Do Changes in Material Circumstances Drive Support for Populist Radical Parties? Panel Data Evidence from the Netherlands during the Great Recession, 2007–2015

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Abstract

Political developments since the 2008 financial crisis have sparked renewed interest in the electoral implications of economic downturns. Research describes a correlation between adverse economic conditions and support for radical parties campaigning on the populist promise to retake the country from a corrupt elite. But does the success of radical parties following economic crises rely on people who are directly affected? To answer this question, we examine whether individual-level changes in economic circumstances drive support for radical parties across the ideological divide. Analysing eight waves of panel data collected in the Netherlands, before, during, and after the Great Recession (2007–2015), we demonstrate that people who experienced an income loss became more supportive of the radical left but not of the radical right. Looking at these parties’ core concerns, we find that income loss increased support for income redistribution championed by the radical left, but less so for the anti-immigration policies championed by the radical right. Our study establishes more directly than extant research the micro-foundations of support for radical parties across the ideological divide.

Introduction

Economic crises often serve as a catalyst for political transformation, and especially for the rise of radical parties (De Bromhead, Barry Eichengreen and O’Rourke, 2013; Funke, Schularick and Trebesch, 2016; Roberts, 2017). On both the left and right, these radical parties tend to draw heavily on populist appeals, predicated on a moral opposition between the pure people and a corrupt elite (Mudde, 2004; Rooduijn and Akkerman, 2017). The financial crisis of 2008 was no exception: The European political landscape has been reshaped by populist challengers from across the ideological spectrum (Bonikowski, 2017).

Understanding the rise of radical parties poses important questions to political and cultural sociologists of advanced democracies (Brubaker, 2017; Hahl, Kim and Zuckerman Sivan, 2018; Lamont, 2018). There is consistent evidence that across Europe, lower socio-economic status is correlated with support for the radical left (Visser et al., 2014; Ramiro, 2016) and the radical right...
(Lubbers, Gijsberts and Scheepers, 2002; Arzheimer, 2009; Rydgren, 2012). Geographically, support for radical parties has been concentrated in regions characterized by declining economic prospects (van der Waal, de Koster and Achterberg, 2013; Algan et al., 2017; Colantone and Stanig, 2018; Harteved and de Lange, 2018). The election of Donald Trump has been explained in terms of his successful appeal to economically marginalized working-class voters (Lamont, Park and Ayala-Hurtado, 2017; Morgan and Lee, 2017, 2018), particularly those living in parts of the country that have experienced long-term economic decline (Gest, 2016; McQuarrie, 2017). These developments resonate with classical work in political sociology on working-class voters’ support for radical candidates and causes (Lipset, 1959).

Yet despite the plethora of recent social research on the topic, scholars remain divided about the nature of the relationship between economic hardship and support for radical parties and populism (Morgan and Lee, 2017, 2018; Mutz, 2018; Stockemer, Lentz and Mayer, 2018). Our study addresses this important debate by scrutinizing the micro-foundations of theoretical arguments that connect economic circumstances to support for radical parties. Specifically, this article makes two contributions to advance the debate.

First, we test whether changes in economic circumstances are followed by changes in support for radical parties within a methodological framework that more closely approximates a causal test than past research. The extant literature has documented aggregate regional-level associations between adverse economic circumstances and support for populism in Europe, but these correlations do not establish a causal relationship at the individual level between economic circumstances and support for radical parties. To directly investigate this relationship, we build on the individual-level fixed-effects design of Owens and Pedulla (2014) and Naumann, Buss and Bähr (2016), which we expand to eight waves of panel data from the Netherlands. We trace the individual-level link between changes in income and support for radical parties before, during, and after the financial crisis (2007–2015). The Netherlands is an especially suitable case for this test, since it has seen a rise in radical parties on the left and on the right since the early 2000s.

Second, we contribute to the emerging literature that documents variation in the drivers of support for left-wing and right-wing populism (Rooduijn, 2017; Rooduijn et al., 2017; van Hauwaert and van Kessel, 2018). Recent work in the United States has questioned the relationship between economic hardship and support for right-wing radical populists (Manza and Crowley, 2017; Mutz, 2018), but has not closely investigated its role in explaining support for left-wing radical populists. By examining a case study (the Netherlands) in which both radical left and right parties feature prominently in the electoral arena, we give a more comprehensive account of the relationship between changes in material circumstances and changes in support for radical parties across the ideological spectrum.

We find that in the Netherlands, during and following the crisis years, people who experienced income loss became a little more likely to support the radical left but not the radical right. Looking at the political causes central to these parties, we find that experiencing income loss increases people’s support for redistribution, which is a key issue on the radical left’s agenda—but generates only limited support for nativist policies at the heart of the radical right. To the best of our knowledge, these analyses are the first to empirically trace the individual-level impact of changing economic circumstances on changes in people’s support for radical parties and their causes.

Substantively, our findings suggest that changes in economic hardship are a bigger part of what drives people to the radical left than what motivates support for the radical right. Theoretically, this suggests that radical parties across the ideological divide draw from very different bases of support. Our study also cautions against the ecological fallacy of inferring an individual-level mechanism based on aggregate-, regional-, or national-level associations between economic downturns and increased support for the radical right: while support for the radical right tends to be higher in regions that suffered economic decline (Algan et al., 2017), we find no clear evidence that individuals whose economic circumstances deteriorated became more supportive of radical right parties.

More broadly, our research follows the call for political sociologists to return to some of the discipline’s classics (e.g., Lipset, 1959; Lipset and Rokkan, 1967) and re-engage with electoral politics in general (Mudge and Chen, 2014) and populist radical politics in particular (Jansen, 2011; Berezin, 2017; Dodd, Lamont and Savage, 2017; Muis and Immerzeel, 2017).
and O’Rourke, 2013; Funke, Schularick and Trebesch, 2016). Like previous moments of severe economic turmoil, the Great Recession that erupted in 2008 was followed by party system transformation and the rise of populist challengers that upset politics-as-usual (Kriesi and Pappas, 2015).

A growing body of research investigates the determinants of public support for populist parties. Notwithstanding the important role of cultural concerns in driving populism, mainly on the right (Inglehart and Norris, 2017), there is consistent correlational evidence that individuals with relatively lower socio-economic status are more likely to support radical parties on the left and right (Rooduijn and Burgoon, 2017). We do not know, however, if people who personally experienced a deterioration in their economic circumstances are also those who turned to radical parties. It could be that growing support for radical parties is attributable instead to people other than those directly affected by economic crises. While scholars studied the effects of changes in economic circumstances on attitudes towards state intervention in the economy (Margalit, 2013; Owens and Pedulla, 2014; Naumann, Buss and Bähr, 2016), we lack direct evidence of how changing economic conditions shape support for radical populist parties and candidates (for exception that focuses on society-level developments; but is there reason to expect an individual-level relationship between worsening economic circumstances and growing support for the populist right? Some authors certainly do assume such a relationship. Billiet, Meuleman and De Witte (2014), for instance, note that an individual level ‘dynamic reformulation of ethnic competition implies that especially changing (i.e. worsening) economic conditions result in increasingly negative attitudes toward immigration’ (p. 151). Guiso et al. (2017) posit that those who were most negatively affected by the economic crisis in terms of economic security were more likely to turn to populist (right wing) parties, since they believe they may benefit from short-term anti-immigration policies. Analysing exposure to job loss in Sweden, Dehdari (2018) concludes that every second low-skilled worker who receives a lay-off notification adds one additional vote to the radical right. Also in the Swedish context, Bó et al. (2018) find that ‘groups which faced a relative-income decline and higher job insecurity are over-represented’ among voters of the Swedish radical right. More broadly, in his summary of the field, Golder (2016: p. 484) notes that there is strong individual-level evidence in support of the economic grievance argument on support for the radical right (see also Stockemer et al., 2018: p. 575).

Turning to the radical right, there is considerably more debate about the link between economic hardship and support for populists. Previous work suggests that economic hardship is followed by greater resentment towards ethnic minorities, which may in turn feed into support for the nativist populist right. This relationship has been explained as driven by either scapegoating processes (blaming minorities for economic downturns) or increased competition over economic resources (such as jobs and welfare benefits)—or both (Quillian, 1995). Semyonov, Rajmam and Gorodziensky (2006) provide evidence that negative attitudes towards foreigners grow in less prosperous economic environments. Previous work also finds a relationship between economic downturns and support for the radical right (De Bromhead, Barry Eichengreen and O’Rourke, 2013; Funke, Schularick and Trebesch, 2016) —parties which mobilize support based on nativist appeals (Eger and Valdez, 2015; Bonikowski, 2017).

The work cited documents aggregate relationships and focuses on society-level developments; but is there reason to expect an individual-level relationship between worsening economic circumstances and growing support for the populist right? Some authors certainly do assume such a relationship. Billiet, Meuleman and De Witte (2014), for instance, note that an individual level ‘dynamic reformulation of ethnic competition implies that especially changing (i.e. worsening) economic conditions result in increasingly negative attitudes toward immigration’ (p. 151). Guiso et al. (2017) posit that those who were most negatively affected by the economic crisis in terms of economic security were more likely to turn to populist (right wing) parties, since they believe they may benefit from short-term anti-immigration policies. Analysing exposure to job loss in Sweden, Dehdari (2018) concludes that every second low-skilled worker who receives a lay-off notification adds one additional vote to the radical right. Also in the Swedish context, Bó et al. (2018) find that ‘groups which faced a relative-income decline and higher job insecurity are over-represented’ among voters of the Swedish radical right. More broadly, in his summary of the field, Golder (2016: p. 484) notes that there is strong individual-level evidence in support of the economic grievance argument on support for the radical right (see also Stockemer et al., 2018: p. 575).

**H1a:** People who experience a deterioration of their economic circumstances become more supportive of income redistribution.

**H1b:** People who experience a deterioration of their economic circumstances become more supportive of the radical left.
This suggests the following hypotheses:

**H2a:** People who experience a deterioration of their economic circumstances become more supportive of nativist policies.

**H2b:** People who experience a deterioration of their economic circumstances become more supportive of the populist right.

Yet evidence from the American case casts doubt on the hypothesized relationship between declining economic conditions and support for right-wing populism (Mutz, 2018). Examining electoral behaviour in the American 2016 elections, Manza and Crowley (2017) conclude that there is no empirical support to the claim that Trump’s right-wing populist appeals resonated especially with economically disadvantaged voters; if anything, the evidence points in the opposite direction [but see Morgan and Lee (2017, 2018)].

In the European context, another line of research suggests that support for the populist right is strong among those who are just a few rungs above the bottom of the socio-economic ladder, but not among the most economically vulnerable (Bornschier and Kriesi, 2013; Gidron and Hall, 2017; Im et al., 2019). Biggs and Knauss (2012) find that active support for the radical right British National Party is in fact lower in localities with high unemployment. In Belgium, Rink, Phalet and Swyngedouw (2009) find no relationship between local unemployment and voting for the radical right party Vlaams Blok. These findings resonate with recent studies of mass public opinion, which situates anti-immigration attitudes in cultural rather than economic concerns (Hopkins and Hainmueller, 2014); this more cultural perspective has become the established common-wisdom in the field. Taken together, these studies question our second set of hypotheses and raise doubts over the predicted relationship between declining economic circumstances and support for the nativist radical right.

To evaluate the untested assumptions behind much of the recent debate on support for radical parties in times of economic crisis, we draw on panel data to study the individual-level impact of changing economic circumstances on support for the radical left and right and for the causes at the heart of these parties: redistribution and nativist policies, respectively.

**Data and Methods**

We draw on data from the Netherlands, which is an opportune case given that it has experienced a financial crisis and seen growing support for populist radical parties on the left and right. Over the last two decades, the Netherlands has witnessed the rise of the Socialist Party on the left (Socialistische Partij, SP) and Geert Wilders’ Party for Freedom (Partij voor de Vrijheid, PVV) on the right—two parties that scholars regard as populist (March and Rommerskirchen, 2015; Akkerman, Zaslove and Spruyt, 2017; Rooduijn, 2017; Rooduijn et al., 2017; van der Waal and de Koster, 2017). In the last three elections, the two parties together held about a quarter of all seats in parliament, due in large part to the Party for Freedom’s electoral success in economically deprived areas (Harteveld and de Lange, 2018). The Netherlands is not atypical: other European democracies have also experienced increased electoral fragmentation with the rise of populist challengers (Kriesi and Pappas, 2015). Over the time period covered in our study, the Dutch economy suffered negative economic growth in 2008–2009 and again in 2011–2012, making the Netherlands an intermediate case in-between the least and hardest-hit countries in the Great Recession (Rueda, 2014).

The data for this study were collected as part of the Longitudinal Internet Studies for the Social Sciences (LISS), based on a probability sample of 5,000 Dutch households drawn from Statistics Netherlands registry data (Scherpenzeel, 2009). Special efforts were taken to maximize participation from sampled households, including a 10-euro payment to participants and provision of a free PC and internet access for those without. These efforts resulted in a relatively high initial response rate (48 per cent) and good participation in follow-up surveys (82 per cent, on average). Attrition is concentrated among respondents aged 75 and older, who are not included in our analyses.

These data are uniquely suited for our purposes since they cover eight waves of questionnaires, between 2007 and 2015, starting right before the eruption of the financial crisis and covering its aftermath (with the exception of 2014, in which no data collection took place). We restrict our sample to the active working population (excluding students and retired citizens), because this is the population that is most likely to respond to short-term changes in income. This brings our total sample to 8,696 unique individuals for which we obtain 30,653 repeated observations over the 7-year period of data collection (2007–2015). Descriptive statistics are presented in Table 1.

**Analytical Strategy**

We adopt a within-subject design to track individuals over time in order to link changes in economic circumstances to support for populist parties. Drawing on panel
data to study how changes in economic hardship shape attitudes towards income redistribution has proved fruitful (Margalit, 2013; Owens and Pedulla, 2014; Naumann, Buss and Bähr, 2016). As Mutz (2018) observed, ‘In observational settings, panel data are widely acknowledged as the ideal basis for causal conclusions’. This methodological approach has not yet been applied to the study of support for radical parties across the left and right, or in examining the implications of changing economic circumstances on nativist attitudes associated with the populist right. With regards to the latter in particular, previous work points to ‘the lack of a true panel design with repeated measurements for the same respondents’ (Billiet, Meuleman and De Witte, 2014:p.153)—a shortcoming our research design directly addresses.

To identify the effect of changes in material circumstances, we estimate regression models with individual fixed-effects (cf. Owens and Pedulla, 2014; Naumann, Buss and Bähr, 2016). Including individual fixed-effects holds constant time-invariant factors and isolates that part of the attitudinal change that is associated with a person’s changing income. The year fixed-effects allow us to estimate baseline changes in attitudes associated with that particular year. We estimate equations of the form:

$$Y_{it}^* = \beta_1 X_{it} + x_i + \mu_t + \epsilon_{it},$$

(1)

where $Y_{it}^*$ is the dependent variable for person $i$ in year $t$, $x_i$ is the person-specific intercept, $\mu_t$ is a year-specific intercept, $\beta_1$ is a vector of time-varying independent variables $X_{it}$ (income and income-squared) and $\epsilon_{it}$ is the error term. By including a term that is constant over time for each person, while varying between persons, we hold constant all time-invariant factors.\(^3\) The year-specific term ($\mu_t$) controls for time-varying factors that affect all persons, in keeping with our focus on explaining the individual-level relationship between people’s changing income position and their political attitudes.

**Table 1. Descriptive sample statistics ($N = 8,696$)**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>SD between-individuals</th>
<th>SD within-individuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support for radical left (1–10)</td>
<td>5.26</td>
<td>2.14</td>
<td>1.97</td>
<td>1.10</td>
</tr>
<tr>
<td>Support for radical right (1–10)</td>
<td>2.98</td>
<td>2.76</td>
<td>2.58</td>
<td>1.17</td>
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<td>Redistributive attitudes (1–5)</td>
<td>3.78</td>
<td>0.99</td>
<td>0.89</td>
<td>0.52</td>
</tr>
<tr>
<td>Nationalist attitudes (1–5)</td>
<td>3.23</td>
<td>0.69</td>
<td>0.66</td>
<td>0.26</td>
</tr>
<tr>
<td>Monthly income, net (€)</td>
<td>1,382</td>
<td>994</td>
<td>1,003</td>
<td>237</td>
</tr>
<tr>
<td>Sex</td>
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<td></td>
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<td></td>
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<tr>
<td>Female</td>
<td>0.53</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>0.47</td>
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<td></td>
<td></td>
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<tr>
<td>Age</td>
<td>42.01</td>
<td>16.71</td>
<td></td>
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</tr>
<tr>
<td>Immigrant background</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No immigrant background</td>
<td>0.86</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Immigrant background</td>
<td>0.14</td>
<td></td>
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<tr>
<td>Marital status</td>
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<tr>
<td>Married</td>
<td>0.56</td>
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<tr>
<td>Not married</td>
<td>0.44</td>
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<td>Residence</td>
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<tr>
<td>Not urban</td>
<td>0.16</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Slightly urban</td>
<td>0.22</td>
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<tr>
<td>Moderately urban</td>
<td>0.23</td>
<td></td>
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<tr>
<td>Very urban</td>
<td>0.26</td>
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<td></td>
</tr>
<tr>
<td>Extremely urban</td>
<td>0.13</td>
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<tr>
<td>Education</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary school (po)</td>
<td>0.24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vocational lower secondary (vmbo)</td>
<td>0.22</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Vocational higher secondary (mbo)</td>
<td>0.20</td>
<td></td>
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<tr>
<td>Pre-college (havo/vwo)</td>
<td>0.09</td>
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<tr>
<td>University of applied-sciences (bbo)</td>
<td>0.18</td>
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<tr>
<td>University (wo)</td>
<td>0.07</td>
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</tbody>
</table>

*Source: Authors’ sample of LISS 2007–2015.*
Variables
We consider four dependent variables: support for the radical left, support for the radical right, redistributive attitudes, and nationalist attitudes.

Support for the radical left (Socialist Party) and radical right (Party for Freedom) is measured as a feeling thermometer for each political party, ranging from 0 (very unsympathetic) to 10 (very sympathetic). Using this repeated measure instead of voting records allows us to trace the causal relationship between changes in income and changes in partisan support: it allows us to assess populist support even when it cannot directly translate into voting behaviour (i.e. in years without elections). This measure also allows us to include in the analyses all respondents who replied to this question, rather than only those who voted or intended to vote for these parties—which significantly increases the size of our sample.4

As noted in the American context, feeling thermometer ratings are good predictors of actual voting behaviour (Mutz, 2007: p. 82). Supplementary Table SA1 in the Appendix displays the correlation matrix of self-reported voting for the populist left (Socialist Party) or populist right (Party for Freedom) in the 2010 parliamentary elections in the Netherlands, and people’s support for these parties as indicated by the political feeling thermometer we draw on in our analyses. The correlation between supporting and voting for the radical right is positive and moderately strong (0.515). The correlation between supporting and voting for the radical left is positive as well, but a little weaker (0.371). We take these correlations between supporting and voting for radical parties to confirm that support and voting for radical are robustly related, although that one does not always lead to the other.

We note that even when not translated into votes for a radical party, increased sympathies with radical parties can carry an indirect effect on the party system by signalling dissatisfaction with and protest against ruling political elites and by providing mainstream parties with an incentive to shift their rhetoric or policy-agenda closer to those of the radicals.

We measure redistributive attitudes on a five-point scale indicating people’s belief that income differences ought to be reduced, with higher values indicating stronger support for redistribution. The question was phrased as follows: ‘Some think income differences in our country are too small. Others think they are too large. Still others hold an opinion that lies somewhere in-between. Where would you place yourself on a scale from 1 to 5, when 1 means income differences ought to grow and 5 means income differences should be reduced?’

We measure nativist attitudes based on a composite measure of six questions about immigrants, asylum seekers, and national outgroups more generally (see Table 2). Responses were recorded on a five-point scale so that higher values indicate stronger nativist attitudes. Cronbach’s alpha is 0.81 for all years but 2007 (alpha = 0.79) and 2015 (alpha = 0.83).

Our independent variable is a continuous measure of year-to-year changes in net monthly personal income, as reported by our respondents, which is how the data were originally collected. Monthly income gives us a direct measure of citizens’ purchasing power and economic wellbeing, which should be sensitive even to relatively small changes. The only additional step we took was to top-code 73 cases of monthly incomes in excess of €10,000 (about 0.8 per cent of our sample), assigning them a value of €10,001, lest these extreme incomes drive up the results. All analyses additionally include a squared term, to allow for a non-linear relationship between (positive or negative) changes in income and people’s political attitudes and their support for populist parties. Neither of these two analytical choices substantively affects the results.

Findings
Support for the Radical Left
We begin by investigating the relationship between changes in income and support for the radical left (Table 3). The coefficient for income gives the effect of a €1,000 change in monthly income on respondents’
attitudes, standardized such that the coefficient reports the effect in units of standard deviation (SD) change in the dependent variable. We find that a loss of income is followed by growing support for the radical left ($P < 0.05$): a loss of €1,000 is associated with an increase in support for the populist left by just under a 10th of a SD. The reverse relationship is true for income gains. In other words, while the effect is modest, individuals who experience income loss became significantly more supportive of the radical left Socialist Party while those whose income increased became significantly less likely to support that party (cf. Hypothesis 1b). Figure 1a graphically illustrates these relationships.

In the second model reported in Table 3, we interact income changes with respondents’ income levels to examine whether responses to income losses are conditioned by initial income levels (Figure 2). We group respondents into three equal-sized income categories: low income, middle income, and high income. Interestingly, we find that individuals in the middle-income group become most supportive of the radical left following an income loss. For these individuals, a €1,000 income loss has four times the effect as compared with individuals in the low-income group. This may reflect the fact that low-income voters are more likely to be supportive of the radical left to begin with (Visser et al., 2014), while well-off voters are most averse to the pro-redistributive agenda of the radical left.

Part of the reason why individuals who suffer economic hardship may become more supportive of the radical left may be that their deteriorating economic condition makes them more supportive of redistributive policies (cf. Hypothesis 1a). Evaluating this argument,
in Model 3, we find a strong relationship between changes in income and support for redistribution \((P < 0.001)\): A €1,000 change in income leads to a little bit over a 10th of a SD change in a person’s attitudes. As with support for the radical left, this relationship is symmetrical: income loss leads to increased support for redistribution, while income gains decrease support for redistribution (Figure 1b). These results are in line with previous research (Margalit, 2013; Owens and Pedulla, 2014; Naumann, Buss and Bähr, 2016). Yet while these studies focused on deteriorating economic conditions, we show that an increase in income is associated with weaker support for redistribution as well as a decrease in support for the populist left. The best illustration of this point we obtain from looking at the interaction between income levels and changes in income (Table 3, Model 4). We find that individuals in the low-income group are especially likely to withdraw their support for redistribution when they experience significant income gains, as compared with middle-income and high-income individuals (Figure 3).

Support for the Radical Right

Turning to the radical right, we find no evidence that changes in income are followed by changing support for the Party for Freedom: neither income loss nor gains are predictive of changing support for the radical right, as shown in Table 4 (and see Figure 4a). Despite evidence from across Europe that voters with relatively lower socio-economic status are more likely to support the radical right (Lubbers, Gijsberts and Scheepers, 2002; Rooduijn and Burgoon, 2017), our findings suggest that people who have experienced negative economic shocks are no more likely to turn to the radical right, i.e. we do not find support for Hypothesis 2b.

Could these results mask variations across income groups? In order to examine this question, we interact income changes with income levels in Model 2 of Table 4. Interestingly, we find that high-income individuals tend to become more supportive of the radical right following income loss—while respondents with low-income become more supportive of the radical right following income gains (Figure 5). This resonates with previous findings, according to which support for the radical right is concentrated not among the most economically disadvantaged and not among the well-off, but rather among those towards the bottom who are concerned about falling down the hierarchy (Bornschier and Kriesi, 2013). Our findings are in line with this previous work, which helps explain why, perhaps counter-intuitively, an increase in income among the least well-off could drive support for the radical right. That said, it is worth noting that the interaction between income levels and income changes is only weakly statistically significant \((P < 0.10)\), which calls for further research into the potentially heterogeneous relationship between income changes and support for the radical right.

To further probe why changes in income are unrelated to changes in support for the radical right, we investigate the relationship between changes in income and nativist attitudes. Several studies suggest that a loss in income may generate hostility towards ethnic minorities (Billiet, Meuleman and De Witte, 2014), which
would make those hit by the crisis more susceptible to the anti-immigration appeals of the populist right (Guiso et al., 2017)—although other scholars have questioned the role of economic circumstances in shaping attitudes towards immigration (Hopkins and Hainmueller, 2014). Looking at our composite measure of nationalist attitudes, we find a small and statistically weak relationship with changes in income (\(P < 0.10\)). The relationship is asymmetrical: income loss is associated with a small but statistically non-significant increase in nativist attitudes, while these attitudes decrease as income increases (Figure 4b). This provides partial and inconclusive support for the expected relationship between deteriorating economic conditions and nativist attitudes (Hypothesis 2a): the effect is in the expected direction but only marginally statistically significant. This finding invites further research on the individual-

<table>
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<th>Variable</th>
<th>Radical right</th>
<th>Nativist attitudes</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Model 1</td>
<td>Coefficient</td>
</tr>
<tr>
<td>Change in income</td>
<td>0.03</td>
<td>0.03</td>
</tr>
<tr>
<td>Change in income-squared</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Change in income \times medium income</td>
<td>-0.09</td>
<td>0.15</td>
</tr>
<tr>
<td>Change in income \times high income</td>
<td>0.02</td>
<td>0.03</td>
</tr>
<tr>
<td>2008 (ref = 2007)</td>
<td>0.13***</td>
<td>0.03</td>
</tr>
<tr>
<td>2009 (ref = 2007)</td>
<td>0.55***</td>
<td>0.03</td>
</tr>
<tr>
<td>2010 (ref = 2007)</td>
<td>0.32***</td>
<td>0.03</td>
</tr>
<tr>
<td>2011 (ref = 2007)</td>
<td>-0.05†</td>
<td>0.03</td>
</tr>
<tr>
<td>2012 (ref = 2007)</td>
<td>0.10**</td>
<td>0.03</td>
</tr>
<tr>
<td>2013 (ref = 2007)</td>
<td>0.07*</td>
<td>0.03</td>
</tr>
<tr>
<td>2015 (ref = 2007)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: N = 30,653; \(\sigma = 8,696\).
Source: Authors’ sample of LISS 2007–2015.
*** \(P < 0.001\); ** \(P < 0.01\); * \(P < 0.05\); † \(P < 0.10\).

Figure 4. Changes in income and support for the radical right

Note: (a, b) The marginal effects of changes in monthly income based on Models 1 and 4, respectively, reported in Table 4.
Source: Authors’ sample of LISS 2007–2015.

Figure 5. Changes in income by income level and support for the radical right

Note: The marginal effect of changes in monthly income by respondents’ income level, based on Model 2, as reported in Table 4.
Source: Authors’ sample of LISS 2007–2015.
level consequences of changes in economic circumstances and nativism, and the (a)symmetry of this relationship. We did not find a significant interaction effect between income changes and income levels when examining nativist attitudes, as shown in Table 4, Model 4.

Robustness Checks
As a first robustness check, we report results based on separate analyses of each of the items that make up the composite variable of nativist attitudes. Supplementary Figure SA1 in the Appendix shows the association between changes in income and nativist attitudes for each of the six measures separately. Each dot gives the point estimate for the effect of a €1,000 income loss. Whiskers give the 95% confidence interval. Each point estimate has the same sign and falls within 0.01 points of the composite measure, with the exception of Measure 6 (‘It does not help a neighbourhood if many people of foreign origin or descent move in.’).

As a second robustness check, we considered changes in employment status as an alternative measure of changes in economic circumstances (see Supplementary Figure SA2 in the Appendix). Taking shifts to unemployment as an alternative measure of experienced economic hardship yields the same results with regards to three of our four dependent variables: unemployment is statistically associated with increased support for redistribution (by 0.10 SD; \( P < 0.05 \)), but not with nativist attitudes nor with support for the populist right. Where our findings differ is with regards to the relationship between job loss and support for the populist left. We find no such relationship when taking unemployment as our measure of economic hardship.

We caution about making too much of this difference. Unlike changes in income, unemployment is very uncommon in our sample; only about 3 per cent of respondents are unemployed at any given time. Moreover, changes in (un)employment status are rare, meaning our estimates of the effect of unemployment are based on a very small set of observations, which is why we focus on income loss as our main independent variable.

In a third robustness check, we consider an alternative dependent variable, namely citizens' reported intention to vote (‘If parliamentary elections were held today, for which party would you vote?’). The question is less than ideal given its hypothetical character. Moreover, the nominal response categories mean, we can only consider whether or not a given person at a given time intended to vote for the Socialist Party and Party for Freedom, respectively, meaning over-time changes in attitudes may go unnoticed and variation will be extremely limited. In 2008, for instance, just 72 people in our sample (<2 per cent) noted they intended to vote for the radical right and 358 respondents (~9 per cent) indicated that they would vote for the radical left. Those numbers changed to 102 and 341, respectively, the next year. For these reasons, we focused on a different set of dependent variables in the main analysis. That said, we believe it is worthwhile to see if an analysis of voting intentions leads to dramatically different results. Specifically, we look for signs that we may have underestimated the impact of changing material circumstances on support for radical parties, however, such manifests itself.

To find out, we ran models specified exactly like those reported in our Data and Methods section, but swapping out the dependent variable for the ones discussed here. With regards to a person’s intention to vote for the Socialist Party, we observe a secular drop in intended voting for the Socialist Party in 2009, followed by an upwards trend which tops off in 2011. Income changes, however, are not a statistically significant predictor of individual citizens’ intention to vote for the radical left; we do not find a significant main effect nor an interaction effect of changes in income by income level (see Supplementary Table SA2 in the Appendix for full regression results). Looking at intended voting for the Party for Freedom, we observe stability between 2007 and 2012, followed by a strong upwards trend in the 2012–2015 period. Changes in income are a weakly significant negative predictor (\( P < 0.10 \)) of an individual’s intention to vote for the radical right, but the estimated effect does not vary by income level. Taken together, the robustness analysis based on this alternative dependent variable does not lead us to reconsider our main findings.

Conclusions
Economic downturns are often followed by growing support for populist appeals and the radical parties that voice them; but is this increased support for radical parties in hard economic times driven by those people personally experiencing loss of income? In our effort to answer this question, we took as our starting point the literature on populism across Western democracies in general, and in Europe in particular. Scholarship suggests that populist parties benefit from economic crises (Roberts, 2017) and documents a correlation between low socio-economic status and voting for these parties (Visser et al., 2014; Rooduijn and Burgoon, 2017), as
well as regional-level associations between economic hardship and these parties’ bases of support.

We contribute to this growing body of literature a micro-level investigation of the mechanism linking changes in economic circumstances to support for the radical left and right. Leveraging individual-level panel data from the Netherlands, before, during, and after the Great Recession (2007–2015), we demonstrate that loss in monthly income goes together with growing sympathy for the radical left Socialist Party (mostly among those with mid-level incomes) and increased support for income redistribution. Looking at popular support for Geert Wilders’ radical right-wing Party for Freedom, however, we find limited evidence that income loss drives people’s support; income loss is not associated with support for the radical right and is only weakly related to nativist attitudes.

These results resonate with research on employment trajectories, according to which those who experience occupational downgrading tend to turn leftward, while supporters of the radical right are more likely to be concerned about, without personally experiencing, severe economic decline (Kurer, 2016). A limitation of our findings is that they hold for the sub-population included in our sample: that is, the working age population (which is most exposed to income shocks). Future work is required in order to consider whether and to what degree these findings are generalizable beyond the Netherlands.

Our findings are interesting in light of evidence that economic crises primarily benefit the populist radical right (Funke, Schularick and Trebesch, 2016). Our results suggest that if this is the case, the electoral success of the radical right likely comes from people other than those most directly and personally affected by the crisis. Previous work suggests that greater commitment to redistributive policies is required in order to deal with the challenge of radical right parties (Colantone and Stanig, 2018). Yet our findings cast doubt on this conclusion, since individual-level economic losses do not serve as a major driver of support for the radical right.

At the same time, the small increase in nativist attitudes among those hit by the crisis in the Netherlands suggests there is a potential incentive for right-wing political actors to make anti-immigration appeals in times of economic downturn. The fact that, at least in the case of the Netherlands, growing nativist attitudes did not go hand in hand with increased support for the radical right may suggest that other parties, including the mainstream right, have found ways to capitalize on such sentiments in the short term.

Another implication of our findings, which resonates with research on European populism, is that different mechanisms drive support for the radical left and the radical right (Akkerman, Zaslove and Spruyt, 2017; van Hauwaert and van Kessel, 2018). These results are relevant for the literature on support for populism in the American context, where scholars have mostly focused on what drives support for populism on the right (Manza and Crowley, 2017; Morgan and Lee, 2017, 2018).

Our analyses also invite further discussion about the relationship between economic, cultural, and societal factors in driving support for populist radical parties (Gidron and Hall, 2017). For instance, ethnographic research locates the core concerns of populist and radical right supporters in demand for social recognition, which likely stems from a combination of economic and cultural factors (Cramer, 2016; Gest 2016). We hope our findings will help push forward the literature on the determinants of the rise in populism and the intersection of economic and cultural factors.

In conclusion, it bears emphasis that our findings do not suggest that economic factors are irrelevant for understanding support for the radical populist right. Economic factors may shape support for such parties not through personal income loss, but by an increased scarcity of welfare services (Cavaille and Ferwerda, 2017), a sharpening of moral boundaries towards out-groups (Mijns, Bakhtiari and Lamont, 2016), or by growing concerns over subjective social status (Gidron and Hall, 2017). There are likely to be multiple sources feeding right-wing populism, some of them more closely linked to economic factors than others (Harteveld and de Lange, 2018; Stockemer, Lentz and Mayer, 2018). Our findings call for renewed thinking about alternative mechanisms through which changes in economic circumstances shape the populist politics of our time.

Notes

1. The PVV is sometimes considered more populist than the SP. As noted by Akkerman, Zaslove and Spruyt (2017: pp. 383–384), ’In contrast to the Dutch PVV, however, populism is not a stable core ideological feature of the SP’s rhetoric. The economic crisis, however, served as a temporary catalyst for the SP’s populist rhetoric primarily targeting bankers, shareholders, managers and the government for letting them get away with it’. Since our analyses focus on the period of the economic crisis and its immediate aftermath, we consider the SP a populist radical party.
2. For a full description of the sampling procedures, see Knoef and De Vos (2009). For a description of attrition rates by demographic groups, see De Vos (2009).

3. Note that since the individual-level fixed effect holds constant all time-invariant factors, we do not include in the regression tables below such individual-level variables.

4. We also report findings from a robustness check based on respondents’ intention to vote.

Supplementary Data

Supplementary data are available at ESR online.

References


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