

**Compensation, Austerity, and Populism:**  
Social Spending and Voting in 17 Western European Countries

Chase Foster<sup>1</sup> and Jeffry Frieden<sup>2</sup>

*Prepared for “Seminar on the State and Capitalism Since 1800”  
Center for European Studies, Harvard University, 6 December, 2019*

Abstract: The existence of comprehensive social policies to compensate those who might be harmed by integration is widely seen as an important precondition for public support for economic and political integration in western Europe. However, many western European countries reduced spending on income maintenance after 1990. In countries hard hit by the sovereign debt crisis, there have also been significant cuts to social services. We evaluate the impact of levels of social spending on public support for populist parties. We also evaluate the impact of austerity measures on support for such parties. We examine a panel of 187 elections from 1990-2017 and analyze pooled cross-sectional data from eight waves of the European Social Survey. We find evidence that populist parties fare worse where countries spend more on social support, and where spending has not been reduced from historical levels. On the other hand, where countries spend less on income maintenance, and/or have decreased spending from earlier levels, populist vote shares are consistently higher, and the likelihood of supporting populist parties greater. This relationship holds when controlling for a range of individual and macroeconomic factors, including occupational and educational characteristics, unemployment, economic growth, and immigration rates. The growing strength of populist political parties is rooted in long-term economic and cultural changes, but appropriate social policies may moderate their appeal.

---

<sup>1</sup> Watson Institute for International and Public Affairs, Brown University; [chase\\_foster@brown.edu](mailto:chase_foster@brown.edu).

<sup>2</sup> Department of Government, Harvard University; [jfrieden@harvard.edu](mailto:jfrieden@harvard.edu).

The past fifteen years have seen a striking increase in support for European populist parties of the right and left. In 1998, populist parties drew support from less than 10% of European citizens. Only two capitals on the continent—Bratislava and Bern—had populist politicians serving in government.<sup>3</sup> Twenty years later, populist parties hold an average of 22% of seats in national parliaments across Europe and serve in nine different governments (Heinö 2019).<sup>4</sup> These parties draw their support disproportionately from members of the white male working class, particularly blue-collar workers with modest educational backgrounds who have experienced a relative decline in their economic condition and social status over the past few decades (Gidron and Hall 2019 and 2017; Gest 2016; Inglehart and Norris 2016; Bornschier and Kriesi 2012; Oesch 2008; Kriesi et al. 2006).

There are major differences among European populist movements, of the Right and the Left. All of them, however, share an antagonism to existing mainstream political parties and political institutions. And all of them, in different ways, are skeptical of or hostile to central aspects of European integration. Some, especially on the Left in debtor countries, oppose austerity measures they see as imposed by European institutions. Others, especially on the Right, resent European policies toward refugees, asylum-seekers, and immigration generally. Still others are more broadly concerned that the European Union and the international trading system have eroded too much of their nations' sovereignty.

Analyses of the upsurge in populist sentiment in Europe – and elsewhere – have often focused on two sources. Some emphasize the cultural, ethnic, or traditionalist bases of populist

---

<sup>3</sup> See “How populism emerged as an electoral force in Europe,” *The Guardian*. Nov. 20, 2019. Accessible at <https://www.theguardian.com/world/ng-interactive/2018/nov/20/how-populism-emerged-as-electoral-force-in-europe>

<sup>4</sup> See the Authoritarian Populism Index. Accessible at < <https://populismindex.com/>>

sentiment and rhetoric (Norris and Inglehart 2019). Others focus on the impact of economic distress, both due to international economic trends and to automation (Anelli et al. 2019; Colantone and Stanig 2018a and b; Rodrik 2018). Although there is clear evidence of non-material sources of populism, there is just as clear evidence for material sources. By now hundreds of studies have associated patterns in international trade, automation, austerity, and other economic factors in the rise of populism. We do not propose to re-hash a tired debate between proponents of two sets of forces that are clearly not mutually exclusive, and that almost certainly interact with one another.

In this paper, we address a question raised by the relationship between economic difficulties and populism: do government policies to mitigate the impact of economic distress on political discontent actually *work*? This is a variant of the “compensation hypothesis,” which has been a stalwart of comparative and international political economy for decades. The idea, which is particularly relevant to whatever components of populism may be traceable to globalization, automation, or austerity, is that economic trends and policies that benefit society as a whole also have significant distributional effects. In such circumstances, Pareto improvements are available: the winners from globalization or automation can *compensate* the losers for their losses. Because, by definition, the aggregate social welfare impact of the policy or phenomenon is positive, even after compensation, both winners and losers are better off. Of course, the winners rarely are enthusiastic to engage in such compensation – and yet it exists, often for long-standing historical reasons.

Scholars have argued that compensation mechanisms facilitated the opening of industrial economies to the world economy in the aftermath of World War II. The logic of compensation suggests equally that countries with well-developed mechanisms of social compensation – broad

and deep social welfare states – should experience less of a populist backlash than those lacking in such mechanisms. However, with some exceptions, there have been few attempts to evaluate whether this expectation has been borne out over the past twenty years.<sup>5</sup>

A related question has to do with the imposition of austerity measures. These policies typically *reduce* the depth and breadth of the social safety net, typically in response to fiscal or balance-of-payments difficulties. Justified or not, the compensation hypothesis suggests that cutting back on the willingness or ability of the state to compensate those harmed by economic distress is likely to *increase* political discontent.

We therefore carry out some tests of the compensation hypothesis in western European countries, all of which have been hit by severe economic shocks in the past twenty years. We ask whether the different levels of social spending in these countries affect the extent to which their citizens increase their voting for populist political parties. As another side of the same coin, we ask whether *reduction* in social spending has been associated with an increase in populist voting. Both of these evaluations get at the same broad theoretical construct: that government attempts to mitigate the impact of economic hardship on less fortunate members of the population reduce their tendency to support populist politicians.

We find evidence that higher expenditures on social welfare predicts lower populist vote shares, controlling for other factors. From a panel analysis of 187 national-level election results, we show that where governments have maintained more generous welfare regimes, and cut benefits less dramatically, populist parties are less successful electorally. While

---

<sup>5</sup> Notable exceptions include Swank and Betz 2003, who examine the pattern from 1981-1998, Walter 2010, and Gingrich 2019 who looks at whether compensatory spending conditions support for populist parties among the workers most vulnerable to automation.

deindustrialization is associated with a clear increase in populist vote shares, additional labor market spending appears to partially mitigate these pressures.

That austerity and welfare reform may have contributed to the strength of populist parties is also supported by our analysis of pooled survey data from the European Social Survey. Here, we find that higher levels of social expenditures, and increases in spending over time, predict a lower likelihood that a respondent will have supported a populist party in the previous election. We estimate that a one percentage point decrease in spending on social services leads to a 25% greater likelihood of a voter supporting a populist party, controlling for country and year fixed effects and occupational and educational differences across countries (0.103 to 0.129). The marginal effect of labor market spending is even larger: an additional one percentage point of GDP dedicated to unemployment benefits or labor market activation predicts a 50% reduced likelihood of voting for a populist party (0.10 to 0.048).

The observational nature of our analysis does not allow us to make definitive causal claims about the relationship between social expenditures and support for populist parties. However, the consistency of the observed relationships across multiple time frames and measures of social spending, and the robustness of the results over a range of model parameters and controls, does suggest that welfare retrenchment may have contributed to the success of populist parties. While long-term economic and cultural changes are undoubtedly the underlying forces behind growing support for populist parties, welfare regimes mediate people's experience of these developments. By lessening the effects of globalization and technological change on livelihoods, compensation may reduce the extent of grievances and, in doing so, limit the appeal of parties skeptical of European integration and globalization.

The paper is structured as follows. A first section provides a theoretical account of why levels of social spending, and changes in these levels, might affect political support for populist parties, along with an overview of the recent pattern of labor market and other social expenditures. The second section addresses definitional issues with regards to populism and describes the data we use. The third section evaluates the theoretical expectations empirically, by examining a panel of 187 election results and analyzing pooled cross-sectional survey data from eight waves of the European Social Survey. A fourth section discusses some of the implications of these findings and concludes.

*I. Theory: The relationship between compensation and populism*

Economic integration creates aggregate economic benefits, but it also produces winners as well as losers. With the concerns of losers typically more intense than the support of winners, it is perhaps surprising that economic integration is ever politically feasible in democratic political systems. This set of observations has motivated decades of scholarship in comparative and international political economy. Scholars have noted that more open economies tend to have larger governments and have surmised that this is due to the greater need to compensate those threatened by the uncertainties caused by the vagaries of the world economy (Cameron 1978; Rodrik 1998). In an influential series of country studies and a summary volume (Katzenstein 1985), Peter Katzenstein examined the small open economies of western Europe. He showed that they were largely forced by the fact that their small size made economic openness a necessity to devise comprehensive social safety nets to protect their citizens from the potential harms that openness might bring.

The “compensation hypothesis” that grew out of this work is simple. For workers and others to accept the uncertainty, and potential costs, of an economy open to world trade, finance, and investment, the government needs to offer substantive compensation. The cost of compensation may be high, but the benefits of economic integration are higher, so that the political consensus purchased with compensation is worth the cost.

The empirical expectation that flows from the compensation hypothesis is that support for economic integration will be an increasing function of expected compensation. Certainly, that support – and opposition – will also vary with conditions in the world and domestic economies, but all else equal the more extensive and reliable is the social safety net, the less citizens should fear the potential impact of economic integration. Since one of the unifying features of populist parties of the left and right is opposition to European integration, we expect that support for populism will be lower where compensation is higher, all other things equal.

This thesis already has found some support in the literature. In one of the first studies of whether welfare states moderated support for rightwing populist parties, Swank and Betz (2003) concluded that countries with more generous—and universalistic—welfare systems had less successful right-wing populist parties, and that welfare spending reduced the linkage between economic integration and growing support for these parties. More recent studies have also found some evidence that compensation can moderate support for populist parties. In an examination of three recent elections to the European Parliament, Halikiopoulou and Vlandas (2016), find that where labor market protections were weak, unemployment bolstered support for right-wing populist parties. However, where protections were stronger, there was no association between higher unemployment and increased support for far-right parties. Finally, in a recent study of the

Finns, the most successful rightwing populist party in Finland, Patana (2018) finds that support is weaker in regions receiving higher amounts of EU structural funding.<sup>6</sup>

A related issue is the impact of *reductions* in existing social programs. As Esping-Andersen (1990) observed thirty years ago, a defining feature of the postwar European welfare state was the aspiration to “decommodify” labor or minimize the extent to which an individual’s material welfare depended on the marketplace. While such a lofty goal was never fully achieved anywhere, and the extent to which it was pursued varied across welfare regimes, by the 1960’s many western Europe countries had enacted policies that made it possible for many workers to exit the market without a substantial loss of income (Korpi and Palme 2003). The slowdown in growth in the 1970’s, and the significant rise of unemployment, led to strains on a compensatory model premised on high levels of employment. However, initially, the political response was to make it easier to receive benefits — to relax conditions for receiving unemployment, injury, or disability benefits, and to subsidize early retirement to facilitate socially-responsible labor shedding (Ibid: 429). By the late 1990’s, economic inactivity rates in some countries were as high as 65% for men aged 55-64– in large part because of the availability of long-term unemployment benefits and pre-retirement pensions (Ebbinghaus 2006).

Ongoing employment and fiscal crises led organizations such as the OECD and EU to advocate labor market reforms that would replace income maintenance and early retirement policies with spending aimed at activation: policies facilitating employment, retraining, or job search to facilitate higher workforce participation (Garrizmann 2017 et al.; Kenworthy 2010; Clegg 2007; Armingeon 2007). The goal of such policies was no longer to decommodify workers but to “mobilise, preserve, and improve their working capacities and skills” so as to

---

<sup>6</sup> Gingrich (2019), however, finds evidence that compensation has inconsistent effects on support for right-wing populist parties. In a study focused on workers most affected by automation, she concludes that compensation shores up support for both the mainstream left *and* far right parties.



increase their market-based income (Garrizmann et al. 2017: 37). Countries pursued various paths toward this reform, with some accompanying cuts with expanded public employment and new investments in education and retraining that produced more socially-embedded processes of liberalization, others creating a dualized labor market that preserved substantial compensatory expenditures for labor market insiders, and still others pursuing a mostly deregulatory model that cut benefits without providing new support for activation (Thelen 2014; Van Kersbergen and Hemerijck 2012; Emmenegger et al. 2012; Bonoli 2010; Iversen and Wren 1998). However, across nearly every country, we observe a narrowing of compensatory policies seen as creating “disincentives” to work, and a subsequent decrease in the rates of economic inactivity. On top of this, a number of countries have enacted austerity programs in recent years, either because of conditions for receiving financial bailouts during the Euro-crisis or as self-imposed reforms to decrease debt (Hermann 2014).

<Figure 1 about here>

As can be seen in Figure 1 detailing the longitudinal trend in unemployment-adjusted labor market spending across 12 western European countries<sup>7</sup>, in the majority of countries, there has been a reduction in labor market support since the late 1990’s, particularly spending focused on income maintenance (“passive LMP”). Over the same period, most countries also weakened unemployment protections, by reducing income replacement rates and reducing the length of benefits (Korpi and Palme 2003: 434). In 1975, the average replacement rate of unemployment

---

<sup>7</sup> Values reflect the percent GDP spent on passive and active labor market policies divided by the current unemployment rate. This allows us to compare the level of expenditures adjusted for the short-term economic cycle and differences in the structural unemployment rate of different countries.

insurance in the OECD was 65% in 1975; by 1995, it had fallen to 55% (Ibid). Since the beginning of the 21<sup>st</sup> century, replacement levels have fallen even further. In 2001, a childless single adult living in the EU, and earning the national average wage, would have received around 43% of their previous earnings after 18 months of unemployment. In 2018, the replacement rate was more than a quarter lower—just 31% under the same conditions.<sup>8</sup>

A simple, but powerful observation from the welfare state literature predicts that those benefiting from social policies will seek to use the political process to protect their benefits. Scholars of the welfare state have consistently shown that welfare recipients are politicized by cuts or threatened cuts to their benefits, leading them to punish politicians who pursue retrenchment (Kurer et al. 2018; Campbell 2003; Pierson 1996). Recent studies of European austerity programs offer some support to the thesis that welfare cuts may have fueled support for populist parties. In a detailed longitudinal study that draws upon extensive individual-level data, Dal Bó et al. (2018) find that Swedes who faced relative income declines as a result of welfare cutbacks were over-represented among the supporters of the Sweden Democrats. Fetzer (2019) finds that austerity measures played a significant role in stimulating support for Brexit in the United Kingdom. Insofar as this dynamic extends to other countries, we can imagine that those who have been negatively affected by welfare cuts will resent the mainstream parties which enacted these policies and become more likely to support outsider parties as a form of protest.

Cuts to traditional welfare policies such as unemployment or early retirement may have had a particularly strong effect. Unlike the supporters of center parties, center right parties, and green parties, who prioritize spending on “social investment” over spending on “social

---

<sup>8</sup> Calculated for a single person without children who has been out of work for 18 months. The total does not include housing benefits. Data from the OECD, “Net Replacement Rates in Unemployment,” accessible at <https://stats.oecd.org/Index.aspx?DataSetCode=NRR#>

consumption,” populist voters – whether on the left or the right – prefer the opposite arrangement; they prioritize welfare spending on unemployment or pensions over retraining programs or childcare assistance designed to increase labor force participation (Häusermann et al. 2019; Garritzmann et al. 2018; Häusermann 2018). When rightwing populist parties have been in coalition governments, they have acted on these preferences, seeking to expand the income maintenance programs at the core of the traditional welfare state, while reducing expenditures on social investment programs meant to expand and mobilize skills as well as means-tested social assistance seen as disproportionately benefiting immigrants (Swank and Betz 2018). Consequently, where countries have engaged in more extensive cuts to unemployment and other income maintenance programs– we expect to find a particularly strong relationship between social spending and populist voting.

## *II. Defining Populism and Measuring Social Expenditures*

The word populism has been used to describe a wide range of social movements and political programs. While its origins lie in the radical agrarian movements of the 19<sup>th</sup> century United States (Kazin 1998), the term is now widely used to describe a variety of European political parties outside of the political mainstream (Müller 2017; Mudde and Kaltwasser 2017). The term populist can also refer to the political strategies or even discursive styles of non-populist leaders or parties (Bonikowski and Gidron 2016). This heterogeneity notwithstanding, all populist parties share a number of common characteristics. Nearly all scholars agree that populist parties organize politics around an antagonistic division between citizens and elites that pits the common people in a moral battle against the elites ((Mansbridge et al. 2019). In the European context, populist parties of the left and right share two other common features. Nearly

all populist parties are opposed to key aspects of European integration (Halikiopoulou et al. 2012). And nearly all European populist parties now draw disproportionate support from the traditional male working class, which has seen its relative position decline as a result of European integration and globalization (Gidron and Hall 2017; Bornschier and Kriesi 2012; Oesch 2008; Lubbers et al. 2002). For these reasons, we follow other scholars in examining together populist parties of the left and the right and conceiving of support for these parties as a reaction against processes of globalization and European integration that are widely viewed as benefiting elites at the expense of common people (e.g. Rodrik 2018).

To categorize populist parties, we use the *PopuList*, an overview of populist parties developed by a consortium of political scientists, which has been widely used by academics and journalists.<sup>9</sup> This categorization overlaps in many instances with separately generated lists of radical parties; however, important differences can be found. For instance, traditional communist populist parties would count as leftwing and radical but not populist, while Italy's Five Star Movement would be considered populist but not radical, given its ideological fluidity. In this paper, we focus on populist parties, and all of the models use populism as the dependent variable. However, we also run all of the models using radical parties as the dependent variable, in most instances, finding similar results. *A full list of political parties classified as populist and/or radical is provided in Appendix 3.*

The OECD's Social Expenditures Database serves as the primary source of information for welfare spending.<sup>10</sup> The OECD provides reliable information on social expenditures that go

---

<sup>9</sup> The list identifies parties that are populist, far right, far left, and/or Euroskeptic, and which received at least 2% of the vote in at least one national parliamentary election since 1998. The list has been peer reviewed by more than 30 academics specializing in European parties. For more information see <https://popu-list.org>.

<sup>10</sup> For more information about the OECD's data and methodology see <http://www.oecd.org/social/expenditure.htm>.

back to the early 1990's in most western European countries, making possible a cross-national comparison that extends over the time period of interest. To evaluate our compensation hypotheses, we examine separately three different measures of social expenditures, each reported as a percentage of GDP.

First, we examine spending on labor markets. Included in this measure is spending on “passive” income maintenance programs such as unemployment and early retirement that draw strong support from populist voters. Spending on re-training and work subsidies that are designed to “activate” workers also fall into this category. In the time period examined, expenditures on these programs ranged from 0.3% to 6.5% of GDP, with the bulk of spending going to unemployment and early retirement.

Second, we examine expenditures on social services that do not involve cash transfers. In most countries this would include spending on care and accommodation for the elderly, health, childcare, housing assistances, and incapacity services. Spending on social services ranges from 3.4% to 13.9% of GDP.

Finally, we consider total social spending. This last category is the most comprehensive measure of welfare state spending covering all social insurance and social assistance payments, and subsuming our first and second measures. In the period examined, total social spending was as high as 32.9% and as low as 13.1% of GDP.

### *III. Empirical Analysis*

We conduct a two-part empirical strategy to explore whether and how welfare policies mediate the appeal of populist parties.<sup>11</sup> In Part A, we examine election results from a panel of

---

<sup>11</sup> In most European countries, the major social policy frameworks are determined at the national level, limiting the opportunities to exploit sub-national variation to examine our central questions of interest. Moreover, comparable

17 countries during the period 1990-2017. In Part B, we examine the thesis further using eight waves of the European Social Survey. In both analyses, we are interested primarily in two analytical questions: (1) Is populist voting less likely in countries with comparatively high levels of compensatory spending? (2) Do decreases (or increases) in social spending affect support for populist parties? If the welfare state limits the appeal of populist parties, then we would expect these parties to see lower *levels* of support within countries that spend more on compensation, all other things equal. If *reductions* in social spending affects electoral support, then we would expect populist parties to be more successful within countries that have pursued more substantial cuts from earlier levels.

#### A: Welfare Spending and Populist Vote Shares, 1990-2017

As an initial exploration of this question, we run ordinary least squares (OLS) regressions using an unbalanced panel of 187 parliamentary elections held in 17 western European countries from 1990-2017.<sup>12</sup> 115 of these are elections for national parliament and 72 for the European Parliament. In all models, the dependent variable is the proportion of votes received by populist parties in each election.<sup>13</sup> Results of presidential, local, and regional elections are excluded, as

---

data on social policy expenditures is more readily available at the national than the regional level. Consequently, our main empirical focus is to examine cross-national variation.

<sup>12</sup> The countries examined are Austria, Belgium, Denmark, Spain, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Sweden, Switzerland, and the UK. We do not include the formerly communist countries of Eastern Europe because of differences in the structure of the welfare state and the character of populist parties in these countries. We exclude Iceland, Liechtenstein, Cyprus, or Malta because of data limitations.

<sup>13</sup> National election results for parties identified by the PopuList are taken from the Timbro Authoritarian Populism Index (<https://populismindex.com>), and confirmed with the European Election Database ([https://nsd.no/european\\_election\\_database/about/](https://nsd.no/european_election_database/about/)). For national-level results from European Parliamentary elections we code the totals using the European Union's reported election results, using national parties as a guide where possible. : < <https://election-results.eu/> >.

are elections to upper chambers. Since majoritarian electoral systems alter the strategies of voters, results from elections using plurality voting rules, such as elections to the UK parliament, are also excluded from the analysis.<sup>14</sup> Because immigration is both a palpable manifestation of globalization, and a common target of right-wing populist parties, we control for immigration rates.<sup>15</sup> Given the high degree to which refugees have been politicized in recent years, we also assess whether the flow of asylum seekers is correlated with populist voting.

In light of the fact that deindustrialization is often seen as contributing to the growth of populism (e.g. Swank and Betz 2003), we also include two measures of manufacturing employment: the share of the labor force employed in industry, provided by the International Labour Organization; and the rate of deindustrialization within each country, measured as the percentage change since the mid-1990's.<sup>16</sup> Since the political effects of deindustrialization may depend on how much compensation is provided to affected workers, we also include an interaction term for deindustrialization and social spending that corresponds with the social spending measure being examined.

Scholars of populism have long noted the link between the slowdown of economic growth since the 1980's and the rise of populist parties (e.g. Anderson 1996). Consequently, a country's annual unemployment and per capita income (in purchasing power parity) are included as controls. Because populist parties often position themselves as the solution to endemic

---

<sup>14</sup> Results from two-round majoritarian systems, such as the electoral system found in France, are included because voters do not face the same strategic incentives to vote for a majority party in the first round. Results from the UK's elections to the European Parliament are examined since these use proportional representation electoral rules.

<sup>15</sup> For this and other baseline figures, the specific year will vary depending on a country's election year and data availability. However, all of them fall between 1993-1996.

<sup>16</sup> The industry sector consists of mining, manufacturing, construction, and public utilities (electricity, gas, and water).

institutional corruption, we also add a measure of national-level institutional quality, which is produced annually by Transparency International.<sup>17</sup> We control for whether the election was held for the national or European Parliament, and cluster by country years. Table 1 provides summary statistics on the variables used in the panel analysis.

To measure change over time, we also examine all three spending measures using country and year fixed effects. By assuming country and time effects to be constant, this allows us to examine whether a change in social expenditures within a country, and in relation to the cross-panel annual average, is associated with a higher or lower populist vote share.

<Tables 1 and 2 about here>.

Table 2 reports the main results. Across most of the models, deindustrialization is associated with higher levels of populist voting. Where the rate of deindustrialization is higher, and where it has increased more from earlier baselines, we observe higher vote shares for populist parties.<sup>18</sup> This is more or less in line with expectations that deindustrialization has contributed to the rising popularity of populist parties, especially in western European countries (e.g. Kriesi et al. 2006). The relationship between income and populism is also in line with previous research. An increase in per capita income is associated with lower populist vote shares (Models 2a, 4a, 6a), reflecting the fact that support for populist parties is partly a function of the

---

<sup>17</sup> Specifically, we use Transparency International's "Corruption Perceptions Index." See <<https://www.transparency.org/cpi2018>>.

<sup>18</sup> In results not reported here, we find that the relationship between the deindustrialization and increased support for populism is even stronger within the EU-15.



health of the economy. Finally, in countries where institutional quality is perceived more favorably, populist parties have lower vote shares (Models 3a and 5a).

The results for immigration are perhaps more surprising. In most of the models, neither overall levels of immigration nor increases in immigration are associated with populist vote share. In one model, higher immigration rates predict less support for populist parties. Since a number of scholars have found strong associations between increased immigration rates and support for populist parties at the regional level (e.g. Patana 2018; Cavaille and Ferwerda 2018), we believe these results reflect the limitations of using national-level indicators.

Most importantly for our purposes, there does appear to be a relationship between welfare spending and populist vote share. As can be seen in Model 1a, countries that spend greater shares of their budgets on labor markets – controlling for unemployment – appear to have lower overall levels of support for populist parties. And as can be seen in the fixed effects models, within-country increases in spending on labor markets (Model 2a) and social services (Model 4a) are associated with lower populist vote shares. Additionally, the interaction term between labor market spending and deindustrialization is negative, suggesting that the effect of spending on populist support becomes stronger in the face of deindustrialization. And while overall social spending totals are not associated with populist vote shares (Models 5a and 6a), increases in social spending does appear to dampen support for populist parties in the face of increases in immigration (Model 6a). At the very least, these results suggest that the significant cuts to labor market support and social services seen in recent decades may have increased the appeal of populist alternatives. The results also provide some reason to think that welfare spending may mitigate the success of populist parties within countries that are experiencing manufacturing job losses and rapid increases in immigration.

## B. Welfare Spending and Populist Voters: A Multi-Level Analysis

While the panel analysis provides evidence that lower overall levels of compensation and decreases in spending over time are associated with higher populist vote shares, it does not allow us to control for individual-level characteristics that might affect support for populist parties. By constructing multi-level models that combine country-level statistics with individual-level survey data, we can more precisely identify which parts of the population are voting for populist parties and determine whether and how these groups' political preferences are affected by the level and type of spending on labor markets and other welfare measures. This, in turn, allows us to make a more precise prediction of the effect of compensation, and austerity, on the likelihood that an individual will support a populist party.

We use OLS regressions to analyze eight waves of the European Social Survey, a semi-annual survey of public attitudes in 32 countries, conducted by the European Research Infrastructure Consortium. All western European countries are analyzed except for Iceland, Malta, Cyprus, and Liechtenstein. Since we are only examining national parliamentary elections, we exclude the United Kingdom, given its first-past-the-post electoral system.<sup>19</sup> This leaves a total of 16 countries: 11 with complete results, one with nearly complete results (7 of 8), and four others participating in 2-6 waves.<sup>20</sup>

---

<sup>19</sup> We include results for the French national parliament, which also uses a plurality voting system, because the two-round election encourages voters to support their first-choice preference during the first round, much as in PR systems.

<sup>20</sup> The countries examined are Austria, Belgium, Switzerland, Germany, Denmark, Spain, Finland, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, and Sweden. For the full list of participating countries by survey round, see < <https://www.europeansocialsurvey.org/downloadwizard/> >.

Our dependent variable is a binary indicator of whether a respondent reported voting for a populist party of the right or left in the previous election.<sup>21</sup> Since our main theoretical interest is whether compensatory social spending conditions support for populist parties, we exclude those individuals who indicated they were ineligible to vote, did not vote, or otherwise did not respond to the question. As before, we use the *PopuList* to code populist parties, and the OECD's Social Expenditure Database to compare social spending, focusing on both the effect of overall spending levels, as well as changes in spending over time. Since the question asks respondents who they supported in the previous election, responses are coded for the relevant election year. This method allows us to estimate support for populist parties during the period 1999-2015 in a way that complements the earlier analysis.

Because we are now analyzing individuals, we add a number of demographic controls, including gender, age, and whether a respondent is a member of a racial or ethnic minority. We also control for educational and occupational characteristics. To categorize educational attainment, we rely on an ESS question about schooling that has been harmonized into the International Standard of Classification (ISCED) developed by the United National Educational, Scientific and Cultural Organization (UNESCO). The ISCED classification divides educational attainment into seven tiers ranging from “less than lower secondary” to “higher tertiary education.” We exclude the largest category of education—those with lower secondary attainment (ISCED II).

To categorize occupation, we use a question from the ESS that asks respondents to state their current or former occupation, which is subsequently classified into the ten-tiered

---

<sup>21</sup> The coding is based on respondents' answers to the question “Which party did you vote for in [the last national parliamentary] election?”.

International Standard Classification of Occupation (ISCO) developed by the International Labour Organization. In all of our models, we exclude the mid-skill category of clerk. The 30,000 respondents who did not provide educational or occupational information are excluded from the analysis, bringing the total number of respondents to 105,042. Tables 3 and 4 summarize these educational and occupational divisions, and the proportion of voters within each division supporting populist parties.

<Tables 3 and 4 about here>.

To account for the effects of the short-term economic cycle, and a country's level of economic development, we include three macro-economic indicators used previously: the unemployment rate, the industrial employment rate, and per capita income. As before, we also assess whether immigration rates and perceived institutional quality condition outcomes. All of the models are weighted by country population.<sup>22</sup>

Table 5 reports the regression results. As expected, many of the controls are significant throughout the models. In line with previous scholarship, men are more likely to vote for populist parties, and racial/ethnic minorities less so. Educational attainment also correlates with populist voting—with those in the bottom tier and top few tiers less likely to support populist parties than those with secondary education. Current or former members of trade unions are also more likely to support populist parties—reflecting the fact that populist voters come disproportionately from the more heavily unionized secondary sector of the economy. Compared

---

<sup>22</sup> For more on ESS weighting see [https://www.europeansocialsurvey.org/docs/methodology/ESS\\_weighting\\_data\\_1.pdf](https://www.europeansocialsurvey.org/docs/methodology/ESS_weighting_data_1.pdf).

to the reference category of clerks, craftworkers, service and sales workers, and machinists are also more likely to support populist parties.<sup>23</sup>

<Table 5 about here>.

Several of our macro-level controls are also significant. Living in a country and year where institutions are perceived as less corrupt is associated with a lower likelihood of supporting a populist party while decreases in employment for manufacturing is associated with a higher likelihood. As before, higher immigration rates are associated with a lower rather than greater likelihood of supporting a populist party. However, when we add fixed effects, immigration is no longer statistically significant at conventional measures.

Across two of the three standard models (3b and 5b), higher social expenditures predict a lower likelihood of supporting a populist party. Those countries that spend more on compensation – whether in the form of in-kind spending on social services or total social spending – have lower likelihoods of supporting populist parties. The evidence that *reductions* in welfare spending increases support for populist parties is even stronger. In the fixed effects models, within-country increases in spending are associated with lower likelihoods of supporting populist parties across all three measures of social expenditures. The effect of changes in spending is particularly strong for labor market expenditures.

Figures 2 and 3 summarize the likelihood of supporting a populist party at different levels of labor market and social services spending. The fixed effects models suggest that changes in spending have a substantively significant effect on support for populist parties. As seen in Figure

---

<sup>23</sup> However, the positive coefficient for machinists is not statistically significant at conventional levels when trade union membership is included in the model.

2, which shows the marginal likelihood of supporting a populist party under different levels of social services spending (Model 4b), a decrease of just one percentage point of spending on social services is associated with a 25% increased likelihood that a voter will support a populist party.<sup>24</sup> The apparent effect of labor market spending is even stronger. As indicated in Figure 3, summarizing the marginal effect of labor market spending on populist voting (Model 2b), a one percentage point increase in labor market spending from the mean of 2.25% of GDP is associated with a 50% decrease in a voter's likelihood of supporting a populist party: dropping from 0.10 to 0.05. In many countries, such a shift would largely erase the electoral gains achieved by populist parties in recent years.<sup>25</sup>

< Figures 2 and 3 about here >

#### *IV. Discussion and Conclusion*

The above analysis provides new insight into the relationship between compensatory welfare spending and support for populist parties. Across multiple model parameters, and two independently generated data sets, we have found consistent associations between public spending on compensation and populist voting across 17 western European countries over a 27-year time period. Generally speaking, where higher proportions of societal resources are provided for social services and cash transfers, populist parties receive smaller shares of the vote

---

<sup>24</sup> The predicted probability of supporting a populist party is 0.103 when social services spending is at the mean of 8.6% of GDP; the probability increases to 0.129 when social services spending drops one percentage point to 7.6% of GDP.

<sup>25</sup> To give just one example: the German rightwing populist party, AfD, received 12.6% of the vote in the 2017 election for the Bundestag, more than twice the proportion received in 2013 (4.7%).

in national and European elections, and the average voter is less likely to support populist parties.

Additionally, we have found evidence that reductions in spending on income maintenance since the 1990's, and austerity measures pursued following the crisis, may have contributed to the rising electoral fortunes of populist parties on the right and left. In the panel analysis conducted in Part IIA, we found that within-country decreases in labor market spending are associated with higher populist vote shares. In the multi-level analyses conducted in Part IIB, we found similarly that cuts to labor market support and spending on social services predicts a higher likelihood that voters will support a populist party.

These observed relationships are robust to a number of different model specifications: when limiting our analysis to elections that occurred since 2000; when excluding elections for the European Parliament; and when controlling for the flow of asylum seekers and the size of the foreign-born population (as opposed to the rate of immigration). The effect also remains when accounting for the fact that labor market expenditures are counter-cyclical.<sup>26</sup> Finally, the results remain when using Eurostat data, which includes a slightly different set of countries, and when using different lists of populist or radical parties.

Do our findings suggest that cuts to compensation, whether as a result of labor market reform or austerity, have contributed to the electoral success of populist parties? Since these results are observational, we should be cautious about causal interpretations. The consistent negative correlations between national expenditures on welfare and populist vote share could relate to factors omitted from this analysis, while the association between labor market reform

---

<sup>26</sup> A revised measure that calculates labor market expenditures as a percent of GDP per point of unemployment also predicts lower populist vote shares.

and increased austerity on the one hand, and the rising fortunes of populist parties on the other hand, may reflect parallel historical trends which are not causally related.

These caveats notwithstanding, the most consistent and robust finding from our analysis is that populist parties are weaker in countries that spend more on compensation, and that have cut welfare spending less substantially from historical levels. Across multiple models and measures of spending, we have found that cuts to welfare spending, as a result of reform and austerity, are strongly associated with rising support for populist parties. And we have shown that compensatory spending may be particularly effective at moderating support for populism when countries are experiencing rapid deindustrialization and increases in immigration. Furthermore, we have identified plausible mechanisms by which compensation may affect political preferences: dampening the effects of globalization and technological change on livelihoods, and thereby reducing the grievances among the groups most affected.

### *Conclusion*

The evidence presented in the paper suggests that compensation moderates support for populist parties opposed to core dimensions of globalization and European integration. As expected by the compensation hypothesis, higher levels of social spending moderate support for populism among those who have seen their relative economic and social status decline. Also as expected, cuts in social spending stimulate support for populism. Where countries have pursued less extensive austerity measures, and maintained higher levels of compensatory policies, we observe less robust populist movements. Policymakers and the public might contemplate the fact that appropriate social policies can limit a backlash to globalization and automation, while substantial austerity measures could stimulate such a backlash. If the rise of populist parties is, indeed, a political concern, and social compensation



could partially mitigate it, it may well be worth adopting social and labor-market policies that foster greater long-term political stability. The policy implications are clear – even if the political path to implementing appropriate policies is not.

## Works Cited

- Anderson, C.J., 1996. Economics, politics, and foreigners: Populist party support in Denmark and Norway. *Electoral Studies*, 15(4), pp.497-511.
- Anelli, Massimo, Italo Colantone, and Piero Stanig. 2019. "We Were The Robots: Automation and Voting Behavior in Western Europe." Working Paper.
- Armingeon, K., 2007. Active Labour Market Policy, International Organizations and Domestic Politics. *Journal of European Public Policy* 14(6): 905-932.
- Bonikowski, B. and Gidron, N., 2016. Multiple Traditions in Populism Research: Toward a Theoretical Synthesis. *APSA Comparative Politics Newsletter* 26(12): 7-14
- Bonoli, G., 2010. "The Political Economy of Active Labor-market Policy," *Politics & Society* 38(4): 435-457.
- Bornschieer, S. and Kriesi, H. 2012. "The Populist Right, the Working Class, and the Changing Face of Class Politics. In J. Rydgren, ed. *Class Politics and the radical right*. Routledge
- Cameron, D. 1978. "The Expansion of the Public Economy: A Comparative Analysis," *The American Political Science Review* 72: 4.
- Campbell, A.L., 2003. *How Policies Make Citizens: Senior Political Activism and the American Welfare State*. Princeton University Press
- Cavaille, C. and J. Ferwerda. 2017. How distributional conflict over public spending drives support for anti-immigrant parties. *Unpublished paper, Georgetown University*
- Clegg, D., 2007. Continental Drift: On Unemployment Policy Change in Bismarckian Welfare States. *Social Policy & Administration* 41(6): 597-617.
- Colantone, I. and P. Stanig. 2018a. "Global Competition and Brexit." *American Political Science Review* 112(2): 201-218.
- \_\_\_\_\_. 2018b. "The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe." *American Journal of Political Science* 62(4): 936-953.
- Dal Bó, E., Finan, F., Folke, O., Persson, T. and Rickne, J., 2018. "Economic Losers and Political Winners: Sweden's Radical Right." Working Paper.
- Ebbinghaus, B., 2006. *Reforming Early Retirement in Europe, Japan and the USA*. Oxford University Press.

Emmenegger, P., Häusermann, S., Palier, B. and Seeleib-Kaiser, M. eds., 2012. *The Ege of Dualization: the Changing Face of Inequality in Deindustrializing Societies*. Oxford University Press.

Esping-Andersen, G. 1990. *The Three Worlds of Welfare Capitalism*. Polity Press: London, UK.

Fetzer, T. 2019. Did Austerity Cause Brexit? *American Economic Review* 119(11): 3849-3886.

Garritzmann, J.L., Busemeyer, M.R. and Neimanns, E., 2018. "Public demand for social investment: new supporting coalitions for welfare state reform in Western Europe?" *Journal of European Public Policy* 25(6): 844-861.

Garritzmann, J., S. Häusermann, B. Palier, and C. Zollinger. 2017. "WoPSI - the World Politics of Social Investment: An international research project to explain variance in social investment agendas and social investment reforms across countries and world regions," LIEPP Working paper, March 2017, n° 64.

Gest, J., 2016. *The New Minority: White Working Class Politics in an Age of Immigration and Inequality*. Oxford University Press.

Gidron, N. and P. Hall. 2019. "Populism as a Problem of Social Integration," *Comparative Political Studies*. 1-33.

Gidron, N. and P. Hall. 2017. "The politics of social status: economic and cultural roots of the populist right," *The British Journal of Sociology* 68: S57-S84.

Gingrich, J., 2019. Did State Responses to Automation Matter for Voters?. *Research & Politics*, 6(1): 1-9.

Halikiopoulou, D. and Vlandas, T., 2016. Risks, costs and labour markets: Explaining cross-national patterns of far right party success in European parliament elections. *JCMS: Journal of Common Market Studies*, 54(3), pp.636-655.

Halikiopoulou, D., Nanou, K. and Vasilopoulou, S. 2012. The Paradox of Nationalism: The Common Denominator of Radical Right and Radical Left Euroscepticism. *European Journal of Political Research* 51(4): 504-539.

Häusermann, S. 2018. "The multidimensional politics of social investment in conservative welfare regimes: family policy reform between social transfers and social investment," *Journal of European Public Policy* 25(6), 862-877.

Häusermann, S., Pinggera, M., Ares, M. and Enggist, M. 2019. "The Limits of Solidarity. Changing welfare coalitions in a transforming European party system," Working Paper.

Heinö, A.J. 2019 'Timbro Authoritarian Populism Index'. Available at: <https://populismindex.com/> 2016/ [Last accessed 25 April 2019].

Hermann, C., 2014. "Structural adjustment and neoliberal convergence in labour markets and welfare: The impact of the crisis and austerity measures on European economic and social models," *Competition & Change* 18(2): 111-130.

Inglehart, R. F. and Norris, P. 2016. "Trump, Brexit, and the Rise of Populism: Economic Have-Nots and Cultural Backlash," HKS Working Paper No. RWP16-026. Available at SSRN: <https://ssrn.com/abstract=2818659> or <http://dx.doi.org/10.2139/ssrn.2818659>

Iversen, T. and Wren, A., 1998. Equality, Employment, and Budgetary Restraint: the Trilemma of the Service Economy. *World Politics* 50(4): 507-546.

Katzenstein, P.J., 1985. *Small States in World Markets: Industrial Policy in Europe*. Cornell University Press.

Kazin, M., 1998. *The Populist Persuasion: An American History*. Cornell University Press.

Kenworthy, L., 2010. "Labour Market Activation" In Castles, F.G., Leibfried, S., Lewis, J., Obinger, H., and Pierson, C. eds. *The Oxford Handbook of the Welfare State*. Oxford University Press.

Korpi, W. and Palme, J., 2003. New Politics and Class Politics in the Context of Austerity and Globalization: Welfare State Regress in 18 Countries, 1975–95. *American Political Science Review* 97(3): 425-446.

Kriesi, H., Grande, E., Lachat, R., Dolezal, M., Bornschie, S., and Frey, T. (2006). "Globalization and the Transformation of the National Political Space: Six European Countries Compared," *European Journal of Political Research* 45(6): 921–56.

Kurer, T., Häusermann, S., Wüest, B. and Enggist, M. 2019. "Economic grievances and political protest." *European Journal of Political Research*, 58(3): 866-892.

Lubbers, M., Gijsberts, M. and Scheepers, P., 2002. "Extreme Right-wing Voting in Western Europe," *European Journal of Political Research* 41(3): 345-378

Mansbridge, J., Macedo, S., and Foster, C. 2019. Populism and Democratic Theory: An Extended View. 2019. APSA Working Paper.

Mudde, C. and Kaltwasser, C.R., 2017. *Populism: A Very Short Introduction*. Oxford University Press.

- Müller, J.W., 2017. *What is Populism?*. Penguin. London, UK.
- Norris, Pippa and Ronald Inglehart. 2019. *Cultural Backlash and the Rise of Populism: Trump, Brexit, and the Rise of Authoritarianism Populism*. Cambridge: Cambridge University Press.
- Oesch, D., 2008. "Explaining Workers' Support for Right-wing Populist Parties in Western Europe: Evidence from Austria, Belgium, France, Norway, and Switzerland," *International Political Science Review*, 29(3), pp.349-373.
- Patana, P., 2018. Changes in local context and electoral support for the populist radical right: Evidence from Finland. *Party Politics*, p.1354068818810283.
- Pierson, P., 1996. "The New Politics of the Welfare State," *World politics*, 48(2), pp.143-179
- Rodrik, D., 2018. "Populism and the Economics of Globalization," *Journal of International Business Policy*, pp.1-22
- Rodrik, D., 1998. Why Do More Open Economies Have Bigger Governments?. *Journal of Political Economy*, 106(5), pp.997-1032.
- Rooduijn, M., Van Kessel, S., Froio, C., Pirro, A., De Lange, S., Halikiopoulou, D., Lewis, P., Mudde, C. & Taggart, P. (2019). *The PopuList: An Overview of Populist, Far Right, Far Left and Eurosceptic Parties in Europe*. <http://www.popu-list.org>.
- Swank, D. and Betz, H.G. 2019. Do Radical Right Populist Parties Matter? The Case of the European Welfare State. Working Paper.
- Swank, D. and Betz, H.G. 2018. "Globalization, Institutions of Social Solidarity, and Radical Right-Wing Populism in Western Europe," Working Paper.
- Swank, D. and Betz, H.G., 2003. "Globalization, the Welfare State and Right-wing Populism in Western Europe," *Socio-Economic Review*, 1(2), pp.215-245.
- Thelen, K., 2014. *Varieties of Liberalization and the New Politics of Social Solidarity*. Cambridge University Press.
- Van Kersbergen, K. and Hemerijck, A., 2012. "Two Decades of Change in Europe: The Emergence of the Social Investment State," *Journal of Social Policy*, 41(3), pp.475-492.
- Walter, S. 2010. "Globalization and the Welfare State: Testing the Microfoundations of the Compensation Hypothesis," *International Studies Quarterly* 54(2): 403-426.

## Appendix 1: Figures

Figure 1: Labor Market Spending Per Percentage Point of Unemployment in Select Western European Countries

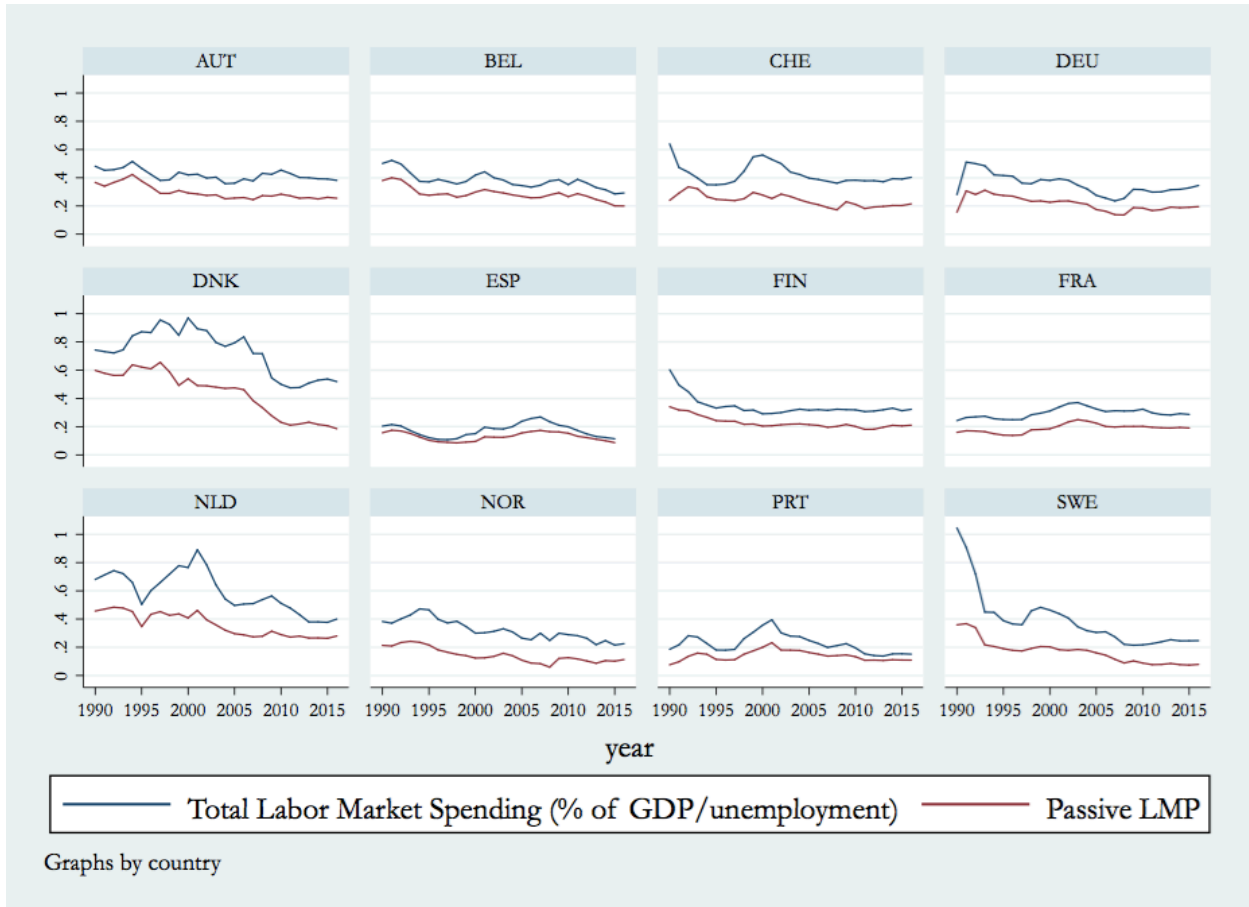
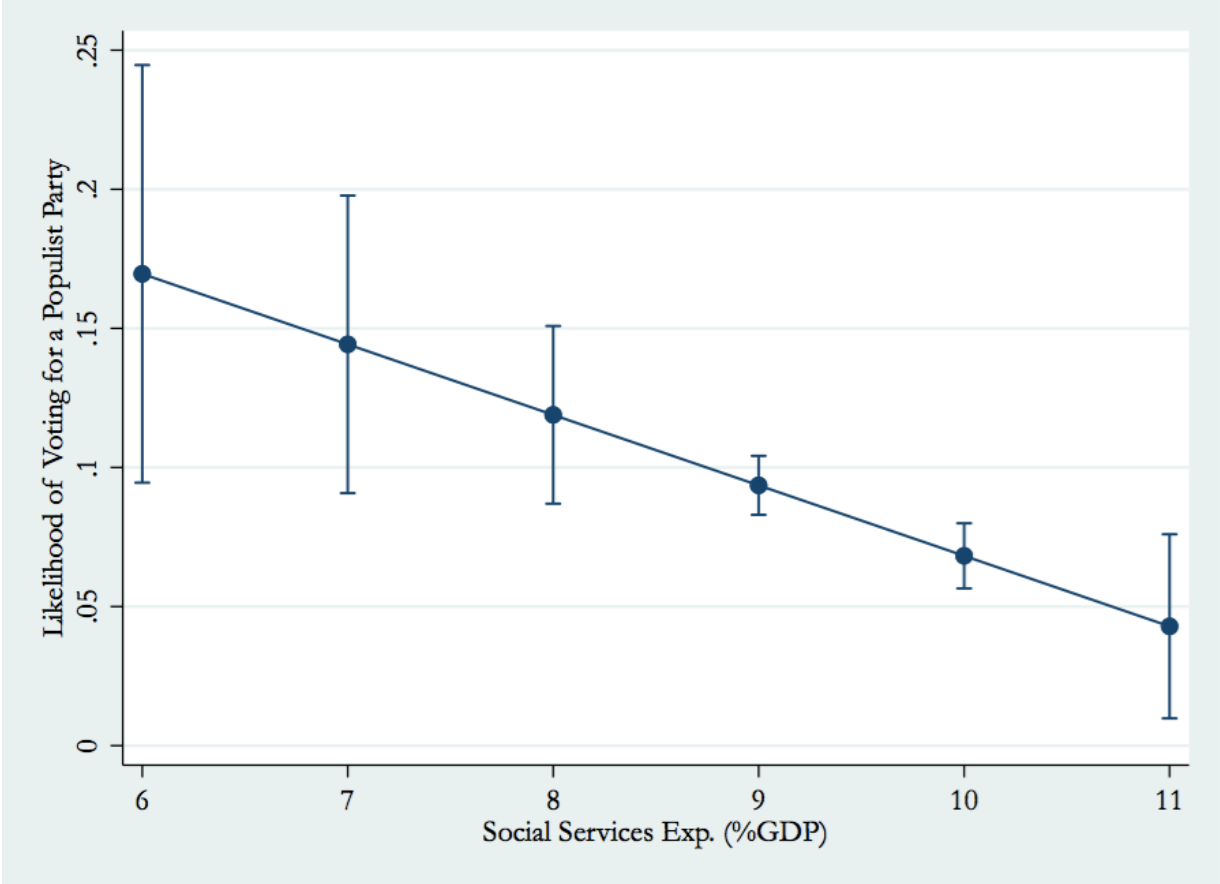
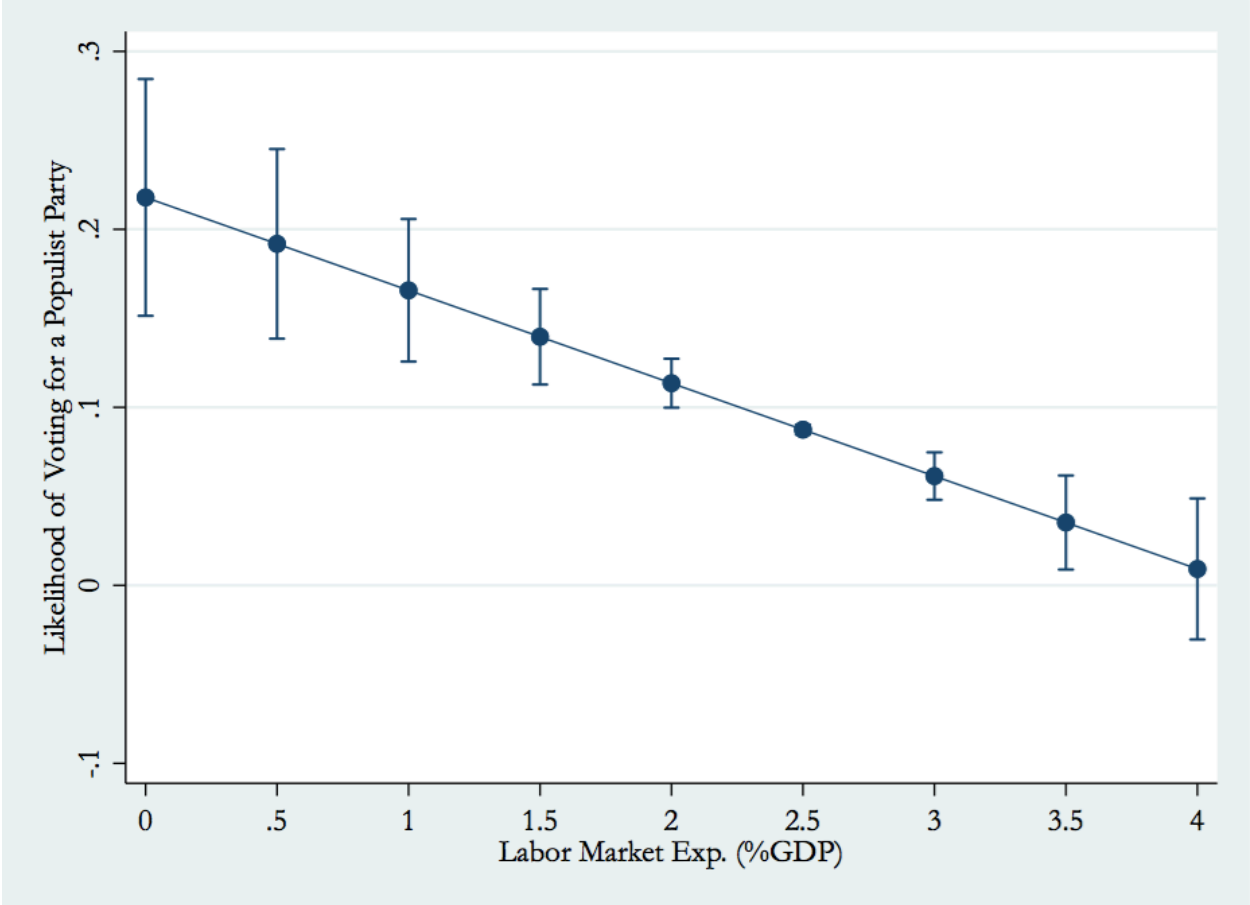


Figure 2: Predicted Probabilities of Populist Support at Different Levels of Social Services Spending (Model 4b)



Source: Author's calculations. Data from European Social Survey; OECD.

Figure 3: Predicted Probabilities of Populist Support at Different Levels of Labor Market Spending (Model 2b)



Source: Author's calculations. Data from European Social Survey; OECD.



## Appendix 2: Tables

Table 1: Panel Summary Statistics

	mean	median	count
Populist Vote Share	9.9	7.4	187
Labor Market Spending (% of GDP)	2.3	2.2	187
Social Services Spending (% of GDP)	8.1	7.8	187
Total Social Spending (% of GDP)	23.2	24.0	187
Unemployment Rate	8.4	7.7	187
Election Type (1=National; 2=European)	1.4	1	187
Per capita income (PPP, €'000s)	30.2	27.1	187
Immigration Rate (% of population)	0.79	0.6	187
Percentage Employed in Industry	25.1	25.4	187
Deindustrialization (Decrease in Industry Employment since Mid-1990's)	9.4	7.5	187
Deindustrialization*Labor Market Spending	22.1	12.6	187
Deindustrialization*Socia Services Spending	87.1	53.7	187
Deindustrialization*Total Social Spending	239.3	163.5	187
Immigration*Labor Market Spending	1.6	1.6	187
Immigration*Socia Services Spending	6.3	4.7	187
Immigration*Total Social Spending	17.9	14.3	187

Table 2, Determinants of Populist Vote Share, Panel Analysis

	Labor Market Spending (1a)	Labor Market Spending (FE) (2a)	Social Services Spending (3a)	Social Services Spending (FE) (4a)	Total Social Spending (5a)	Total Social Spending (FE) (6a)
Compensation (Social Spending as % GDP)	-2.424** (0.009)	-4.110** (0.001)	0.607 (0.234)	-1.764* (0.030)	0.428 (0.077)	-0.155 (0.654)
Unemployment Rate	-0.213 (0.354)	0.487 (0.097)	-0.422* (0.036)	-0.0385 (0.898)	-0.489* (0.024)	0.257 (0.382)
Level of Election	-1.587 (0.180)	-0.346 (0.789)	-1.249 (0.286)	-0.313 (0.799)	-1.642 (0.178)	-0.544 (0.670)
Per Capita Income (PPP, €'000's)	0.0179 (0.075)	-0.0406** (0.001)	0.0244** (0.003)	-0.0419*** (0.001)	0.0165 (0.071)	-0.0396** (0.002)
Corruption Perceptions Index (TI)	-0.182 (0.749)	-2.279 (0.063)	-0.899* (0.029)	-2.524* (0.022)	-1.274*** (0.001)	-1.889 (0.084)
Immigration Rate	-7.260** (0.010)	-8.570 (0.079)	7.521 (0.074)	-6.463 (0.268)	13.00 (0.065)	12.41 (0.110)
Immigration * Compensation	1.921 (0.176)	2.165 (0.283)	-0.0380 (0.150)	-0.0282 (0.204)	-0.755* (0.022)	-0.826* (0.024)
% Employed in Industry	-0.347 (0.091)	3.706* (0.017)	-0.187 (0.345)	4.792*** (0.001)	-0.298 (0.142)	6.030*** (0.000)
Deindustrialization (% Change since 1995)	0.418* (0.027)	1.206*** (0.001)	0.647** (0.004)	1.468*** (0.000)	0.00817 (0.978)	1.604*** (0.000)
Deindustrialization * Compensation	-0.105 (0.167)	-0.143* (0.030)	-1.657** (0.004)	0.341 (0.605)	0.0123 (0.337)	0.00150 (0.920)
Constant	25.22*** (0.001)	-66.55 (0.193)	15.99* (0.041)	-95.17* (0.045)	18.53* (0.040)	-144.1** (0.002)
Country and Year Fixed Effects	No	Yes	No	Yes	No	Yes
Observations	187	187	187	187	187	187
Adjusted R <sup>2</sup>	0.266	0.653	0.322	0.643	0.256	0.642

*p*-values in parentheses

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table 3: Populist Vote Share by Educational Group

	Populist vote share	Proportion of total voters
ES-ISCED I , less than lower secondary	0.06	0.17
ES-ISCED II, lower secondary ( <i>reference group</i> )	0.09	0.24
ES-ISCED IIIb, lower tier upper secondary	0.09	0.19
ES-ISCED IIIa, upper tier upper secondary	0.12	0.17
ES-ISCED IV, advanced vocational, sub-degree	0.07	0.09
ES-ISCED V1, lower tertiary education, BA level	0.06	0.07
ES-ISCED V2, higher tertiary education, >= MA level	0.06	0.08

*Source: European Social Survey, Waves 1-8. Proportions weighted by country population. Rounding may lead to totals greater than 1.*

Table 4: Populist Party Support by Occupational Group

	Populist vote share	Proportion of total voters
Elementary occupations	0.076	0.13
Plant and machine operators, and assemblers	0.095	0.08
Craft and related trades workers	0.10	0.14
Skilled agricultural, forestry and fishery workers	0.067	0.04
Service and sales workers	0.091	0.20
Clerical support workers ( <i>reference group</i> )	0.076	0.10
Technicians and associate professionals	0.073	0.14
Professionals	0.067	0.11
Managers	0.067	0.06
Armed forces occupations	0.069	0.003

*Source: European Social Survey, Waves 1-8. Proportions weighted by country population. Rounding may lead to totals greater than 1.*

Table 5, Likelihood of Populist Vote, Models 1-6b

	Labor Market Spending (1b)	Labor Market Spending (FE) (2b)	Social Services Spending (3b)	Social Services Spending (FE) (4b)	Total Social Spending (5b)	Total Social Spending (FE) (6b)
Compensation (Social Spending as % of GDP)	-0.00818 (0.587)	-0.0522*** (0.000)	-0.0134** (0.002)	-0.0223* (0.025)	-0.00490* (0.038)	-0.0159* (0.024)
Unemployment Rate	-0.00688 (0.065)	-0.000183 (0.968)	-0.00649 (0.074)	-0.0116** (0.001)	-0.00647 (0.095)	-0.00320 (0.523)
Per Capita Income (PPS, €'000's)	0.00740* (0.025)	-0.00672 (0.084)	0.00927** (0.004)	-0.00699 (0.119)	0.00872* (0.011)	-0.0123* (0.030)
Immigration Rate	-0.0256 (0.284)	0.0509 (0.101)	-0.0537* (0.037)	0.0553 (0.108)	-0.0510* (0.039)	0.0569 (0.100)
Corruption Perceptions Index (TI)	-0.0541* (0.021)	-0.0118 (0.402)	-0.0527* (0.023)	-0.00327 (0.845)	-0.0604* (0.016)	0.00247 (0.888)
% Employed in Manufacturing	-0.00377 (0.187)	-0.0120 (0.065)	-0.00237 (0.391)	-0.0249*** (0.000)	-0.00268 (0.370)	-0.0155* (0.033)
Male	0.0202*** (0.000)	0.0187*** (0.000)	0.0193*** (0.000)	0.0186*** (0.000)	0.0196*** (0.000)	0.0186*** (0.000)
Age (Years)	-0.000285 (0.212)	-0.000383 (0.101)	-0.000260 (0.220)	-0.000386 (0.100)	-0.000251 (0.244)	-0.000385 (0.100)
Racial/Ethnic Minority	-0.0282*** (0.000)	-0.0269*** (0.000)	-0.0278*** (0.000)	-0.0268*** (0.000)	-0.0279*** (0.000)	-0.0269*** (0.000)
EISCED 1	-0.0312* (0.019)	-0.00293 (0.672)	-0.0278* (0.030)	-0.00263 (0.702)	-0.0289* (0.026)	-0.00256 (0.710)
EISCED 3	-0.00438 (0.638)	0.00276 (0.624)	-0.000876 (0.926)	0.00276 (0.624)	-0.00166 (0.857)	0.00280 (0.618)
EISECD 4	-0.00356 (0.762)	-0.0133 (0.092)	0.000951 (0.927)	-0.0133 (0.091)	0.000666 (0.950)	-0.0133 (0.092)
EISCED 5	-0.0277* (0.044)	-0.0114 (0.234)	-0.0191 (0.105)	-0.0114 (0.236)	-0.0222 (0.063)	-0.0114 (0.236)
EISECD 6	-0.0356* (0.022)	-0.0210 (0.086)	-0.0323* (0.028)	-0.0210 (0.085)	-0.0338* (0.023)	-0.0209 (0.086)
EISCED 7	-0.0349* (0.039)	-0.0230 (0.121)	-0.0309* (0.050)	-0.0233 (0.116)	-0.0319* (0.042)	-0.0231 (0.118)
Elementary Occupation	0.00538 (0.368)	0.00674 (0.190)	0.00827 (0.164)	0.00686 (0.183)	0.00713 (0.229)	0.00687 (0.182)
Machinist	0.0143 (0.110)	0.0170 (0.060)	0.0168 (0.067)	0.0171 (0.058)	0.0159 (0.077)	0.0171 (0.059)
Craft Worker	0.0172* (0.039)	0.0136 (0.108)	0.0176* (0.031)	0.0138 (0.101)	0.0174* (0.033)	0.0138 (0.102)
Skilled Agriculturalist	-0.00109 (0.903)	-0.00795 (0.284)	-0.00192 (0.833)	-0.00747 (0.310)	-0.00102 (0.913)	-0.00765 (0.300)
Service Worker	0.0145** (0.010)	0.0135** (0.007)	0.0170** (0.005)	0.0137** (0.006)	0.0156** (0.008)	0.0137** (0.006)

Technician	-0.00541 (0.187)	-0.00999* (0.038)	-0.00501 (0.205)	-0.00972* (0.042)	-0.00490 (0.213)	-0.00981* (0.041)
Professional	-0.00513 (0.473)	-0.0137 (0.090)	-0.00533 (0.450)	-0.0132 (0.098)	-0.00483 (0.502)	-0.0134 (0.095)
Manager	-0.0148 (0.073)	-0.0138 (0.086)	-0.0165 (0.050)	-0.0135 (0.089)	-0.0157 (0.066)	-0.0137 (0.087)
Army	-0.0314 (0.078)	-0.0291 (0.084)	-0.0282 (0.112)	-0.0285 (0.091)	-0.0293 (0.097)	-0.0285 (0.090)
Trade Union Member	0.0278*** (0.001)	0.0251** (0.006)	0.0337*** (0.000)	0.0252** (0.005)	0.0306*** (0.000)	0.0252** (0.006)
Constant	0.489* (0.049)	0.824*** (0.000)	0.504* (0.022)	1.219*** (0.000)	0.579* (0.022)	1.221*** (0.000)
Country and Year Fixed Effects	No	Yes	No	Yes	No	Yes
Observations	105,042	105,042	105,042	105,042	105,042	105,042
Adjusted $R^2$	0.050	0.101	0.056	0.101	0.052	0.101

*p*-values in parentheses

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

### Appendix 3: Categorization of Parties

Country	Party Abbreviation	Full Party Name	Populist Party?	Radical Party?
Austria	FPÖ	<i>Freiheitliche Partei Österreichs</i>	Yes	Right
	BZÖ	<i>Bündnis Zukunft Österreich</i>	Yes	Right
	Martin	<i>Hans Peter Martin's List</i>	Yes	No
	TS	<i>Team Stronach</i>	Yes	No
Belgium	VB	<i>Vlaams Belang</i>	Yes	Right
	PVDA/PTB	<i>Partij van de Arbeid van België</i>	No	Left
	FN	<i>Front National</i>	Yes	Right
	LDD		Yes	No
Denmark	En-O	<i>Red-Green Alliance (Enhedslistan)</i>	No	Left
	DF	<i>Danish People's Party (Dansk Folkeparti)</i>	Yes	Right
	FRP	<i>Progress Party (Fremskridtspartiet)</i>	Yes	Right
	SF	<i>Socialist People's Party</i>	No	Left
Finland	PS	<i>Finns Party (Sannfinländarna)</i>	Yes	Right
	VAS	<i>Left Alliance</i>	No	Left
	SIN	<i>Blue Reform</i>	Yes	No
France	FN	<i>Front National</i>	Yes	Right
	FI	<i>Le France Insoumise</i>	No	Left
	PCF/FdG	<i>Parti Communiste Français/ Front de Gauche</i>	Yes	Left
Germany	PDS/Linke	<i>Die Linke</i>	Yes	Left
	AfD	<i>Alternative für Deutschland</i>	Yes	Right
Greece	Syriza	<i>Syriza – Coalition of the Radical Left</i>	Yes	Left
	ANEL	<i>Independent Greeks</i>	Yes	No
	Golden Dawn	<i>Golden Dawn</i>		Right
	KKE	<i>Communist Party of Greece</i>		Left
	LAOS	<i>Popular Orthodox Rally</i>	Yes	Right
	SYN	<i>Synaspismos – The Coalition of the Left</i>		Left
Ireland	DIKKI	<i>Democratic Social Movement</i>	Yes	Left
	SF	<i>Sinn Féin</i>	Yes	Left
Ireland	SP	<i>Socialist Party</i>	No	Left
	Italy	PdL	<i>The People of Freedom/ Forza Italia (FI)</i>	Yes
LN		<i>Lega (Lega Nord)</i>	Yes	Right
M5S		<i>Movimento Cinque Stelle</i>	Yes	No
SEL		<i>Left Ecology Freedom</i>	No	Left
FDI		<i>Fratelli d'Italia - Alleanza Nazionale</i>	Yes	Right
RC		<i>Civil Revolution</i>	No	Left
PdCI		<i>Party of the Italian Communists</i>	No	Left
MSFT		<i>Tricolor Flame Social Movement</i>	No	Right
PRC		<i>Communist Refoundation Party</i>	No	Left

Luxembourg	ADR Dei Lenk	Alternative Democratic Reform Party The Left	Yes No	No Left
Netherlands	PVV SP LPF 50PLUS	<i>Partij voor de Vrijheid</i> <i>Socialistische Partij</i> <i>Lijst Pim Fortuyn</i> 50PLUS	Yes Yes Yes No	Right Left Right No
Norway	FrP SV Rødt KrF	Progress Party ( <i>Fremskrittspartiet</i> ) Socialist Left Party <i>Rødt</i> <i>Christian Democratic Party</i>	Yes No No No	Right Left Left No
Portugal	BE CDU(PEV & PCP)	<i>Bloco de Esquerda</i> Unitary Democratic Coalition	No No	Left Left
Spain	IU Podemos	<i>Izquierda Unida</i> <i>Podemos</i>	No Yes	Left Left
Sweden	V (VPK)  SD	<i>Vänsterpartiet (previously Vänsterpartiet Kommunisterna)</i> <i>Sverigedemokraterna</i>	No  Yes	Left  Right
Switzerland	SVP	<i>Schweizerische Volkspartei</i>	Yes	Right
United Kingdom	UKIP	<i>United Kingdom Independence Party</i>	Yes	Right

Source: Rooduijn et al. 2019. Available at < <https://popu-list.org>.