Contents

Introduction

What determines the attitude of a state toward ethnic minorities within its borders? Why are some minorities accommodated or assimilated and others are politically excluded and repressed? Furthermore, why does the position of a state toward its minorities change in time? For example Soviet Union largely accommodated its minorities by in 1920s but it heavily repressed them in campaigns of mass terror 10 years later.

Mylonas (2013) argues that geopolitical concerns play an important role. Specifically, a state is likely to choose repression and exclusion if the ethnic minority's country of origin is seen as an geopolitical enemy. The minority is then viewed by the state as unreliable and as a potential fifth column of the foreign country.

We test this hypothesis on the case of German minority in Soviet union. In 1933, Hitlers rise to power changed Germany from a neutral actor to ideological and geopolitical enemy in the perspective of the Soviet Union. We can then see how the repression changed before and after 1933 and compare it with other minorities. In particular, we use the individual arrests by soviet secret police (NKVD) as a dependent variable and employ the difference in difference strategy.

1 Literature review

The existing literature on the use of repression by a state have mostly focused on the impact of of domestic factors such as institutions and economic growth (Davenport, 2007).

As was mentioned, Mylonas (2013) proposes a theory how of geopolitical relations influence the attitude of a state towards its minorities. He also tests his theory with data on the post-World War I Balkans where the nation-building policies (categorized into 3 groups: accommodation, assimilation and exclusion) toward 90 ethnic groups are a dependent variable and information on their support by external powers is an explanatory variables (together with other control variables). However, the results of the cross-sectional regression, used in the study, might easily be biased due to omitted variables or reverse causality and we believe that our approach offers cleaner identification.

According to Blaydes (2018), a state will resort to collective punishment (based on ethnicity, religion or community membership) if it faces environment with highly asymmetric information in which it cannot identify the likely transgressors. The logic behind this is that the members of the community will police its members to avoid collective punishment.

McNamee and Zhang (n.d.) is methodologically and thematically closet study to ours. They analyze how the 1958 split in Soviet-China relations affected the demographic composition of the population in the Soviet-Chinese border regions. Using difference-indifference strategy, they find that, after the split, both states supported expulsions of the minority group and sponsored immigration of the majority group but only in border regions without significant natural boundary (e.g. mountains). They conclude that the states use demographic engineering as a way to protect their vulnerable border against a hostile power.

2 Historical background

2.1 German minority in the Soviet Union

2.2 German–Soviet relations in the interwar period

The relations between Weimar Germany and Soviet Union can be characterized as neutral or even cooperative. Both countries were somewhat isolated in the international system dominated by western powers (Great Britain, France, USA) and sought to find allies. The good relations were first established by the Treaty of Rappalo in 1922 in which both countries renounced the territorial and financial claims against the other and agreed to secret military cooperation (Gatzke, 1958) and then reaffirmed by the Treaty of Berlin in 1926. Furthermore, a trade treaty was signed between the two countries in 1925 (Morgan, 1963).

Hitler was named chancellor on 30 January 1933 and effectively become a dictator on 24 March 1933 by the passing of the Enabling Act. The relations with Soviet Union quickly turned hostile for several reasons. First, Hitler called in *Main Kampf* for Germany to obtain *Lebensraum* (living space) in the east, presumably at the expense of the Soviet Union and he often spoke of Judeo-Bolsheviks. Moreover, Hitler soon after his rise to power banned the German Communist Party and started to persecute its members (Haslam, 1984).

Nevertheless, the Soviet Union and Nazi Germany were able to cooperate in areas of common interest under special circumstances in late 1930s. In particular in 1939 they sighed the Molotov-Ribbentrop pact which guaranteed non-belligerence between Germany and the USSR and divided the spheres of influence in the Eastern Europe. This of course ended with German invasion into the USSR in June, 1941. Except the brief period of limited cooperation, the Germany represented an ideological and geopolitical opponent. The Soviet propaganda portrayed Nazi Germany as an existential enemy and rank-and-file NKVD officers would perceive it as such (which is why Molotov-Ribbentrop pact caused such a surprise).

2.3 Ethnic repressions in the Soviet Union

In the 1920s, the Soviet policy towards its ethnic minorities was largely accommodating (Martin, 2001). The languages and culture of minorities were even often promoted and minorities were encouraged to enter local goverments and party structures (so-called *korenizatsiya* policy). In some cases Autonomous Soviet Socialist Republics (ASSR) were established (including Volga German ASSR) which had given the regional minorities certain degree of independence.

This attitude changed drastically in the 1930s. First, the *korenizatsiya* policy started to be reversed. The Soviet state then gradually began to target ethnic minorities for repressions which culminated in the mass national operations of the NKVD of 1937-1938 resulting in more than 100 000 people being killed and many more sent to the Gulags (forced labor camps) (Snyder, 2011). The persecutions further escalated with the World War II. Following the German invasion into the Soviet Union in 1941, Stalin ordered deportation of about 400 000 Volga Germans into Kazakhstan and Siberia (Polian, 2003).

3 Data

Our data on soviet repressions come from Zhukov and Talibova (2018)[1] who use the Victims of Political Terror archive [2] collected by a Russian NGO Memorial. The main sources of the Memorial lists are declassified Russian Interior Ministry documents, prosecutor's offices and the Commission for the Rehabilitation of Victims of Political Repression. The Memorial archives include 2.6 individual arrest by the Soviet secret police (NKVD) between the years 1921 and 1959 with names of each person, date of arrest, the place of birth for all observations and in many cases additional information such as ethnicity, occupation and party membership. However the data are not complete and include about 70% of estimated 3.8 million convicted for political reasons.

We created our main dataset by counting number of arrest for each ethnicity by year. A few people who were categorized as having multiple ethnicities were dropped from the dataset and not counted. With 17 minorities (Armenian, Belarussian, Estonian, German, Greek, Chechen, Chinese, Jewish, Kabardin, Kalmyk, Korean, Latvian, Lithuanian, Ossetian, Polish, Tatar and Ukrainian) and 37 time periods (from 1921 to 1958) this gives us 663 observations in total. Total number of arrests for each ethnicity is provided in the table 1 and the plot of arrest by ethnicity and year (after applying the transformation $\log(1 + y_{it})$) is shown in figure 2, both in the appendix.

[1] In particular, we downloaded the data from the replications file archive of the journal available at https://www.prio.org/JPR/Datasets/

[2] The Memorial archive can be accessed at http://base.memo.ru/ (new version) or at http://lists.memo.ru/ (older version)

4 Methodology

4.1 Difference-in-differences

We follow the standard difference-in-differences strategy

$$\log(1+y_{it}) = \lambda_t + a_i + \delta german_{it} \cdot post_{it} + E_i \cdot t + \sum_{k=1}^{3} \gamma_k \, german_{it} \cdot post_{it+k} + \sum_{j=1}^{5} \omega_j \, german_{it} \cdot post_{it-k} + u_{it} \quad (1)$$

where y_{it} is number of arrests of people with ethnicity i in year t, λ is year fixed effect, a is ethnicity fixed effect (both captured by respective dummy variables) and *post* is a dummy that equals 0 before the year 1933 (exclusive) and 1 after it. The coefficient of interest here is δ. The 5 coefficients ω_j capture the potential lagged effects (extending from 1934 to 1938), whereas the 3 coefficients capture the lead (anticipatory) effects (from 1930 to 1932) used to test pre-treatment parallel trends. The $E_i \cdot t$ term capture the ethnicity specific linear time trends. The inclusion of this term should not significantly change the coefficients, unless the results are driven by spurious correlation (see Angrist and Pischke 2009).

We apply logarithmic transformation on y_{it} since it better fits the data (more in the results below). We use $\log(1+y_{it})$ because some observations (although not many) have $y = 0$. As discussed in Wooldridge (2015, p. 193), the percentage change interpretation is usually closely preserved (except for changes beginning at 0 which are not of interest to us).

Our identifying assumption is that the number of arrest of Germans after 1933 would go in parallel to arrests of other minorities in the absence shock to German-Soviet relations conditional on our control variables (mainly the ethnicity specific time trends). Although we cannot test this assumption, we can test whether the trends were parallel prior to 1933 (pre-treatment) which could increase our confidence that they were parallel after 1933 too. This can be testing if the coefficients on lead effects (γ_k) are significantly different from zero.

As Bertrand et al. (2004) show, the usual standard errors are downward-biased for most DiD regressions since they do not account for the serial correlation within the units of interests (states, countries etc.). A common solution to this problem is to estimate standard errors using robust covariance matrix that allows for clustering (i.e. cluster-robust standard errors). However for small number of groups (generally less than 40), the cluster-robust standard errors are downward-biased and not reliable. Angrist and Pischke (2009, chapter 8) suggest taking the maximum of cluster-robust as a simple rule of thumb to avoid gross misjudgements in precision. More rigorous solutions are

cluster bootstrapping (Cameron et al., 2008; Cameron and Miller, 2015) and using t-distribution with $G-K$ degrees of freedom (where G is number of clusters and K number of parameters) rather than the standard Normal distribution (McCaffrey and Bell, 2002; Imbens and Kolesár, 2016).

Since we have small number of groups we use bell correction ...

4.2 Synthetic Control Method

However, the parrarel trends assumption can sometiemes be violated. These issues can be adressed by sythetic control method (Abadie et al., 2010; Abadie and Gardeazabal, 2003)

Implemented in R software using the MSCM package (Becker and Klößner, 2018).

4.3 Generalized Synthetic Control Method

Xu (2017)

5 Results

The results of our main specification are presented in the table **??**, in column (1). The estimated coefficients together with their 95% confidence from this model are plotted in the figure 1. We can see that all coefficients for years 1930 to 1932 are statistically insignificant which means that the pre-treatment trends in arrests of German minority were likely parallel to the pre-treatment trends of other minorities which gives us greater confidence in the validity of our identification strategy.

The coefficients on all other years are insignificant as well. Only for 1934 (one year lag) is the estimate significant at 10% level (p-value of 0.08). Since this not reaches even the traditional 5% significance threshold we are inclined to not reject the null hypothesis or at least to conclude that evidence in favor of the alternative hypothesis (more repressions of Germans due to rise of Hitler) is quite weak. Furthermore, as we show below the alternative specifications do not increase the significance of the coefficients. We perform several robustness checks to asses sensitivity of the results to different specifications. First, in our main model (column (1) of table **??**), we included all observations in years 1923 to 1958. But the relationship between Germany and Soviet Union were somewhat more complicated after the World War II. We thus re-estimate the model with only the data from 1923 to 1945. The results (in column (2)) change only little and does not alter our previous conclusions. Second, when we omit the ethnicity specific linear time trends in column (3), we see again that the coefficients are very similar to the original model. Finally, we estimate a specification with number of arrests as a dependent variable (without logarithmic transformation). We can see that this model (shown in column (4)) fits the data rather poorly with R^2 only of 0.428 (compared to 0.890 in the logarithmic specification).

Figure 1: Estimates of coefficients on $german \cdot post\_year$

Conclusion

We used difference-in-differences to test whether the change in geopolitical relations between Soviet Union and Germany in 1933 caused the NKVD to target Soviet Germans more relative to other minority group. We have seen that evidence for this hypothesis is rather weak. One possible explanation might be that the Germans were well represented in state institutions (including the NKVD) in regions of their heavy settlements and thus would not be prone to target their co-ethnics due to change in geopolitical relations. Polian (2003, p. 126) for example mentions that even on 31 June 1941, the Supreme Court of the Volga German ASSR sentenced a Russian *kolchoz* chief for "delivering chauvinistic abuses against Germans residing in the USSR". The fruitful area for further research

might be to compare how the rise in repressions differed for Germans living in areas with local autonomy (e.g. Volga German ASSR) and those living outside to see to what extent autonomy offered protection.

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List of tables and figures

Appendix A

Table 1: Total arrest by ethnicity, 1921-1958

Ethnicity	Number of arrests
Armenian	2228
Belarussian	66226
Estonian	7508
German	37812
Greek	1508
Chechen	723
Chinese	6317
Jewish	28900
Kabardin	2162
Kalmyk	5405
Korean	2482
Latvian	13208
Lithuanian	2666
Ossetian	2812
Polish	54022
Tatar	26294
Ukrainian	49306

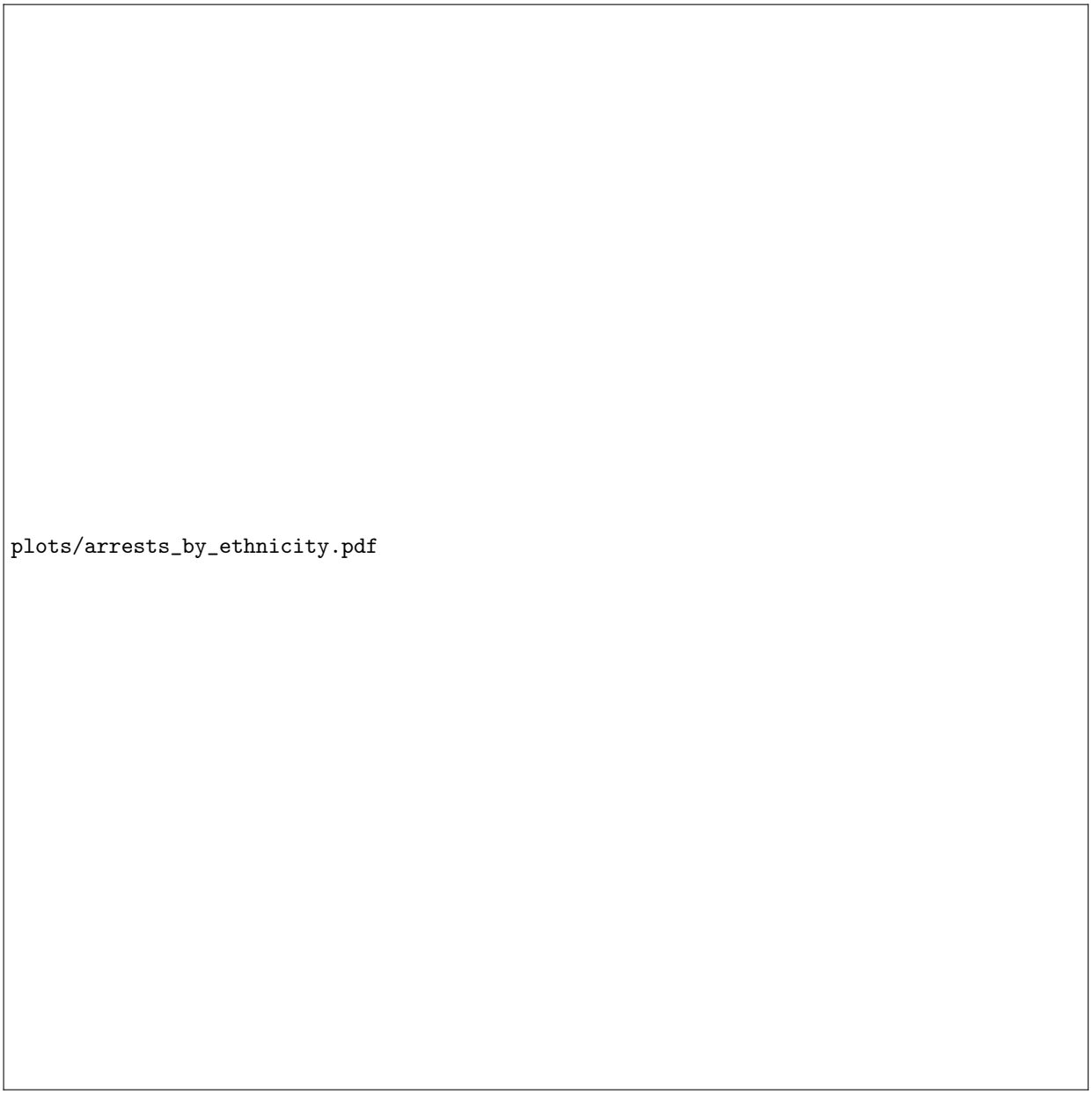

Figure 2: Arrests by ethnicity and year (in $log(1 + y_{it})$)