

“That’s your bloody GDP. Not ours.” Economic distress, trust in government and the rise of populism

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Abstract

The current climate of political disenchantment and the support for anti-establishment populist parties (or candidates) in rich democracies is often interpreted in journalistic accounts as a consequence of structural economic problems concentrated in particular regions. However, the link between the economy, political trust, and support for populism remains contested in the scholarly literature. Previous research has analyzed the impact of individual or national economic conditions on support for anti-establishment parties, and the results are mixed. In this paper, we contend that there is an indirect association between the economy and support for populism. Structural economic problems at the regional level generate anti-establishment attitudes, and political disenchantment in turn increases the likelihood of supporting populist or anti-systemic parties. Our empirical approach is to demonstrate the separate steps in the argument. First we present a case study from the UK in which we show that evaluations of government precede support for that country’s populist party – UKIP. Second, using cross-national and comparative data, we present evidence that shows the importance of long term and local economic distress to lowered regard for democracy.

Introduction

In this paper we examine the role that declining regard for government plays in the rise of populist parties. Recent years have seen the growth in populist parties and movements (Mudde, 2004). Examples on the right include UKIP in the UK and the FN in France but some other examples, *Syriza* in Greece and *Podemos* in Spain, provide examples on the left. A sizable literature seeks to understand their rise and the role of factors that include economic distress and, especially in relation to parties on the right, responses to immigration. It is also the case that these movements express a great deal of criticism of existing political institutions and elected leaders. We argue that this last factor, lower regard for government, provides fertile ground for the rise of these popular – and populist – movements. That is, low regard for government not simply a part of populist platforms but an important driver of populist support. To say so, however, begs the question of what drives low regard for government. We argue that economic distress is a key component in undermining support for existing political institutions. This lowered regard then sets the stage for populist movements to flourish.

The paper proceeds as follows. First, we outline the broader discussion concerning declining regard for political institutions. Second, we present our theoretical arguments regarding the link between structural economic problems at the regional level, anti-establishment attitudes, and support for populism. We present two tests of this argument. We present evidence from the UK in which we show that evaluations of government precede and so drive support for that country's populist party – UKIP. Next we present evidence that speaks to the importance of long term and local economic distress to lowered regard for democracy. One of the contributions we make in this section of the paper is to highlight how some specifications of a 'retrospective economic voting'

framework do a relatively poor job of capturing that distress. We show that taking account of both the length of economic downturns as well as variations in local context are key in showing the relationship between economic factors and low regard for government. The final section discusses some of the key findings and concludes.

Decline in regard for government

Over the previous generation a large body of scholarship has developed which examines popular trust in government and satisfaction with democracy. Declines in measures such as trust in government or satisfaction with democracy are seen as warning signs that democratic systems may have declining legitimacy in the eyes of their citizens (Thomassen & van Ham, 2014; van Ham, Thomassen, Aarts, & Andeweg, 2017). Given European political history, signs of decline of legitimacy of democratic governance is especially worrisome. Other scholars, while acknowledging that declining legitimacy is a problem, do not see decline in measures such as trust or satisfaction quite so pessimistically. Some scholars, for example, see criticisms of government in part as a product of a generation of “critical citizens” (Norris, 2011, 1999) and so declines in some indicators are more a reflection of new modes of citizenship than cause for excessive concern. Other work points to how satisfaction may cycle with winning and losing (Blais & Gélinau, 2007; Curini, Jou, & Memoli, 2012; Singh, Karakoç, & Blais, 2012) and so there are up cycles as well as down cycles. Yet other work suggests that satisfaction with democracy – often seen as a key indicator of the legitimacy of democracy as a system – is tied to institutional arrangements and so decline in satisfaction with democracy – even if a source of worry - is, to some extent, engineerable (Aarts & Thomassen, 2008). In a similar vein, Lühiste points to the role

that social welfare provision may play in offsetting discontent (Lühiste, 2014). Finally, a body of work is more explicit in tying decline in satisfaction with democracy to economic performance, especially during economic downturns such as that experienced in the period 2008-2013 (Armingeon & Guthmann, 2014; Cordero & Simón, 2016; Mishler & Rose, 2001; Quaranta & Martini, 2016; Van Erkel & Van der Meer, 2016). Arguably this work, too, suggests that dissatisfaction may dissipate when the economy improves.

These, and related, examples can be read as suggesting that it may be possible to over-state worries over declining popular regard for democratic government. Declining trust and declining satisfaction may not lead to the undermining of democracy itself because these attitudes may be cyclical (recovering when the economy recovers or when parties in power change), fixable (via institutional reform or social policies), or related to new, and more developed, forms of democratic citizenship.

But it may be possible to be too sanguine about the prospects for democracy as trust and satisfaction decline. The literature as a whole tends to focus more on the causes of declines in trust and satisfaction rather than on consequences of those declines. While trust in government and satisfaction with democracy provide appropriate dependent variables for analysis (see Linde & Ekman, 2003) they are much less used as independent variables (an exception is Ezrow & Xezonakis, 2016). It is often less clear what measurable consequences follow on from declining trust in government and satisfaction with democracy. We see one consequence of declines in these measures in the rise in populism.

The literature on populism seeks to understand the recent rise of parties such as UKIP in Britain, the FN in France or LPF in Netherlands. These movements are sometimes put together as

populist movements. While those on the right seem especially motivated by immigration and multi-culturalism they also may share some positions with left populists in terms of an emphasis upon anti-elite and anti-globalization themes. Generally speaking, attempts to understand these movements have focused upon their specific electoral contexts (e.g. Ramiro & Gomez, 2017; Schumacher & Rooduijn, 2013; van Kessel, 2015) but a growing body of work seeks to find broader and more comparative explanations (Bakker, Rooduijn, & Schumacher, 2016; Golder, 2016; Mudde, 2004, 2013; Mudde & Rovira Kaltwasser, 2012; Oesch, 2008; Van der Brug, Fennema, & Tillie, 2005; Van der Brug & Mughan, 2007). The emphasis, too, has been upon more proximate drivers of opinion including versions of retrospective voting (e.g. unemployment within the past year) or the politics of racial threat (e.g. immigration and/or responses to immigrants).

Here we argue that declining satisfaction with democracy and support for populist parties are connected in a straightforward way: long term economic dislocation and decay undercuts support for existing political structures which, in turn, paves the way for populist discontent. That is, decline in trust and satisfaction with democracy begins the process of having citizen detach from existing parties which, in turn, opens the way for voters to find the newer, populist, parties appealing.

It is worth underscoring that the economic problems in recent years go beyond the more familiar kinds of economic down turns that are often included in retrospective voting models. These recent economic problems are associated with structural transformations that have been a long time in the making; such as the process of de-industrialization which has affected many unskilled workers. These structural economic problems (concentrated in particular regions) were rendered more acute by the great recession that started in 2009. This economic crisis led to large

increases in unemployment, and many governments reacted by implementing austerity programs which created even more economic pain –especially among the lower middle classes.

The geographical concentration of structural economic problems can be observed in Figure 1, which presents a map of the GDP per capita in different European regions in 2014, in relation to the EU-28 average.

[Figure 1 about here]

This map makes it immediately evident that there are salient regional differences in economic conditions. These differences are particularly striking in Western European countries, such as France, Germany, Spain, and the United Kingdom. In all these countries, there are regions with GDP per capita levels that are significantly higher than the EU-28 average (e.g. Bavaria in Germany and Catalonia in Spain), and other regions (e.g. Pas-de-Calais in France and the North-East in England) with GDP per capita levels that are considerably lower than the EU-28 average. Studies that analyze the impact of national economic conditions on political trust ignore these regional inequalities that might be critical to explain anti-establishment attitudes.

Several journalistic accounts have documented the deep malaise of the ‘victims of globalization’ in regions such as the North-East in England, the Midwest in the United States, and Pas-de-Calais in France (Alderman, 2017; Harris, 2016; Lehmann, 2016; Noden, 2016). These ‘post-industrial’ areas have suffered economic decline, as many industrial jobs were outsourced to other countries where the costs of production are cheaper. Industrial workers in those regions were the natural supporters of center-left parties until recently, but the failure of social-democratic parties to implement alternative economic policies (Blyth & Katz, 2005; Mair, 2013) has resulted in political disenchantment and support for anti-establishment parties in recent elections. While

this has been the standard interpretation of the Brexit vote and the electoral support for populist candidates such as Trump and Le Pen, we lack systematic empirical evidence of the link between regional economic decline and anti-establishment attitudes.

We believe that studying the effects of the economic context in which citizens are embedded is critical to understand the current climate of political disenchantment in consolidated democracies. Citizens living in regions with structural economic problems should have lower levels of trust in government regardless of their own economic situation. First, citizens' political attitudes and preferences are shaped by discussions with neighbors, family members, and co-workers (Huckfeldt, Ikeda, & Pappi, 2005; Huckfeldt & Sprague, 1987; McClurg, 2006). While not everyone in de-industrializing or declining regions will have 'pocketbook' problems, they are much more likely to have personal interactions with people who are suffering economic hardships. More generally, citizens living in regions that are suffering an economic decline (e.g. de-industrialization and outsourcing of jobs) might feel that their economic prospects are much more uncertain than people living in regions with more booming economies. Finally, structural economic problems often go hand in hand with other societal problems such as the rise in crime and the increase in drug consumption, which might also contribute to the perception that political institutions are failing.

A journalistic account gives both an illustration of this argument and also provides the source of our paper's title:

Europe expert Anand Menon was in Newcastle just before the [Brexit] referendum to debate the impact of Britain leaving the EU. Invoking the gods of economics, the King's College London professor invited the audience to imagine the likely plunge in the UK's GDP. Back yelled the woman [audience member]: "That's your bloody GDP. Not ours." (Chakraborty, 2017)

The point about the heckle from the audience member listening to Menon is that economic growth continued to be unevenly distributed. If the benefits of globalization were concentrated among particular sectors of society then so, too, were the costs of globalization. It should, then, have been less surprising than it was that large numbers of voters failed to fully appreciate the growing prosperity of other people. Any measurement strategy should therefore take account of both the context of economic performance and, also, the time span of that performance.

We can make two points in relation to our argument which sees the rise in populism as reflecting a decline in regard for government, a decline that was brought about by continuing and severe economic problems. First, it is one that identifies specific consequences of the decline in trust and satisfaction with democracy. Second, we also see an important shift in the way we measure the link between economic conditions and satisfaction with democracy. The economic drivers of declining satisfaction may be under-stated in the existing literature and, in consequence, factors such as immigration become relatively over-stated. The first reason for thinking that existing models may understate economic effects is that often the economic drivers of discontent are modelled as taking place over a relatively short term, such as the preceding year. While such a measure is consistent with the standard retrospective voting framework it may not be enough of a time frame to capture long term economic decline.

A second reason for thinking economic factors may be under-stated is that they do not take sufficient account of the context in which voters live. Many studies have analyzed the link between *personal* economic conditions and support for populism, and they find weak or mixed effects (Inglehart & Norris, 2016; Kaufmann, 2016). These studies do not take account of the geographic concentration of decline. Yet one of the consequences of globalization and free market competition is that winners and losers are not equally distributed in either a societal or geographic sense. Since

economic activity often has a spatial distribution then this necessarily implies that costs and benefits of economic adjustments will also have a spatial distribution. Taken together, these two reasons suggest that standard measures of retrospective voting (e.g. changes in national level measures over the previous year) may under-state the effect of economic dislocation. This is not an argument for pocketbook over socio-tropic voting, rather it is an argument over what properly constitutes the ‘socio’ component in socio-tropic models. We should, instead, pay attention both to regional variation and, also, to persistent economic problems.

There is no single dataset which would allow us to test all links in the argument, so our empirical approach is to demonstrate the separate steps in the argument. First, we present a case study from the UK in which we show that evaluations of government precede support for that country’s populist party – UKIP. Second, using cross-national and comparative data, we present evidence that shows the importance of long term and local economic distress to lowered regard for democracy.

Low trust in government and support for UKIP

A large literature examines the support of Britain’s UKIP in depth (Clarke, Whiteley, Borges, Sanders, & Stewart, 2016; Dennison & Goodwin, 2015; Evans & Mellon, 2016; Ford & Goodwin, 2014; Ford, Goodwin, & Cutts, 2012; Mellon & Evans, 2016; Tournier-Sol, 2015). Here our approach is similar to Hooghe and Dassonneville (forthcoming) to look for evidence that lowered trust in government drives – and is not simply correlated with – support for UKIP.

As with Hooghe and Dassonneville we use panel data. In our case we use British Election Study data from Britain for the years 2014 to 2016. Our approach is straightforward. We model whether or not a respondent’s self-reported party identification with UKIP is a function of previous

disaffection with government in addition to a range of other factors. Those other factors include i) previous identification with UKIP ii) assessment of the economy iii) assessment of immigration.

$$(1) \text{ UKIP party id}_{it} = \alpha + \beta_{1i} * \text{UKIP party id}_{it-1} + \beta_{2i} * \text{Assessment of the economy}_{it-1} + \beta_{3i} * \text{Assessment of immigration}_{it-1} + \beta_{4i} * \text{Assessment of the political system}_{it-1} + \beta_{5i} * \text{Age} + \beta_{6i} * \text{Education} + \varepsilon_{it}$$

The components of the model are familiar from the literature on UKIP. Voter attachment to UKIP will be driven in large part by respondent attitudes towards the economy, immigration and the political system. Arguably such a model is under-specified but we also include previous UKIP party id which should capture both previous standing positions as well as those demographic factors associated with attachment not included. All of these independent variables are measured for each respondent at a previous time point. The reliance on past measures helps us avoid concerns about endogeneity. The independent variables in the analysis and the survey dates are detailed in Tables A1 and A2 in the online Appendix.

The hypothesis of interest is that past assessment of the political system will drive current party attachments. Table 1 reports results from this model. Table 2 reports probabilities from the model in the 3rd column in Table 1.

[Tables 1 and 2 about here]

Unsurprisingly, previous party ID dominates the models seen in Table 1. But even after controlling for previous party ID plus a series of other measures we see that previous assessments of the political system also drive attachments. Assessments of the political system are significant drivers of UKIP party identification.

We have some evidence, then, to support the argument that lowered regard for political institutions plays a role in laying the groundwork for populist party support. Populist parties are new entrants to existing party systems which means that voters will likely possess loyalties to existing parties. Under a standard interpretation of the concept of party identification, support for those existing parties among people already in the electorate (i.e. excluding new and first time voters) probably needs to be weakened prior to voters supporting a new party (Bélanger, 2004). There has to be some path by which voters discard their prior loyalties. The evidence of Table 1 suggests that lowered regard for existing politics and politicians opens the door for new parties to become appealing.

The question thus becomes: what factors lower the regard citizens have for government? In the remainder of the paper, we tackle this question by assessing the link between structural economic problems at the regional level and political disenchantment.

Regional economic problems and anti-establishment attitudes

This section of the paper analyzes empirically the roots of the growing anti-establishment attitudes in the European continent. In particular, we assess whether long-term economic decline and structural economic problems at the regional level negatively affect citizens' political trust.

Conducting this empirical analysis requires the merging of good regional economic data into a cross-national European survey dataset. This is challenging because not all cross-national surveys that could be used to study anti-establishment attitudes at the individual level include items indicating the region in which respondents live. Fortunately, the European Social Survey (ESS) does include a survey item that codes the region in which respondents reside. The ESS is an academically driven cross-national survey that has been conducted across Europe since 2002.

Every two years, face-to-face interviews are conducted with nationally representative samples. The survey measures the attitudes, beliefs, and behavior patterns of European societies. In this paper, we use data from the 2014 module of the European Social Survey.

The regional codes used by ESS correspond to the Classification of Territorial Units for Statistics (NUTS). NUTS is a geocode standard for referencing the subdivisions of countries for statistical purposes, which is developed and regulated by the European Union. Using these NUTS codes, ESS provides information on the region of residence of respondents by using the largest administrative subdivision of the different countries. Table 3 details the different regions in which respondents are embedded in the ESS surveys.

[Table 3 about here]

Most of the regional economic indicators necessary to conduct the empirical analysis come from Eurostat. Eurostat is the statistical office of the European Union, and one of its main tasks is to compile harmonized sociodemographic and economic data at the regional level. Eurostat uses the same NUTS classification mentioned above, so these economic data can easily be merged into the survey dataset used in this paper. One regional economic variable (poverty rate) was obtained from the OECD data, which also uses the NUTS classification for regional economic data. In the statistical analysis below, we use several regional economic indicators that allow us to measure structural economic problems at the regional level and long-term economic decline. The Eurostat and OECD indicators used in the empirical analysis are described in Table 4.

[Table 4 about here]

The ESS is also appropriate to conduct this empirical analysis because it includes several questions that can be used to gauge citizens' anti-establishment attitudes. First, we use several items capturing trust in parliament, trust in political parties, and trust in politicians to create a very reliable 'institutional trust' scale (Cronbach's alpha=0.91). The survey ask respondents to indicate whether they trust or do not trust the aforementioned institutions and the possible answers range from 0 (low trust) to 10 (high trust). The scale we created also ranges from 0 to 10.¹ Second, we use a question that taps satisfaction with the performance of the government, which also ranges from 0 (extremely dissatisfied) to 10 (extremely satisfied). These first two questions measure different aspects of political trust. The first question captures 'diffuse' support for political institutions, while the second one captures more 'specific' support for governmental authorities.² Third, we use a survey item that ask respondents to assess how much politicians care about what people like them think. The possible answers also range from 0 (Not at all) to 10 (Completely). This survey item is often used as a measure of external efficacy, but we believe it also captures anti-establishment attitudes. If people are convinced that political leaders do not care about their needs, this clearly indicates that they have lost faith in the political system.

Our empirical models also include several other variables that might be associated with anti-establishment attitudes. At the individual level, we control for several sociodemographic characteristics (age, gender, education, income) that have been shown in previous research to affect a variety of political attitudes. At the regional level, we include a measure of the percentage of the population in the region that was born in a foreign country. This control is important because recent studies suggest that a link might exist between immigration and the demise of political trust

¹ We simply added the responses to these three items and divided by 3.

² On the distinction between diffuse and specific political support, see Easton (1965, 1975).

(McLaren, 2015, 2017). We also include a dummy variable capturing whether the region in which the respondent lives is the capital region (i.e. the region in which the capital city is located) because political dynamics might work differently in capital cities that tend to be more wealthy and cosmopolitan than the rest of the country.

Model estimation

The empirical models in this section of the paper apply multilevel techniques that distinguish between three levels, i.e. the individual level, the regional level, and the country level. The multilevel approach takes the layered character of the data into account. In my dataset, for each country there is information from various regions, and for each region there is information on many individuals. Multilevel models have the advantage that separate residual components can be specified at each level, and therefore they adjust for the correlation of these error components of the various levels when estimating the coefficients (Gelman & Hill, 2006; Steenbergen & Jones, 2002). Hierarchical models also allow for a more precise estimation of individual-level factors because they control for important contextual factors that may bias the results. Therefore, this analysis proceeds using an explicitly multilevel model.

Results

The results of the empirical analysis are presented in Tables 5-6 which present several models evaluating the impact of structural economic problems and economic decline at the regional level on citizens' anti-establishment attitudes.

One of the key arguments advanced in this paper is that citizens' political trust is not very sensitive to short-term economic fluctuations at the local level, but more sustained economic

problems in the regions in which they live should result in more critical and disenchanted citizens. The results in Table 5 provide strong support for these theoretical intuitions.

[Table 5 about here]

Models 1-3 present the results of multilevel analyses that assess the relationship between short-term regional growth (i.e. the growth corresponding to the year in which the survey was conducted) and anti-establishment attitudes. Models 4-6 replicate those models but replace the short-term growth measure with a 5-year regional growth average, which in practice means the average regional growth in the 5 years that followed the great recession. As expected, we find that the measure of short-term regional growth is not associated with any of our dependent variables. However, long-term economic fluctuations do affect political trust and satisfaction with government. The coefficient of the variable capturing the 5-years average regional growth is positive and statistically significant in models 4-6. In other words, individuals in regions with sustained economic growth are more likely to trust political institutions, to be satisfied with the government, and to think that politicians care about their problems. On the contrary, regional economic decline increases political disenchantment.

In a similar vein, we expect anti-establishment attitudes to take root in regions facing severe structural problems. We use three different measures to capture structural economic conditions at the regional level: the regional poverty rate, the regional GDP per capita, and the average regional household income. The results of the statistical analyses assessing the relationship between these variables and anti-establishment attitudes are presented in Table 6.

[Table 6 about here]

The results provide strong support for our theoretical arguments. The coefficient for the variable measuring regional poverty rate are negative and statistically significant in models 1-3. In other words, trust in political institutions and satisfaction with the performance of the government is lower in poorer regions. This result is robust when we use an alternative measure to capture the structural economic conditions in the region. In particular, the results of models 4-9 show that regional GDP per capita and regional average household income are positively associated with all our dependent variables (trust in institutions, belief that politicians care about citizens' opinions, and satisfaction with the government). In sum, all the models presented in Table 6 strongly suggest that the regional economic context in which citizens are located influences their level of political trust. In areas suffering structural economic problems, citizens are more likely to be critical of (and disenchanted with) the political system.

In order to assess the substantive impact of regional economic conditions on political disenchantment, we estimated the marginal effects of long-term regional economic decline and structural economic conditions at the regional level on institutional trust. The results of these estimations can be observed graphically in Figure 2.³

[Figure 2 about here]

Before discussing the substantive impact of regional economic problems on institutional trust, it is important to point out that the baseline of political trust is low (regardless of regional economic conditions). The mean level of institutional trust in the 0-10 scale among the 38,880 respondents in our sample is 3.88. Again, this confirms that citizens in consolidated democracies

³ Due to space constraints, we do not present the marginal effects of regional economic conditions on satisfaction with government and on the perception that politicians care about citizens' problems, but we conducted these estimations and the substantive impact is very similar to the one we report here. These estimations are available in the online Appendix (Figures A1 and A2).

are becoming more critical and politically disenchanted (Norris, 1999; Pharr & Putnam, 2000; van Ham et al., 2017).

Our estimations, however, reveal that institutional trust is significantly lower in European regions suffering economic decline and structural economic problems. As can be observed in panel a in Figure 2, there is an average difference of 0.31 points in the 1-10 institutional trust scale between respondents living in regions with slow long-term growth trajectories (-1SD) and respondents living in regions with fast long-term growth (+1SD). The effect is even more striking when we estimate the impact of structural economic conditions at the regional level on political trust (see panel d in Figure 2). For instance, panel d shows that citizens who live in regions with low average household incomes (-1SD) have a level of political trust that is lower in 0.89 points (in the 1-10 scale) than citizens who live in regions with high average household incomes (+ 1SD). In other words, the effects uncovered in this paper are not only statistically but also substantively important.

Discussion

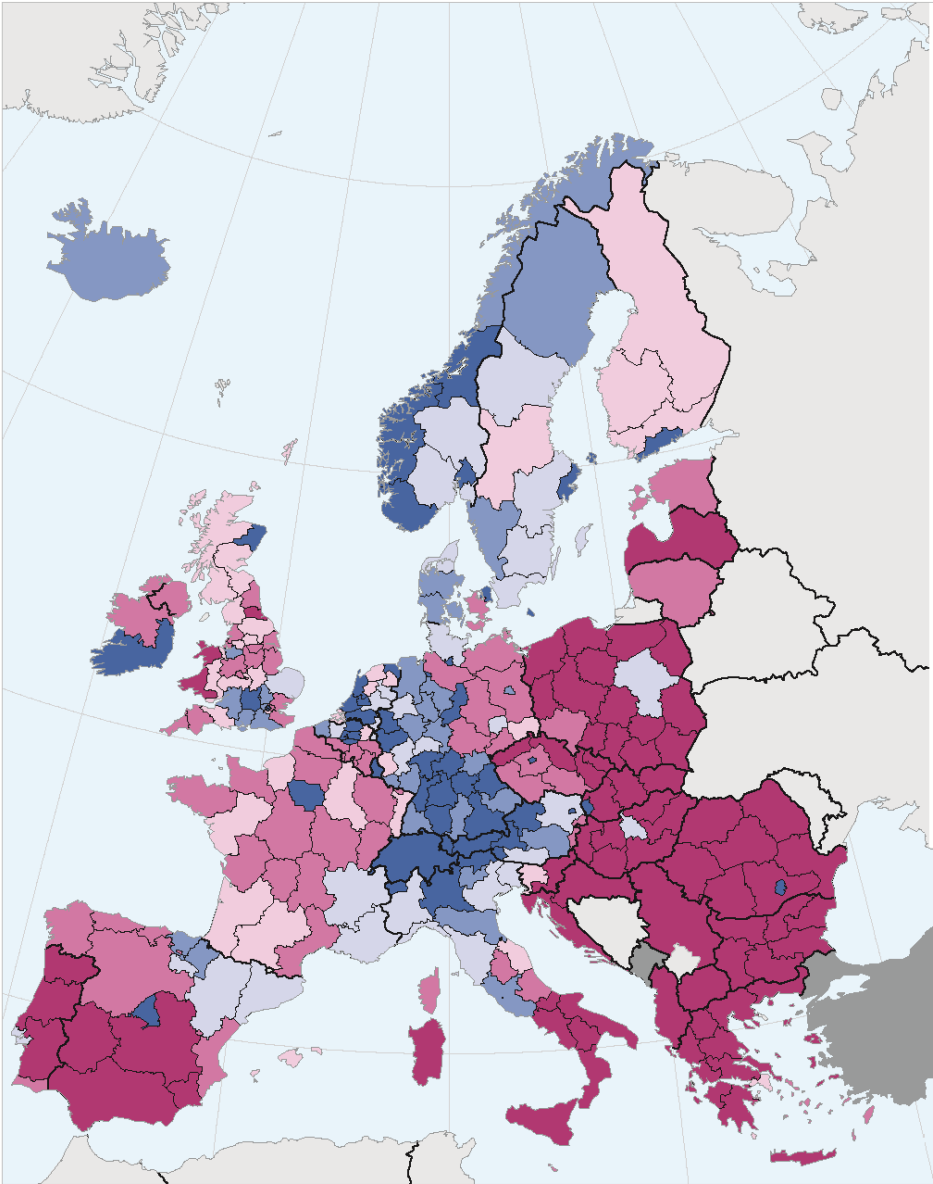
Our findings allow us to draw two conclusions. First, we are able to show that economic dislocation is an important driver of lowered regard for government. Our approach emphasizes long term economic dislocation that is locally felt. These are differences from more standard measurement approaches which stress relatively recent and national level measures. Our difference is, we argue, more than a matter of operationalization. It is a situation where different measures have important substantive meaning. In this instance it is prolonged economic bad news that is felt within the more immediate context of the voter that has consequence. The prolongation of bad economic times means that what we might see, and certainly some scholarship sees, as a

normal cycle of economic upturns and downturns which in turn produces cycles in trust and satisfaction did not operate. The prolonged downturn mean there was no upturn to help underpin support for existing parties. Or, more accurately, while some areas did recover, some regions did not experience an upturn. As noted above, this is not so much an argument in support of a pocketbook model of voting so much as a discussion of what we mean by the term ‘socio’ in socio-tropic models.

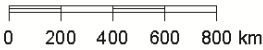
Second, we are able to show that lowered regard for government promotes support for populist parties – at least for the case of Britain’s UKIP. This result suggests that anti-government sentiment is not simply one plank of populist party platforms but is also a factor in allowing populist parties to grow and flourish. Our argument is that disaffection from existing parties provides a prior condition for new parties to gain support. We are therefore also able to show that declines in standard measures such as trust in government and satisfaction with democracy can be consequential. In that sense we are able to show that measures such as trust in government and satisfaction with democracy do not operate simply as indicators of sentiment that is somehow separate from behavior: there are behavioral consequences of declines in these measures.

The findings also show the importance of taking into account the local economic conditions in which citizens are embedded to explain political attitudes and political behavior. While previous research has tended to focus on national or individual economic conditions, the results reported in this paper suggest that key political attitudes (e.g. political awareness, political efficacy, and political interest) and political behaviors (e.g. engaging in political demonstrations) might be related to the local economic context experienced by citizens, especially in countries with visible regional economic inequalities. This opens fruitful avenues for further research.

Figure 1. Gross domestic product (GDP) per inhabitant in purchasing power standard (PPS) in relation to the EU-28 average, by NUTS 2 regions (Source: Eurostat)



(% of the EU-28 average, EU-28 = 100)



(*) Norway: 2013. Switzerland, Albania and Serbia: national data. Switzerland and Albania: provisional.
 Source: Eurostat

Figure 2. Predictive margins of regional economic conditions on trust in political institutions

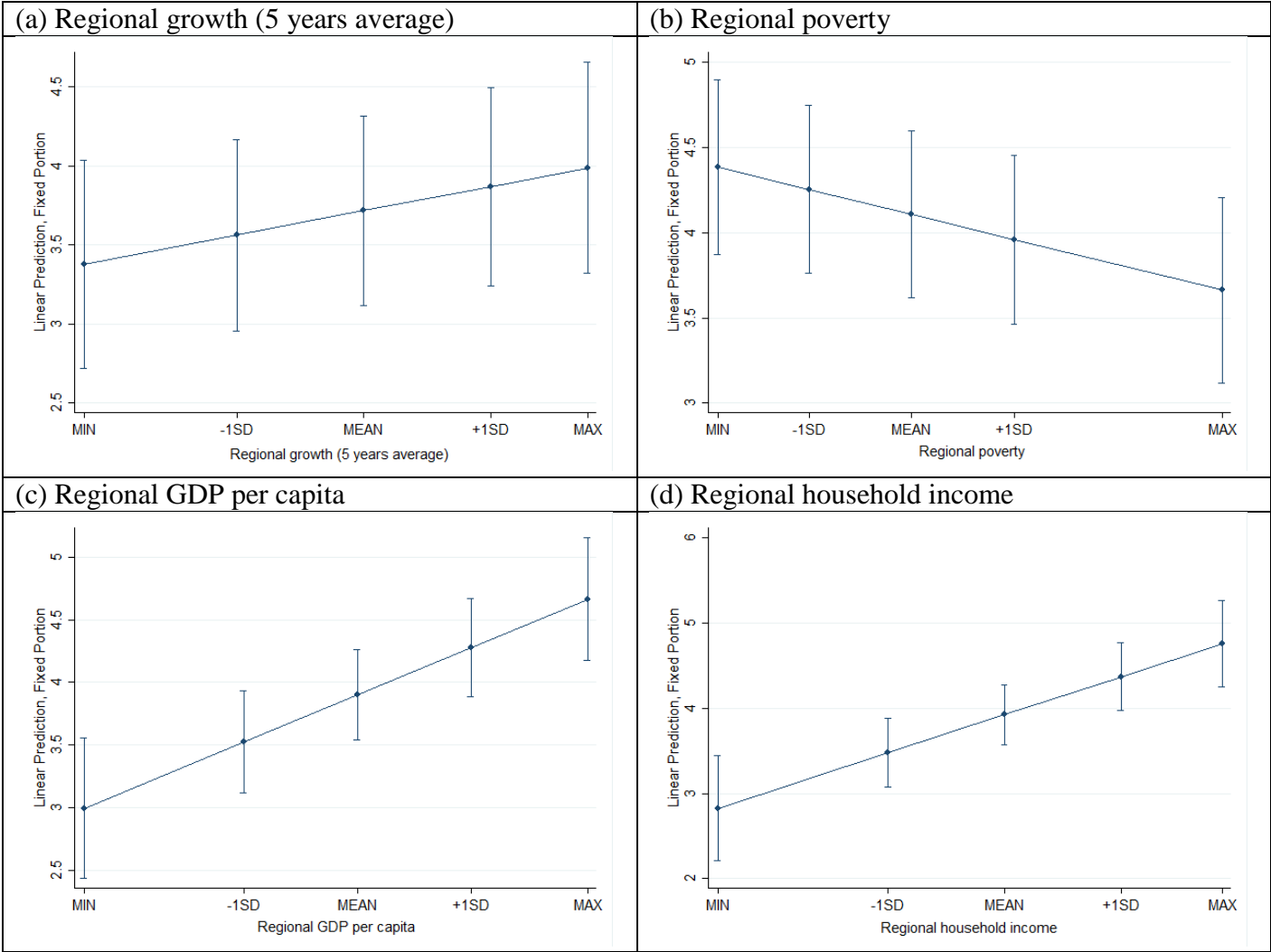


Table 1. Probit model of UKIP party ID in June 2016 (British Election Study)

	(1)	(2)	(3)
VARIABLES	UK party ID in Wave 9	UK party ID in Wave 9	UK party ID in Wave 9
Ethnic minorities Wave 6" 2015	-0.273*** (0.041)	-0.311*** (0.039)	-0.346*** (0.037)
"Economy doing better or worse" Wave 8 2016	-0.029 (0.046)	-0.027 (0.045)	-0.015 (0.041)
UKIP party ID wave 1 February 2014	1.531*** (0.097)	1.464*** (0.098)	1.405*** (0.096)
Education level	0.377*** (0.101)	0.445*** (0.103)	0.307*** (0.089)
Age indexed to February 2014	0.001 (0.003)	0.002 (0.003)	-0.001 (0.003)
Trust MPs -- wave 2 May 2014	-0.054* (0.032)		
Trust MPs -- wave 3 Sept 2014		-0.080** (0.031)	
Trust MPs -- wave 4 2015			-0.110*** (0.028)
"Satisfaction with UK democracy Wave 2 May 2014	-0.179*** (0.054)		
"Satisfaction with UK democracy Wave 3 Sept 2014		-0.118** (0.051)	
"Satisfaction with UK democracy Wave 4 2015			-0.117** (0.048)
Constant	-0.814*** (0.265)	-0.808*** (0.257)	-0.358 (0.228)
Observations	3806	3813	4347
Pseudo R-squared	0.315	0.294	0.280
aic	1105.697	1148.317	1352.654
bic	1155.652	1198.286	1403.672

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 2. Predicted probabilities from Model (3) in Table 1

Probability of having a UKIP party ID in 2016 at minimum and maximum values of [named variable]

<i>Satisfaction with democracy</i>		
	Very Dissatisfied	0.036
	Very Satisfied	0.016
<i>Trust in MPs</i>		
	No Trust	0.040
	Great Deal of Trust	0.010
<i>“Ethnic minorities”</i>		
	A Lot Fewer	0.120
	A Lot More	0.005
<i>Economy</i>		
	Getting a Lot Better	0.023
	Getting a Lot Worse	0.027

Table 3. European Regions

Country	Subnational unit	Number of regions
Austria	States (<i>Bundesländer</i>)	9
Belgium	Provinces (+ Brussels)	11
Czech Republic	Administrative regions	14
Denmark	Regions (<i>Regioner</i>)	5
Estonia	Counties (<i>Maakonnad</i>)	5
Finland	Regions (<i>Maakunta</i>)	20
France	Regions (<i>Région</i>)	21
Germany	States (<i>Bundesländer</i>)	16
Hungary	Counties (Megyék) + Budapest	20
Ireland	Regional authorities	8
Lithuania	Counties (<i>Apskritis</i>)	10
Netherlands	Provinces (<i>Provincies</i>)	12
Norway	Regions	7
Poland	Voivodeships	16
Portugal	Regions	5
Slovenia	Statistical regions	12
Spain	Autonomous communities	17
Sweden	Counties (<i>Sveriges län</i>)	21
Switzerland	Regions	7
United Kingdom	Regions	12

Table 4. Regional Economic Indicators (Eurostat & OECD)

Indicator	Explanation	Source
Regional growth	Real growth rate of regional gross value added (GVA) at basic prices – Percentage change on previous year	Eurostat
Regional growth (5 years average)	Real growth rate of regional gross value added (GVA) at basic prices – Average of the values on this indicator for the years 2010-2014	Eurostat
Regional GDP per capita	Gross domestic product (GDP) per capita at current market prices by NUTS 2 regions	Eurostat
Regional poverty	Regional headcount ratios for market income, with poverty line set at 50% of the national median income.	OECD
Regional household income	Average income of households (by NUTS 2 regions)	Eurostat

Table 5. The impact of short-term and long-term regional growth on anti-establishment attitudes (ESS)

VARIABLES	(1) Politicians care	(2) Trust in institutions	(3) Satisfaction w/ in government	(4) Politicians care	(5) Trust in institutions	(6) Satisfaction w/ in government
Age	-0.004*** (0.001)	0.002** (0.001)	0.008*** (0.001)	-0.002** (0.001)	0.004*** (0.001)	0.009*** (0.001)
Male	0.177*** (0.038)	0.134*** (0.035)	0.076** (0.038)	0.140*** (0.037)	0.090*** (0.033)	0.077** (0.037)
Education	0.203*** (0.011)	0.147*** (0.010)	0.088*** (0.011)	0.199*** (0.011)	0.142*** (0.010)	0.093*** (0.011)
Income	0.069*** (0.008)	0.060*** (0.007)	0.067*** (0.008)	0.066*** (0.007)	0.056*** (0.007)	0.066*** (0.007)
Regional growth	-0.005 (0.030)	-0.003 (0.033)	0.017 (0.036)			
Regional growth (5 years average)				0.079* (0.047)	0.103** (0.050)	0.116** (0.056)
% of foreigners in regional population	0.007 (0.010)	0.013 (0.012)	0.008 (0.013)	0.012 (0.009)	0.015* (0.009)	0.014 (0.010)
Region with capital city	0.069 (0.147)	0.227 (0.170)	0.145 (0.187)	0.082 (0.132)	0.091 (0.146)	-0.038 (0.166)
Constant	2.175*** (0.314)	2.609*** (0.332)	2.820*** (0.337)	1.995*** (0.290)	2.336*** (0.321)	2.503*** (0.302)
Observations	12,859	12,742	12,789	14,373	14,194	14,287
Number of groups	8	8	8	9	9	9

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 6. The impact of structural regional economic problems on anti-establishment attitudes (ESS)

VARIABLES	(1) Politicians care	(2) Trust institutions	(3) in Satisfaction w/ government	(4) Politicians care	(5) Trust institutions	(6) in Satisfaction w/ government	(7) Politicians care	(8) Trust institutions	(9) in Satisfaction w/ government
Age	-0.004*** (0.001)	0.003*** (0.001)	0.007*** (0.001)	-0.003*** (0.001)	0.004*** (0.001)	0.007*** (0.001)	-0.003*** (0.001)	0.004*** (0.001)	0.007*** (0.001)
Male	0.152*** (0.030)	0.102*** (0.028)	0.054* (0.031)	0.153*** (0.028)	0.127*** (0.025)	0.086*** (0.028)	0.154*** (0.028)	0.128*** (0.025)	0.087*** (0.028)
Education	0.210*** (0.009)	0.140*** (0.009)	0.074*** (0.009)	0.209*** (0.008)	0.150*** (0.008)	0.089*** (0.009)	0.209*** (0.008)	0.150*** (0.008)	0.089*** (0.009)
Income	0.073*** (0.006)	0.054*** (0.006)	0.051*** (0.006)	0.076*** (0.006)	0.059*** (0.005)	0.062*** (0.006)	0.075*** (0.006)	0.059*** (0.005)	0.062*** (0.006)
Regional poverty	-1.451** (0.592)	-2.370*** (0.664)	-2.216*** (0.684)						
Regional GDP per capita				1.065*** (0.328)	1.531*** (0.355)	0.781** (0.372)			
Regional household income							1.269*** (0.401)	1.860*** (0.430)	1.208*** (0.445)
% of foreigners in regional population	0.011 (0.008)	0.015 (0.009)	0.019** (0.009)	-0.007 (0.009)	-0.004 (0.010)	0.005 (0.010)	-0.002 (0.009)	0.003 (0.009)	0.007 (0.010)
Region with capital city	0.138 (0.110)	0.115 (0.127)	-0.045 (0.130)	0.071 (0.112)	0.002 (0.125)	-0.052 (0.132)	0.126 (0.106)	0.080 (0.119)	-0.031 (0.124)
Constant	2.757*** (0.316)	3.667*** (0.338)	3.955*** (0.336)	0.742 (0.485)	0.604 (0.518)	1.883*** (0.542)	-3.138* (1.691)	-5.124*** (1.810)	-2.122 (1.875)
Observations	20,859	20,581	20,618	24,940	24,638	24,730	24,933	24,631	24,723
Number of groups	14	14	14	16	16	16	16	16	16

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

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Online Appendix

Table A1. Operationalization of key independent variables (BES 2014-2016)

Data and Codebook for the panel study are available here:

<http://www.britishelectionstudy.com/data-objects/panel-study-data/>

Satisfaction with democracy	1-4, 1=Very Dissatisfied 2= A little dissatisfied 3=Fairly satisfied 4= very satisfied
Trust MPs	1=no trust...7=a great deal of trust
Ethnic minorities	1= should be a lot fewer...5= a lot more
Economy	1= getting a lot worse...5=getting a lot better
Education	0,1 1= completed education younger than 19

Table A2. Survey Dates (BES 2014-2016)

Wave	Date
1	February-March 2014
2	May-June 2014
3	Sept-Oct 2014
4	March 2015
5	March-May 2015
6	May 2015
7	April-May 2016
8	May-June 2016
9	June-July 2016

Figure A1. Predictive margins of regional economic conditions on satisfaction with government

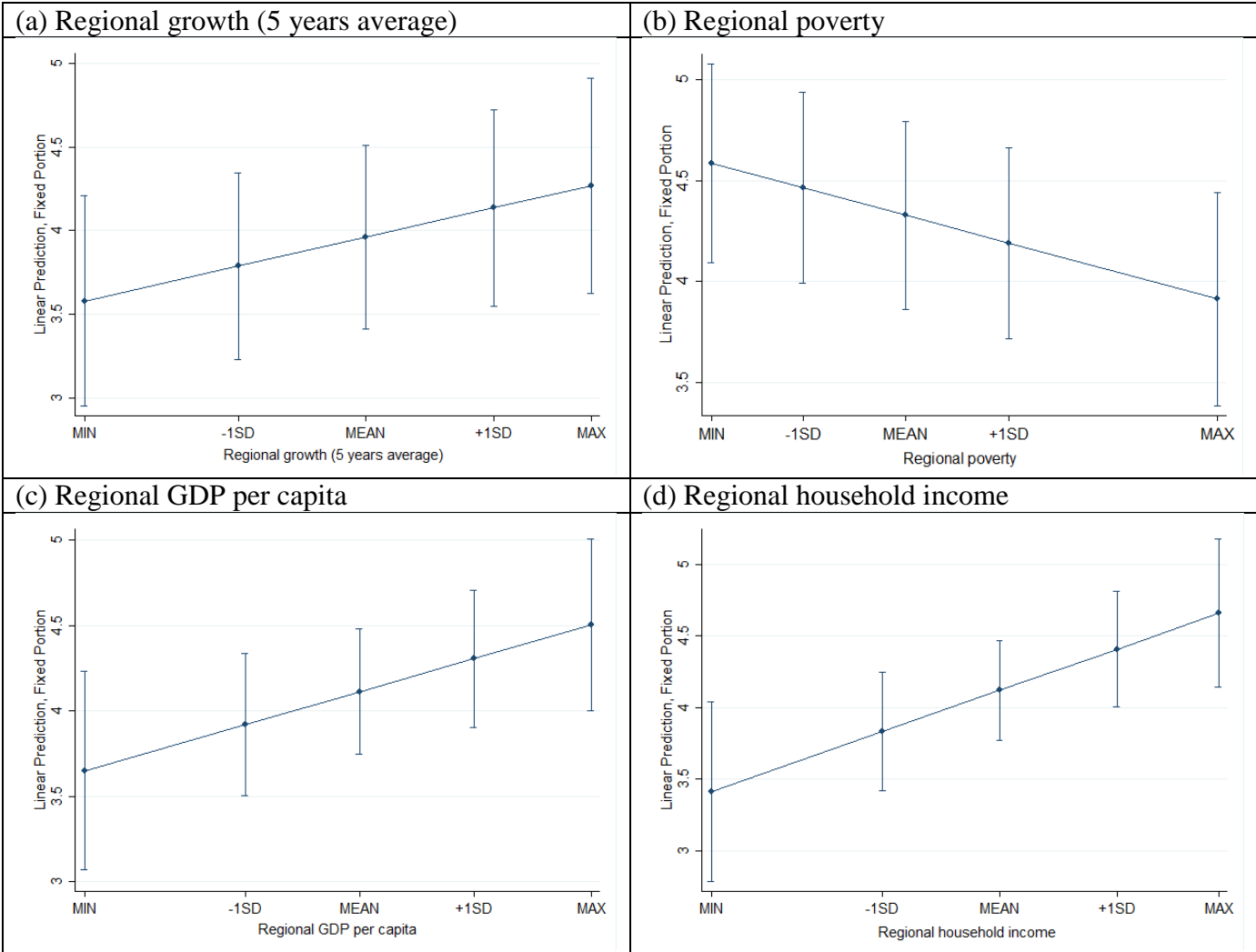


Figure A2. Predictive margins of regional economic conditions on perception that politicians care about citizens' problems

