

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%)

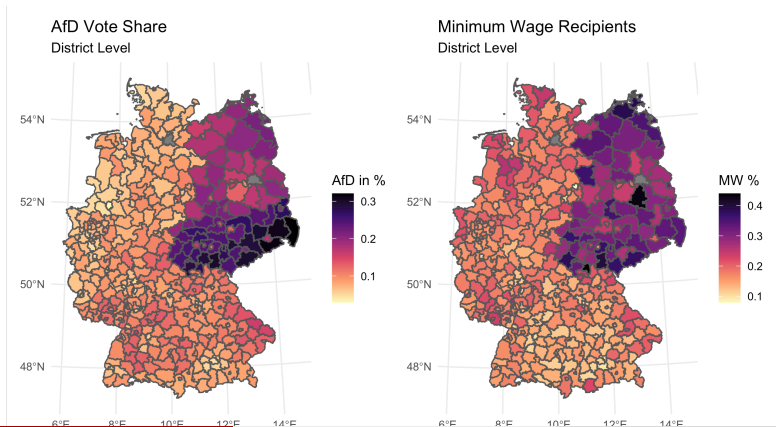
Research Question: *Does receiving Minimum Wage lead to a higher vote share of populist parties?*

What causes the populist vote?

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

Data

- **Dependent Variable:** AfD vote share in 2021 federal election (Bundeswahlleiter)
- **Independent Variable:** forecasted Share of workers impacted by the 12€ increase in Minimum Wage (WSI) = Minimum Wage recipients



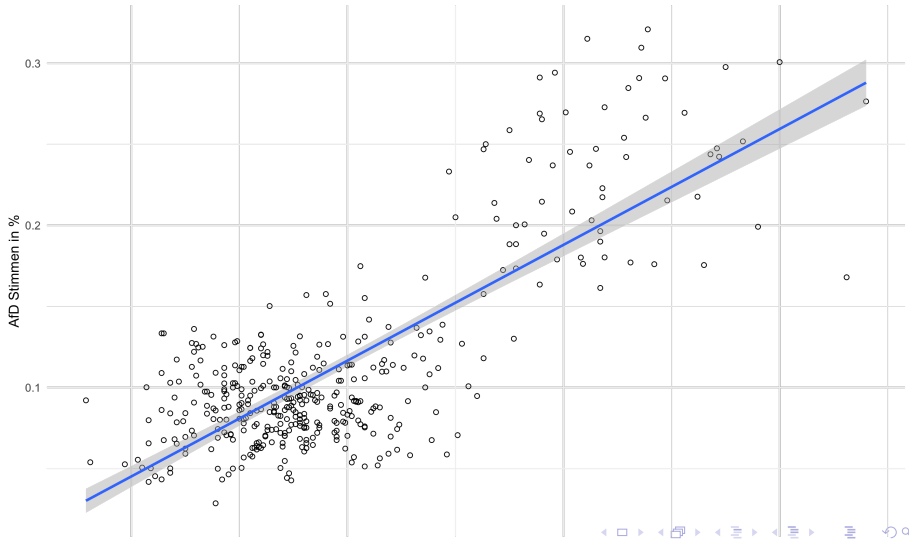
Method

- **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 ²	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)

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