

Memo

To: Global Populism Conference Participants

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Subject: The Economic Origins of Authoritarian Values:
Evidence from Local Trade Shocks in the United Kingdom

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Explaining the Rise of Populism

The election of Donald Trump to the presidency in the United States, the success of the Leave campaign in the United Kingdom's referendum on exiting the European Union, and the relatively strong performance of far-right candidates and parties such as the National Front's Marine Le Pen in France and the AfD in Germany have sparked a renewed interest in the determinants of support for populist politics. Existing explanations for attitudes and behaviors supportive of populists are typically divided into two main threads: those that emphasize the economic threats driving such support, and those that instead focus on the value systems underlying affinity for the platforms of populist parties.

The debate surrounding the rise of populists tends to present these two classes of explanations as competing. For example, the literature on public attitudes toward immigration and trade—two policy areas salient in populist politics—is often focused on the relative explanatory power of economic versus value concerns in driving policy opinions. Similarly, journalistic and academic debates on the rise of Donald Trump can be split into two camps: those who argue that Trump's mostly white working-class, non-college educated supporters have suffered economically due to rising inequality, technological change, and foreign competition (e.g. see Hirsh 2016; Surowiecki 2016; Frank 2016), and those who argue that his support is best explained by value systems characterized by prejudice and racial resentment (e.g. see Drum 2016; Klinkner 2016; Yglesias 2016).

Even if accounts recognize that economic interest and values may be complimentary, they still typically treat these explanatory frameworks as separate from each other.

Economic Change and Authoritarian Values

We argue that values can be in part consequences of economic conflict. This suggests that simply thinking of value and interest explanations—whether they are competing or complimentary—as disjoint accounts invites misinterpretation of the larger factors driving the behavior that values are thought to explain. If values are endogenous to economic conflict, they are still central to the narrative of understanding these phenomena but their role needs to be interpreted carefully.

One set of individual values that has received renewed attention in response to the resurgence of populism globally is a bundle of characteristics often referred to as “authoritarian values,” understood as an individual preference for conventionalism and submission and belief that these value outcomes should be achieved by force. This definition draws directly from Altemeyer (1981) but builds on a long literature before that and resonates with many subsequent treatments of authoritarianism. Authoritarian values have long been argued to have an important effect on public opinion and political behavior, and have recently been associated with voting for Donald Trump in the 2016 US presidential election. In a recent review, Pettigrew (2016) argues that “few relationships in social science are as stable and virtually universal as the link between authoritarianism and prejudice.” A substantial literature links authoritarianism with voting for extreme political parties and with political conservatism in general (Lubbers and Scheepers 2000; Jost et al. 2003; MacWilliams 2016).

To motivate our interest in authoritarianism as a strong correlate of populist behavior, Figure 1 below presents a smoothed local polynomial relationship—drawn from a nationally-representative sample of adults in the United Kingdom that was fielded by the authors—between voting Leave in the Brexit referendum and a measure of authoritarian preferences which we describe in detail below. As can be seen in the figure, there is a remarkably strong bivariate association between individuals with greater authoritarian tendencies and the likelihood of voting in favor of the United Kingdom leaving the European Union: while individuals at the lowest observed values of authoritarianism have

under a 20% likelihood of voting for Brexit, respondents at the highest values have over a 90% likelihood of doing so, with the figure demonstrating a clearly positive slope. It is apparent that these individual values are strongly associated with support for the Leave campaign – yet why might this relationship exist?

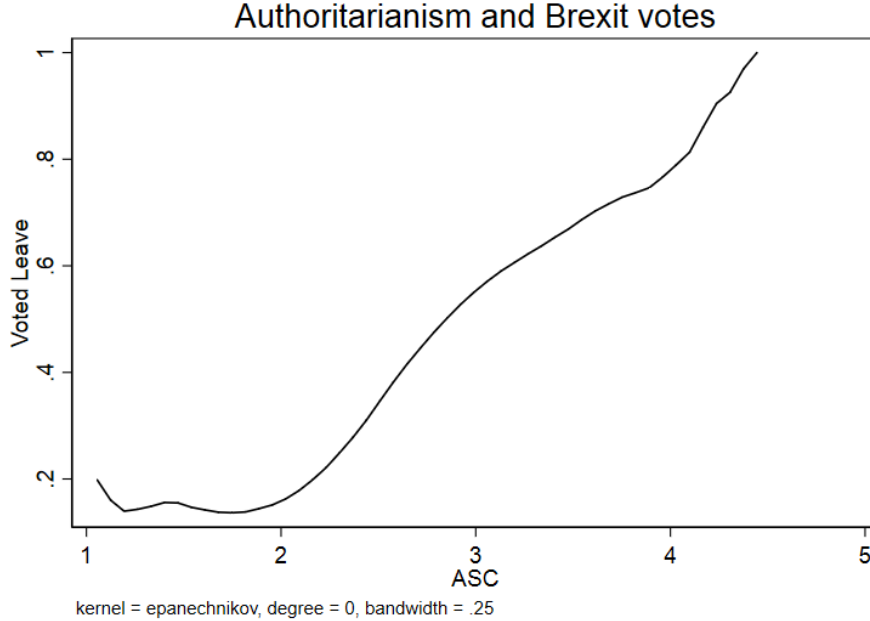


Figure 1: *Local polynomial smoothing of the proportion of respondents voting Leave in Brexit referendum by authoritarian values as measured by the ASC scale.*

While the political effects of authoritarian values have been well documented in a number of settings, the origins of such values are much less well established. From the publication of Adorno et al.’s (1950) seminal *The Authoritarian Personality*, most treatments have viewed authoritarianism as a fixed characteristic formed in childhood and early adult socialization. In this analysis, we build on the early work of Fromm (1941), Lipset (1959), and Rokeach (1960) and argue that contemporaneous economic threats increase the adoption of authoritarian values – i.e., authoritarianism is not a fixed disposition, and is at least partly shaped by economic conditions. While much prior empirical work investigating authoritarian personalities has often operationalized this as a unidimensional concept, we build off recent psychometric work that argues, following Altemeyer’s (1981) original conceptualization, that authoritarianism is actually

comprised of three separate sub-dimensions: authoritarian aggression, submission, and conventionalism (e.g., Duckitt et al. 2010, Dunwoody & Funke 2016).

Given the three components of authoritarianism—submission, conventionalism, and aggression—there are at least three mechanisms by which economic shocks could increase the adoption of authoritarian values:

- The shock may be experienced as a problem that needs fixing and therefore induce individuals to be more disposed to submission to a leader who is going to solve the problem.
- The shock may force comparisons between an unsatisfactory present and an idealized past and push individuals to value convention and how things used to be.
- A large economic shock hinders individuals’ expected attainment of their goals as economic providers and consumers and this interference increases generalized aggression through a frustration-aggression mechanism.

Each of these mechanisms are logically plausible and may complement one another in describing how authoritarian values respond to economic threats. The empirical question then is whether there is evidence that economic shocks cause more authoritarian values and if so which of these mechanisms provides the most plausible account.

Empirical Strategy

We focus on one potential source of economic conflict: the impact of Chinese imports on local labor market outcomes in the United Kingdom. We pursue this line of inquiry for two reasons: first, given a common narrative in the current press about the rise of populism as a result of a “backlash against globalization,” we believe there is inherent conceptual interest in understanding whether international economic competition is indeed associated with changing individual values that affect support for populist platforms. Second, the focus on Chinese import shocks lends itself to a credible research design for estimating the causal effect of increased import competition from China on authoritarian values. Our focus on trade is not, however, because we think globalization has necessarily been the most important economic shock facing citizens in the UK or other developed democracies. Technological change, financial crises, and changing equity norms have

also been sources of economic stress that likely rival or even surpass the effects of trade competition, suggesting that any relationship we uncover between economic threats and individual values may be, if anything, a lower bound on the size of such effects from other sources.

Our research design follows Autor et al. (2013) and a growing number of studies (e.g. Feigenbaum and Hall 2015; Autor et al. 2016; Dippel, Gold, and Heblich 2016; Colantone and Stanig 2017) that use the impact of China’s internal economic reforms on imports to the developed world as an exogenous economic shock to local labor markets. These papers have continued to find large and economically important deleterious consequences for local labor markets from rising Chinese import competition; given our interest in understanding the effects of economic threat on authoritarian values, this strategy allows us to identify an important source of downturn in local economies in the U.K. that is plausibly outside the control of politicians in these regions. Using Chinese imports as a measure of economic conflict, we estimate the causal effect of economic threat on authoritarian values. We focus on Chinese imports to Great Britain because of Britain’s position in the world economy and the role authoritarian values played in leading Britain out of the European Union.

Figure 2 maps the values of changes in Chinese import penetration over the period 1991 to 2007 by quintiles across Great Britain. As evident from the figure, there is great geographical variation in the exposure of local labor markets to Chinese imports over this period. This is the variation that we are using to assess the effect of economic conflict on authoritarian values.

Findings

Using an original 2017 survey representative of the British population, we relate individuals’ authoritarian values to changes in the exposure of local labor markets to Chinese import competition. We adopt Dunwoody and Funke’s (2016) Aggression-Submission-Conventionalism (ASC) scale which is explicitly designed to measure the three constructs in Altemeyer’s definition of authoritarianism. We present results using the ASC scale and each of its three components.

The following summarizes our findings:

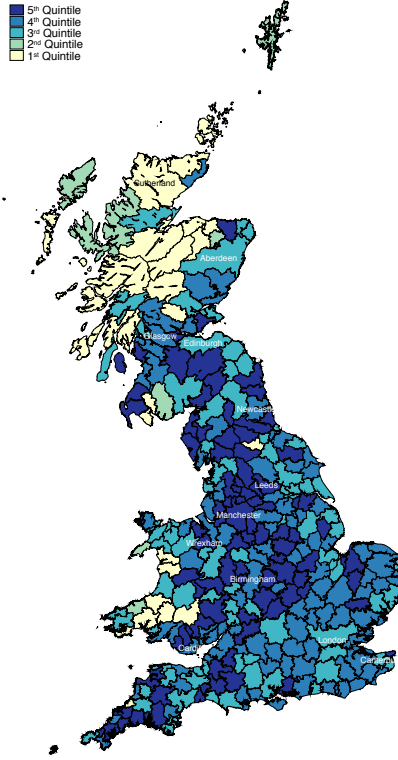


Figure 2: *Change in Chinese Import Penetration 1991-2007.*

- Individuals living in regions where the local labor market was more substantially affected by imports from China have significantly more authoritarian values as measured by the ASC scale.
- Our calculations show that this increase in ASC corresponds to an increase of approximately three percentage points in support for Brexit—enough to have swung the outcome of a tightly fought election like the referendum on leaving the EU.
- Authoritarian aggression is the more important component: When effects are estimated separately for each of the three components of the ASC scale—aggression, submission, and conventionalism—there is a strong effect on the authoritarian aggression measure but not on submission or conventionalism.
- The effect on aggression is consistent with the idea that the primary effect of the China shock in the UK was to thwart individuals’ achievement of their expected goals as providers and consumers and this interference increased aggression through a frustration-aggression mechanism.

- In support of this story, we find that Chinese imports had a substantial negative effect on local employment in manufacturing and on local wages.

Our estimates are robust to the inclusion of a wide variety of demographic variables and controls for local immigration patterns. We also use Chinese imports into the United States to instrument for Chinese imports to the United Kingdom and again find that individuals that experienced greater negative shocks to their local labor markets had more authoritarian values. We consider the possibility that this relationship is due either to individual-level sorting prior to the rise of Chinese imports or following it. Controlling for initial regional manufacturing, and using aggregated data on population change and individual-level data identifying moving histories, we find little evidence consistent with these alternative interpretations

Our results provide novel empirical evidence linking economic threat to authoritarian values. Previous empirical work showing that economic change fosters authoritarian values has primarily been based on aggregate correlations across countries or across time within countries or individual-level correlations between economic characteristics and authoritarian values. Our study provides credible causal estimates that Chinese imports had a positive effect on authoritarian values and that this effect was due to the impact of Chinese imports on authoritarian aggression but not conventionalism or submission.

Conclusion and Discussion

Our findings have important implications for the literature on the determinants of support for populists parties and the economic policies that they often advocate. Some researchers and commentators argue that economic change and individual interests largely account for changes in support for populists and patterns of economic policy preferences. Others contend that cultural factors such as authoritarian values are central for understanding these phenomena. Our study suggests that this debate may be misguided in that it pits non-economic values against economic interests when in fact economic interests may help shape core values. Our analysis highlights the importance of asking what accounts for the values that we observe in any assessment of the role of value orientations in explaining mass opinion and behavior. In the case of authoritarianism, an important determinant is contemporaneous economic shocks.

Understanding the origins of authoritarian values is important because they have the potential to fundamentally alter the political cleavages in advanced industrial democracies (Norris 2016, Hetherington and Weiler 2009, MacWilliams 2016, Taub 2016). Our study suggests that economic change may be one important source of the growth in authoritarian values. There is substantial potential for this trend to continue. To the extent that increasing numbers of individuals lose their jobs, fear losing their jobs, or otherwise feel left behind because of competition from foreign imports, offshoring, and technological change, there is the potential that they will adopt authoritarian values to cope with rising anxiety from these transformations.

This memo is based on a working paper by the authors. Please find the full working paper version [HERE](#).