.415)
Informant (Don’t know)	-0.015	-0.155***	-0.017	-0.153***	-0.012	0.369
	(0.040)	(0.046)	(0.061)	(0.046)	(0.052)	(0.431)
Observations	14,836	16,009	5,443	13,798	9,393	2,211
Pseudo R2	0.076	0.063	0.061	0.063	0.090	0.059

Notes: *** p<0.01, ** p<0.05, * p<0.1. Robust standard errors clustered at the PSU level are in parentheses. Countries with lustration laws are Albania, Bulgaria, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, North Macedonia, Poland, Romania, Serbia, Slovakia, and Ukraine. Countries without lustration laws are Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Kazakhstan, Kosovo, Kyrgyzstan, Moldova, Montenegro, Russia, Slovenia, and Tajikistan (see Table A1 for details). See the notes to Table 1 for country groupings. All regressions include parental education, parental occupation, no. of books in childhood, individual characteristics, and country fixed effects. Individual characteristics include age and its square, dummy for being employed, a dummy for being married, gender, education, log(income), wealth index, ethnicity dummies, religious denominations, household size, no. of children, living in a capital, urban/rural dummy, latitude, longitude, and elevation.

TABLE 6: MECHANISMS

Dependent variable: Life satisfaction	(1) CEE and Baltics *Baseline*	(2) CEE and Baltics	(3) CEE and Baltics	(4) CEE and Baltics	(5) Post-Soviet countries (excl. Baltics) *Baseline*	(6) Post-Soviet countries (excl. Baltics)	(7) Post-Soviet countries (excl. Baltics)	(8) Post-Soviet countries (excl. Baltics)
Communist party member (Any link)	-0.052**	-0.049**	-0.046*	-0.046*	0.077**	0.077**	0.079**	0.073**
	(0.024)	(0.024)	(0.024)	(0.024)	(0.031)	(0.031)	(0.031)	(0.031)
Communist party member (Refusal)	-0.049	-0.051	-0.056	-0.060	-0.058	-0.057	-0.045	-0.053
	(0.067)	(0.067)	(0.067)	(0.066)	(0.147)	(0.147)	(0.146)	(0.147)
Communist party member (Don't know)	-0.066	-0.067	-0.072*	-0.069	0.091*	0.090*	0.093*	0.085*
	(0.044)	(0.044)	(0.043)	(0.043)	(0.048)	(0.048)	(0.048)	(0.047)
Informant (Any link)	-0.059	-0.060	-0.056	-0.061	-0.125*	-0.125*	-0.110	-0.151**
	(0.062)	(0.063)	(0.064)	(0.061)	(0.070)	(0.070)	(0.071)	(0.069)
Informant (Refusal)	-0.045	-0.046	-0.047	-0.063	0.105	0.103	0.105	0.113
	(0.067)	(0.067)	(0.066)	(0.066)	(0.091)	(0.092)	(0.091)	(0.091)
Informant (Don’t know)	-0.105***	-0.105***	-0.101***	-0.105***	-0.008	-0.007	-0.007	0.007
	(0.037)	(0.037)	(0.037)	(0.037)	(0.052)	(0.052)	(0.052)	(0.053)
Mechanism:								
Family situation before 1989/91		yes				yes		
Political connections			yes				yes	
Injustice				yes				yes
H_o: $\beta^{baseline}_{comm.party} = \beta^{mechanism}_{comm.party}$ (P-value)		0.00	0.00	0.04		0.99	0.22	0.16
H_o: $\pi^{baseline}_{informant} = \pi^{mechanism}_{informant}$ (P-value)		0.18	0.54	0.65		0.93	0.00	0.01
Observations	19,241	19,241	19,241	19,241	11,604	11,604	11,604	11,604
Pseudo R-squared	0.059	0.059	0.062	0.068	0.086	0.086	0.087	0.091

Notes: *** p<0.01, ** p<0.05, * p<0.1. The baseline models are in columns (2) and (6) in Table 4. The hypotheses regarding the role of mechanisms are that a coefficient on the former Communist party membership/informant in the baseline model is not different from the corresponding coefficient in the model with a particular mechanism. All regressions include parental education, parental occupation, no. of books in childhood, individual characteristics, and country fixed effects.

TABLE 7: PRICE TAGS, OLS ESTIMATES

Dependent variable:	(1)	(2)	(3)	(4)
Life satisfaction	CEE and Baltics	CEE and Baltics	Post-Soviet countries (excl. Baltics)	Post-Soviet countries (excl. Baltics)
Communist party member (Any link)	-0.051**		0.079***	
	(0.023)		(0.030)	
Communist party member (Yourself)		0.064		0.002
		(0.040)		(0.068)
Communist party member (Parents)		-0.074**		0.079**
		(0.031)		(0.034)
Communist party member (Others)		-0.072**		0.099**
		(0.031)		(0.049)
Communist party member (Refusal)	-0.048	-0.049	-0.046	-0.045
	(0.063)	(0.063)	(0.142)	(0.142)
Communist party member (Don't know)	-0.061	-0.062	0.083*	0.084*
	(0.042)	(0.042)	(0.046)	(0.046)
Informant (Any link)	-0.067	-0.063	-0.119*	-0.120*
	(0.060)	(0.060)	(0.069)	(0.069)
Informant (Refusal)	-0.063	-0.063	0.123	0.122
	(0.063)	(0.063)	(0.093)	(0.093)
Informant (Don’t know)	-0.104***	-0.103***	0.007	0.007
	(0.036)	0.064	(0.053)	0.002
Estimated Price Tag (in int.$ per household per month):				
Communist party member (Any link)	*194.71*		*442.43*	
Communist party member (Parents)		*297.75*		*442.43*
Communist party member (Others)		*288.38*		*615.26*
Informant (Any link)	265.29	251.68	*822.90*	*834.32*
Observations	19,241	19,241	11,604	11,604
R-squared	0.159	0.160	0.233	0.233

Notes: *** p<0.01, ** p<0.05, * p<0.1. Robust standard errors clustered at the PSU level are in parentheses. Price tags in italics are based on statistically significant coefficients. All regressions include parental education, parental occupation, no. of books in childhood, individual characteristics, and country fixed effects.

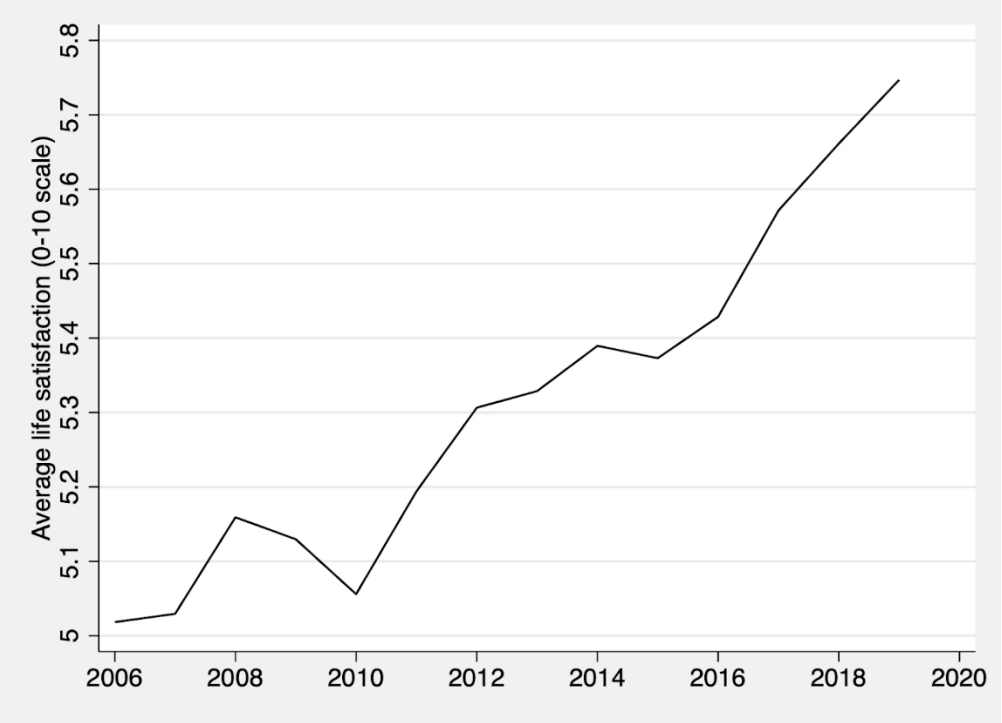

FIGURE 1: LIFE SATISFACTION DIFFERENCES TRENDS IN TRANSITION COUNTRIES, 2006-2019

Notes: The figure details the mean life satisfaction in transition countries based on the Gallup World Poll (GWP) (Helliwell et al., 2020). Life satisfaction is based on the average of the responses to the question: "Please imagine a ladder with steps numbered from zero at the bottom to 10 at the top. The top of the ladder represents the best possible life for you and the bottom of the ladder represents the worst possible life for you. On which step of the ladder would you say you personally feel you stand at this time?" The transition countries in the figure include those with at least 10 years of data in the GWP, namely Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kosovo, Kyrgyzstan, Latvia, Lithuania, Macedonia, Moldova, Mongolia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia , Slovenia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan

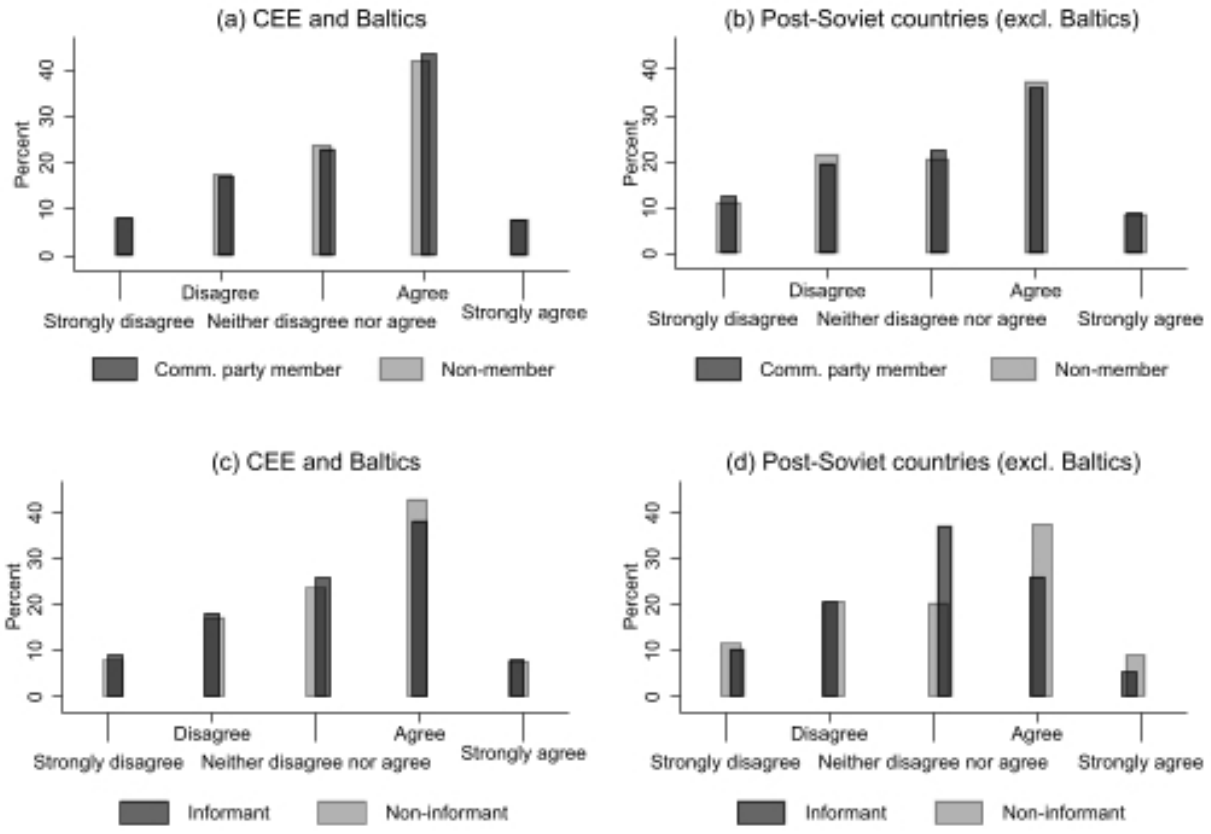

FIGURE 2: DISTRIBUTION OF LIFE SATISFACTION, BY COMMUNIST PARTY AND INFORMANT STATUS

Notes: The horizontal axis is life satisfaction based on responses to the LITS survey question "To what extent do you agree with the following statement? All things considered, I am satisfied with my life now," in which 1 corresponds to "Strongly disagree" and 5 corresponds to "Strongly agree." See the notes to Table 1 for country groupings.

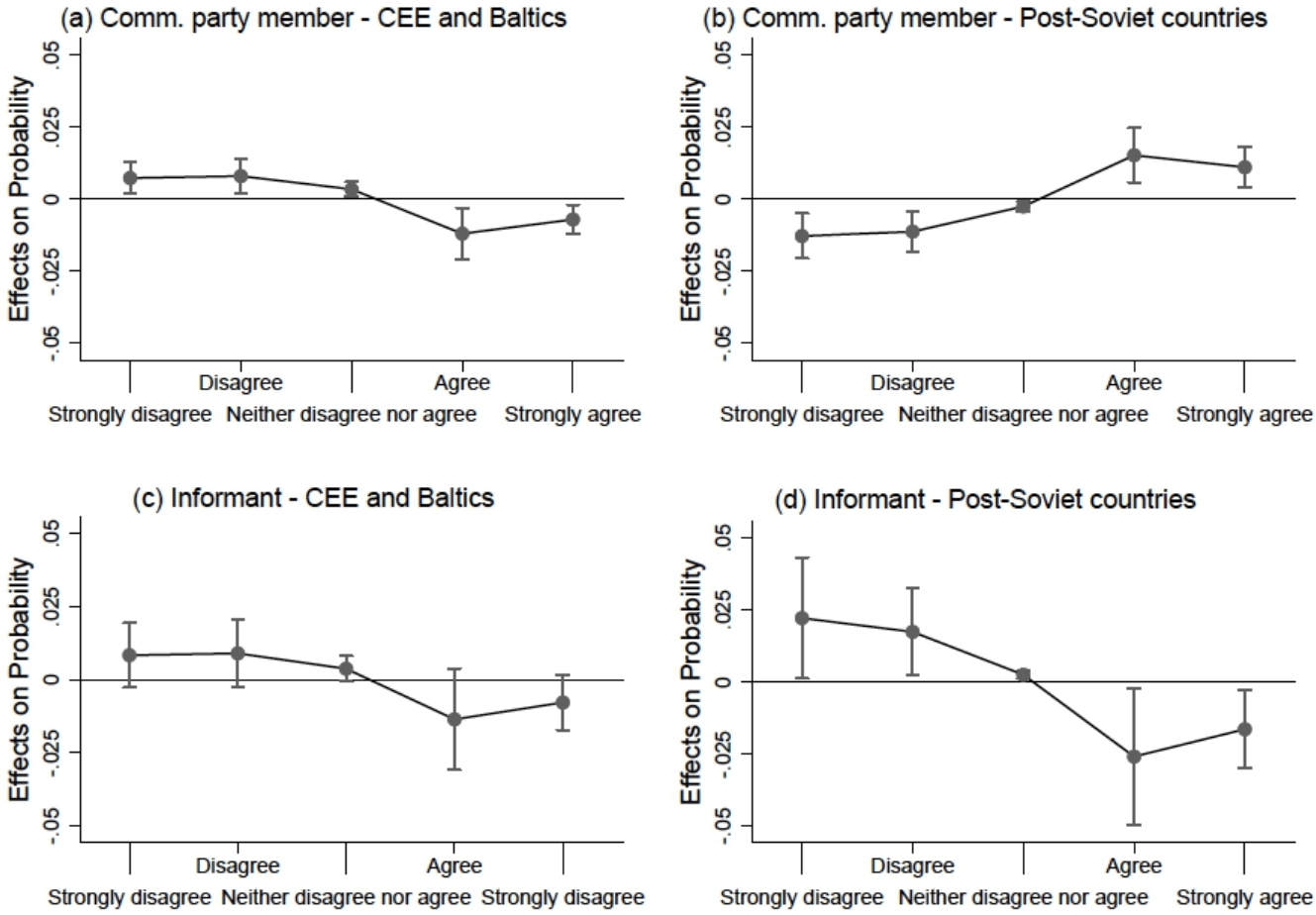

FIGURE 3: MARGINAL EFFECTS FOR MAIN RESULTS IN TABLE 4

Notes: Marginal effects for columns (2) and (6) in Table 4 are presented. The horizontal axis is life satisfaction based on responses to a survey question "To what extent do you agree with the following statement? All things considered, I am satisfied with my life now," in which 1 corresponds to "Strongly disagree" and 5 corresponds to "Strongly agree." See the notes to Table 1 for country groupings.

APPENDIX. Additional information.

TABLE A1: LUSTRATION LAWS, BY COUNTRY

Country	Year Proposed	Year Enacted
Albania	1995	1995
Armenia	2011	
Azerbaijan		
Belarus		
Bosnia and Herzegovina		
Bulgaria	1991	1992
Croatia	1998	
Czechia	1995	1995
Slovakia	2002	2002
Estonia	1991	1995
Georgia	2005	2011
Hungary	1989	1994
Kazakhstan		
Kosovo		
Kyrgyzstan	2010	
Latvia	1991	1994
Lithuania	1991	1991
Macedonia	2006	2008
Moldova	2000	
Montenegro	2007	
Poland	1989	1997
Romania	1990	1999
Russia	1992	
Serbia	2003	2003
Slovenia	1990	
Tajikistan		
Ukraine	2005	2014

Note: The table reports the year of proposing or enacting lustration laws in the CEE, Baltics, and the FSU, based on Molz (2014), Nalepa (2010), and Stan (2009). Kosovo has not proposed its own lustration law (Molz 2014). Uzbekistan and Turkmenistan, both of which have no lustration laws, are not included in our sample.

TABLE A2: SHARE OF RESPONDENTS WITH LINKS TO THE FORMER COMMUNIST PARTY MEMBERS AND INFORMANTS, BY COUNTRY

Country	% of Communist party members	% of informants
CEE and Baltics		
Albania	23.20	20.85
Bosnia and Herzegovina	22.53	4.99
Bulgaria	24.61	1.82
Croatia	19.03	3.49
Czech Republic	32.49	8.25
Estonia	25.79	2.29
Hungary	11.52	2.83
Kosovo	12.89	13.99
Latvia	20.96	5.57
Lithuania	13.51	3.02
Montenegro	35.29	2.47
North Macedonia	24.68	4.65
Serbia	28.44	2.92
Slovak Republic	19.22	1.80
Slovenia	16.22	0.75
Poland	15.16	6.25
Romania	27.31	4.11
Post-Soviet countries (excl. Baltics)		
Armenia	31.48	0.30
Azerbaijan	14.61	12.81
Belarus	38.56	1.66
Georgia	29.08	2.09
Kazakhstan	26.54	0.33
Kyrgyz Republic	20.33	2.47
Moldova	14.83	5.33
Russian Federation	28.38	2.63
Tajikistan	16.43	0.62
Ukraine	32.61	2.18

Note: The table reports % of respondents in the analysis sample who reported any link to Communist party or being an informant for the former secret police based on the LiTS III survey.

TABLE A3: DETERMINANTS OF COMMUNIST PARTY AND INFORMANT STATUS, AVERAGE MARGINAL EFFECTS

	CEE and Baltics						Post-Soviet					
	Com. party member			Informant			Com. party member			Informant		
	marg. eff.		robust S.E.	marg. eff.		robust S.E.	marg. eff.		robust S.E.	marg. eff.		robust S.E.
Employed (not employed=ref. category)												
Employed (yes)	-0.032	***	0.009	0.018	***	0.006	-0.025	**	0.013	0.009	*	0.005
Missing inform. on employment	-0.038	***	0.012	0.000		0.007	-0.037	**	0.015	-0.009	**	0.005
Age	0.009	***	0.001	-0.001		0.001	0.008	***	0.002	-0.001		0.001
Age sq./100	-0.005	***	0.001	0.001	*	0.001	-0.004	**	0.002	0.001		0.001
Male	0.009		0.007	0.009	**	0.004	0.005		0.009	0.012	***	0.004
Married	0.007		0.008	0.007		0.005	-0.008		0.010	0.008	**	0.004
Own education (no=ref. category)												
primary	0.003		0.026	0.000		0.014	0.123	**	0.046	0.008		0.064
secondary	0.035		0.026	0.009		0.015	0.140	***	0.042	-0.081		0.061
tertiary	0.088	***	0.028	0.012		0.016	0.178	***	0.043	-0.089		0.061
Lives in a capital	0.011		0.015	0.035	**	0.013	-0.092	**	0.042	-0.007		0.012
Lives in an urban area	0.015		0.013	0.001		0.009	0.011		0.016	-0.010	*	0.006
Household size	0.006		0.004	-0.004	*	0.003	0.002		0.005	-0.002		0.002
No. of children	-0.009		0.006	-0.003		0.003	-0.005		0.007	0.001		0.003
Ln(income)	0.015	***	0.005	-0.015	***	0.005	0.023	***	0.006	-0.003	*	0.001
Wealth index	0.008	***	0.003	0.005	**	0.002	0.001		0.004	-0.003	**	0.001
Books (0-10 books=ref. category)												
11-25 books	-0.012		0.011	-0.006		0.007	0.064	***	0.014	-0.015	**	0.006
26-100 books	-0.006		0.012	0.002		0.008	0.078	***	0.016	-0.016	**	0.007
101-200 books	0.009		0.015	0.006		0.011	0.101	***	0.021	-0.007		0.009
200+ books	0.051	***	0.016	0.038	***	0.013	0.099	***	0.022	-0.019	*	0.009
missing information	-0.035		0.026	-0.011		0.014	0.037		0.026	-0.024	**	0.009
Father's education (no=ref. category)												
primary	0.045	***	0.015	0.000		0.010	0.022		0.031	0.000		0.014
secondary	0.064	***	0.017	0.007		0.010	0.056	*	0.031	0.005		0.013
tertiary	0.081	***	0.021	0.010		0.013	0.100	***	0.035	0.004		0.014
missing information	0.022		0.025	-0.011		0.014	0.015		0.037	-0.018		0.013
Mother's education (no=ref. category)												
primary	-0.044	***	0.015	-0.023	**	0.011	-0.017		0.030	0.016	*	0.009
secondary	-0.029	*	0.018	-0.027	**	0.013	-0.009		0.032	0.020	**	0.007
tertiary	-0.015		0.024	-0.031	**	0.015	0.034		0.037	0.026	**	0.010
missing information	-0.053	*	0.029	-0.042	**	0.019	-0.005		0.043	0.022	*	0.013
Father's occupation (agriculture, forestry, fishing, mining=ref. category)												
Construction, manufacturing, transport, public utilities	0.007		0.010	-0.002		0.006	0.000		0.014	0.000		0.006
Wholesale trade, retail trade, finance, insurance, real estate, services	-0.011		0.013	-0.006		0.007	0.021		0.017	-0.005		0.006
Public administration	0.091	***	0.019	-0.003		0.009	0.111	***	0.023	0.011		0.013
Non-classifiable establishment	0.012		0.018	-0.002		0.009	0.012		0.023	0.007		0.012
Never worked	0.032		0.035	0.020		0.026	-0.108	**	0.041	0.033		0.030
Refusal/don't know	-0.030		0.025	-0.021	*	0.013	-0.108	***	0.027	-0.003		0.011
Mother's occupation (agriculture, forestry, fishing, mining=ref. category)												

Construction, manufacturing, transport, public utilities	0.010	0.013	0.005		0.009	0.032	*	0.018	0.009	0.008
Wholesale trade, retail trade, finance, insurance, real estate, services	0.012	0.012	-0.003		0.008	0.028	*	0.016	0.021	**	0.008
Public administration	0.021	0.018	-0.010		0.011	0.009		0.022	-0.004	0.008
Non-classifiable establishment	0.004	0.020	-0.017		0.012	0.017		0.021	0.002	0.011
Never worked	0.011	0.012	-0.039	***	0.009	-0.022		0.017	-0.006	0.006
Refusal/don't know	-0.048	0.033	0.017		0.027	-0.022		0.043	-0.002	0.014

Notes: *** p<0.01, ** p<0.05, * p<0.1. Robust standard errors clustered at the PSU level are reported. All regressions also include country fixed effects, ethnicity dummies, religious denomination dummies, latitude, longitude, and elevation. See the notes to Table 1 for country groupings.

TABLE A4: THE MODEL WITH COUNTRY-LEVEL COVARIATES, ORDERED PROBIT RESULTS

Dependent variable: Life satisfaction	(1) CEE and Baltics, baseline model	(2) CEE and Baltics, with country-level covariates	(3) Post-Soviet countries (excl. Baltics), baseline model	(4) Post-Soviet countries (excl. Baltics), with country-level covariates
Communist party member (Any link)	-0.052**	-0.050**	0.077**	0.076**
	(0.024)	(0.024)	(0.031)	(0.031)
Communist party member (Refusal)	-0.049	-0.047	-0.058	-0.052
	(0.067)	(0.067)	(0.147)	(0.145)
Communist party member (Don't know)	-0.066	-0.071	0.091*	0.093*
	(0.044)	(0.044)	(0.048)	(0.048)
Informant (Any link)	-0.059	-0.053	-0.125*	-0.101
	(0.062)	(0.063)	(0.070)	(0.070)
Informant (Refusal)	-0.045	-0.070	0.105	0.092
	(0.067)	(0.066)	(0.091)	(0.092)
Informant (Don’t know)	-0.105***	-0.106***	-0.008	-0.020
	(0.037)	(0.037)	(0.052)	(0.050)
Share of income belonging to top 1% earners		-1.437		-1.395
		(1.381)		(1.338)
Rule of law		0.221		0.255
		(0.320)		(0.345)
Corruption perception		-0.023***		-0.012
		(0.007)		(0.013)
Political Stability		0.520***		0.151**
		(0.125)		(0.065)
Country fixed effects	yes	no	yes	no
Observations	19,241	19,241	11,604	11,604
Pseudo R^2	0.059	0.057	0.086	0.084

Notes: *** p<0.01, ** p<0.05, * p<0.1. Robust standard errors clustered at the PSU level are in parentheses. Baselines models correspond to columns (2) and (6) from Table 4. See the notes to Table 1 for country groupings. All regressions include parental education, parental occupation, no. of books in childhood, and individual characteristics. Individual characteristics include age and its square, dummy for being employed, a dummy for being married, gender, education, log(income), wealth index, ethnicity dummies, religious denominations, household size, no. of children, living in a capital, urban/rural dummy, latitude, longitude, and elevation.