

A shortcoming in news accounts of the 2016 election is their equivocation between explanations based on economic harm and explanations based on cultural prejudice. This shortcoming is paralleled in the political economy literature. Economic and cultural explanations are advanced in isolation, but relatively little work pushes for a synthesis of these strands of explanation, and few papers explore the feedback and compound effects of the interaction of economic and cultural factors. A plausible explanation for the interaction of these factors as determinants of political choice is to posit that cultural factors are themselves explained by economic factors. This family of explanations holds that while people may sincerely believe themselves to be actuated by concerns over immigration, relative decline, cultural decay and so on, their beliefs in these areas are in turn determined by economic variables.

In contrast, other research has found that cultural determinants of behavior are extremely sticky, persisting over centuries and outlasting political systems, religions and even material culture. For example, Voigtlander and Voth (2012) find that localities with a documented history of anti-Jewish pogroms during the Black Death (1348-50) were substantially more likely to engage in such pogroms in the 1920s. Such localities also had a higher vote share for Nazi candidates for office, and a higher proportion of Jews were deported during the 1930s and 1940s. However, cities with a strong tradition of long-distance trade showed a much weaker link between ancient and modern anti-Semitism, as did rapidly urbanizing areas. The authors speculate that local persistence of ancient hatreds may partly reflect a lack of mobility and reduced exposure to new people and new ideas.

The recrudescence of populism in Western Europe and the United States has led scholars to revisit this debate. De Bromhead et al. (2013) find that there is indeed a link between economic struggles and political extremism, based not merely on growth at the time of the election but on long-term cumulative growth performance. The impact of economic hardship on political extremism was greatest in countries with short histories of democracy, electoral systems with low thresholds for parliamentary representation, and which had been on the losing side in the First World War. High representation thresholds also lowered the extremist vote share, independently of their effect on representation. Similarly, Ballard-Rosa et al. (2017) find that negative shocks cause individuals to adopt authoritarian values. People living in regions where local labor markets were more substantially affected by imports from China report significantly stronger authoritarian values in surveys. The authors claim to disaggregate authoritarianism into

components of aggression, submission and conventionalism, and demonstrate that the relationship to the China shock is concentrated in the aggression component.¹ The authors see this work as uniting the literature at a deeper level, obviating the dispute between economic and non-economic values by demonstrating that non-economic values have at least some economic determinants. Despite their focus on aggression, the authors claim that people adopt authoritarian values to cope with the “rising anxiety” created by economic shocks.²

It seems trivial to point out that economic shocks do not always result in populism. On De Bromhead et al.’s interpretation, the anxiety generated by economic shocks might be remediated before it can result in the development of authoritarian values. In a pair of papers, Colantone and Stanig reach precisely this result. First, Colantone and Stanig (2018a) find that support for Brexit was systematically higher in regions exposed to economic globalization during the preceding 25 years. Immigration was not significantly associated with support for Brexit. The authors speculate that the effect is driven by globalization-induced displacement in the absence of an effective compensation mechanism, which they call “globalization without compensation”. They further suggest that voters respond to the import shock sociotropically, by reacting to the general economic situation of their region rather than their personal welfare. Political “bundling” may have associated China-induced economic hardship with immigration, as Brexiteers frequently cite high levels of immigration as their motivation for voting for the “Leave” option.³

Second, Colantone and Stanig (2018b) find that in Western Europe, a stronger import shock leads to an increase in support for nationalist, isolationist and radical political parties, and a general rightward shift in the electorate. In addition, voters respond to economic shocks sociotropically, by reacting to the general economic situation of their region rather than their personal welfare. They speculate that globalization might not be sustainable in the long run without an equal sharing of trade’s welfare gains throughout society. Similarly, Fetzer (2018) concluded that prior to 2018, Britain’s welfare state remediated at least some of the impact of globalization through transfer payments, but that the Cameron government’s austerity-induced

¹ I wonder about the utility of China as an instrument, because Britain played a role in China’s WTO accession in 2001.

² Frey et al. (2018) find that support for the Republican presidential candidate in the US’s 2016 election was significantly higher in local labor markets that were relatively more exposed to the adoption of industrial robotics. Provocatively, they assert that in the absence of such robots, the Democratic candidate would have prevailed in Michigan, Pennsylvania and Wisconsin.

³ “The inability of governments to set up effective compensation policies for the “left behind” of globalization might have led to a crisis of embedded liberalism, breeding isolationism and neonationalism” (p.217).

welfare reform measures after 2010 resulted in a breakdown of this transfer mechanism. He asserts that Remain would have prevailed in the referendum if pre-2010 patterns of transfer payments had been maintained.

We seem to be developing a comforting narrative. The rise of populism after 2010 was an own-goal, or an unforced error, caused by governments' inattention to the proper redistribution of the gains from trade. This literature indicates that in the presence of proper redistribution, the formation of authoritarian attitudes would either be circumscribed or blocked entirely. However, the Voigtlander and Voth findings give us a reason to question this approach. What can possibly explain the persistence of cultural attitudes across centuries? Surely these attitudes cannot be completely shaped by economic forces. Some cultural substrate must indeed be independent of economic factors. Does it play a role in political choice?

In contrast to the research presented so far, Mutz (2018) dissents from the general finding that economic determinants drive vote choice. In a study of the 2016 election, she determined that results do not support an interpretation of the election based on traditional "pocketbook" economic concerns. Rather, candidate preference in 2016 reflected a sharp increase in anxiety among traditionally "high-status" groups, "contributing to a sense that white Americans are under siege by these engines of change". Mutz found that changing preferences (increased support for the Republican candidate) were related to a genuine change in the Republican platform on issues relating to American global dominance and the rise of a majority-minority America, particularly salient issues because they allegedly threaten white Americans' sense of dominant group status. I am inclined to criticize Mutz's research design on two points. First, surveys administered in 2012 and 2016 are too slender a foundation on which to rule out "pocketbook concerns" – such concerns may simply operate on a longer timeframe than a single presidential term. Second, Mutz's definition of such pocketbook concerns is unduly narrow, embracing an economist's caricature of a rational actor rather than incorporating findings on the sociotropic nature of economic well-being.

In fact, Mutz's results do not seem to be robust to re-estimation. Morgan (2018) argues that Mutz's (2018) data do not support her conclusions. He finds that material interests and measures of status threat are sufficiently entangled that it is impossible (with her data) to estimate their relative importance. He further finds that her panel data models are misspecified, and when properly specified suggest the alternative conclusion that material interests are at least

as important as group-based status threat. In addition, Morgan points out that Mutz defines economic interests far more narrowly than the rest of the “material-interests” literature. Finally, he gently chides Mutz for exacerbating the perception that political science research on contemporary politics is left-leaning propaganda, and he argues that Mutz had an obligation to state her claims more carefully.

Populism is not a new phenomenon. Left-wing populism was widespread in Latin America 20 years ago, and right-wing populism is an emerging factor in Southeast Asia and Eastern Europe today. Rather than viewing the populism sweeping Europe and North America as a departure from historical trends, I think it makes far more sense to see it as a return to a simpler and less-effective form of political organization. The deadweight losses inherent in personalist government will only be accepted by voters if those voters believe that the gains from trade will go to someone else. If this belief becomes widespread, the argument for retaining the gains of a pluralist society will fall on deaf ears.

In addition, I do not completely accept the argument that cultural factors are themselves determined by economic factors. While this is no doubt true to an extent, it would be reductive to posit it as an absolute claim. Culture cannot be purely determined by economics, because economic factors are themselves mediated through cultural interpretive frameworks before they can play a role in further determining the culture. Action tendencies based on undeniable economic facts will still be culturally determined. It is surprising how infrequently research from psychology and sociology is cited in the political economy literature. It would also be desirable to look at some of the positive impacts of culture. A fuller picture might show that tolerance and openness (as well as pogroms) are culturally sticky,⁴ and that material and identity factors influence one another through as-yet unexplored mechanisms.⁵

⁴ My own research looks at how we might develop and shape social norms to encourage political participation.

⁵ I didn't manage to fit one of the background papers into my discussion, but here's a quick summary of the findings. In the period from 1940 to 1996, Autor et al. (1998) find strong and persistent growth in relative demand for college graduates. The rate of skill upgrading was higher in more computer-intensive industries. Skill-biased technological and organizational changes following from the “computer revolution” have contributed to faster growth in relative skill demand within “detailed industries”. The causal process driving the rapid rate of within-industry skill upgrading seems to be concentrated in the most computer-intensive sectors of the US economy.

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