

Let Bygones be Bygones?

Socialist Regimes and Personalities in Germany

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Abstract

The paper aims to demonstrate the effect of a repressive socialist regime on personality and, in particular, explores the role of state-security surveillance in this regard. We treat the separation and reunification of the socialist German Democratic Republic (GDR) and the democratic Federal Republic of Germany (FRG) as a “natural experiment”. We are motivated by the fact that personality is a key determinant of economic behavior and life outcomes.

Our results show a significant, long-lasting impact of the GDR's socialist regime on personality. Experience with the socialist regime is associated not only with higher neuroticism and conscientiousness scores but also with lower openness ratings and lower internal locus of control scores. Regressions by age cohort indicate that the duration of the exposure to the political regime is important for the regime's influence on personality. A battery of robustness checks gives confidence that these differences can be attributed to the political regime. All results are obtained from SOEP data.

To identify one channel through which the regime influenced personality, we consider the well-known practice of infiltration by unofficial collaborators (IM). We use official records on unofficial collaborators provided by the Agency of the Federal Commissioner for the Stasi Records and merge them with SOEP data. We can establish that variations in the number of IMs across GDR counties are related to significant differences in personality. Specifically, an individual who experienced more secret-service surveillance under the GDR's socialist regime is more likely to reciprocate negative acts and to have a lower internal locus of control. In other words, the consideration of the within treatment variation with respect to the surveillance intensity produces findings aligned with our baseline estimates and thus contributes to their explanation.

The observed socialist regime's impact on personalities has economic significance today. We present qualitative implications and some rough estimates of the average consequences of the “GDR-treatment-effect” for individual labor market outcomes.