

# “Market Size and Spatial Growth - Evidence from Germany’s Post-war Population Expulsions”

## Update regarding data source (September 2024)

This document contains additional information on the data used for my study “Market Size and Spatial Growth - Evidence from Germany’s Post-war Population Expulsions”. In a recent paper, Ciccone and Nimczik (2024), henceforth CN, point out that my paper is not sufficiently clear on the exact definition of variables that are used to measure local productivity. I am grateful to Antonio Ciccone and Jan Nimczik for bringing this to my attention. In this note, I offer some clarifications.

In my paper, my preferred measure of local productivity is “GDP per worker”. By “worker”, I refer to the number of workers that work *in* a particular location irrespective of where they live.<sup>1</sup> Due to the availability of data, I had to rely on different measures across time periods:

1. For the years 1935 and 1950, county-level GDP data was unavailable. Hence, I relied on digitized county-level information from tax records, which report “Total taxable sales / Local population”.
2. For the time period between 1957 - 1974 (with data for 1957, 61, 64, 66, 70, 72, and 74), I digitized data on county-level GDP. For these years, the statistical office reported both “GDP / Local Population” and “GDP / Wirtschaftsbevoelkerung”. While “Wirtschaftsbevoelkerung” (“economic population”) is a unique concept of the German Statistical Office, this variable is designed to distinguish between local workers and the local population. Hence, conceptually, “GDP / Wirtschaftsbevoelkerung” should be interpreted as “GDP / Worker”.<sup>2</sup>
3. For the time period after 1980 (specifically, 1980, 92, 94, and 96), the statistical office directly reports “GDP / Worker”.

I therefore measure local productivity as “Total taxable sales / Local population” in 1935 and 1950, as “GDP / Wirtschaftsbevoelkerung” between 1957 and 1974, and “GDP / Worker” after 1980. In the replication package, the respective variables are called `lny1935` and `lny1950` for the years 1935 and 1950, and `lnGDPpw1957`, `lnGDPpw1961`, etc. for all years after 1957. In my paper, I referred to these measures simply as “GDP per capita”, which, understandably and regrettably, led to some confusion.

## References

CICCONE, A. AND J. NIMCZIK (2024): “Market Size and Spatial Growth: Evidence From Germany’s Post-war Population Expulsions: A Comment,” *Working Paper*.

---

<sup>1</sup>This distinction is crucial given the granularity of my data, because commuting creates a discrepancy between ‘GDP per local population’ and ‘GDP per local worker’.

<sup>2</sup>As part of their work, CN digitized data on the number of local workers in 1961, and they graciously shared these data with me. These data show that the measure of “GDP / Wirtschaftsbevoelkerung” is an excellent proxy of “GDP / Local Worker”; a bivariate regression yields a coefficient of 0.99. Furthermore, all my empirical results are essentially unchanged if I use “GDP / Local Worker” instead of “GDP / Wirtschaftsbevoelkerung” 1961. Results are available upon request.