

# Paycheck Politics:

## Minimum Wage Dynamics and the Populist Vote

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- first district (“Landkreis”) in Germany to elect commissioner from AfD (52.8%)
- AfD = right-wing radical neo-nazi party with distinct populist agenda
- but also district with highest share of minimum wage recipients in Germany (44%)

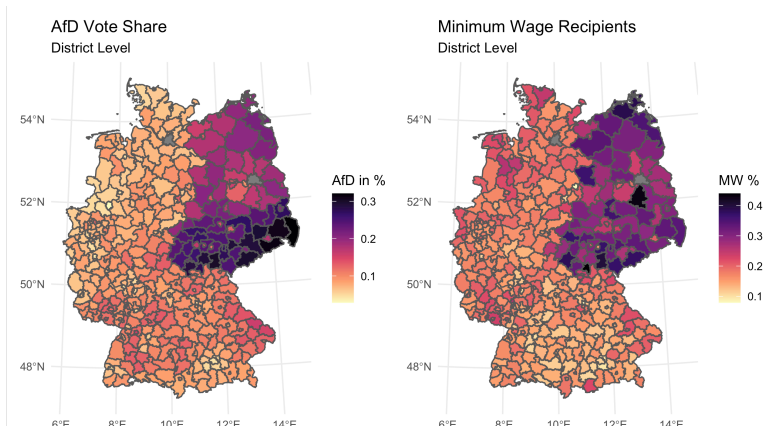
**Research Question:** *Does receiving Minimum Wage lead to a higher vote share of populist parties?*

What causes the populist vote?

Author	Cause
Gabriel, Klein, and Pessoa ( <a href="#">2023</a> )	Austerity
Hövermann ( <a href="#">2023</a> )	job dissatisfaction
Dippel et al. ( <a href="#">2022</a> )	exposure to globalization
Fischer and Meister ( <a href="#">2023</a> )	Financial Crisis

# Data

- **Dependent Variable:** AfD vote share in 2021 federal election (Bundeswahlleiter)
- **Independent Variable:** Share of minimum wage recipients in 2022 (WSI)



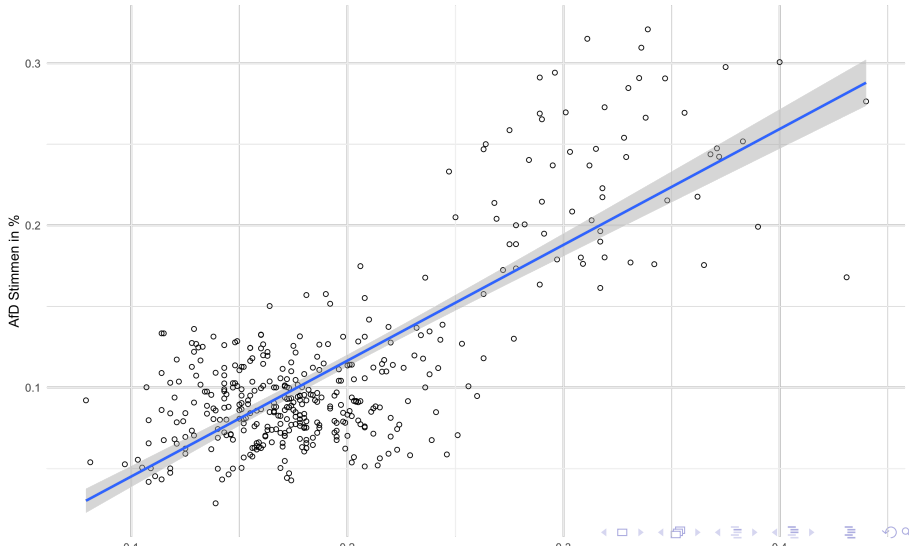
# Method

- **Model:** Linear Regression
- **Estimation:** OLS
- **additional Controls:** unemployment rate, GDP per capita, share of foreigners, share of elderly, population density

$$\text{AfD Vote Share}_i = \beta_0 + \beta_1 \text{MW Recipients}_i + \beta_k \text{Controls}_i + \epsilon_i$$

# Regression Results

AfD Stimmen und Mindestlohnbezieher  
Kreisebene



# Regression Table

	<i>Dependent variable:</i>						
	AfD Vote Share						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Minimum Wage Rate	0.714*** (0.028)	0.291*** (0.039)	0.308*** (0.039)	0.301*** (0.044)	0.227*** (0.044)	0.222*** (0.043)	0.202*** (0.043)
East Germany		0.086*** (0.006)	0.088*** (0.006)	0.088*** (0.006)	0.081*** (0.006)	0.088*** (0.006)	0.091*** (0.006)
Unemployment Rate			-0.279*** (0.071)	-0.275*** (0.072)	-0.244*** (0.070)	-0.383*** (0.078)	-0.222** (0.092)
Log GDP p. C.				-0.002 (0.005)	0.011* (0.006)	0.002 (0.006)	0.006 (0.006)
Avg. Age					0.006*** (0.001)	0.008*** (0.001)	0.008*** (0.001)
Log Pop. Density						0.175*** (0.046)	0.243*** (0.050)
Foreigners							-0.008*** (0.002)
Constant	-0.026*** (0.006)	0.040*** (0.007)	0.051*** (0.007)	0.071 (0.060)	-0.332*** (0.091)	-0.351*** (0.090)	-0.315*** (0.090)
Observations	400	400	400	400	400	400	400
Adjusted R <sup>2</sup>	0.612	0.732	0.742	0.741	0.760	0.768	0.773
Residual Std. Error	0.036 (df = 398)	0.030 (df = 397)	0.030 (df = 396)	0.030 (df = 395)	0.029 (df = 394)	0.028 (df = 393)	0.028 (df = 392)

# References

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