

Economic insecurity, lack of representation and radical right voting in the context of the 2021 German federal election

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Introduction

- State research questions.
- Structure of essay.

Motivation and relation to literature

2023 marks the tenth year of the Alternative für Deutschland's (AfD) existence. Originally founded by a coterie of eurosceptic professors, the AfD ran on an anti-Euro platform in the 2013 federal election (Grimm 2015), failing to clear the five-percent threshold for parliamentary representation only by a whisker.¹ Starting in mid 2015, as the influx of refugees rose, the AfD increasingly morphed into a nationalistic, anti-immigration party (Arzheimer 2017; Arzheimer and Berning 2019; Cantoni, Hagemeister, and Westcott 2020). With the salience of immigration high during the 2017 federal election (Kellermann and Winter 2022), the AfD won 12.6% of party votes, making it the largest opposition party. The AfD's entry into the *Bundestag* led to the debate about the determinants of radical right support – which had been ongoing among political scientists at least since the late 1990s (e.g. Kitschelt and McGann 1995; Arzheimer 2009) – gaining greater attention in both other disciplines² and public discourse.

While much of the debate on the demand-side determinants of radical-right voting has focused on the relative importance of economic and cultural factors respectively,³ the theoretical framework I test below belongs to another, somewhat more nascent strand of the literature. This strand argues, inter alia, that the effect of economic grievances is likely moderated by (i) voters' trust in political institutions, notably parties and parliaments, and (ii) the degree to which they feel their preferences are represented in the party system (e.g. Dustmann et al. 2017; Eichengreen 2018; Ivanov 2023). This set of theoretical hypotheses - though often not explicitly acknowledged by non-political-scientists - echo not only the work by Katz and Mair (2009) on the cartelisation of (Western) European party systems, but also more recent work stressing the importance

¹The AfD won 4.7% of the party votes (*Zweitstimmen*).

²Guriev and Papaioannou (2022) do an excellent job of summarising especially economists' contributions to the literature on the determinants of voting for populist parties.

³Those on the economic side of the debate mostly do not deny the importance of cultural factors, such as nativist attitudes - but attribute these attitudes to economic factors or shocks (e.g. Colantone and Stanig 2019; Colantone, Ottaviano, and Stanig 2021). The cultural camp (Art 2022), by contrast, sees such attitudes, at least in part, as exogenous to economic shocks, instead, conceiving of them as the key background condition without which economic insecurity would not have given rise to the electoral success of populists (Margalit 2019; Margalit, Raviv, and Solodoch 2022).

of representational deficits in driving populist support (e.g. Manow 2020; Schäfer and Zürn 2021; Zürn 2022; Silva and Wratil 2023). More importantly, these hypotheses have been subjected to little empirical testing, with Ivanov (2023) being a notable exception, as, for instance, Sonin (2022) notes in his review of the work by Eichengreen (2018). This essay is intended as a small step towards filling this gap in the literature.

Theory and case selection

To the end, let me expatiate on the theoretical intuition outlined above. Like many economic-insecurity-centred theories of radical right support, the theoretical argument starts from the observation that economic shocks, such as automation (Boix 2019) or trade liberalisation (D. H. Autor, Dorn, and Hanson 2013), create winners and losers. This assumption holds true not only for most Western European countries (Colantone and Stanig 2018a; Milner 2021), in general, but also for Germany, in particular (Dauth, Findeisen, and Suedekum 2014; Dauth et al. 2021). Those losers, the argument goes on, who do not believe the current political system can address their grievances will then turn to populist radical right parties.

By way of unpacking this argument, note, first, that losers may believe the political system to be incapable of redressing their economic grievances for two distinct reasons. First, they might deem all mainstream parties to be much of a muchness, meaning none of the supposedly different parties is seen by losers as representing their preferences. In that instance, losers are likely to think it does not matter which mainstream party they vote for, or which of those parties governs. Second, even if voters believe at least one mainstream party to endorse policies conducive to redressing their economic grievances, they might not trust any mainstream politician to follow through on these promises.⁴

These two reasons also show why the theory predicts economic losers to turn to radical right parties, as opposed to left-wing parties, as a result of their grievances. Many other economic-insecurity-type arguments are unable to resolve this puzzle, which arises because the latter's platforms tend to be significantly more pro-redistributive than the former's platforms. Using the terminology by Linz (1978), the reason is that losers, as Eichengreen (2018) notes, regard left-wing parties as loyal to the political system and in cahoots with the other mainstream actors. So, their redistributive promises lack credibility. By contrast, radical right parties' semi-loyalty or disloyalty to the system means that voting for them increase the likelihood that the political system, characterised by the mainstream cartel (Katz and Mair 2009), will be disrupted.

In sum, this theoretical argument implies (at least)⁵ four testable hypotheses.

- H1: Economic insecurity, *ceteris paribus*, increases probability of voting for the radical right.
- H2: The effect of economic insecurity on the probability of voting for the radical right is, *ceteris paribus*, stronger for those who believe their interests not be represented in the current party system.
- H3: The effect of economic insecurity is, *ceteris paribus*, stronger for those who are more distrustful of parties and/or parliament.
- H4: Economic insecurity, *ceteris paribus*, increases probability of voting for the radical right, relative to pro-redistributive left-wing parties, notably the SPD and LINKE.

⁴This 'trust' channel is distinct from a 'valence' channel, where voters fundamentally trust politicians, but judge their levels of competence to differ (Green and Jennings 2017).

⁵Naturally, the argument could also be taken to imply that (i) a perceived lack of representation and (ii) low trust increase the probability of voting for the radical right. Given the space constraints and my focus on how these two factors moderate the effects of economic security, I prescind from testing these two hypotheses.

Before setting out my empirical strategy, let me briefly discuss my two reasons for choosing the case of the 2021 German federal election. First, the 2021 election occurred in the wake of the “third wave” of the Covid-19 pandemic, which caused widespread financial insecurity among German households (Cziriak n.d.). Secondly, the pandemic was, as in most other countries, a politically contentious period, causing deep divides over the desirability and efficacy of both non-pharmaceutical interventions, such as mask mandates, and vaccination. The *Querdenker* movement, in particular, used their protests to stress that their interests were not represented by any mainstream party (e.g. Plümper, Neumayer, and Pfaff 2021). Both factors mean that economic insecurity and subjectively perceived representational deficits were likely salient in the minds of some voters, making this election a suitable case for testing the above hypotheses.

Data, variables and operationalisation

To test the above hypotheses, I use the *German Longitudinal Election Study's* (GLES) 2021 post-election survey - a high-quality survey of a cross-section of 3424 (quasi-)randomly selected individuals, containing a rich set of questions about respondents' social and political attitudes as well as their socio-demographic characteristics. Indeed, the survey was conducted shortly after the federal election⁶, meaning we get to observe respondents' (self-reported) voting behaviour, rather than merely their voting intention, while reducing the risk of recall problems biasing our results. That said, this survey, like most others, faces the limitation that we cannot rule out that respondents' actual voting behaviour diverges from their self-reported one.

Table 1: Summary of variables and their operationalisation

Variable	Operationalisation	Survey item(s)
dependent variable		
Radical right voting	factor indicating party vote choice dummy for AfD Zweitstimme	q114ba q114ba = 322
independent variables		
Economic insecurity	dummy for unemployment in past ten years fear of job loss fear of losing or having to change profession personal economic situation currently	d17a-c d18 d19 q13
Political system not responsive	no difference which party governs no difference which party one votes for	q117 q118
Trust in political system	trust in parliament trust in parties	q79b q79c

* Unemployment experience is, following Dauth et al (2021), defined as an individual having been unemployed for at least one year.

* Source: Codebook for GLES Cross-Section 2021, Post-Election, ZA7701, Dataset Version v1.0.0.

My dependent variable is voting for radical right, which, in the German context, means casting one's party vote (*Zweitstimme*) for the AfD. As indicated in table 1,⁷ I operationalise the dependent variable in two ways. I use a dummy variable to test hypotheses H1 to H3, while using the full factor variable to test H4. This is because the

⁶The federal election was held on 26 September 2021, while the survey was conducted between 27 September 2021 and 21 November 2021.

⁷See the appendix for summary statistics of all variables in table 1.

first three hypotheses concern the probability of voting for the radical right, relative to all parties, whereas the fourth hypothesis concerns the probability of voting AfD, relative to the SPD and LINKE.

My independent variables of interest are economic insecurity, respondents' perception of the political system's responsiveness to their preferences, and their trust in the system. To operationalise economic insecurity, I use a dummy for actual unemployment experience in the past ten years. Given the labour market literature shows past unemployment to be strongly predictive of present unemployment risk (e.g. D. Autor, Dube, and McGrew 2023), this dummy can be interpreted as an objective measure of economic insecurity. To capture subjectively perceived insecurity, I rely on respondents' fear of losing their jobs in the next two years. The other two economic insecurity variables (see table 1) are merely used to probe the robustness of my findings (see appendix). Finally, following (Colantone and Stanig 2018b), I use respondents' answers to the questions 'Does it make a difference who is governing/who one votes for?' and 'How much do you trust parliament/political parties?' as measures for the perceived responsiveness of Germany's political system and voters' trust in the latter.

Methodology and Results

To test the first three hypotheses, I estimate logistic regressions, given that my dependent variable is the dummy for AfD party vote. I regress the latter on my two measures for economic insecurity as well as the measures for representation and trust, and the interactions between them and economic insecurity. In addition, I include a vector of covariates to control for potential observable confounders. The vector includes respondents' household income, their age, education, the rurality of their place of residence and a dummy indicating whether they currently live in Eastern or Western German states.

Save for the East-West dummy and, possibly, the rurality variable, these are standard covariates in the literature, with, for instance, Colantone and Stanig (2019) explaining why these might confound the relationship between economic insecurity and radical right voting. The inclusion of the rurality variable is motivated by the work of Haffert (2022), who shows that geographic location has become an important determinant of voting behaviour in Germany in recent years. The East-West dummy accounts for the economic, cultural, and political differences between these two parts of Germany (e.g. Becker, Mergele, and Woessmann 2020). Letting \mathbf{X} denote this vector and ϵ the error term, we can write the estimating equation⁸ for the logistic regression with the political system's responsiveness as my moderating variable as follows:

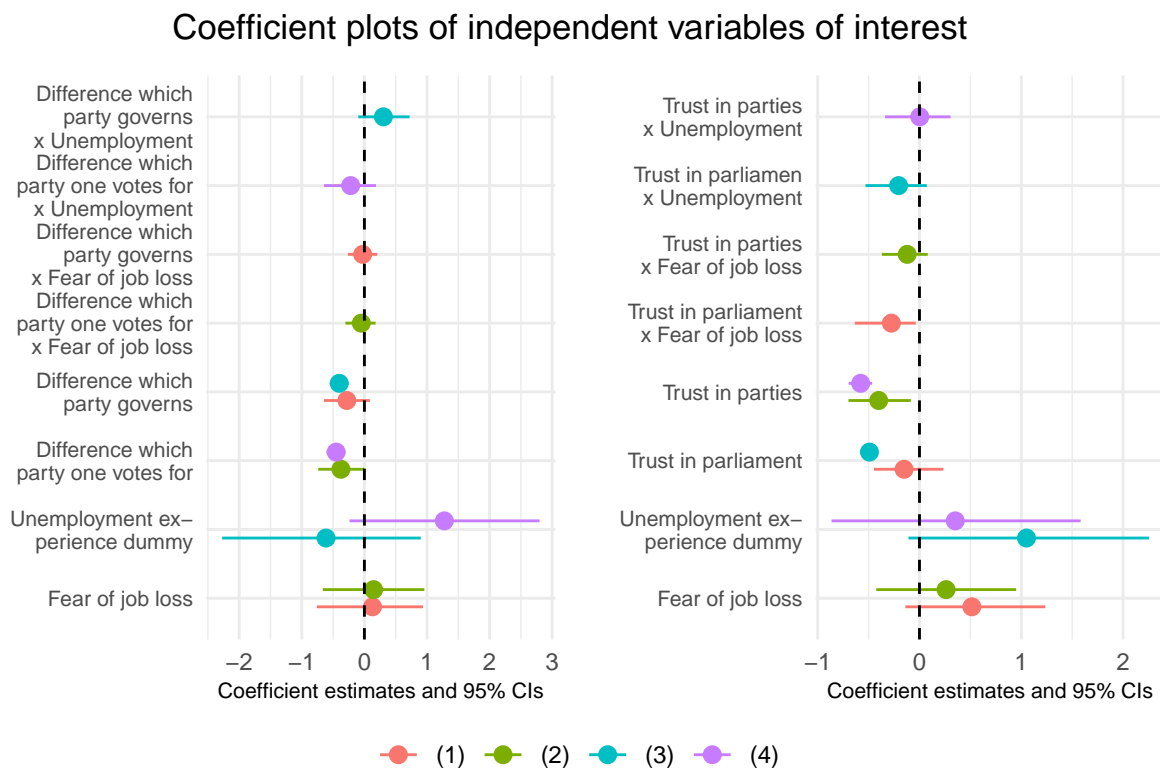
$$\log\left(\frac{AfD_i}{1 - AfD_i}\right) = \alpha + \beta_1 Insecurity_i + \beta_2 Representation_i + \beta_3 Insecurity_i * Representation_i + \beta_4 \mathbf{X}_i + \epsilon_i$$

Figure 1 visualises⁹ the results from running the regressions.

- Interpret results + tie back to hypotheses.
- Introduce multinomial model.
- Caveats.

⁸The specification for trust is entirely analogous.

⁹See the appendix for the full regression tables.



All models include the following covariates: net monthly household income, age, abitur dummy, gender, rurality of place of residence and an East-West dummy.

Figure 1: Summary of tests for H1 - H3

– not causal, correlational analysis

Conclusion

- I find only extremely weak support for Eichengreen's theory.

Appendix

Regression tables

Table 2: Association between the probability of voting for the AfD and economic insecurity

	(1)	(2)	(3)	(4)
Fear of job loss	0.130 (0.425)	0.147 (0.407)		
Unemployment experience dummy			-0.613 (0.801)	1.277+ (0.767)
Difference which party one votes for		-0.375* (0.187)		-0.451*** (0.077)
Difference which party governs	-0.281 (0.186)		-0.402*** (0.077)	
Difference which party one votes for x Fear of job loss		-0.050 (0.121)		
Difference which party governs x Fear of job loss	-0.028 (0.118)			
Difference which party one votes for x Unemployment				-0.219 (0.211)
Difference which party governs x Unemployment			0.304 (0.207)	
Age	-0.009 (0.010)	-0.010 (0.010)	-0.008 (0.005)	-0.009 (0.006)
Female dummy	-0.778** (0.252)	-0.781** (0.255)	-0.676*** (0.183)	-0.708*** (0.187)
Rurality of place of residence	0.241* (0.117)	0.243* (0.118)	0.092 (0.082)	0.109 (0.084)
No Abitur dummy	1.013*** (0.299)	0.982** (0.303)	0.818*** (0.221)	0.773*** (0.223)
West Germany dummy	-1.385*** (0.245)	-1.336*** (0.248)	-1.047*** (0.178)	-1.017*** (0.182)
Num.Obs.	1276	1265	2324	2296
AIC	548.7	537.0	1013.5	984.9
BIC	600.2	588.4	1071.1	1042.3
Log.Lik.	-264.344	-258.483	-496.774	-482.439
RMSE	0.24	0.24	0.24	0.24

Table 3: Association between the probability of voting for the AfD and economic insecurity

	(1)	(2)	(3)	(4)
Fear of job loss	0.515 (0.347)	0.261 (0.348)		
Unemployment experience dummy			1.051+ (0.599)	0.352 (0.621)
Trust in parliament	-0.151 (0.170)		-0.491*** (0.045)	
Trust in parties		-0.401** (0.155)		-0.578*** (0.059)
Trust in parliament x Fear of job loss	-0.276+ (0.150)			
Trust in parties x Fear of job loss		-0.121 (0.114)		
Trust in parliament x Unemployment			-0.205 (0.152)	
Trust in parties x Unemployment				0.003 (0.163)
Age	-0.002 (0.011)	-0.005 (0.011)	0.003 (0.006)	-0.004 (0.006)
Female dummy	-0.911*** (0.271)	-0.934*** (0.272)	-0.834*** (0.202)	-0.830*** (0.199)
Rurality of place of residence	0.214+ (0.126)	0.203+ (0.121)	0.111 (0.090)	0.091 (0.087)
No Abitur dummy	0.902** (0.315)	1.037*** (0.309)	0.652** (0.233)	0.793*** (0.230)
West Germany dummy	-1.237*** (0.259)	-1.292*** (0.256)	-1.034*** (0.191)	-1.054*** (0.188)
Num.Obs.	1247	1242	2272	2263
AIC	466.1	477.6	837.4	865.3
BIC	517.4	528.8	894.6	922.6
Log.Lik.	-223.064	-228.793	-408.682	-422.655
RMSE	0.23	0.22	0.22	0.23

Table 4: Multinomial analysis

	(1)					
	CDU/CSU	SPD	FDP	GRUENE/B90	LINKE	Other party
(Intercept)	-4.321*** (1.290)	-1.227 (1.189)	-0.999 (1.314)	-2.595* (1.266)	1.178 (1.400)	1.338 (1.518)
difference_whos_gov	0.554* (0.224)	0.150 (0.209)	0.349 (0.235)	0.608** (0.226)	0.096 (0.253)	-0.162 (0.278)
job_loss_year_next2yrs	0.100 (0.532)	-0.439 (0.503)	0.073 (0.557)	0.196 (0.530)	-0.116 (0.583)	-0.309 (0.667)
household_income	0.210** (0.070)	0.085 (0.065)	0.175* (0.073)	0.157* (0.068)	-0.017 (0.077)	0.140 (0.088)
age	0.020+ (0.012)	0.032** (0.011)	-0.017 (0.012)	0.008 (0.011)	0.002 (0.013)	-0.041** (0.015)
abitur_factorno_abitur	-0.584+ (0.329)	-0.876** (0.317)	-0.913** (0.338)	-1.727*** (0.324)	-1.275*** (0.368)	-0.382 (0.398)
sex1female	0.782** (0.281)	0.925*** (0.270)	0.392 (0.297)	1.176*** (0.280)	0.450 (0.327)	0.564 (0.349)
urban_rural	-0.065 (0.130)	-0.267* (0.125)	-0.206 (0.135)	-0.364** (0.128)	-0.380* (0.149)	-0.222 (0.160)
ostwest_factorwest	1.349*** (0.281)	1.554*** (0.268)	1.231*** (0.296)	1.966*** (0.288)	0.488 (0.321)	0.931** (0.351)
difference_whos_gov × job_loss_year_next2yrs	-0.028 (0.142)	0.108 (0.135)	-0.036 (0.150)	-0.040 (0.141)	0.043 (0.156)	0.032 (0.187)
Num.Obs.	1276					gof
R2	0.589					gof
R2 Adj.	0.589					gof
AIC	4312.3					gof
BIC	4621.4					gof
RMSE	0.33					gof

Robustness checks

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