



INSTITUT FÜR ARBEITSMARKT- UND  
BERUFSFORSCHUNG  
Die Forschungseinrichtung der Bundesagentur für Arbeit

# IAB-COLLOQUIUM

zur Arbeitsmarkt- und Berufsforschung

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Einladung  
12|2019

## THE LONG-TERM COSTS OF GOVERNMENT SURVEILLANCE: INSIGHTS FROM STASI SPYING IN EAST GERMANY

*Referent*

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**DATUM:**  
23.5.2019

**UHRZEIT:**  
11:00 Uhr

**ORT:**  
Regensburger Str. 100  
Sitzungssaal E10  
90478 Nürnberg

We investigate the long-run effects of government surveillance on civic capital and economic performance, studying the case of the Stasi in East Germany. Exploiting regional variation in the number of spies and administrative features of the system, we combine a border discontinuity design with an instrumental variables approach to estimate the long-term, post-reunification effect of government surveillance. We find that a larger spying density led to persistently lower levels of interpersonal and institutional trust in post-reunification Germany. We also find substantial and long-lasting economic effects of Stasi surveillance, resulting in lower income, higher exposure to unemployment and lower self-employment.