

Socio-Economic Inequality and Populism in Europe

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Introduction I



Initial title:

The Impact of Economic Populism on Economic Inequality

Current title:

Socio-Economic Inequality and Populism in Europe

Literature Review



Economic Inequality



Political philosophy (distributive justice – *fairness*)
Eight theories based on the debate of *egalitarianists* and *utilitarians*
Focus on ex ante inequality

Roemer
Equality of Opportunity/Resources

A striking disconnect between the two:

1. Different focus.
Political philosophy – what is fair?
How to equalize? Economists: measurements, equality/efficiency tradeoff, endogeneity
2. Based on different principles.
Pol phil: difference principle, econ: maximin criterion
3. Interdisciplinary discussion, only if acknowledging as normative terms

Economists
Thirteen theories, the debate is mostly focused on issues of measurements,
Mostly *utilitarian* perspective

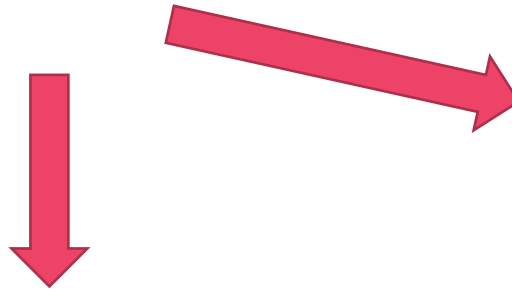
Acemoglu & Robinson
Institutionalism

Wolfson
Income polarization

Anderson & Pontusson
Economic insecurity



Populism



Mudde, Rovira Kaltwasser, Stanley
Thin-centered ideology

Kriesi
Reaction to denationalization of
CEE; lack of institutionalization of
political systems

Učeň
New centrist populism

Hawkins et.al.
Populist Attitudes

The definition of populism varies across the lines of four distinct approaches -- (i) populism as ideology (Mudde, 2014), (ii) populism as political strategy (Weyland, 2017), (iii) populism as discourse or style (Moffit, 2016) and (iv) populism as political logic (Laclau, 2005).

Linking the two: Voting or Policy?



Guiso et.al.

Economic Insecurity and Right-wing voting

Inglehart & Norris

Cultural Backlash

Rodujin & Burgoon

Positional deprivation/inequality and the radical right voting

Inglehart & Norris

Cultural backlash

The concept of economic populism has vague chances to exist in the modern literature on populism:

Latin American left-wing experience of 20th century does not translate well into the recent right-wing wave in Europe

Dornbusch & Edwards' theoretical framework does not apply to the European case, since it is macroeconomically stable, no evident disregard for long-term consequences for the benefit of the short-term gains

Research Questions



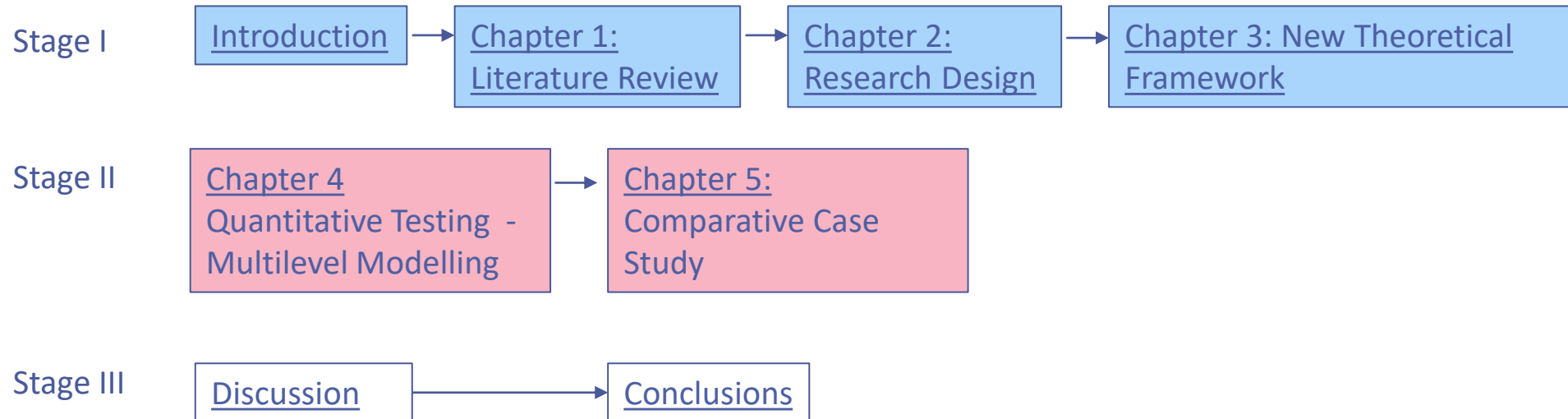
The main aim of the project is to answer the question:

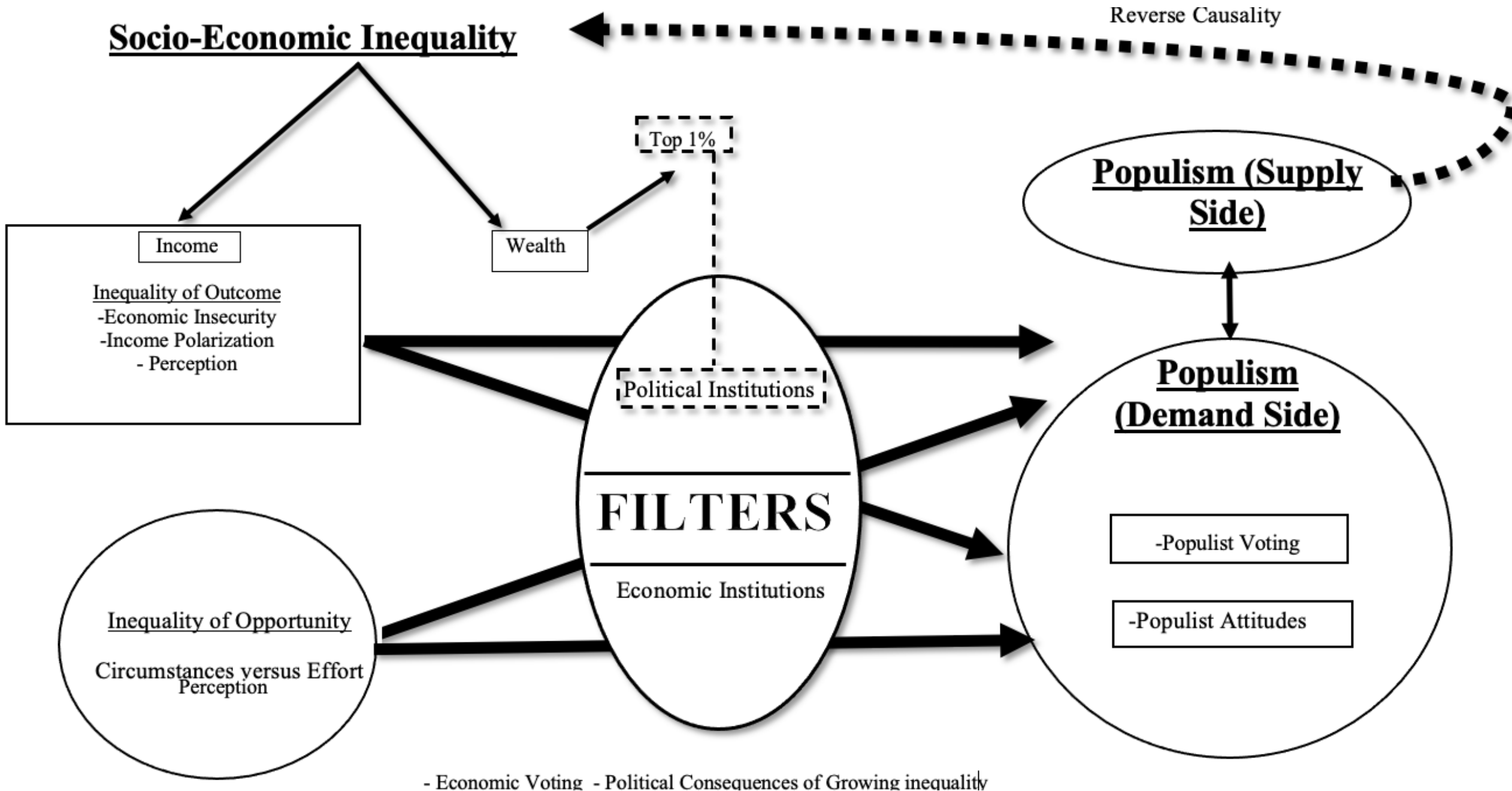
- *How socio-economic inequality affects the success of populist parties in Europe?*

How unique is my take?

- Provide the multi-level as well as time dimensions
- Deliberately emphasize the role of institutions as confounding variables
- Mixed-methods approach
- Disaggregated to demand (voter preferences) and supply (strategies of populist parties)

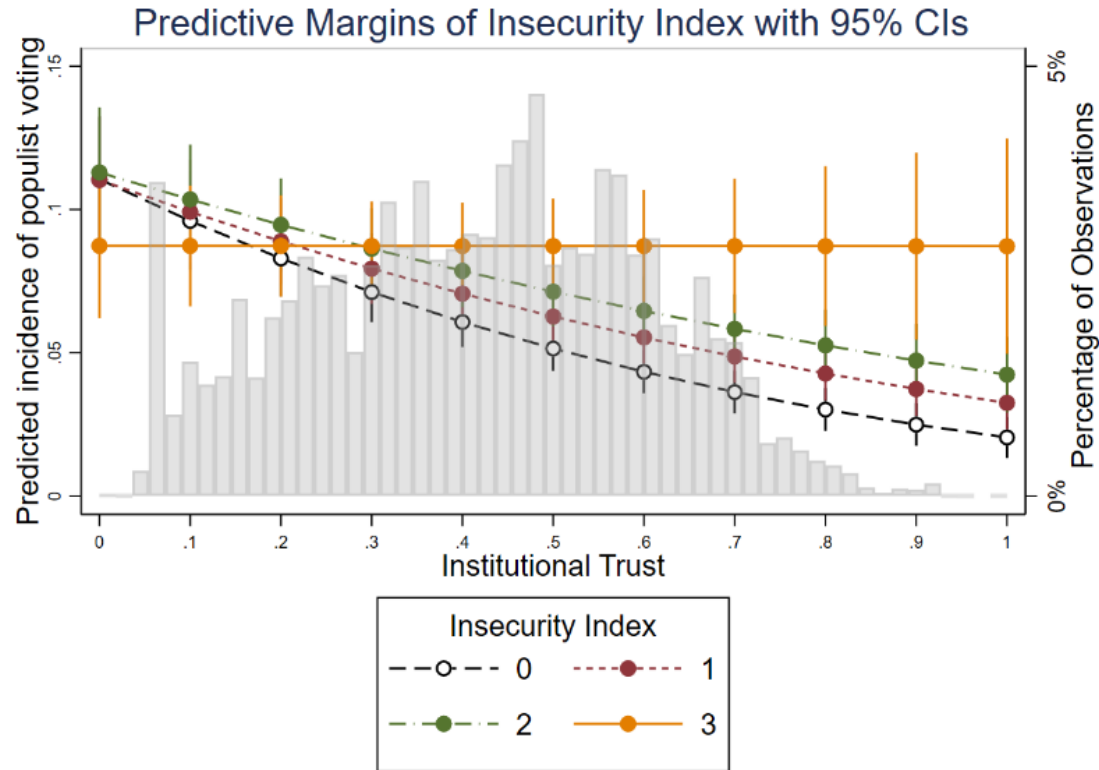
The Structure





- Economic Voting - Political Consequences of Growing inequality

Results



- The New Index of Insecurity, ranges on a scale from zero to three.

The value of the index: 3= finding it hard or extremely hard to survive on current income, has experienced long-term unemployment (three months or more) and is an unskilled worker

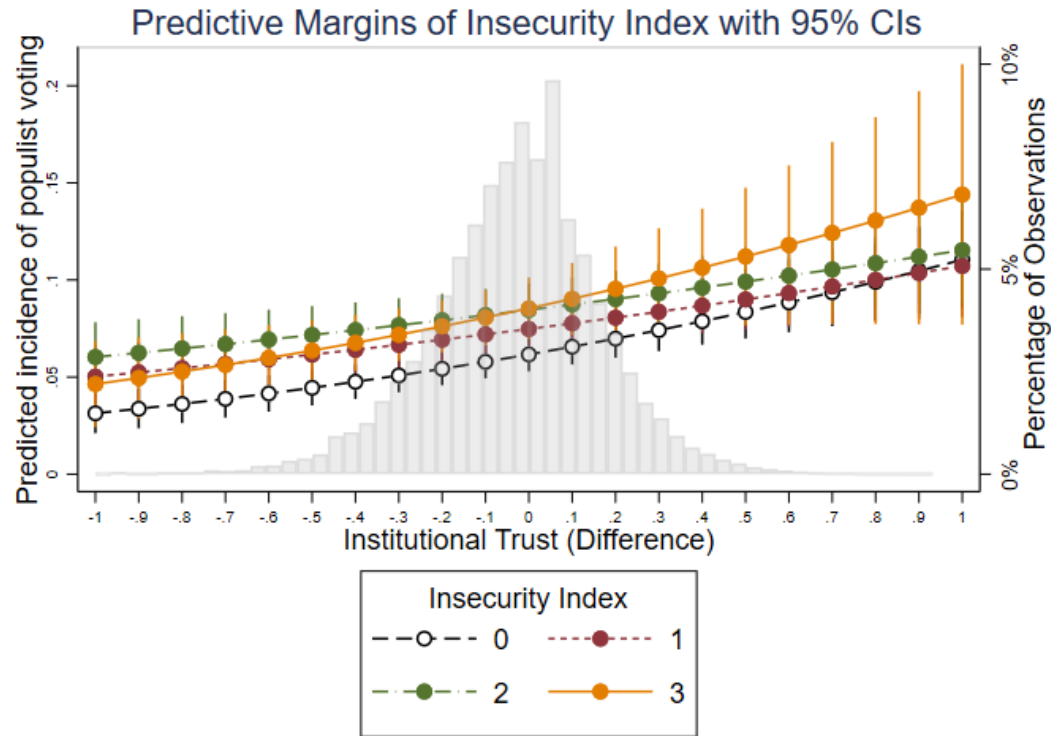
2 = at least two of the above-mentioned elements are true

1 = at least one is true

0 = none is true

Trust - An equal scale comprised of four equally weighted components: trust in politicians, trust in political parties, trust in parliament and trust in legal system.

Results



- The difference of trust in national (index above) versus supranational institutions (EU parliament)
- In a range between -1 (full trust in EU parliament over the national institutions) and +1 (full trust in national institutions over EU parliament) on individual level (also used in Pitlik and Rode, 2017)



What is the populist supply?

Guriev and Papaioannou (2020) as well as Norris and Inglehart (2019) conceptualize the supply of populism in terms of political strategies of political parties, while Funke et.al (2020) focus on economic policies of populists in power.

I propose to look at populist supply in terms of party strategies.

Exogenous shocks: economic and refugee crises

Supply side: less explored, how political parties adapt?

Two aims: new conceptual framework + testing

If parties shift their positions on policy issues, they become closer to the electorate.

Why shift positions?



Causes:

internal (i) or external (ii) reasons

(i) depends on the size and the type of the organizational structure of a party, whether a particular party is leadership or activist-dominated (Schumacher et al., 2013); niche or mainstream Ezrow et al. (2011)

(ii) some parties might be highly responsive to mean voter shifts and get their cues from voters themselves, while others might not. (Lipset and Rokkan (1967), Mair (1997), Downs' spatial theory (1957))

(ii) rapidly changing social and economic conditions (De Vries & Hobolt, 2020) or economic shocks (Adams & Somer-Topcu, 2009), as the result of the previous elections, and dissipate with time (Somer-Topcu, 2009).



Why shift positions?

Consequences:

- Loss
- Win
- The success of policy shifts depend on the type of issues, and benefits parties more if is in pragmatic (economic policy) than principle (core belief and values, value-based social and cultural issues) domain (Tavits, 2007)
- Going tough on immigration does not help mainstream parties to prevent vote losses to their far right competitors (Spoon & Klüver, 2020)

Is the same valid for populists?

Voters

Issue Saliience



Parties

Issue Saliience

Positional

Shifts

costs: internal conflict, pandering



t-1

Electoral Success

/Failure

success: issue ownership



Table 1

Strategy	Successful	Unsuccessful
“Zig-zagging” (significant shifts in both dimensions)	Czech ANO	Slovak Smer and Slovenian SDS
“Adapting” (significant shift in one dimension)	Hungarian Fidesz and JOBBIK; Polish PiS; Croat HDSSB*	Lithuanian DP and TT, Bulgarian GERB, Slovak SNS, Polish Kukiz*
“Staying put” (no significant shifts)	Slovak Sme Rodina*, OLaNO*; Estonian EKRE*	Bulgarian NFSB*; Czech SPD*; Romanian PRM*

*Data available only on immigration dimension

Comparative Case Study: Lithuania and Hungary



- Focus on CEE, with the most resilient populist parties, from challenger to the mainstream, closer to the center, visible positional shifts
- Tri-polar party competition with the conservatives', liberals' and social democrats' camps (Ramonaitė, 2020)
- Same initial conditions, diverging paths
- Two parties with very visible shifts in policy preferences
- Initially left-wing, post-socialist
- Paired comparison, using the Most Similar
- Systems Design (MSSD), (Tarrow, 2010)

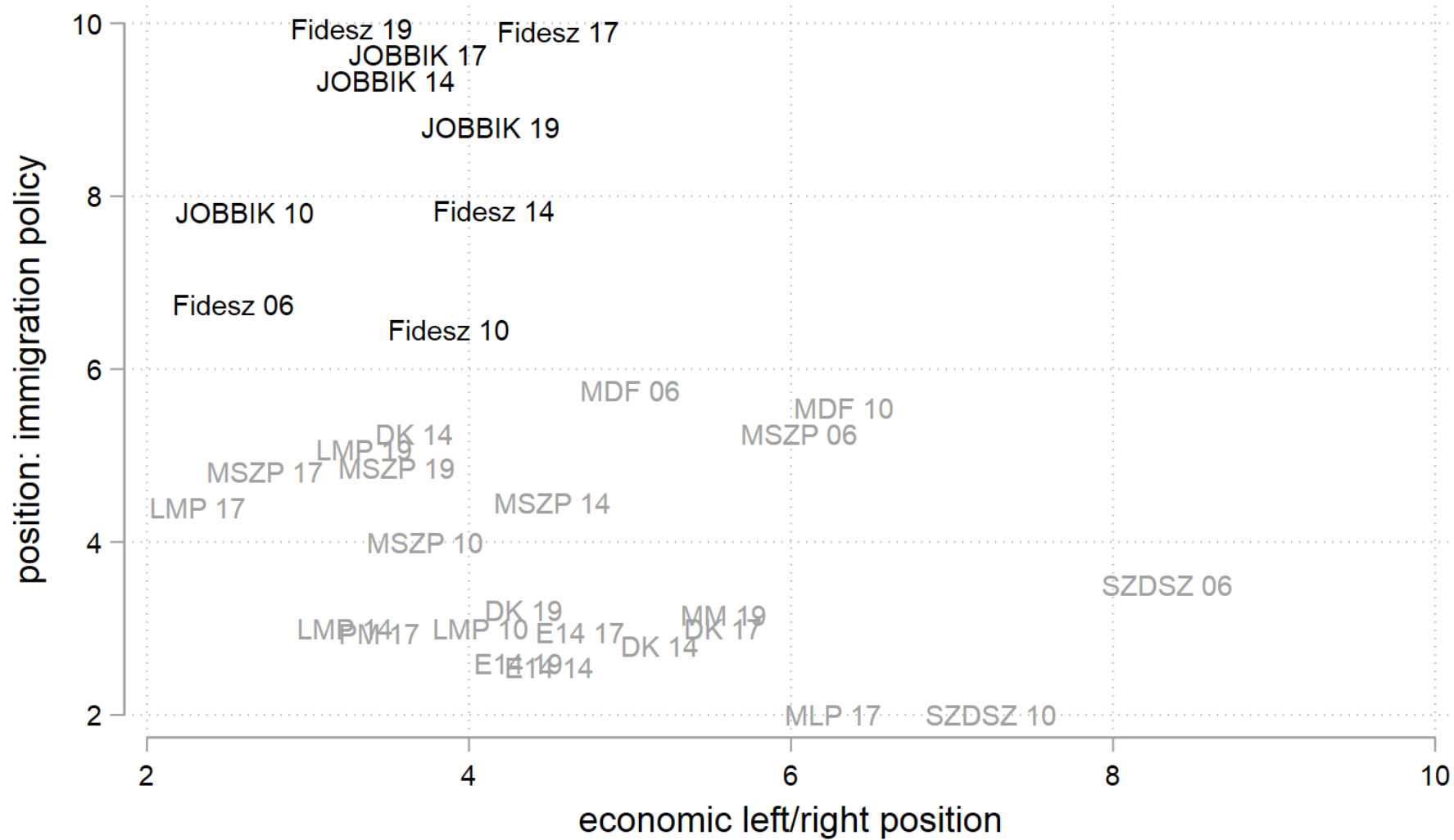
The three shifts of Fidesz



- Shifting from liberalism, anti-communism to the center in the nineties, crowding out MDF and other competitors, highly fragmented party system
- Fidesz invested in the voter-party connection, while in opposition (2002-10) through politicization of Hungarian civil society, attracting educated conservative middle class via its Civic Circles Movement (Polgári Körök). Around 4800 events were organized, co-organized or sponsored by the movement and attended by its members in July 2002–April 2006 (Greskovits, 2020)
- 2010-current: the success of populist rhetoric and the full embrace of the change in strategy completely building it along the “us versus them” ideological divide
- Open anti-migrant, anti-Brussels rhetoric, nativist appeals as well as other issues
- Changing the Hungarian Constitution during the period from 2011 to 2013 (without extensive involvement of the public or the opposition parties)



Policy Positions of parties in Hungary (2002-2019)



Source: Chapel Hill Data Survey

Labor Party (Darbo Partija) in Lithuania: shifts and the impediments to shift

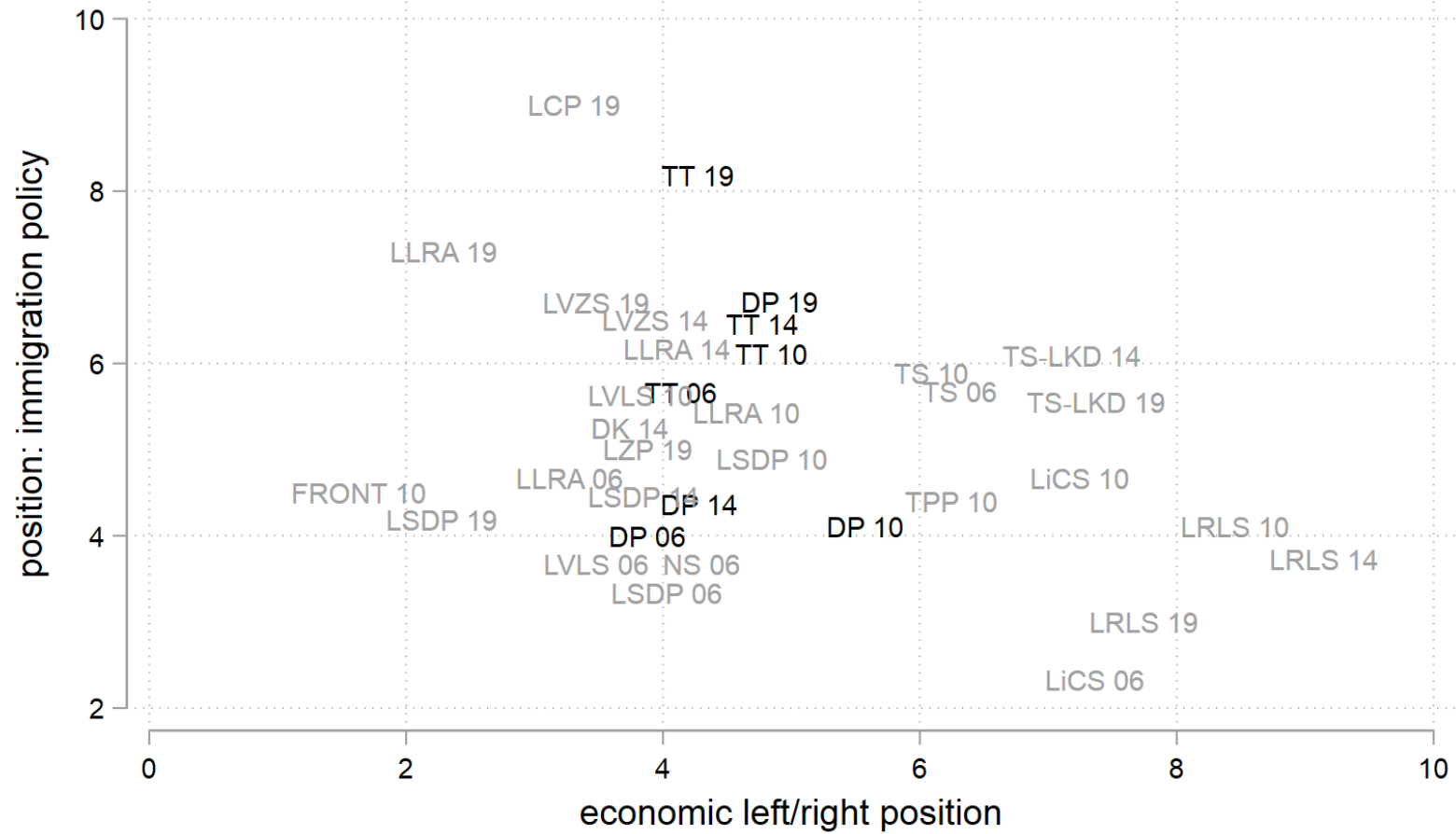


- Winning 28.4% of votes and 39 seats in 2004
- Very simple and straightforward message appealing not only to protest voters: minimum wage, pensions, social benefits
- Anti-establishment challenger party in 2004, becoming dominant since then
- Corruption scandals, while in opposition (2006-10) and accusations of illicit party financing
- Electoral decrease in 2008, but the return to the government in 2012
- Attempts to institutionalize party structure
- The devastating effect of the crisis: austerity, retrenchment, pension cuts.
- Lithuania narrowly escaped Latvia's fate of having to obtain a loan from the IMF, but slumped 14.7 percent of its GDP in 2009
- The rise of anti-austerity sentiments

Back into government coalition 2012-2016



Policy Positions of parties in Lithuania (2002-2019)



Source: Chapel Hill Data Survey



Anti-immigration campaign 2016

- Slogans as: take off the “pink glasses” of preferential treatment of refugees, possible “invasion” of refugees to Lithuania “is not a theory, but the reality” (Gedvilas, 2016)
- Result: Betting on the wrong horse
- Lithuania received only 315 and 425 in 2015-16, with a commitment to resettle a total of up to 1105 additional refugees from other EU member states until 2017
- Similar to Fidesz, overtaking issue ownership from successful anti-immigration niche party (TT), but unsuccessfully



Discussion

- For the most part, Central and Eastern European populist parties shift on the issue of immigration but stay put on the issues of economic redistribution. Contrary to the empirical findings of Tavits (2007), correlation with electoral success on the immigration dimension.
- Parties acquire the left authoritarian profile, if they had the combination of left-wing economic policies and authoritarian/nativist stances
- All shifts of Fidesz and *Darbo Partija* happened partially based on the results of previous elections, as pointed out by Somer-Topcu (2009), but also due to competition as well as changes and the success of niche parties (*Jobbik* and *Tvarka ir Teisingumas*) and willingness to overtake the issue ownership.
- Mediating effects: both compensated by electoral system and affected by the party system.
- Party-voter linkage as a tool of leverage
- The usage of nativism as an electoral tool
- New wine in the same bottles

Results



All in all, the rise of populism in Europe is a product of both supply (party strategies, policy when in government) and demand (voter preferences).

While socio-economic inequality in the changing global economic conditions is an important determinant of success of it, it is not the only factor behind its persistency, especially in Central and Eastern Europe.

Other factors, such as the experience of the refugee crisis first-hand, corruption scandals, competition in the party system, quality of institutions are important signals for both populist parties and its voters.

Institutions matter, also in terms of populist voting, as their positive evaluation by voters, prevents them from voting for anti-systemic parties, depending on the level of economic insecurity.

When analyzing the evolution of political parties, the need to discern nativism from populism is the key, highlighting the importance of the proposal by Art (2020).

Some parties become populist, by fully embracing the thin ideology of the “us” versus “them” divide, while changing their ideological positions or moving across the ideological spectrum towards the radical right. Others might use nativism only as an electoral tool, while leaving their ideological stance in ambiguity.

Thank you

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