

# Populism and the Minimum Wage

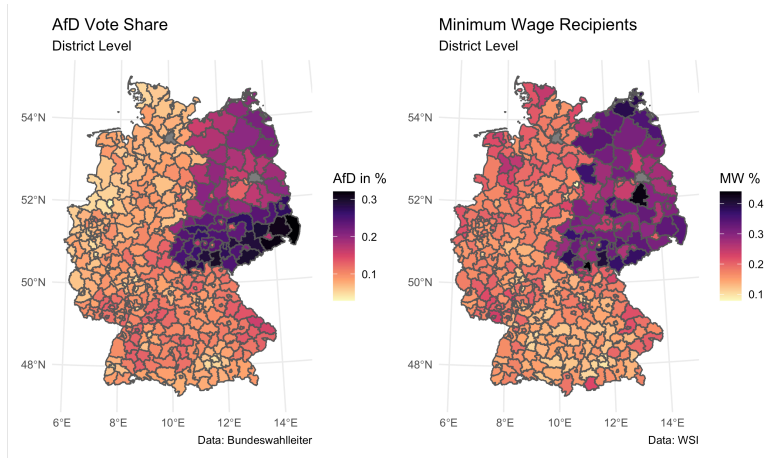
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- first district (“Landkreis”) in Germany to elect commissioner from AfD (52.8%)
- AfD = right-wing radical neo-nazi party with distinct populist agenda
- but also district with highest share of minimum wage recipients in Germany (44%)

**Research Question:** *Does the political economy of the minimum wage explain the success of the AfD / right-wing populism?*

# Data

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



What causes the populist vote?

Author	Cause
Gabriel, Klein, and Pessoa (2023)	Austerity
Hövermann (2023)	job dissatisfaction
Dippel et al. (2022)	exposure to globalization
Fischer and Meister (2023)	Financial Crisis

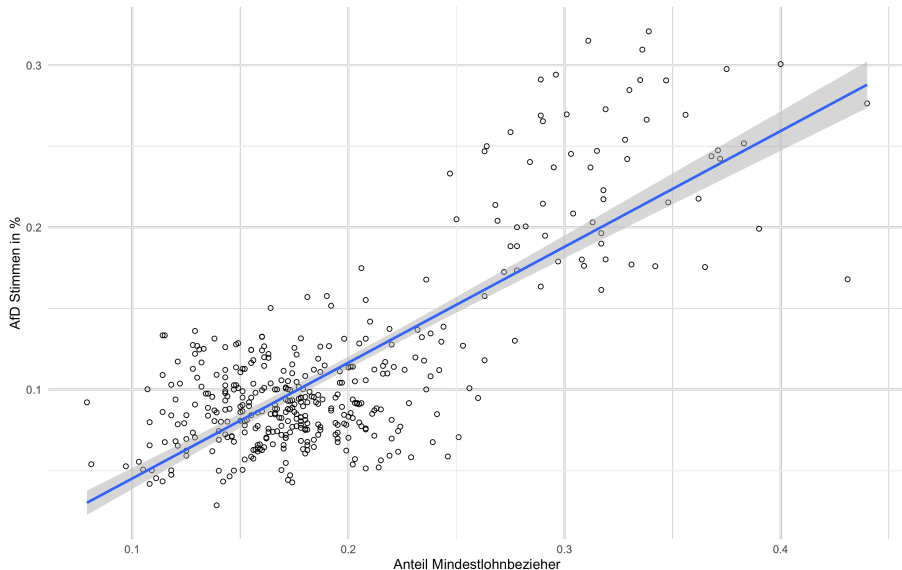
# Method

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

$$\text{AfD Vote Share}_i = \beta_0 + \beta_1 \text{MW Recipients}_i + \beta_2 \text{Controls}_i + \epsilon_i$$

# Regression Results

AfD Stimmen und Mindestlohnbezieher  
Kreisebene



# Regression Table

**Effect of Minimum Wage Recipients on AfD Vote Share**

	<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)

*Note:*

\*p<0.1; \*\*p<0.05; \*\*\*p<0.01

# References

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