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ECONOMIC INSECURITY, RACIAL ANXIETY, AND RIGHT-WING POPULISM

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This paper studies the roles of economic insecurity (EI) and attitudes to racial inequality as predictors of voting patterns in the 2016 US election. Using data from the 2016 Voter Survey, we show that both perceptions of EI and concerns over anti-White discrimination are significant correlates of Republican support. Effect sizes on racial attitudes are much larger than those found on EI, although the effects of insecurity become larger when accounting for both short-term and long-term economic stress. We also show there is very little heterogeneity in the effects of insecurity across racial groups—both Whites and minorities are more likely to vote Republican when experiencing short-term insecurity. Our results suggest that policies that mitigate micro-level economic risk may lessen support for populist political candidates.

JEL Codes: D63, D72

Keywords: economic insecurity, racial anxiety, Trump, voting preference

1. INTRODUCTION

Populism has received renewed attention in the public and academic debate in the past few years, particularly after Donald Trump's election and the Brexit referendum in 2016. Defined as an ideology based on the antagonism between "the pure people" and the "corrupted elite" (Mudde, 2004), populism combines different ideologies (socialism, nationalism) according to the sociopolitical context in which it emerges (Mudde, 2004; Mudde and Rovira Kaltwasser, 2018). In contemporary times, right-wing populism is the most common form. It has been on the rise in Europe and in the US since the past decade, with populist right-wing parties consistently increasing their vote share. With its ideological features of nativism and authoritarianism, the surge of right-wing populism is a reason for concern among social scientists.

There is no clear consensus on the causes of this recent upsurge, with two main explanations proposed in the literature. The *Economic Insecurity* (henceforward EI) thesis identifies the economic distress and displacement caused by globalization as one of the main drivers of the populist demand (Guiso *et al.*, 2017; Rodrik, 2018; Colantone and Stanig, 2018b; Bossert *et al.*, 2019;

Note: Any errors are the authors' sole responsibility.

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This is an open access article under the terms of the Creative Commons Attribution-NonCommercial-NoDerivs License, which permits use and distribution in any medium, provided the original work is properly cited, the use is non-commercial and no modifications or adaptations are made. Vlandas and Halikiopoulou, 2019; Guiso *et al.*, 2020; Rodrik, 2021). Instead, the *Cultural Backlash* thesis discusses populism as a reaction against the rise of progressive and post-materialist values (Norris and Inglehart, 2016; Norris and Inglehart, 2019) or an identity response against the perceived loss of cultural dominance (Norris and Inglehart, 2016; Mutz, 2018; Norris and Inglehart, 2019).

This debate is controversial and ongoing. Despite the evidence that EI plays a role for support of right-wing populism (Guriev and Papaioannou, 2020), political scientists argue that it is of marginal relevance compared to cultural factors (Margalit, 2019). Our paper contributes to this debate by testing the two hypotheses of EI and cultural backlash, analyzing data from the US 2016 presidential election. In particular, we consider the roles of EI and one cultural factor, perceived reverse discrimination (PRD), in predicting support for Donald Trump. We find that both perceived reverse discrimination and EI play a significant role, although perceived reverse discrimination is quantitatively more important.

We further argue that some definitional and measurement issues associated with EI have led to its impact on behavior being understated. For example, EI is generally concerned with short-term risks, but anxiety may be driven more by longer-term problems such as stagnation or a sense of falling behind. To address this, we identify two comparable sets of variables that capture both short-term and long-term EI, and contrast these with the variable that captures voters' perceptions of anti-White discrimination. Although we find that the effects of perceived reverse discrimination are always bigger, we find the role of EI is increased when we consider the long- and short-term definitions combined.

The effect of EI could differ across racial groups. We therefore consider the interaction between EI and race. Surprisingly, we find that coefficients on short-term EI do not change sign when interacted with markers of racial minority status. In fact, we find very little heterogeneity in the effects of insecurity across racial groups. Thus, short-term EI seems to predict support for right-wing populism in minorities as well as White voters. This is notable for two reasons. First, EI is often framed as a wedge issue pitting the interests of the White sub-population against minority counterparts. Second, in the absence of racial politics, we would expect EI to predict support for parties that wish to expand social safety nets. The behavior of our minority sample suggests that this is not the case.

In addition, we consider the interaction between our key variables and voting history as a way to identify the role of EI and perceived reverse discrimination in switching toward a populist candidate. We find that both our measures of EI are important drivers for non-former Republican voters (FRVs) to switch in 2016, although perceived reverse discrimination had the bigger effect. These findings are further supported when we restrict the analysis to Obama voters in the two previous elections (2012 and 2008). We find that EI and perceived reverse discrimination play a significant role in explaining the switch from Obama in 2012 to Trump in 2016.

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As our estimates are dependent upon assumptions of exogeneity, we explore a number of different approaches to account for potentially omitted factors. We use a wide variety of control variables known to capture many of the social and cultural determinants of voter behavior (e.g., income, gender, and religion: (Lipset and Rokkan, 1967; Brooks *et al.*, 2006)). Further, we control for lagged voting behavior. This removes unobservable, time-invariant heterogeneity associated with partisan choice. We observe that our results are stable across multiple specifications.

Our results have some important implications for economic and social policies. Having showed that economic factors are meaningful in explaining the rise of right-wing populism, the responsibility of addressing the problem lies with economic policies—in particular, those that aim to increase social security and inclusion. Policies that mitigate EI are likely to reduce the support for right-wing populism especially among those individuals exposed to high social risks (Vland and Halikiopoulou, 2022).

This paper is organized as follows. Section 2 lays out the existing literature on how EI and racial anxiety shape the populist vote and describes the US context of 2016 election. Section 3 describes the data and construction of our main variables. Section 4 explains our empirical strategy, and our main findings are summarized in Section 5. Section 6 provides an interpretation of our results. Then, concluding remarks are offered in Section 7. In the Appendix, we provide additional results and robustness checks.

2. BACKGROUND

As discussed in the introduction, two main explanations have been proposed for the recent rise in right-wing populism: EI and cultural backlash. Here we briefly discuss the related literature.

2.1. Economic Insecurity and Right-Wing Populism

In the literature on right-wing populism, EI has been discussed as the result of deep changes to the global economic system that have taken place in recent years (Guiso *et al.*, 2017; Guiso *et al.*, 2020; Rodrik, 2021). It has been argued that economic dislocation has triggered a populist reaction among the losers of globalization, whose resentment and anger against the elite have favored right-wing parties due to their protectionist and nationalistic claims (Guiso *et al.*, 2017; Guiso *et al.*, 2020; Rodrik, 2021).¹

Defined as the anxiety produced by a lack of economic safety, i.e., by an inability to obtain protection against subjectively significant potential economic losses (Osberg, 1998; Osberg and Sharpe, 2014), EI has implications for many aspects of individual well-being (Osberg and Sharpe, 2009; Smith *et al.*, 2009; Rohde *et al.*, 2016; Reichert and Tauchmann, 2017; Watson and Osberg, 2017; Watson, 2018; Clark and Lepinteur, 2020), and political attitudes (Mughan and Lacy, 2002; Hacker *et al.*, 2013). As a multidimensional concept (Cantó *et al.*, 2020;

¹Trade protectionism used to be advocated by left-wing parties, with right-wing ones strongly supporters of free trade. This recent shift has been discussed by Gethin *et al.* (2021) as a result of the long-term evolution of political cleavages in Western countries.

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Romaguera-de-la Cruz, 2020), different facets of EI are often used to generate a comprehensive definition of the phenomenon (Bossert and D'Ambrosio, 2016; Rohde and Tang, 2018). These facets include job insecurity (Sverke *et al.*, 2006), income insecurity (Rohde *et al.*, 2014; Rohde *et al.*, 2020), and wealth insecurity (Bossert and D'Ambrosio, 2013).

Several authors have discussed how the globalization process has increased the share of the population facing unemployment, precarious employment, low/stagnant wages, and income volatility (Scheve and Slaughter, 2004; Autor et al., 2013; Goos et al., 2014; Bloom et al., 2016; Funke et al., 2016; Iversen and Soskice, 2019; Kurer and Palier, 2019). This "globalization-induced insecurity" (Mughan et al., 2003) has been analyzed in different contributions as driver of right-wing populism. The individual experience or perception of EI has been discussed as the result of an increased vulnerability and exposure to risks coming from the outside. For example, individuals more exposed to threat of automation are more likely to support nationalistic and right-wing parties (Anelli et al., 2019; Im et al., 2019), express populist values (Iversen and Soskice, 2019), and vote for Donald Trump in 2016 (Frey et al., 2018). Perceived competition with immigrants has been positively associated with support for far-right candidates in France (Edo et al., 2019), and contributed to a small but significant increase in the United Kingdom Independent Party (UKIP)'s vote (Becker and Fetzer, 2017). The instability generated by the financial crises with the spike in unemployment has increased the distrust toward institutions and the support for right-wing populist parties (De Bromhead et al., 2012; Algan et al., 2017). The situation has been further aggravated by the ensuing austerity policies, favoring the elector success of the Swedish radical right party (Dal Bó et al., 2018) and the increase in the UKIP support (Fetzer, 2019).

2.2. Racial Anxiety and Right-Wing Populism

The transition to a post-industrial society has encouraged a cultural shift toward progressive values such as multiculturalism and cosmopolitanism. This cultural change has displaced traditional values, generating a sense of anxiety and estrangement (Norris and Inglehart, 2016). Right-wing populist parties have appealed to the cultural losers with social conservatism (Inglehart and Norris, 2017). Populism therefore cannot be described as a mere political expression of the economic grievances of the losers of globalization, but rather as a political reaction against progressive cultural change or an expression of social identity concerns (Norris and Inglehart, 2016; Mutz, 2018). According to this perspective (*cultural plus economic view*, Guriev and Papaioannou, 2020), the role of economic changes induced by globalization and the resulting EI has been overstated in the economic literature, while the independent role of cultural factors has been underestimated (Margalit, 2019).

The cultural shift toward a more progressive and inclusive society has favored the emergence of new social demands and movements. This "Silent Revolution" has triggered a reaction among a proportion of the population who feel estranged in this new multicultural society (Norris and Inglehart, 2016; Inglehart and

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Norris, 2017; Norris and Inglehart, 2019).² They perceive their identity as being under threat because of the improved position of the out-groups (Mutz, 2018). Several authors have argued that this status decline is the result of both economic and cultural developments acting independently or in interaction with one other (Gidron and Hall, 2017) (*cultural times economic view*, Guriev and Papaioannou, 2020). For example, Inglehart and Norris (2017) have recognized the effect of increasing insecurity as a trigger for xenophobic and authoritarian beliefs. EI has also been found to exacerbate social problems or amplify preexisting cultural fractures, e.g., anti-immigration backlash due to the "China shock" (Cerrato *et al.*, 2018; Colantone and Stanig, 2018a; Autor *et al.*, 2020).

2.3. The US Before the 2016 Election

In 2016, the long-term consequences of the Great Financial Crisis (GFC) were still ongoing in the US economy. Although recording an improving growth performance (see Figure 1), the country was still experiencing stagnation.³ Long-term unemployment became more common especially among low-skilled workers, already deeply impacted by the GFC (see Figure A1).⁴ Credit contraction, increasing mortgage defaults, and housing shocks had also contributed to a significant disruption of wealth, increasing the gap between top-income families and middle/low-income ones.⁵

The economic consequences of the crisis had important political implications: increasing polarization (see Figure 1) and the rise in populist movements such as the Tea Party and Occupy Wall Street (Funke *et al.*, 2016). The growing divisions between the two main parties, with the Democratic Party shifting more toward liberal positions and the Republican Party more toward conservative ones (Pew Research Center, 2014), resulted in increasing partisanship and ideology (Iyengar *et al.*, 2019; Boxell *et al.*, 2020). The crisis has also exacerbated economic, cultural, and racial issues, radicalizing the electorate on more identity positions (Besley and Persson, 2019). Although in 2016 the US was recovering, the scarring socioeconomic effect of the 2008 recession was still long-lasting (Chen *et al.*, 2019).

3. Data

We use the data *Views of the Electorate Research Survey* by Democracy Fund Voter Study Group (2017), a research group that runs analyses on the evolution of

²Inglehart (1971) defined the "Silent Revolution" as the intergenerational change from materialist (economic and physical security) toward post-materialist values (self-expression and quality of life) in the post-industrial societies.

 3 According to OECD estimates, in 2016 the US also recorded the highest value of the Gini Index among the G7 members.

⁴The GFC has amplified trends already underway in the American economy. Globalization, increasing international trade, and automation have contributed to the deindustrialization of American economy, with low-skilled jobs more likely to be replaced by robots or outsourced to low-wages countries (Autor *et al.*, 2013; Ebenstein *et al.*, 2015; Acemoglu *et al.*, 2016; Acemoglu and Restrepo, 2019).

⁵The median wealth of a US family in 2016 was 30 percent less than the pre-crisis level, with the middle class losing nearly half of their wealth share. Top-income families owned 7.4 times as much wealth as the middle-income families and 75 times as much as low-income ones (Horowitz *et al.*, 2020).





Notes: The graph reports some key information about the US context over 20 years' period. In the top left panel, we report the trend of total unemployment, comparing the US with other OECD members. In the top right panel, we report the trend for the annual GDP growth rate for both the US and OECD members. In the bottom-left panel, we report the evolution of the Gini Index for the US and OECD average (2018 last available estimates). In the bottom right panel, the share of the popular vote in a US presidential election for the Democratic Party and the Republican Party.

Source: Authors' own elaboration from World Bank and Statista data

American electorate views and beliefs on different social, political, and economic issues.⁶ The data set is longitudinal and consists of six waves. The first online survey was conducted by YouGov in December 2011 and November 2012 as part of the Cooperative Campaign Analysis Project (CCAP). The sample was constructed as a stratified sample of people who agreed to participate in occasional online surveys. The strata were defined according to demographic characteristics such as gender, age, race, and education to be representative of the US population. Each element of the sample was matched with other databases such as US Census Bureau's American Community Survey, the Current Population Survey, and Voting and Registration Supplement. This matching procedure allowed for selection of those observations from the YouGov panel that were more demographically similar to those in other databases. From the 2012 CCAP survey, people were invited to participate again in December 2016, July 2017, May 2018, January 2019, November 2019, and September/November 2020 as part of the VOTER survey. For our analysis, we focus on the first VOTER survey conducted by YouGov, between November 29 and

⁶Funded by Democracy Fund, an independent private foundation.

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December 29, 2016, on a sample of 8,000 adults (18 years old and up) with internet access. We use the information from the previous wave about their voting history. Descriptive statistics for the sample are provided in Table 1.

3.1. Voting Preferences

In the survey, people were asked: "Who did you vote for in the election for President?," followed by the list of candidates in the 2016 election. Our main variable of interest is the voting preference for Donald Trump. We construct a dummy where 1 is assigned to people who voted for Trump and 0 for all the others who voted for a different candidate, mainly Clinton.

3.2. Economic Insecurity

To measure EI at the individual level, we rely on subjective measures as the most effective way to obtain information on perceived risk (Rohde and Tang, 2018).⁷ Furthermore, building on the existing literature, we distinguish between short-term EI (henceforward STEI) and long-term EI (henceforward LTEI). This distinction allows us to capture not only the immediate or quasi-immediate experience of insecurity but the anxiety from long-term trends. The decline in economic opportunity, low social mobility, financial instability, precariousness of the labor market, and erosion of social safety net have increased the sense of uncertainty through different generations (Hacker, 2008; Western *et al.*, 2012; D'Ambrosio and Rohde, 2014; Bossert *et al.*, 2019).

While EI has been discussed as a forward-looking concept (Hacker, 2008; Bossert and D'Ambrosio, 2013; Hacker *et al.*, 2014; Bossert *et al.*, 2019), our variables allow us to consider only the effect of past adverse experiences on future expectations.

In the definition of our variable STEI, we follow the same approach as Norris and Inglehart (2016) and Mutz (2018), using the question relating to changes in financial situation over the past year: "Would you say that you and your family are?" with four different options (better off financially, about the same as now, worse off financially, don't know). From this question, we created a dummy variable for STEI with people who reported being worse off scored 1 and everyone else 0.

As a measure of LTEI we use the following question: "In general, would you say life in America today is better, worse, or about the same as it was 50 years ago for people like you?" Response options were similar to those used for the STEI question (better, about the same, worse, don't know). We created a dummy variable for LTEI scored 1 for people who perceived that life is worse today than 50 years ago, and 0 for everyone else. This question was included in a battery of economic questions. Thus, participants are likely to have interpreted the question through an economic lens.

⁷Although subjective measures are vulnerable to unobserved individual heterogeneity in expectation formation (Osberg, 2015; Rohde and Tang, 2018) and potentially affected by misperception, they are consistent with considering the relationship between personal attitudes and political behavior.

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TABLE 1
DESCRIPTIVE STATISTICS

	Entire	Sample	Repu ¹ Voter	blican s 2016	Non-Ro Vote	epublican rs 2016
	Mean	SD	Mean	SD	Mean	SD
Vote for Trump	0.432	0.495				
Explanatory variables						
Short-term EI	0.280	0.449	0.407	0.491	0.183	0.387
Long-term EI	0.491	0.500	0.656	0.475	0.365	0.482
Perceived reverse discrimination	0.486	0.500	0.796	0.403	0.249	0.433
Control variables						
Former Republican voter	0.468	0.499	0.889	0.314	0.146	0.353
Demographic variables						
White	0.805	0.396	0.877	0.328	0.749	0.434
Black	0.081	0.273	0.017	0.129	0.130	0.336
Others	0.114	0.318	0.105	0.307	0.121	0.326
Female	0.510	0.500	0.434	0.496	0.569	0.495
Age	57.344	12.687	59.451	11.492	55.717	13.305
Socioeconomic variables						
Income	10.944	0.813	10.974	0.767	10.922	0.846
Children under the age of 18	1 822	0 383	1 822	0 383	1 821	0 383
No HS	0.019	0.136	0.023	0.150	0.016	0.124
High school graduate	0.245	0.430	0.288	0.453	0.211	0.408
Some college	0.214	0.410	0.214	0.410	0.213	0.410
2 years	0.105	0.307	0.110	0.313	0.102	0.302
4 years	0.250	0.433	0.230	0.421	0.264	0.441
Post-grad	0.168	0.155	0.134	0.341	0.194	0.395
Married	0.603	0.489	0.675	0.468	0.548	0.498
Separated	0.003	0.105	0.012	0.100	0.015	0.120
Divorced	0.127	0.333	0.122	0.105	0.131	0.338
Widowed	0.064	0.333	0.063	0.243	0.064	0.245
Single	0.001	0.366	0.005	0.219	0.001	0.210
Domestic partnership	0.033	0.178	0.107	0.141	0.200	0.400
Full-time	0.033	0.170	0.020	0.493	0.436	0.496
Part-time	0.420	0.495	0.093	0.495	0.099	0.490
Temporarily laid off	0.005	0.069	0.003	0.050	0.000	0.080
Unemployed	0.005	0.185	0.003	0.050	0.000	0.000
Betired	0.000	0.105	0.318	0.170	0.050	0.443
Permanently disabled	0.270	0.759	0.068	0.400	0.200	0.445
Homemaker	0.072	0.232	0.000	0.233	0.073	0.203
Student	0.052	0.222	0.003	0.217	0.055	0.224
Others	0.000	0.000	0.005	0.034	0.011	0.100
Cultural variable	0.015	0.120	0.010	0.124	0.014	0.110
Drotestant	0 200	0.490	0.400	0.500	0 227	0.460
Catholic	0.398	0.409	0.490	0.300	0.327	0.409
Others	0.209	0.407	0.240	0.432	0.1/9	0.303
Observations	0.394	0.407	0.201	51	0.495	0.500
Observations	54	r.J.U	23	51	3	017

Note: The table presents means, standard deviations, and all variables used in the paper. *Source*: Authors' own calculations from Voter Survey database.

3.3. Perceived Reversed Discrimination

In the previous literature, the role of cultural factors has been tested through different measures, including individual attitudes, support for traditional values, and authoritarianism (Norris and Inglehart, 2016; Mutz, 2018). For example, Mutz (2018) tested the status threat hypothesis using indicators of social dominance and out-group prejudice together with attitudes toward trade (China in particular), immigration, and globalization. However, this approach has a serious limitation due to its conflation of economic and cultural components (Morgan, 2018). Attitudes toward immigration, globalization, and trade are arguably measures of economic rather than cultural concerns (Morgan, 2018). For this reason, we follow Rodrik (2021) and focus exclusively on the racial component. We use a measure of PRD in the following form: "Today discrimination against whites has become as big a problem as discrimination against Blacks and other minorities." Respondents expressed their level of agreement or disagreement (from 1—strongly agree to 4—strongly disagree and 5—don't know). We created a dummy variable for agreement combining those who answered strongly agree.

3.4. Control Variables

We control for an additional set of variables that are associated with voting preferences, clustered in three different groups. The first group is demographic variables and includes age, gender, and race (grouped as White, Black, and others).⁸ The second group is socioeconomic variables and includes income, marital status, having children less than 18 years old, level of education, and employment status. Income is reported as annual family income in banded categories. We assign to each individual the mean value for income band. Education is measured by six different levels of achievement. Employment status is measured by nine different categories. Marital status is measured by seven different levels.⁹ Having children under 18 years old is defined as dummy variable equal to 1 for those individuals having kids less than 18 years old. The third is cultural variables composed by a set of dummies for three different religious faiths (Protestant, Catholic, and others).

3.5. Voting History

One additional control variable is individual voting history. This variable has been used in other contributions, albeit with a different definition: party identification (Norris and Inglehart, 2016; Mutz, 2018; Rodrik, 2021). Instead, we constructed a dummy variable where 1 is assigned to people who had voted for the Republican candidate at least once in the past two presidential elections (2008 and 2012), and 0 otherwise. Voting history is relevant in shaping future voting patterns: the way people have voted will influence the way they will vote in the next election.

⁸Comprehensive of Hispanic, Asian, Native American, Mixed, Other, Middle Eastern.

⁹For each level we define a dummy variable. For education: no high school degree, high school graduate, some college, 2-year college, 4-year college, and post-graduate degree. For employment categories: full-time, part-time, temporarily laid off, unemployed, retired, permanently disable, homemaker, student, and other. For marital status: married, separated, divorced, widowed, single, and domestic partnership.

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3.6. Voters Profiles

We report the descriptive statistics for the estimation sample in Table 1, further distinguishing between those who did and did not vote Republican in 2016.¹⁰ Less than half of individuals voted for the Republican Party (43 percent). Around 28 percent of individuals reported STEI, 49 percent reported LTEI, and 48 percent agreed on PRD. Our sample is mainly composed of people who are White (80 percent), married (60 percent), with a 4-year college degree (25 percent), working full time (43 percent), and of Protestant religion (about 40 percent). There is a prevalence of middle-aged women (51 percent, average age equals 57).¹¹ Approximately 47 percent of people in our sample had voted Republican in at least one of the two previous elections.

Trump voters were more likely to report feeling economically insecure than non-Trump voters (STEI = 63 percent vs 37 percent, LTEI = 58 percent vs 42 percent). They also had higher PRD (71 percent vs 29 percent); were more likely to be White, were male, were older, had a higher income, were less educated (non-college graduated), married, retired, and protestant. They are more likely to have supported the Republican Party in the past (88 percent vs 15 percent). In Figure 2, we report the distribution of our key variables by voting for the Republican Party.

3.7. Race

In the US, race is closely related to economic and cultural factors that shape voting patterns. In Figure 3, we report the distributions of our key variables by race. White voters were fairly evenly split with 47 percent voting for Trump and 52 percent voting for another candidate. The gap gets bigger among voters of other races with 41 percent Trump voters and 59 percent voting Democrats or other candidates. As expected, there is a stark difference when it comes to Black voters, where only 8 percent of them voted for Trump. STEI was more common among voters from other races (31 percent), followed by White voters (29 percent) and Black voters (14 percent). Meanwhile, LTEI is more common among White voters (52 percent), followed by other races (48 percent) and Black voters (29 percent). The majority of White voters perceived reverse discrimination as problematic 53 percent, compared to 42 percent of voters from other races, and only 13 percent of Black voters.

4. Methods

We estimate a logit model to link EI, perceived reverse discrimination, and voting preference. We adopt the following strategy: we consider an extensive set of controls and the voting history (1). The inclusion of voting history variable is

¹⁰Non-Republican voters are mainly Democratic voters, with 46.76 percent of the total preferences, where those for other parties/candidates are only 5 percent of the total.

¹¹Our sample of analysis is fairly representative of the US population. The official national vote in 2016 reported 46 percent votes for Trump and 48 percent votes for Hillary Clinton. According to the US Census, the median age of actual voters in 2016 was 51, with older people more likely to vote compared to younger ones.





Notes: The graph reports the distribution of our key variables among Trump voters and non-Trump voters. The top left panel shows the vote distribution among the two groups of voters. The top right panel shows the distribution of STEI. The lower left panel gives the distribution of LTEI. The lower right reports the distribution of PRD.

common in the analysis of amorphous cultural variable, which contains unobservable characteristics. This model allows us to reduce the time invariant unobserved endogeneity associated with the dependent variable.¹²

(1)
$$P(Y = 1|X) = \Lambda(X\beta + \phi STEI + \omega LTEI + \delta PRD + \gamma FRV),$$

where Y is a binary indicator of voting Republican in 2016, X is a vector of exogenous controls, including our demographic variables, socioeconomic variables, and a cultural variable, and $\Lambda(.)$ the logistic CDF. STEI, LTEI, and PRD are our measures of EI and perceived reverse discrimination against Whites. The magnitudes of ϕ , ω , and δ are used to assess the relative contributions of our two hypotheses. γ is the coefficient for our variable voting history, that is being a FRV. The parameters of logistic regressions are estimated by maximum likelihood estimation (MLE), to select the values of the models that best fit the data. To handle potential associations between observations, we cluster our standard errors at the congressional

¹²We acknowledge the possibility that some time variant endogeneity may still affect our estimates and that the variables used in our analysis may not entirely capture all the factors associated with voting preference.

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Figure 3. Distribution of Key Variables by Race.

Notes: The graph reports the distribution of our key variables by race. The top left panel shows the vote distribution by race among the two groups of voters. The top right panel shows the distribution of STEI by race. The lower left panel gives the distribution of LTEI by race. The lower right reports the distribution of PRD by race.

district level.¹³ We will estimate five different specifications. In the first specification, we only control for socioeconomic, demographic characteristics, and the cultural variable. In the second specification, STEI is included. In the third specification, we look at the effect of LTEI. In the fourth, we include PRD. In the fifth, we consider all the variables.

5. Results

5.1. Main Effects

We report the main results for our logistic regression (1) in Table 2. For the sake of completeness, we also report the results of the model estimated by OLS, finding no meaningful differences between the two estimation strategies.¹⁴ We informally examine the specifications of the model by studying the signs, magnitudes, and significance of our control variables. The coefficients are in line with expectations, and there are no obvious signs of misspecification. For example, minorities and

¹⁴The results of the model with all the coefficients are reported in Appendix: Table A1 for the logit regressions and Table A2 for OLS regressions.

¹³For the sake of completeness, we report in the Appendix the results of our logit regressions without clustered standard errors (Table A5).

women are less likely to vote for Trump, whereas Protestants are more likely to vote Republicans. Being an FRV increases the likelihood of voting for Trump by 89 percent (Table 2). The sense of insecurity, both in the short and long term, predicts an increase in the probability of voting for Trump by about 17 percent and 18 percent, whereas perceived reverse discrimination has a bigger effect, increasing the probability by 40 percent. The major relevance of PRD is also found when we control for the other key variables simultaneously: PRD has a coefficient of 0.370, whereas STEI of 0.102 and LTEI of 0.101 (Table 2).

5.2. Aggregate Effects

The marginal effects at means (MEMs) reported in Table 2 provide a measure of the individual effects of our variables. To compare the relative size of EI and PRD, we consider their aggregate effects over the entire sample. We calculate these as the product of the MEMs and the frequency on the sample of each variable. The aggregate effects are reported in Table 3. The results are distinguished between the specifications where each main variable is considered individually and those where they are considered together. The aggregate effect for our measure of STEI is smaller than the LTEI by about 4 percent, and their sum is smaller than PRD by about 6 percent. In the fourth column, we report the results from the model specification where our main variables are considered all together. The difference between STEI and LTEI is about 2 percent, and the difference with PRD is now about 10 percent.

5.3. Interaction Effects with Race

Considering the history of racial disparities and structural racism in the US, we would expect that EI would increase support for left-wing parties among racial minorities. To test this hypothesis, we run three additional specifications for each of our two models, with the inclusion of the interaction term between race and our two measures of EI. We also consider the interaction with perceived reverse discrimination to further check the relevance of this issue among White voters. We rerun the specification where the key variables are considered together with the inclusion, one at the time, of the interaction term.

The only significant interaction is between STEI and race. The interaction has a positive sign for Black and other races, contrary to what we initially stated.

We report in Figure 4 the predictive probabilities of voting for Trump by race. STEI seems particularly relevant for the minorities in increasing the probability of support to the Republican Party, although very little heterogeneity was found in the effects of insecurity across racial groups. In particular, Black voters who report STEI are those with the highest increase (from 35 percent to 47 percent). For sake of completeness, we report the graphs for the predictive margins of race for LTEI and PRD, although the interaction terms are not significant.

In supplementary analyses, presented in the Appendix A.2, we report interactions between our key variables and other sociodemographic characteristics such as gender, age, education, and income. The only significant interaction is with gender. Specifically the two measures of EI and PRD have a larger effect on men in increasing the probability of voting for Trump.

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			Logit					OLS		
Core Variables	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
Short-term EI	1	0.167^{***}	1	I	0.102***	I	0.0829***	I	I	0.0501***
	I	(0.0247)	I	I	(0.0247)	I	(0.0116)	I	Ι	(0.0110)
Long-term EI	I	, ,	0.172^{***}	I	0.101^{***}	I	, ,	0.0832***	I	0.0467***
)	I	I	(0.0209)	I	(0.0214)	I	I	(0.0103)	I	(0.00973)
Perceived reverse discrimination	I	I		0.396^{***}	0.370^{***}	I	I	, ,	0.219^{***}	0.206***
	Ι		Ι	(0.0232)	(0.0231)		I	I	(0.0139)	(0.0138)
Non-core variables										
Former Republican voter	0.895^{***}	0.876^{***}	0.870^{***}	0.793^{***}	0.772^{***}	0.694^{***}	0.678^{***}	0.675^{***}	0.597^{***}	0.583^{***}
4	(0.0216)	(0.0218)	(0.0215)	(0.0233)	(0.233)	(0.0111)	(0.0116)	(0.0115)	(0.0142)	(0.0143)
Additional controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	5430	5430	5430	5430	5430	5430	5430	5430	5430	5430
<i>Notes</i> : The figures are marginal the model from Equation (1) with du controls and former Republican voter. uses all variables. All the parameters of	effects at m mmy variab The second of the logistic	eans (MEMs le "Voting fo specification c regressions	i). Standard r Trump" as includes shc are estimate	errors in par dependent y ort-term EI; t d by MLE. C	entheses; * <i>p</i> variable. The he third uses Cluster (by cc	$< 0.05, **_p$ first specific long-term E	< 0.01, *** $_{p}$ < ation uses bas I; the fourth p district) robus	 0.001. The t ic economic i erceived revervant t heteroscedas 	able presents and demogral se discriminat sticity consist	estimates of ohic/cultural ion; the fifth ant standard

TABLE 2	LOGIT AND OLS ESTIMATES (CSE)	
	LTS: LOC	

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errors are used. Dummies are defined relative to a reference individual who is male, White with no high school education, married, engaged in full time employment, and of Protestant religion.

Core Variables		Aggrega Frequen	ate Effects = M acy f(Core Varia	EM* ables)
Short-term EI	4.67	-	_	2.85
Long-term EI	_	8.45	_	4.96
Perceived reverse discrimination	—	—	19.25	17.982
Former Republican voter	Yes	Yes	Yes	Yes
Additional controls	Yes	Yes	Yes	Yes

 TABLE 3
 Aggregate Effects for Key Variables

Notes: The figures are the aggregate effects calculated as the product of marginal effects at means (MEMs) and the frequency of each core variable in the sample. The first specification includes only the STEI variable, controlling for all the additional controls and voting history. The second specification includes only the LTEI variable, controlling for all the additional controls and voting history. The third specification uses only PRD, controlling for all the additional controls and voting history. The last specification considers all the three key variables, controlling for all the additional controls and voting history.

5.4. Interaction Effects with Voting History

Partisan affiliation tends to be stable with time, although party switching is becoming a more common phenomenon. Increased EI and the raised salience of racial issues may have contributed to this shift. To test this hypothesis, we consider an additional interactive effect between voting history and our main explanatory variables: STEI, LTEI, and PRD. In particular, we rerun the model specifications where they are considered together, adding the three interaction terms one at a time. The three interaction terms are all significant at 5 percent (LTEI and FRV) and 1 percent level (STEI and FRV and PRD and FRV).

We report in Graph 5 the predictive probabilities of voting Republican by being a former or non-former Republican voter. Being economically insecure is important in increasing the probability of shifting among those who were not previous Republican voters by 9 percent for STEI and by 8 percent for LTEI. The effect of PRD is even bigger: agreeing with the statement about reverse discrimination increases the probability by 22 percent among non-FRV, nearly five times.

5.5. Switchers

Here we focus our analysis only on the "switchers," namely those who voted for Obama in the 2012 presidential election and who switched to Trump in 2016, following Rodrik (2021) approach. We first restrict our sample only on Obama voters in 2012. Then, we define the dependent variable as the probability of voting for Trump in 2016 conditional to being an Obama voter in 2012. We report in Table 4 the results (both logit and OLS estimates).¹⁵

In the main model, all the explanatory variables are significant, with perceived reversed discrimination exerting a bigger effect than EI on the probability of switching as for the main results. In particular, perceived EI increases the probability of

¹⁵The results with all the coefficients are reported in Appendix: Table A3 for the logit model and Table A4 for the OLS.

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	A	DDITIONAL RES	ults for Swf	TABLE 4 TCHERS: LOGI1	AND OLS EST	IMATES (CSH	(3)			
			Logit					OLS		
Core Variables	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
Short-term EI	1 1	0.0483***	1 1		0.0276**		0.0768*** (0.0186)	1 1		0.0583** (0.0180)
Long-term EI	I	-	0.0364***	I	0.0172^{*}	I	(ang	0.0474^{***}	I	0.0265*
	I	I	(0.00913)	I	(0.00763)	I	I	(0.0117)	I	(0.0112)
Perceived reverse discrimination				0.0788*** (0.0102)	0.0703^{***} (0.00973)				0.156*** (0.0185)	0.148^{***} (0.0185)
Non-core variables										
Former Obama voter 2008	-0.0813***	-0.0764***	-0.0736***	-0.0507***	-0.0460^{***}	-0.147***	-0.146^{***}	-0.142***	-0.117***	-0.115^{***}
	(0.0123)	(0.0115)	(0.0116)	(0.0105)	(0.00978)	(0.0271)	(0.0268)	(0.0270)	(0.0265)	(0.0264)
Additional controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Notes: The figures are marginal Notes: The figures are marginal model from Equation (1) with the du former Obama voter in 2008; the sec variables. All the parameters of the k are used. Dummies are defined relativ Protestant religion.	effects at me- mmy variabl and specificat ogistic regres ve to a refere	ans (MEMs). S e "switch" as c tion includes sl sions are estim- nce individual	Standard erro dependent va hort-term El; nated by MLJ who is male,	riable. The fir riable. The fir the third use: E. Cluster (by White with n	sees; $*p < 0.05$ st specification i long-term E1 congressional o high school	**p < 0.01, **p < 0.01, The fourthdistrict) roteducation, n	*** $p < 0.00$ *** $p < 0.00$ *** $p < 0.00$ *** $p < 0.00$ **** $p < 0.00$ **** $p < 0.00$ **** $p < 0.00$ ***** $p < 0.00$	1. The table d demograph verse discrim edasticity co aged in full ti	presents esti presents esti nic/cultural (ination; the ination; the nsistent stan me employr	mates of the controls and fifth uses all ndard errors nent, and of

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Notes: The graph reports the predictive margins (with 95 percent confidence intervals) of race, calculated from the model specifications that include the interaction with each of the key variable, one at the time. In the top left panel, we report the predictive margins of race by STEI. In the top right panel, we report the predictive margins of race by PRD.

switching to Trump by about 5 percent for STEI and by 4 percent for LTEI, whereas perceived reversed discrimination increased the probability by nearly 8 percent. When considered all together, the effect of EI decreased to 3 percent for STEI and 2 percent for LTEI compared to 7 percent for PRD. Being a former Obama voter in 2008 election reduces the probability of switching by 8 percent when considered alone.

6. DISCUSSION

Our results attest the importance of both EI and perceived reverse discrimination as drivers of right-wing populist support. Although we do not have an explicit identification strategy, we consider our results as reflective of an approximate causal flow. They provide useful evidence confirming the significant role of EI (among others Guiso *et al.*, 2017; Bossert *et al.*, 2019; Rodrik, 2021) while showing that the cultural component has a greater relevance (Norris and Inglehart, 2016; Mutz, 2018; Margalit, 2019; Norris and Inglehart, 2019). Our results suggest that, in an electoral context where a few thousand votes can make all the difference, feelings of EI can change the outcome of an election (Trump won in the three key-states Wisconsin, Michigan, and Pennsylvania by less than 1 percent difference).

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Figure 5. Predictive Margins for Key Variables by Voting History.

Notes: The graph reports the predictive margins (with 95 percent confidence intervals) of our key variables, calculated from the model specifications that include the interaction with voting history. The top left panel reports the predictive margins of STEI among non-former Republican voters and former Republican voter. The top right panel reports the predictive margins of LTEI. The down left panel reports the predictive margins of PRD.

At the start of the paper, we argued that one of the reasons behind the small magnitude or insignificance of EI in some contributions may be related to limitations in its measurement. Bossert *et al.* (2019), e.g., proposed an objective index to overcome the limitations. This index measures the fluctuations in resource streams. Past variations can affect the sense of uncertainty about the future, with losses weighted more than gains and more recent experiences more important compared to past ones. The index emphasizes the change in resources in creating a sense of anxiety. In their analysis of the 2016 US election, they found that EI increases political participation, and it is associated with greater support for Donald Trump.

In addition, the majority of contributions have focused on a short-term definition of EI. "Pocket money" concerns have been discussed as not so relevant in determining voting preferences (Norris and Inglehart, 2016), especially in a situation of economic recovery, as for the 2016 US presidential election (Mutz, 2018). We argue the need for a broader definition of EI (Morgan, 2018), to capture not only the immediate experience but also the sense of insecurity resulting from a long-term decline in incomes, stagnant wages, increases in inequality, and income volatility. Our results corroborate the relevance of both short-term and long-term definitions of EI.

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Our second result supports the relevance of EI in increasing the probability of voting for a populist right candidate also among minorities, particularly Black voters. This suggests that increasing insecurity may have pushed Black people to vote for Donald Trump, due to his protectionist claims and despite his racial rhetoric. Black Americans continue to experience worse economic conditions than the rest of the American population (Joint Economic Committee, 2020). The history of racial inequality has systematically excluded Black people from better opportunities, reducing their rate of upward mobility and increasing the rate of downward mobility (Chetty *et al.*, 2019). Automation has mainly impacted those sectors where Black people are particularly concentrated (Rolen and Toossi, 2018), making them more vulnerable to job insecurity. Progressive reduction in employment protections and decline in unions' power have further increased systematic discrimination in the labor market.

Black voters support for Donald Trump can be interpreted as an antiestablishment vote. The inability of the Democratic Party to address economic issues and racial disparities may have further contributed to a sense of disillusionment and resentment among Black voters. The significant reduction in Black support for the Democratic Party in those working-class states (Wisconsin, Pennsylvania, and Michigan) that proved to be key to Donald Trump's victory (Griffin *et al.*, 2017) would seem to reflect this.

Interestingly, in our sample Black voters reported a lower level of EI compared to White people and other minorities. Case and Deaton (2017) find an explanation in the sense of hopefulness and major resilience of Black people as well as their stronger networks of social support (older generations, the church). In addition, Black voters may be happier or satisfied than White people because the income or positional difference with their reference group is smaller (Ferrer-i Carbonell, 2005; Clark *et al.*, 2008; Linde and Sonnemans, 2012; Hacker *et al.*, 2013)—a trend that residential segregation has more than likely contributed to (Wilkinson, 2019). Another possible explanation is that the most economically insecure people are the least likely to vote (Guiso *et al.*, 2017; Guiso *et al.*, 2020), with more insecure Black people less likely to be in the voter sample.

Our paper focused only on the direct effects of perceived EI and perceived reverse discrimination on populist right-wing support and did not consider the indirect effect of EI via cultural factors. Some contributions argue that EI can trigger the cultural reaction, amplifying preexisting cultural and identity divisions (Rodrik, 2021). The application of social identity theory (Tajfel et al., 1979; Turner et al., 1987) to populism provides a useful explanation on how economic and cultural factors interact. EI sharpens inter-group conflicts and makes in-group membership more salient, boosting identity politics (Bornschier, 2018; Besley and Persson, 2019; Gennaioli and Tabellini, 2019; Mukand and Rodrik, 2020). Distorting the identification process, EI can change preferences for redistribution (Shayo, 2020) and trade policies (Grossman and Helpman, 2020). This is an interesting research path for understanding why right-wing populism has emerged so strongly compared to left-wing populism, especially in a period of increasing inequality. Within the limits of our knowledge, the study by Di Tella and Rodrik (2020) is the only one that uses an experiment to test this indirect effect, focusing on the effects of a globalization shock on activating cultural divisions.

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Future research should examine how EI contributes to intensifying cultural and identity salience.

7. Conclusions

This paper examined the relationship between EI, perceived reverse discrimination, and right-wing populism. We have contributed to the small literature on the recent surge of right-wing populism with two main results. The first is that EI is an important driver in explaining the support for Donald Trump, although perceived reverse discrimination is quantitatively more important. The second is that the experience of short-term EI increases the support for Donald Trump among both Whites and minorities. We suggested that the vote from both racial groups reflect an anti-establishment vote. For those economically insecure, the claims of protection and nationalism by the populist right-wing were more appealing than the redistributive claims of left-wing parties.

Our results have relevant policy implications in addressing the factors behind the right-wing populist support. As suggested by Eichengreen (2019), if populism has an economic origin, it could be addressed by economic policies of social support, such as social safety nets for short-term EI. Nevertheless, long-term EI also needs to be addressed. This will require a more comprehensive reform of the labor market and the welfare system, together with investments for a more inclusive growth. The cultural origin of populism will be harder to address. However, if evidence emerges that EI is responsible for the cultural backlash and increasing social tensions, then more inclusive economic policies will mitigate the risk and enhance certainty and trust.

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SUPPORTING INFORMATION

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Supplementary Material S1