Elite Influence? Religion, Economics, and the Rise of the Nazis

Jörg L. Spenkuch[1] and Philipp Tillmann[2]

[1]Kellogg School of Management, Northwestern University and [2]Department of Economics, University of Chicago

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Introduction

Why do some young democracies fail, while others survive? We argue that when individuals lack democratic experience a society's traditional elites may provide critical guidance and backing in times of discontent and economic adversity. In support of this theory we present empirical evidence from Weimar Germany.

Few historical events have been more consequential than the failure of the Weimar Democracy and Adolf Hitler's ensuing rise to power. In 1928 the Nazi Party (NSDAP) gained only 2.6% of the popular vote. But shortly after the onset of the Great Depression its vote share increased by a factor of seven, only to double again by 1932. At the end of the Weimar Republic the NSDAP obtained 43.9% of the popular vote and was by far the largest faction in parliament.

With one important exception Germany's old elites either condemned the new democracy and supported parties that sought to abolish it, or they remained politically uninvolved. The Catholic Church, however, took a public stance against the Nazi party, even forbidding Catholics to vote for it. Instead, the Church promoted the democratic Zentrum Party—it's traditional political ally.

As one would expect if the Church's position affected individuals' voting decisions, support for the Nazis was by no means uniform. While majoritarian Catholic regions remained strongholds of moderate parties—especially the Zentrum—voters in predominantly Protestant areas flocked toward the NSDAP (cf. Figures 1 and 2).

Although the link between religion and NSDAP vote shares may be surprising, we are not the first to recognize it. In fact, the rise of the Nazis is one of the most studied topics in modern history. However, as pointed out by King et al. (2008), the literature draws very rarely on adequate econometric techniques, and the quantitative evidence that does exist remains purely correlational.

Empirical Approach

To determine whether the Church's position did, indeed, have a causal impact we rely on official election results as well as socio-economic characteristics of Germany counties collected by Falter and Hänisch (1990), and estimate models of the following form:

$$v_c = \mu_d + \beta Catholic_c + X_c'\theta + \epsilon_c. \quad (1)$$

Here, v_c denotes NSDAP vote shares (among all eligible voters) in the November election of 1932, $Catholic_c$ indicates the share of Catholics in county c, X_c is a comprehensive vector of controls, and μ_d marks a district fixed effect.

Since the religious composition of counties is likely correlated with unobserved variables and, therefore, endogenous we also instrument for $Catholic_c$ with an area's official religion before the Thirty Years War (Z).

More specifically, we exploit that a stipulation in the Peace of Augsburg in 1555 shaped the geographic distribution of Protestants and Catholics in Weimar Germany. Ending decades of religious conflict, the peace treaty gave territorial lords the right to determine states' official religion and, therefore, the religion of all their subjects. The historical record shows that scores of local rulers made extensive use of this privilege.

Although plausible, there is no guarantee that the exclusion restriction required for a valid instrument is exactly satisfied. We therefore use econometric techniques developed by Coley et al. (2012) to show that our main estimates are qualitatively robust to possibly small violations. More specifically, we estimate the following econometric model:

$$v_c = \mu_d + \beta Catholic_c + X_c'\theta + \gamma Z + \epsilon_c, \quad (2)$$

where γ parameterizes the extent to which the exclusion restriction is violated. By imposing different, unfavorably skewed priors on the distribution of δ we then gauge the robustness of our results.

Figure 1. NSDAP Vote Shares, November 1932

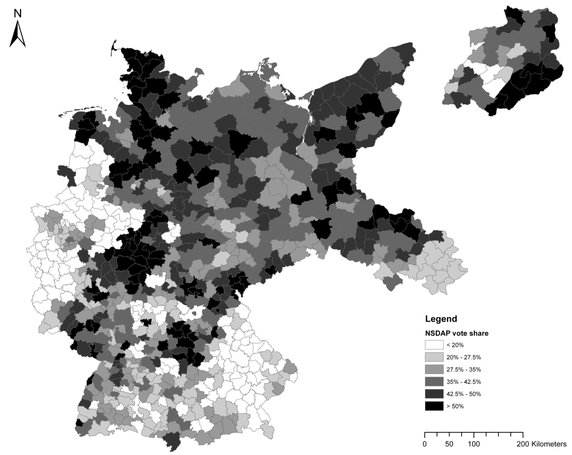


Table 1. Religion and Nazi Vote Shares, November 1932

	NSDAP Vote Share					
Independent Variable	(1)	(2)	(3)	(4)	(5)	(6)
Percent Catholic	-.193	-.214	-.217	-.226	-.230	-.276
	(.019)	(.017)	(.017)	(.017)	(.020)	(.028)
Demographics:						
Percent Jewish		.702	.946	.854	.791	.473
		(.367)	(.434)	(.492)	(.494)	(.331)
Percent Female		1.097	.775	1.435	1.426	.665
		(.564)	(.514)	(.593)	(.553)	(.558)
Urban County		-4.520	-3.234	-1.523	-1.550	-.487
		(1.228)	(1.083)	(1.459)	(1.532)	(1.227)
Log Population		-2.427	-2.152	-1.767	-1.068	-.837
		(.498)	(.465)	(.403)	(.503)	(.410)
Employment:						
Female Labor Force Participation Rate			.099	.051	.024	.063
			(.080)	(.115)	(.120)	(.073)
Unemployment Rate			-.015	.197	.222	-.100
			(.105)	(.146)	(.167)	(.085)
Sectoral Composition of Workforce (in %):						
Manufacturing				-.150	-.109	-.064
				(.085)	(.131)	(.073)
Artisanry				-.246	-.268	-.118
				(.085)	(.135)	(.148)
Public Service				.018	-.426	-.162
				(.073)	(.147)	(.133)
Domestic Labor				.070	-.809	-2.005
				(.290)	(2.224)	(1.834)
Occupational Composition (in %):						
White Collar Workers					-.147	-.184
					(.241)	(.193)
Civil Servants					.759	.487
					(.258)	(.228)
Blue Collar Workers					-.078	-.073
					(.155)	(.103)
Domestic Servants					1.225	2.229
					(2.366)	(1.891)
Self-Employed					.119	.026
					(.326)	(.193)
Constant	32.709	6.721	16.062	-14.801	-21.704	
	(1.300)	(25.457)	(24.765)	(25.778)	(25.462)	
Electoral District Fixed Effects	No	No	No	No	No	Yes
R-Squared	.421	.576	.591	.612	.626	.799
Number of Observations	960	960	960	960	960	960

Notes: Entries are coefficients and standard errors from estimating equation (1) by weighted least squares. The dependent variable is a county's NSDAP vote share in the November elections of 1932. Heteroskedasticity robust standard errors are clustered by electoral district and reported in parentheses. In addition to the variables shown in the table, indicator variables for missing values on each covariate are also included in the regressions. See the Data Appendix for the precise definition and source of each variable.

Figure 2. Religion in Weimar Germany.

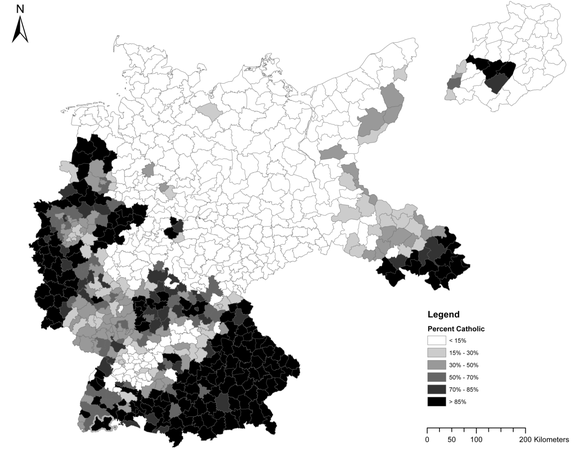
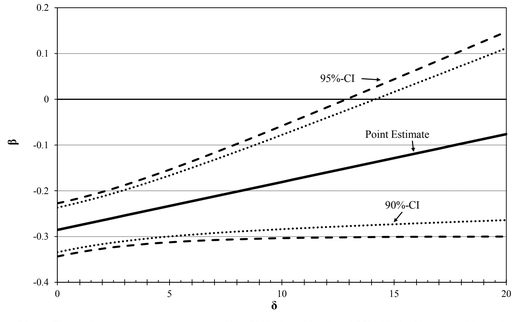


Table 2. Instrumental Variable Estimates

	(1)	(2)	(3)	(4)	(5)	(6)
2SLS Estimates:						
Effect of Catholicism on NSDAP Vote Share	-.196	-.218	-.228	-.231	-.268	-.276
	(.019)	(.016)	(.016)	(.020)	(.028)	(.024)
Reduced Form Results:						
Historically Catholic County	-13.833	-15.645	-15.933	-15.254	-14.412	-12.177
	(1.372)	(1.220)	(1.273)	(1.504)	(1.677)	(1.599)
Historically Mixed County	-8.183	-7.584	-7.496	-6.955	-6.534	-5.584
	(1.490)	(1.660)	(1.753)	(1.848)	(1.596)	(1.203)
First Stage Regressions:						
Historically Catholic County	70.995	70.476	70.452	65.168	50.743	43.832
	(3.053)	(2.906)	(2.832)	(3.289)	(2.957)	(3.703)
Historically Mixed County	39.794	40.491	40.464	35.048	25.278	23.121
	(5.331)	(5.602)	(5.836)	(6.238)	(4.434)	(4.004)
[F-Statistic]	287.37	296.53	305.36	213.24	80.83	81.45
Controls:						
Demographics	No	Yes	Yes	Yes	Yes	Yes
Unemployment & Female Labor Force Participation	No	No	Yes	Yes	Yes	Yes
Composition of Labor Force	No	No	No	No	Yes	Yes
Geographic Controls	No	No	No	No	Yes	Yes
District Fixed Effects	No	No	No	No	No	Yes

Notes: The dependent variable in the top and middle rows is a county's NSDAP vote share in the November elections of 1932. The dependent variable in the bottom rows is the share of Catholics (in percent) among a county's population. Heteroskedasticity robust standard errors are clustered by electoral district and reported in parentheses. In addition to the variables shown in the table, indicator variables for missing values on each covariate are also included in the regressions. See the Data Appendix for the precise definition and source of each variable.

Figure 3. Inference Allowing for Violations of the Exclusion Restriction.



Notes: Figure depicts point estimates as well as 90% (dotted line) and 95% (dashed line) confidence intervals for the effect of Catholicism on NSDAP vote shares in the November elections of 1932. Estimates are based on the assumption that each element of γ is distributed U(-δ,0). See the main text as well as Conley et al. (2012) for details on the estimation procedure.

Religion and Nazi Vote Shares

Table 1 present results from estimating equation (1) by OLS. To allow for spatial correlation in the residuals standard errors are clustered by electoral district. Moving from the left to right, the set of controls grows steadily. The most inclusive specification controls for geographically constant, unobserved variables by including district fixed effects.

Column (1) demonstrates the strong correlation between religion and NSDAP vote shares. In fact, a constituencies' religion alone explains over 42% of the variation in the dependent variable. All other controls combined explain less than an additional 40%. The share of Catholics among a county's population is, therefore, the single most important predictor of Nazi vote shares.

Also, note that the estimated effect does not diminish with the addition of more controls. If anything, the estimated difference in the voting behavior of Catholics and Protestants grows. Taking the estimate in column (6) at face value suggests that comparing exclusively Protestant counties with exclusively Catholic ones the Nazis received a 27.6 percentage points lower vote share in the latter. Given a nationwide result of 26.4%, this difference is not only statistically highly significant but also economically very large.

Table 2 present 2SLS estimates as well as the corresponding reduced form and first stage results. According the first stage F-statistic our instrument is extraordinary strong, even after accounting for electoral district fixed effects. More importantly, the instrumental variables estimates are extremely close to their least squares counterparts, which suggests that the effect of Catholicism on Nazi vote shares is, indeed, causal.

To assess the robustness of this conclusion consider Figure 3. Assuming that γ in equation (2) is uniformly distributed on the interval $[-\delta, 0]$, the solid line depicts the 2SLS point estimate for each δ, and the dashed lines show the corresponding confidence intervals. As long as one believes that rulers' choices in the aftermath of 1555 had an independent effect on NSDAP votes no larger than 14 percentage points, once can always reject the null hypothesis that Catholicism had no causal effect.

Ancillary results show that the conclusions above are qualitatively and quantitatively robust to using municipality level data and controlling for county fixed effects.

Conclusion & Next Steps

Our results show that Catholics were substantially less likely to vote for the Nazis than Protestants, and that this difference is unlikely due to omitted variable bias. Instead, the available evidence points toward a causal effect.

In ongoing work we try to determine the underlying mechanisms. Preliminary results indicate that the difference between Catholics and Protestants is significantly smaller in villages where Catholics priests openly sympathized with the NSDAP. Moreover, there are no religious differences in regions where Catholics were initially unreceptive to the Church's pressure to vote for the Zentrum. This suggests that the influence of the Church limited the rise of the Nazis, though it did not prevent the demise of Germany's first democracy.

References

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