

Political Impacts of Economic Insecurity

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- 1) Why should we care about economic insecurity?
- 2) What are its political and social implications?

1) Why should we care about economic insecurity?

- We should care about econ. insecurity because people care about it
 - For risk averse people, econ. insecurity reduces utility
 - Livelihood / survival depends on good risk coping strategies
 - In rich democracies, risk mitigation is a key activity of the state
 - Econ. insecurity motivates/correlates with political behavior

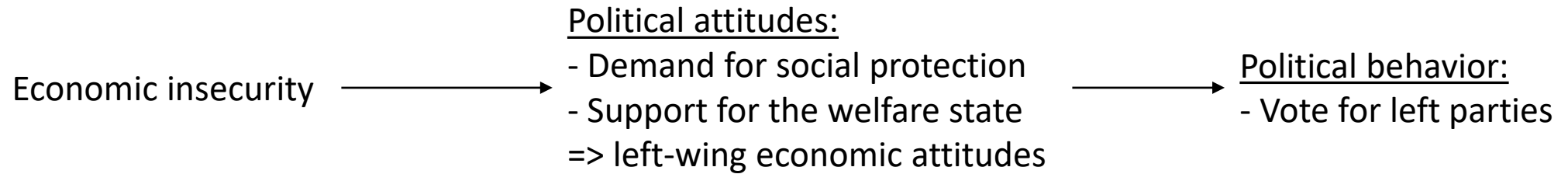
2) What are political implications of econ. insecurity?

- What is economic insecurity?
- What sort of political implications?
 - Micro? Macro?
- What are the patterns in the data?

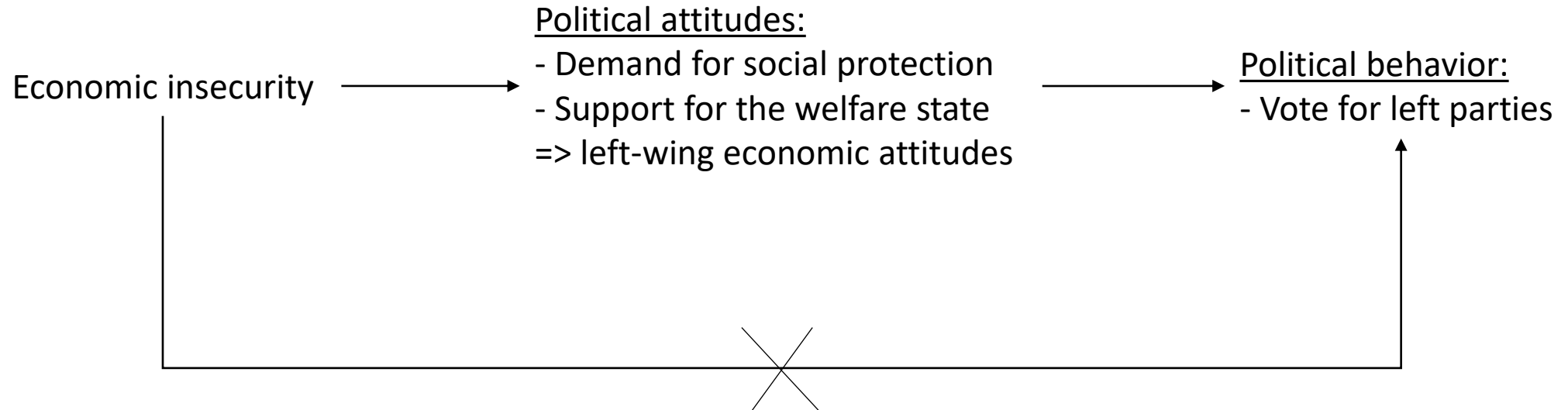
What is economic insecurity (at the individual level)?

- Economic insecurity = risk
- Volatility or probability, not a state of the world
 - Poverty_i ≠ risk_i
 - Probability of falling into poverty_i = risk_i
- Economic insecurity = probability of a hardship causing loss (JH)
 - In advanced industrial societies, livelihood depends on labor income
 - => Unemployment is an important (not exclusive) source of hardship causing losses
- ==> Economic insecurity = risk of unemployment
 - Occupational unemployment rates (OURs)
 - Could be measured with subjective data as well

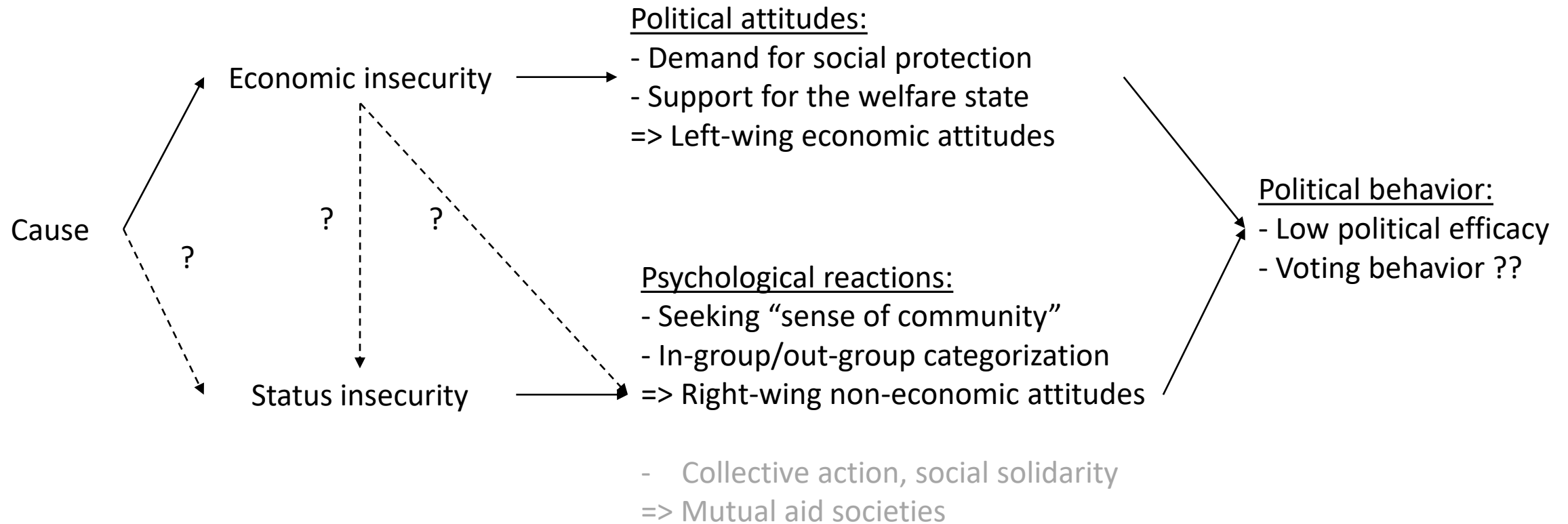
Risk => Political behavior



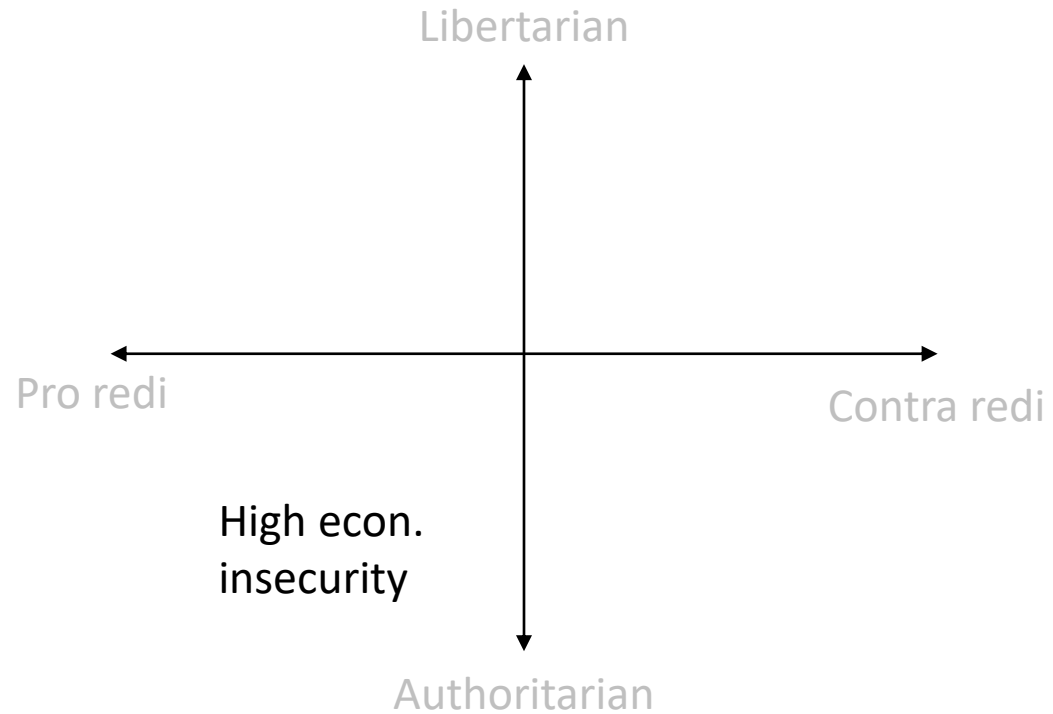
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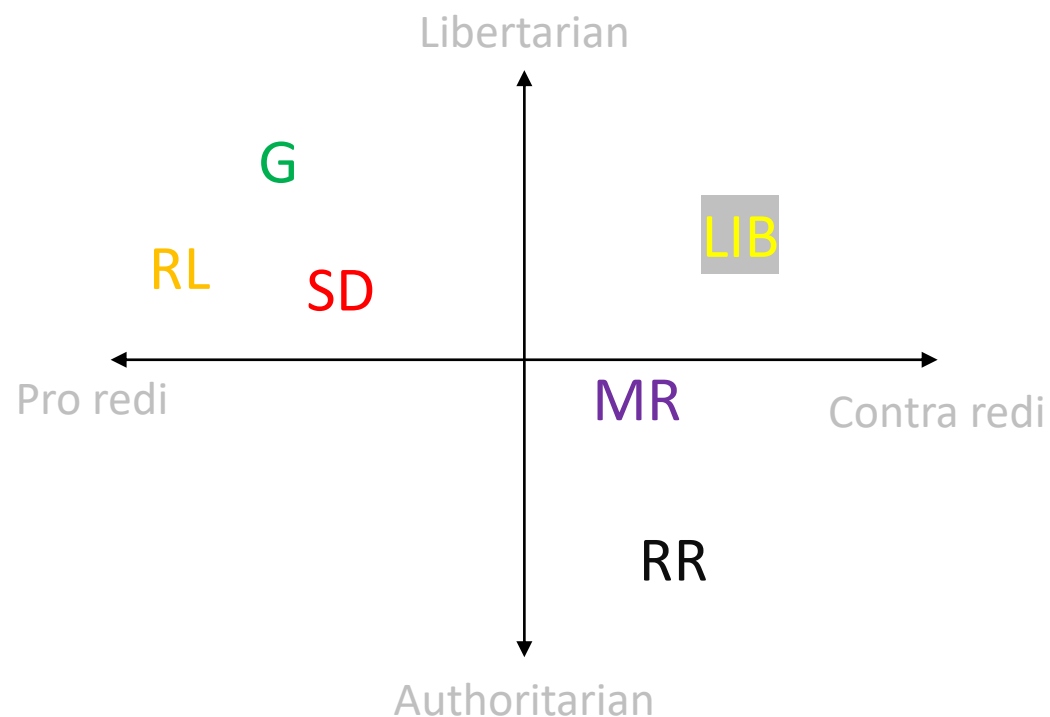
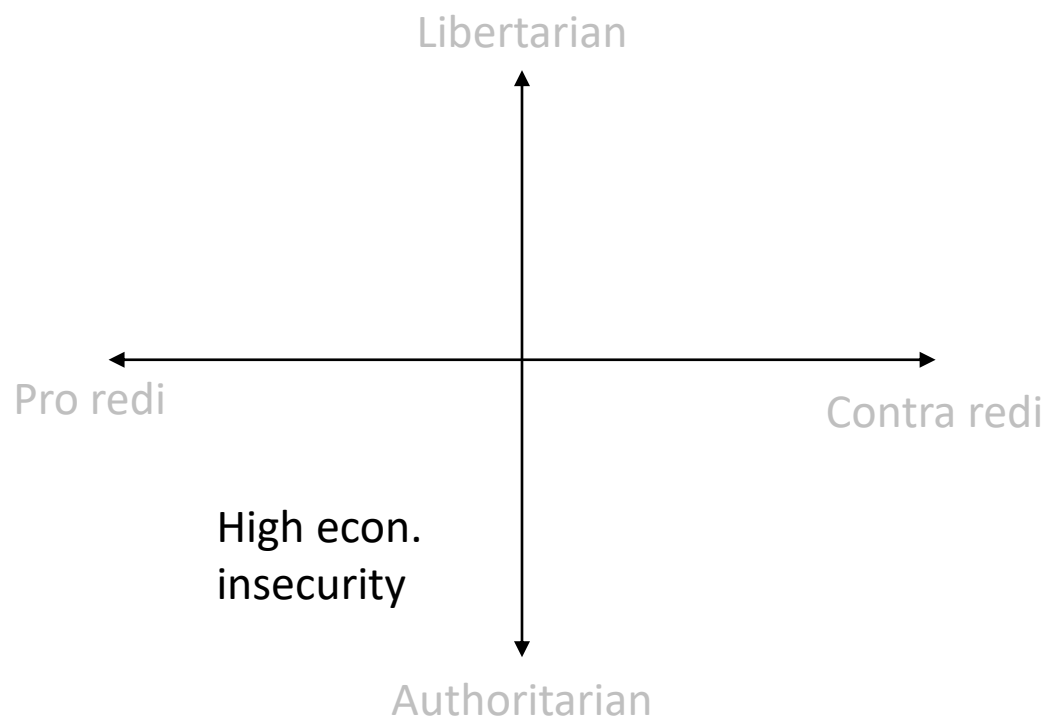
Risk => Attitudes



Risk => Economic/non-economic attitudes



Risk => Economic/non-economic attitudes



=> Voting behavior therefore depends on the country

Predicted attitudes

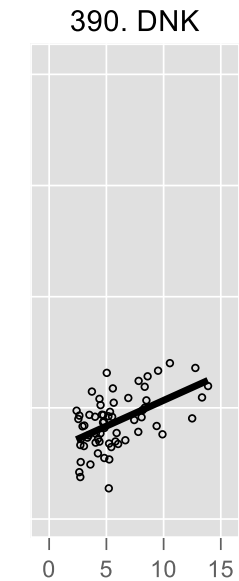
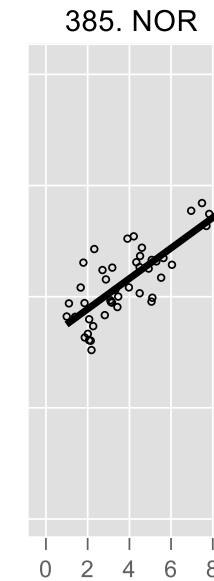
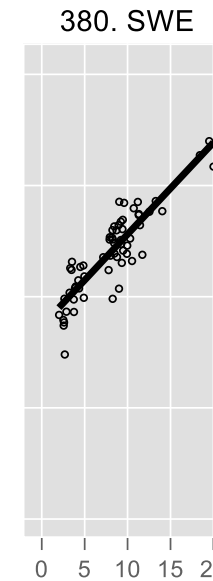
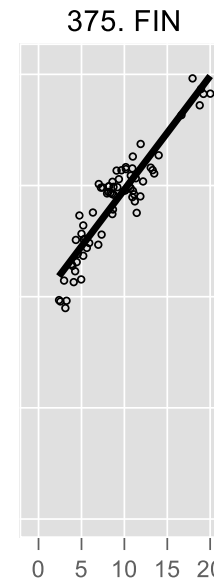
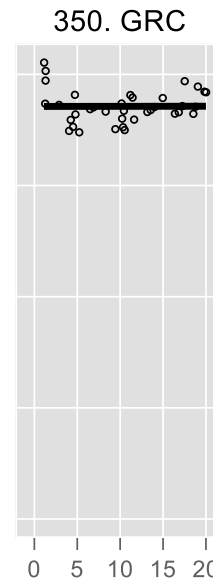
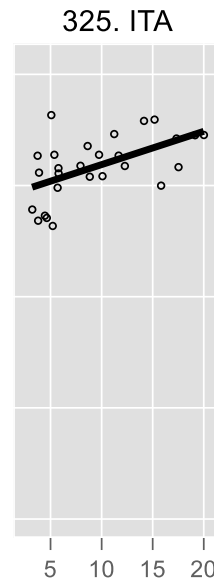
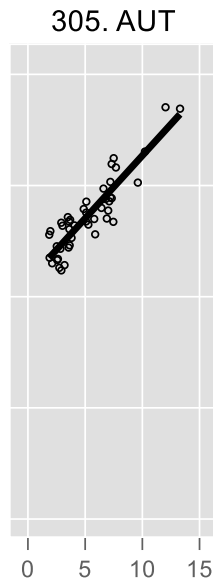
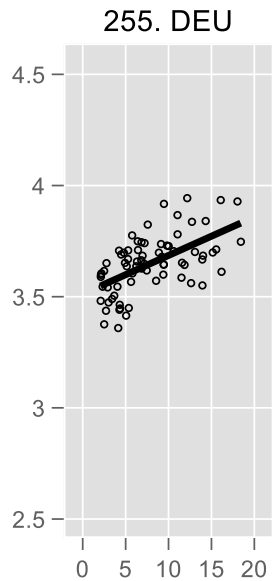
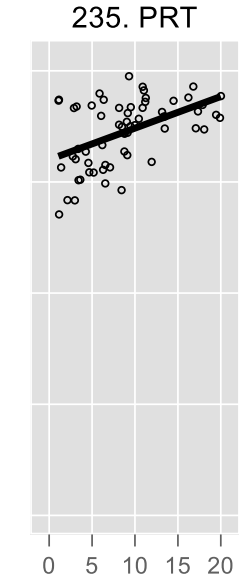
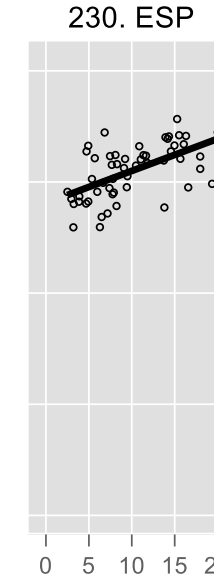
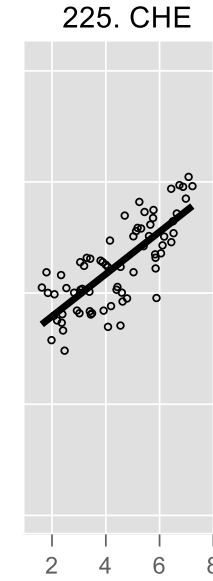
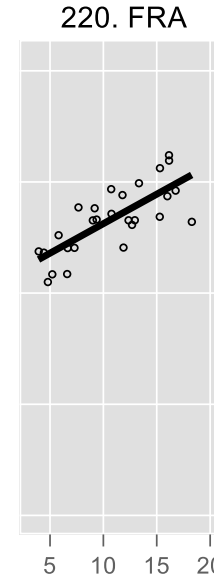
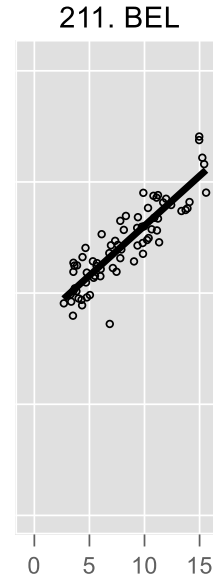
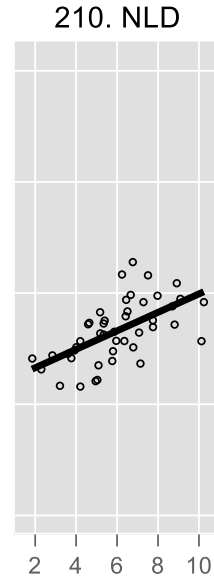
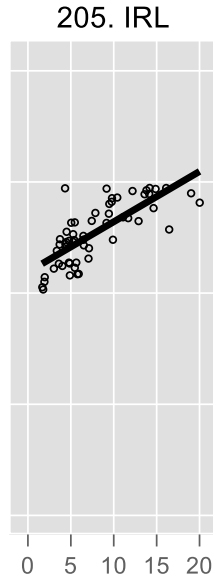
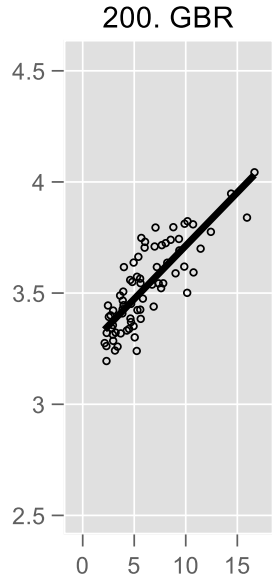
- European Social Survey, rounds 1-8 (2002-2016)
- Various dependent variables
- Risk * Country
 - Risk = occupational unemployment rate @ ISCO-1d (vary by country-year)[#]
- Control variables
 - Gender, Age
 - **Education, Income**
 - Religiosity
 - Left-right ideology
 - Year-dummies
- Sample
 - Ages 25-60, in full-time employment

[#] Rehm, Philipp. "Risks and Redistribution: An Individual-Level Analysis." *Comparative Political Studies* 42, no. 7 (2009): 855–81.

--. "Social Policy by Popular Demand." *World Politics* 63, no. 2 (2011): 271–99.

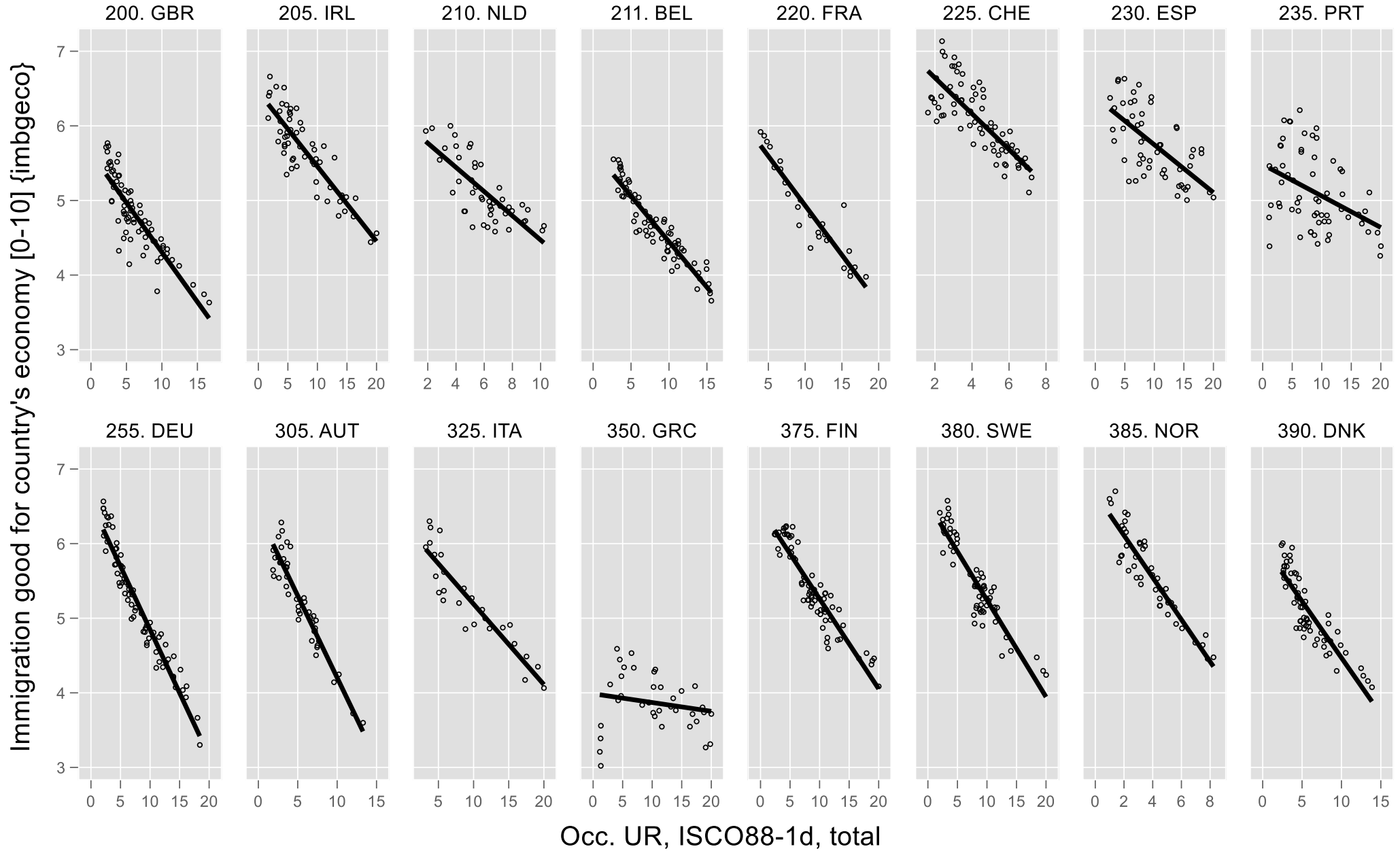
Government should reduce differences in income levels [1-5]

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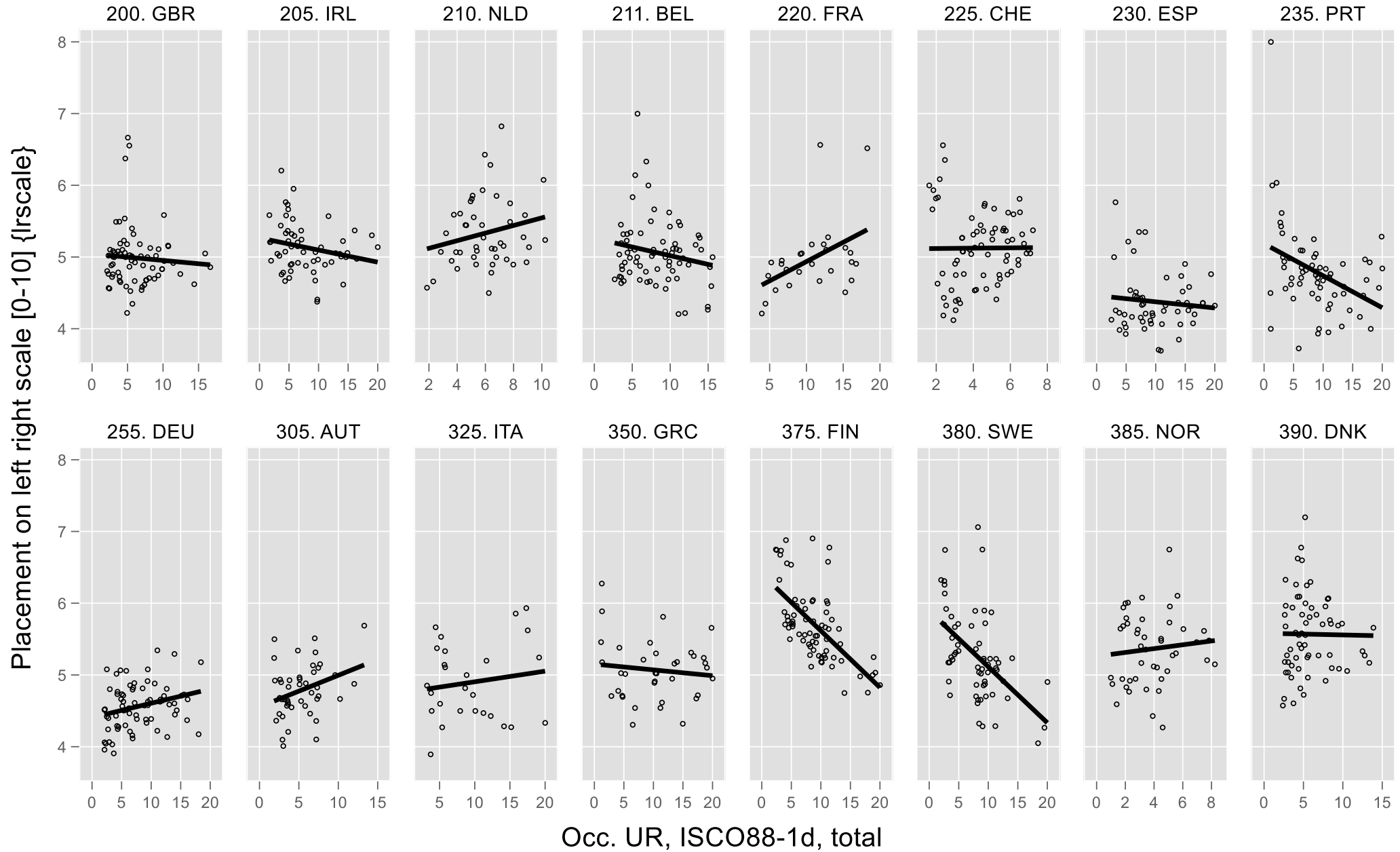
Occ. UR, ISCO88-1d, total

Immigration good for country's economy [0-10]

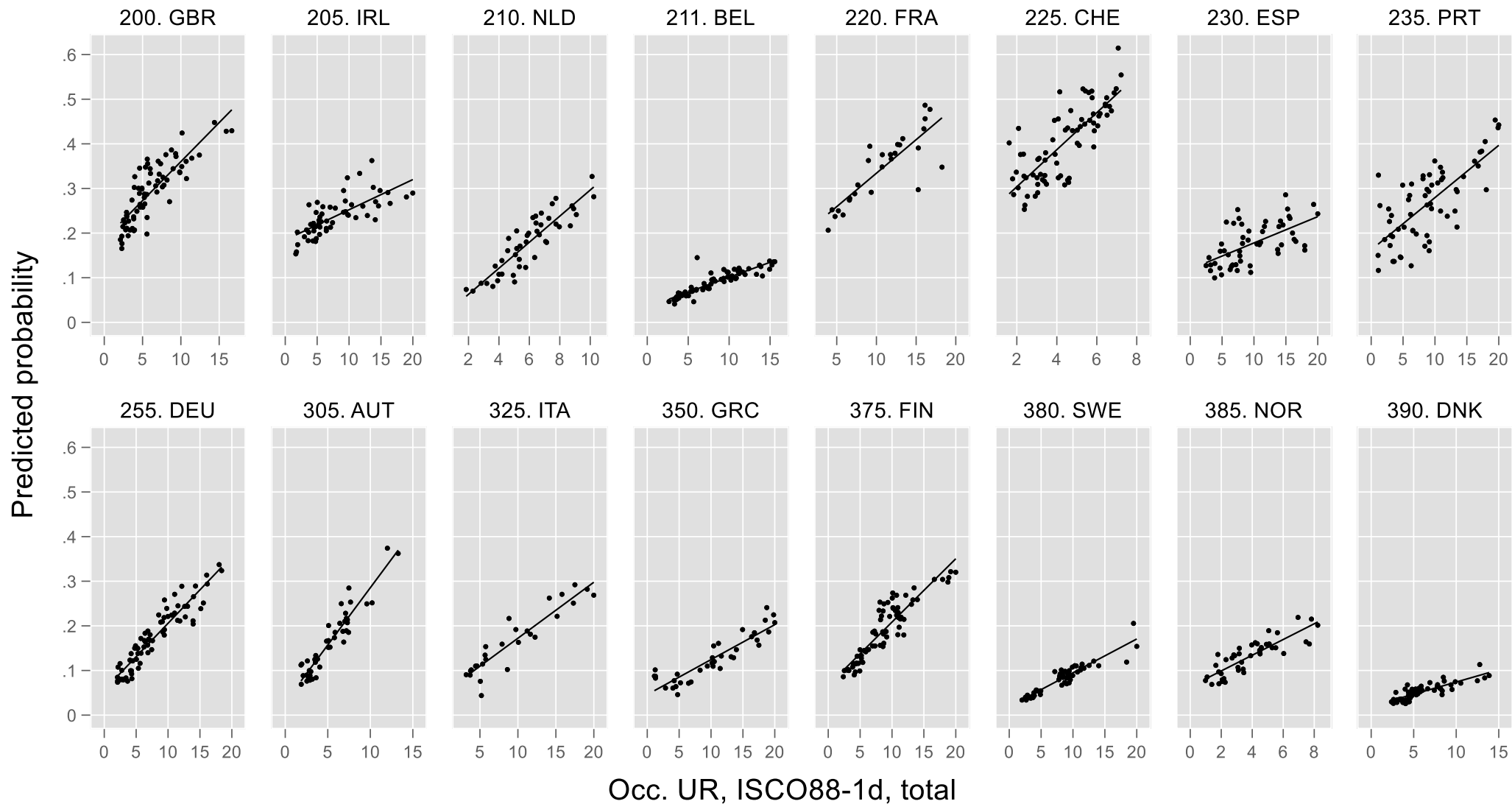


Placement on left right scale [0-10]

0 = left; 10 = right

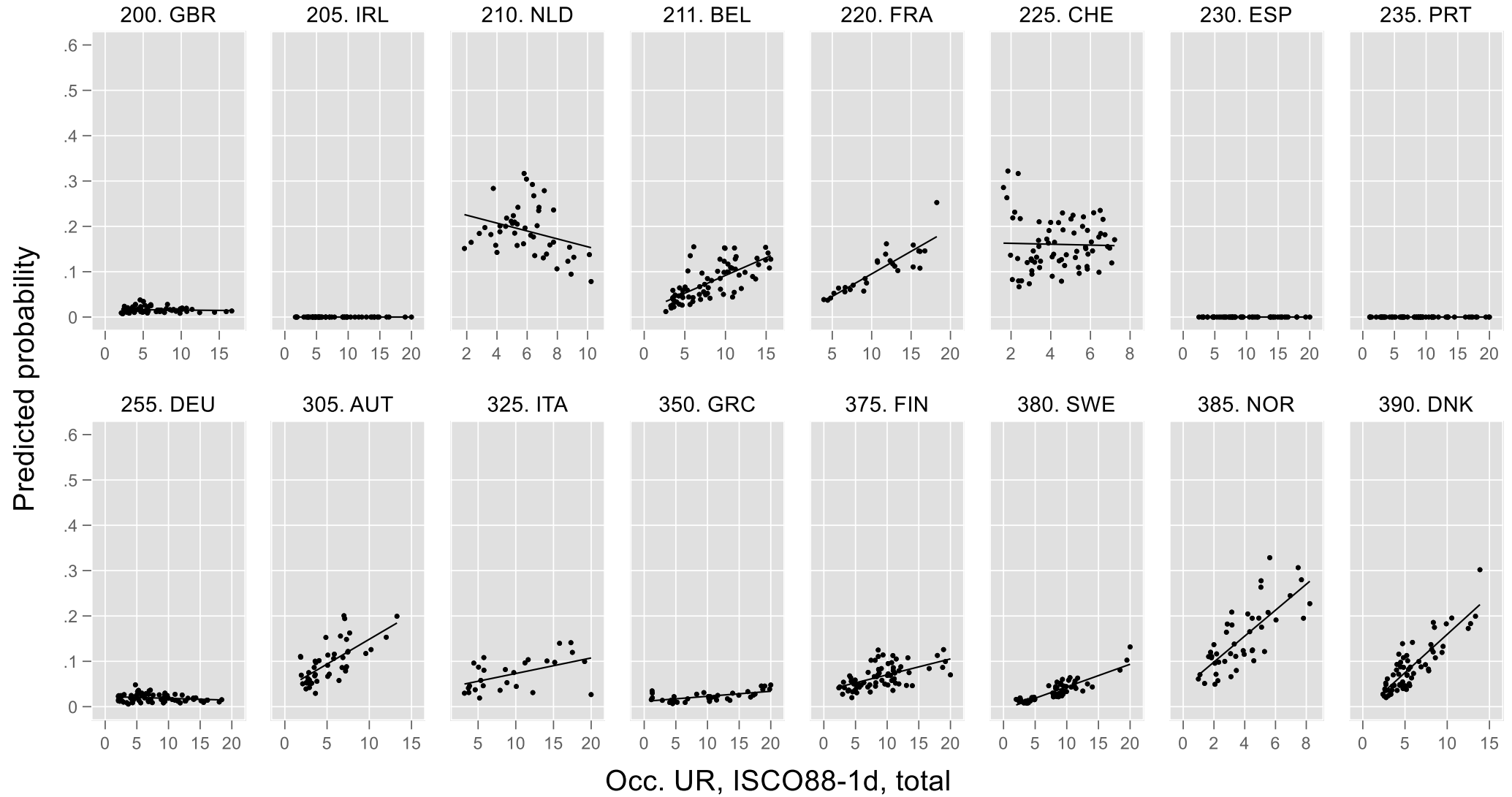


Prob. of abstention (NO)



• Prob. of abstention (NO) — Fitted values

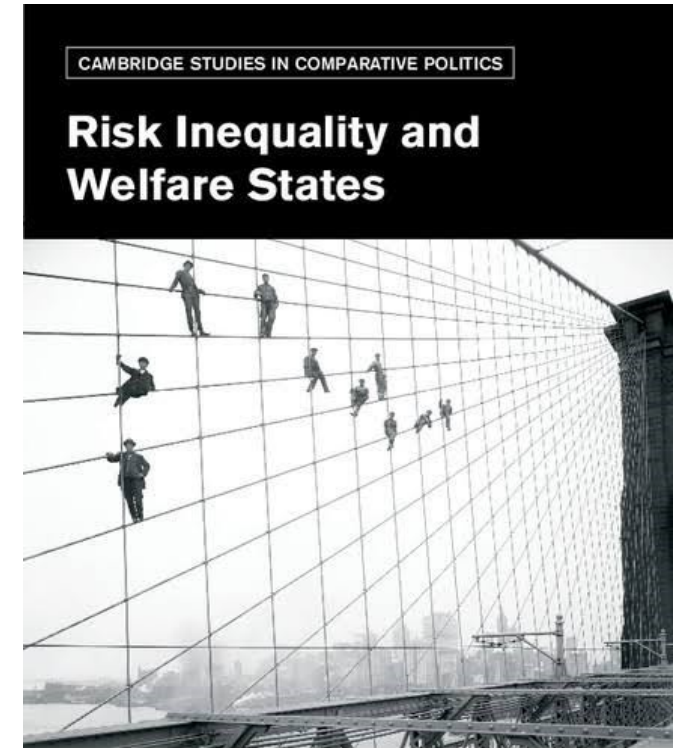
Prob. voting for radical right (RR)



• Prob. voting for radical right (RR) — Fitted values

Risk => macro-level predictions

- If risk (p_i) shapes political attitudes
 - .. then the distribution of p_i shapes macro-level outcomes, like polarization, majority support, etc.
- I call this “risk inequality” (like income inequality) and have argued that it influences patterns of social policy support (polarization, overall support, majority support) and ultimately social policy outcomes



Social Policy Preferences,
Development, and Dynamics

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Conclusion

- The impact of economic insecurity:
 - Correlates with pro welfare state attitudes
 - => Higher probability to vote for (old) left parties
 - Correlates with anti-immigrant attitudes (in-group/out-group categorization)
 - => Higher probability to vote for radical right / populist parties
 - => Correlates with SD and/or RR voting, depending on context
 - Correlates with low political efficacy
 - Historically, has sometimes led to collective action (MASs)