Data Analytics Final Project

Economic Insecurity and Populist Attitudes in the Netherlands: The Immigration Crisis and Impact of COVID-19

Rukmini Baibolova, Kanat Islambekov, Aneliya Kassymova, Damir Zhumash

Graduate School of Public Policy, Nazarbayev University

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Professor Vladimir Kozlov

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I. Introduction

The Netherlands is a parliamentary constitutional monarchy, home to 17.7 million people. There, the prime minister is the head of government, and the monarch is the head of state; the executive power is concentrated in the hands of a council of ministers. This country has been considered a stable liberal democracy, scoring 9/10 on the Democracy Index, higher than in other European states (Democracy Matrix, n.d.). However, in recent years, the Netherlands has experienced a notable rise in populist attitudes and support for radical right parties, which went hand in hand with a gradual decrease in trust in government. For instance, Figure 1 below shows how Dutch citizens' trust in Dutch politics declined from 2020 to 2022. This might be related to various factors, from the economic situation to the aftermath of the COVID-19 pandemic, however, the rise in populist sentiment cannot be denied.
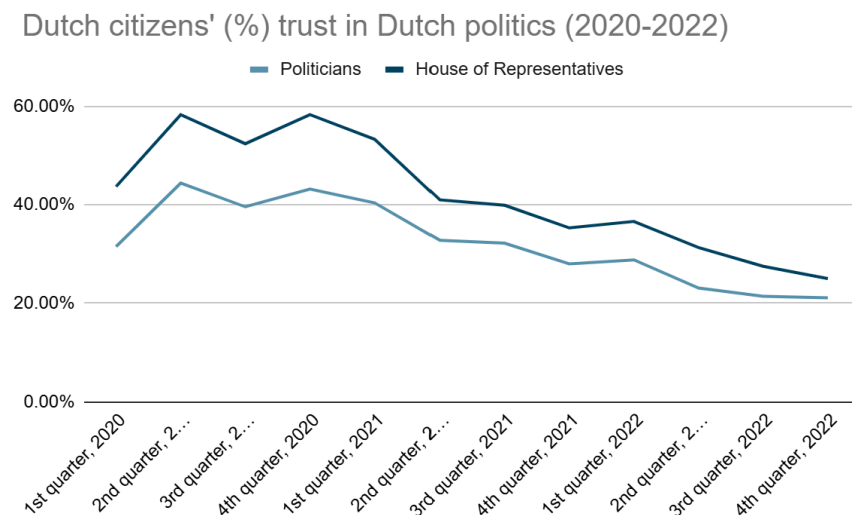
Figure 1. Source: CBS, 2023c

The Netherlands has had several populist parties since the 2000s, of which the most prominent ones were *Lijst Pim Fortuyn (LPF)* led by Pim Fortuyn, *Partij voor de Vrijheid (PVV)* led by Geert Wilders, and *Forum voor Democratie (FvD)* led by Thierry Baudet (Demandt, 2024). From 2006, the PVV has positioned itself as the leading populist radical right-wing party in the Dutch parliament, and in 2023, it finally obtained 23.5% of the votes and

37 seats out of 150 (Demandt, 2024; Henley et al., 2023). This was unprecedented as other parties, such as LPF and FvD, did not manage to get into the office or pose a threat to long-established political parties (Crum, 2023).

II. Literature Review

Populism is defined as the will of the people against some "others," who are typically portrayed as corrupt, dishonest, and self-serving elite (Margalit, 2019). In other words, it is an ideology where "the pure people" and "the corrupt elite" oppose each other. In practice, populism implies a distrust of political institutions and support for leaders who promise to change them in the name of the people.

Scholars commonly refer to rising economic insecurity as the causal factor of emerging populist ideas. The logic is intuitive - economic hardship makes people lose faith in their government and demand protection. The economic insecurity itself occurs as the result of globalization (import competition), technological progress, financial crisis, and immigration (Margalit, 2019). Thus, crisis-driven economic shocks decrease people's sense of security and undermine their trust in government, opening the doors for anti-establishment parties in the political arena. For instance, right-wing populist parties in the Netherlands gained their most support during the global financial crisis in 2008 and the refugee crisis in 2015 (Kaya, 2023). It happened because the financial crisis put a burden on regular citizens who want to break free, while immigration leads to increased concerns for public services due to rising competition between locals and foreigners (Margalit, 2019).

Populism occurs as a result of populists taking advantage of crises by centering their rhetoric around them. In contextual terms, Party For Freedom in the Netherlands doubled its support in the 2023 election by building its campaign around immigration, which caused the housing crisis (Thorner, 2024). When people faced increased housing prices and rents went up, they became more dissatisfied with their government (Thorner, 2024). This created a perfect setting for populists to scapegoat immigrants and draw a line between "the people" and "the other", the latter being both elites and immigrants (Thorner, 2024).

When considering the relationship between economic insecurity and populist attitudes, it is also vital to mention the effects of the recent COVID-19 pandemic, a completely different type of crisis that brought new challenges. According to Wondreys and Mudde (2022), COVID-19

had different effects on populism from country to country. In cases of the USA, Brazil, and India, this crisis exposed the "failure of populist leadership" as their response to the pandemic was largely characterized by the spread of misinformation and issues with accountability. In other words, the populist leaders failed to react to this crisis properly. Other scholars similarly analyzed fighting COVID-19 through the lenses of populist governments, and according to Cepaluni (2021), populism was indeed associated with greater COVID-19 deaths. As a result of such incompetence, we cannot deny the possibility of a change in people's perceptions of populist leaders.

Overall, one chunk of literature demonstrates that populism thrives in times of crises by taking advantage of public dissatisfaction and redirecting blame towards political elites, as well as towards marginalized groups. However, literature on the COVID-19 pandemic shows a contrasting scenario where public opinion shifted due to poor crisis management of populist leaders. Thus, we observe the dual nature of the crisis's impact on populism, where it either contributes to its increase or sheds light on its failure. These findings emphasize that the impact of crises on populism is highly context-dependent. Therefore, this study will investigate how different crises, leading to economic vulnerability, shape public sentiment and political alignment in the context of the Netherlands.

Research Question: To what extent does economic insecurity influence populist attitudes among Dutch citizens?

Main hypothesis: Higher economic insecurity is associated with stronger populist attitudes, controlling for trust in institutions and political ideology.

III.   Model Specification

To investigate this hypothesis, we use data from the World Values Survey (WVS) for the Netherlands, leveraging the two most recent waves that bracket the immigration crisis and COVID-19 pandemic. Specifically, we analyze Dutch samples from 2012 (pre-crises) and 2022 (post-crises) – corresponding to WVS Wave 6 and Wave 7. These two cross-sectional surveys together provide a combined sample of approximately 2,750 respondents. The 2012 fieldwork occurred before the peak of Europe's refugee influx, while the 2022 wave came after the 2015–2016 immigration crisis and after the pandemic. This allows a quasi-longitudinal comparison of attitudes before vs. after a major shock.

IV.   Variables

We focus on two dependent variables from WVS that tap populist attitudes:

Confidence in Government (DV1): We use respondents' expressed confidence in political institutions, operationalized by the survey item *"Confidence in political parties"* (Q71). This is measured on a scale (1 = "None at all" up to 4 = "A great deal" of confidence). Low confidence reflects anti-establishment sentiment (a hallmark of populism). For simplicity, we interpret higher values as *higher trust* in this analysis, with the expectation that economic insecurity will reduce this trust.

Support for a Strong Leader (DV2): We use the item *"Having a strong leader who does not have to bother with parliament or elections"* (Q235), where respondents rate whether having such a strong, unaccountable leader would be a good or bad way to govern. We treat higher values as greater support for this strong-leader model. This variable captures the anti-democratic, leader-centric preference common in populism.

Our key independent variable is **Economic Insecurity**, which we derive from survey indicators. In the absence of a direct "insecurity" question, we proxy it through a self-reported economic stress measure. Specifically, we identify respondents who are likely economically insecure based on satisfaction with their household financial situation.

We also include a set of **control variables** known to influence populist attitudes, drawn from WVS demographics and values:

Education Level: Categorical educational attainment recoded into an **education level index** (higher values reflect a higher degree of education) (Noordzij et al., 2023). We expect higher degrees of education to correlate with more trust in institutions and less support for anti-democratic leaders.

Age: Respondent age (in years). Age might influence attitudes; for example, younger voters in recent Dutch elections have been surprisingly supportive of populists, but traditionally older people can be more conservative (Zagórski et al., 2025). We include age as a linear control.

Political Ideology: Self-placement on a left–right scale (with higher values indicating more right-wing). This accounts for the ideological component, as right-wing ideology often correlates with lower trust in liberal institutions and higher strong-leader appeal, especially for right-populist support (Donovan, 2020).

Our analysis combines standard regression with a **difference-in-differences (DiD)** design to exploit the before/after-crises contrast. We estimate OLS regression models for each dependent variable (confidence in parties and support for a strong leader). The core DiD specification is:

$$PopulistAttitude_{it} = \alpha + \beta_1 \bullet post_t + \beta_2 \bullet treated_i + \delta \bullet (post_t \times treated_i) + \gamma \bullet X_{it} + \epsilon_{it}$$

where:

- **post** is a dummy = 1 for responses in 2022 (post-immigration crisis period) and 0 for 2012 (pre-crisis baseline).
- **treated** is the economic insecurity group dummy (1 for economically insecure individuals, 0 for secure).
- The interaction **post × treated** captures the differential change in attitudes from 2012 to 2022 for the insecure group relative to the secure group. This coefficient is the DiD estimator of the crisis's impact on the economically insecure people.
- **X** is the vector of control variables (education, age, ideology).

In addition to the DiD models, we also estimate simpler OLS models on the pooled data (2012+2022) and within each period to see baseline relationships. This helps test relationships directly, while the DiD terms test the immigration crisis and the COVID-19 effect. The difference-in-differences approach treats the 2015 refugee crisis and COVID-19 as a natural experiment that potentially shifted public attitudes. The "treated" group (economically insecure people) might plausibly react more strongly to the shock, whereas the more secure might change less. If the crisis amplified populist attitudes among the insecure, we expect post-treated people to be positive and significant for strong-leader support and negative for confidence in institutions, since that would drop.

V. Results

In the DiD regression models, structural predictors are central to understanding both support for strong leadership and confidence in government, as demonstrated in Table 1. In the Strong leader model, the post coefficient is positive but marginally significant (p = 0.083), suggesting a slight upward shift in authoritarian preferences among the economically satisfied population after 2015. However, the treated coefficient is near zero and not significant (p = 0.990), indicating no baseline difference in strong leader preferences between the economically

satisfied and dissatisfied groups before the intervention. Education plays a powerful role as it is negatively associated with authoritarian preferences (p < 0.001) and positively associated with trust in government (p < 0.001). Political ideology (Q240) remains a strong positive predictor of support for a strong leader (p < 0.001) but has no significant effect on government trust. Meanwhile, economic dissatisfaction (treated = 1) is negatively associated with trust in government (p < 0.001) but has no significant effect on authoritarian support. The post-treatment interaction term is not significant in either model, indicating that the 2015 intervention did not produce a measurable change in either leadership preferences or institutional trust. While confidence in the government declined after 2015 among economically satisfied individuals (control group), the decline was not uniquely stronger or weaker for the economically dissatisfied group. Therefore, the intervention had no notable effect, and as can be seen in Graph 1, the drop reflects a general trend, not a causal impact of the crisis. These results reinforce the conclusion that education and ideology consistently shape political attitudes, while the effects of economic context and interventions are limited or indirect.

In the OLS models without interaction terms, structural factors are key predictors for both support for strong leadership and confidence in government, presented in Table 2. Education plays a consistently strong role: higher education levels are associated with lower support for authoritarian leadership (p < 0.001) and higher trust in government (p < 0.001), as can be observed in Graph 2.

Political ideology continues to predict support for strong leaders as demonstrated in Graph 3, with more right-wing individuals showing significantly greater endorsement (p < 0.001), though it does not influence trust in government. Interestingly, economic satisfaction (Q50) does not significantly affect support for strong leaders but is a strong positive predictor of government confidence (p < 0.001), which can be seen in Graph 4. In the box plot, we can also observe that people with low satisfaction with their financial situation (Q50 = 1, 2, 3) tend to have consistently low confidence in the government. Age remains statistically insignificant in both models. Together, these results suggest that while authoritarian preferences are shaped primarily by education and ideology, trust in institutions is more closely tied to material well-being and educational attainment, as can be seen in Graph 5.

VI.   Discussion

Based on WVS data and existing literature, we found that economic insecurity is a significant driver of confidence in government, which is one of the proxies for populist attitudes in this study. Economically insecure individuals in the Netherlands are markedly more likely to have lower confidence in the current government, which may lead to the support of anti-establishment leaders who promise drastic change. This trend aligns with the general trend of decreasing trust in the government across the general public, despite the economic status of individuals. The link between these attitudes and the two crises is likely to be associated with the citizens' income satisfaction levels (Bossert et al., 2023). During both shocks, the Dutch and the European governments spent more money on welfare, healthcare, and infrastructure to cope with the consequences of the migration and pandemic. However, some citizens may have perceived these policies as benefiting outsiders or being inefficient, which in turn led to a belief that the government failed to prioritize their needs, thus worsening confidence in the government.

One clear conclusion is that education and political ideology matter significantly. High educational attainment consistently was a predictor of high confidence in government and low populist-leader appeal. This aligns with the idea that populist ideology often gains support from those who feel politically alienated or lack engagement with the more educated discourse that tends to defend liberal-democratic norms (Panunzi et al., 2024). Similarly, individuals with a right-wing or nativist bent are more inclined toward populist positions, e.g., anti-immigrant attitudes strongly align with support for radical right populists (Beauchamp, 2017). Our findings show that populist attitudes are multi-faceted, i.e., they are driven by economic anxiety, but also shaped by cultural outlooks and one's trust (or lack thereof) in the system.

In terms of the effects of the shocks, the evidence is mixed. The COVID-19 pandemic introduced a new dynamic: initially, a rally effect increased trust in the Dutch government's pandemic response, but as the crisis prolonged, fatigue and economic stress likely reignited populist skepticism (Snel et al., 2022). By 2021-2022, protests against lockdowns and vaccine mandates in the Netherlands were at times led or supported by populist actors (FvD, PVV), reflecting that those parties sought to capitalize on pandemic-related grievances. We may assume that citizens who experienced economic insecurity during COVID-19 (such as job or income loss) lost institutional trust, and people became more receptive to anti-establishment messaging (Snel et al., 2022). Therefore, it can be claimed that COVID-19, like previous recessions,

contributed to populist attitudes in general, yet it can not be claimed that economically insecure people were more likely to appeal to populist ideas than economically secure ones.

In conclusion, major shocks like immigration waves or pandemics act as stress tests on society's cohesion; that is, they can either reinforce populist narratives or, if managed well, possibly dampen them.

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VII.   Appendix

```
Strong Leader DiD Model
-------------------------
Intercept         2.0997***
                  (0.1012)
post              0.0612*
                  (0.0353)
treated           -0.0011
                  (0.0913)
post_treated      -0.1739
                  (0.1381)
Q262 - Age        -0.0000
                  (0.0011)
Q240 - Ideology   0.0952***
                  (0.0082)
educ_level        -0.4125***
                  (0.0327)
R-squared         0.1100
R-squared Adj.    0.1080
R-squared         0.110
N                 2758
=========================
Standard errors in
parentheses.
* p<.1, ** p<.05,
***p<.01
```

```
-------------------------
Confidence in Government DiD Model
-------------------------
Intercept         1.8892***
                  (0.0772)
post              -0.1599***
                  (0.0269)
treated           -0.4226***
                  (0.0696)
post_treated      0.0531
                  (0.1053)
Q262 - Age        0.0010
                  (0.0008)
Q240 - Ideology   0.0013
                  (0.0063)
educ_level        0.2559***
                  (0.0249)
R-squared         0.0678
R-squared Adj.    0.0657
R-squared         0.068
N                 2758
=========================
Standard errors in
parentheses.
* p<.1, ** p<.05,
***p<.01
```

Table 1. DiD Models for Strong Leader preference and Confidence in Government

```
-------------------------
Strong Leader OLS Model
-------------------------
Intercept            2.0764***
                     (0.1139)
Q50 - F. satisfaction 0.0043
                     (0.0112)
Q240 - Ideology      0.0958***
                     (0.0083)
Q262 - Age           0.0001
                     (0.0011)
educ_level           -0.4056***
                     (0.0330)
R-squared            0.1084
R-squared Adj.       0.1071
R-squared            0.108
N                    2758
=========================
Standard errors in
parentheses.
* p<.1, ** p<.05,
***p<.01
```

```
Confidence in Government OLS Model
-------------------------
Intercept            1.2007***
                     (0.0858)
Q50 - F.satisfcation 0.1047***
                     (0.0085)
Q240  - Ideology     -0.0032
                     (0.0062)
Q262  - Age          -0.0000
                     (0.0008)
educ_level           0.1946***
                     (0.0249)
R-squared            0.0877
R-squared Adj.       0.0864
R-squared            0.088
N                    2758
=========================
Standard errors in
parentheses.
* p<.1, ** p<.05,
***p<.01
```
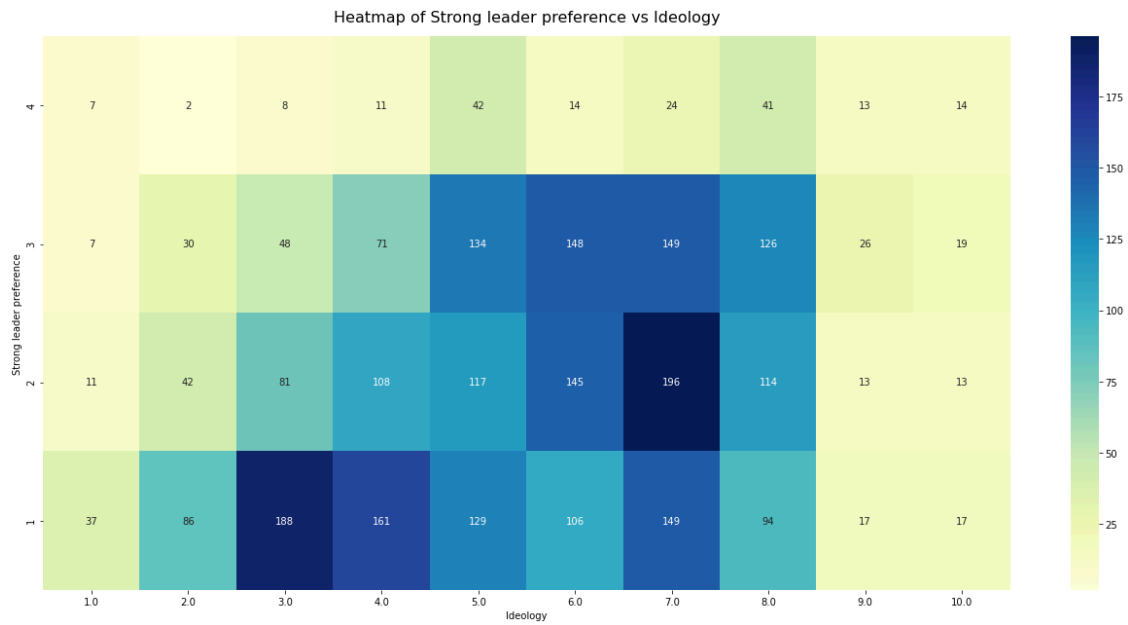
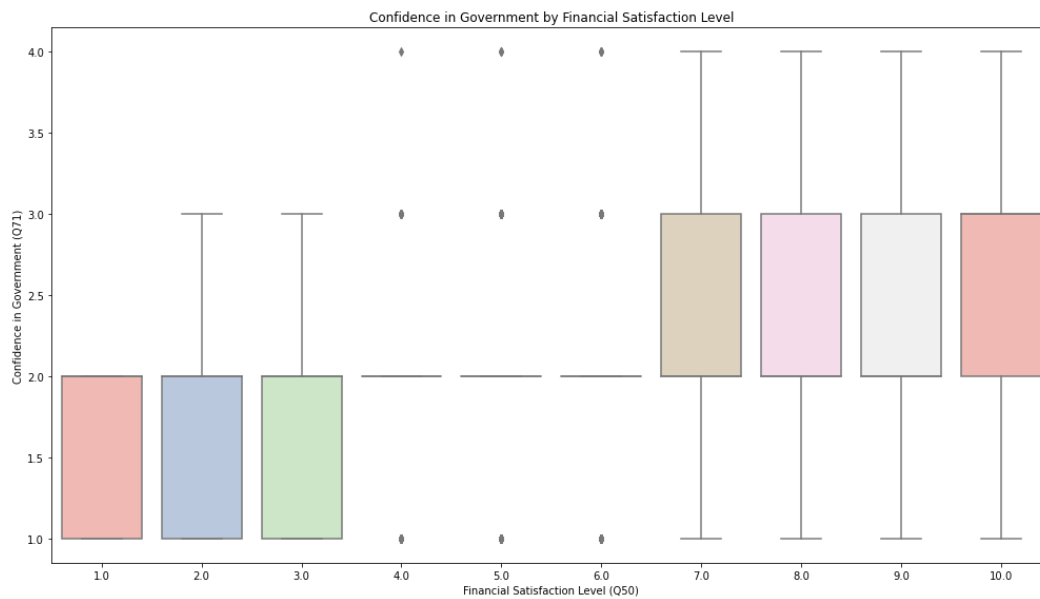**Table 2.** OLS Models for Strong Leaders and Confidence in Government
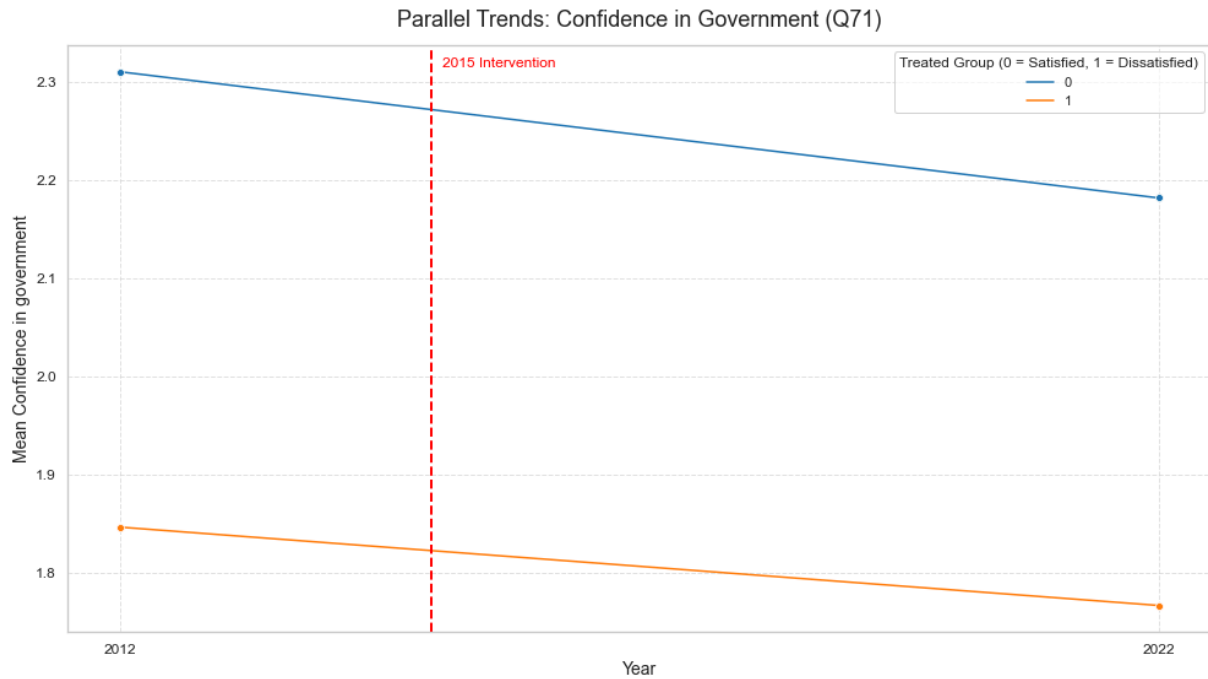
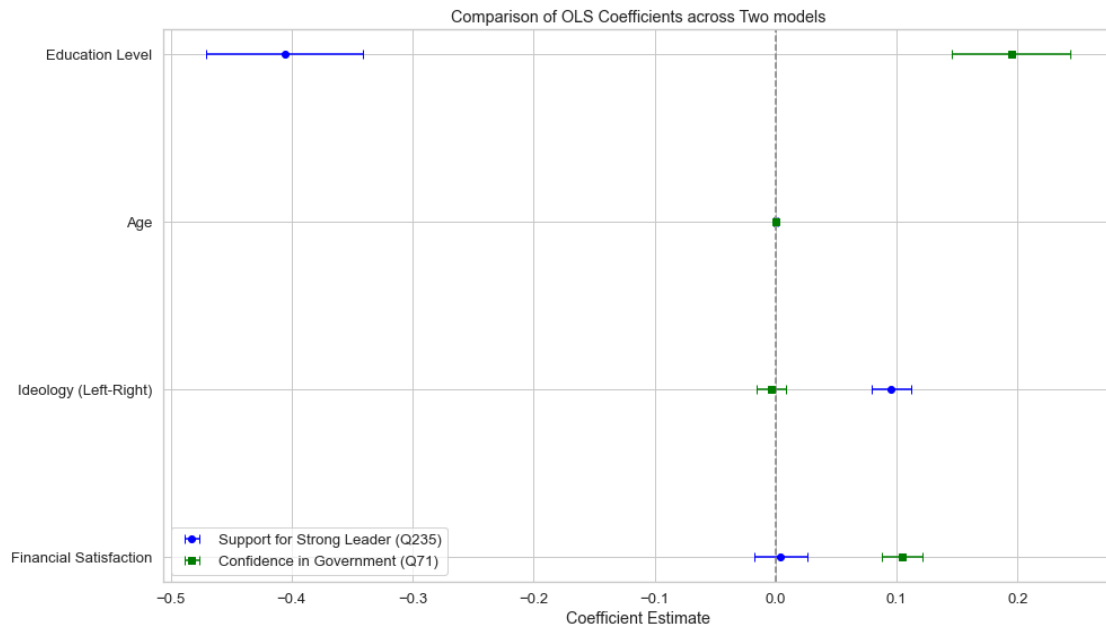**Graph 1.** Parallel Trends: Confidence in Government.
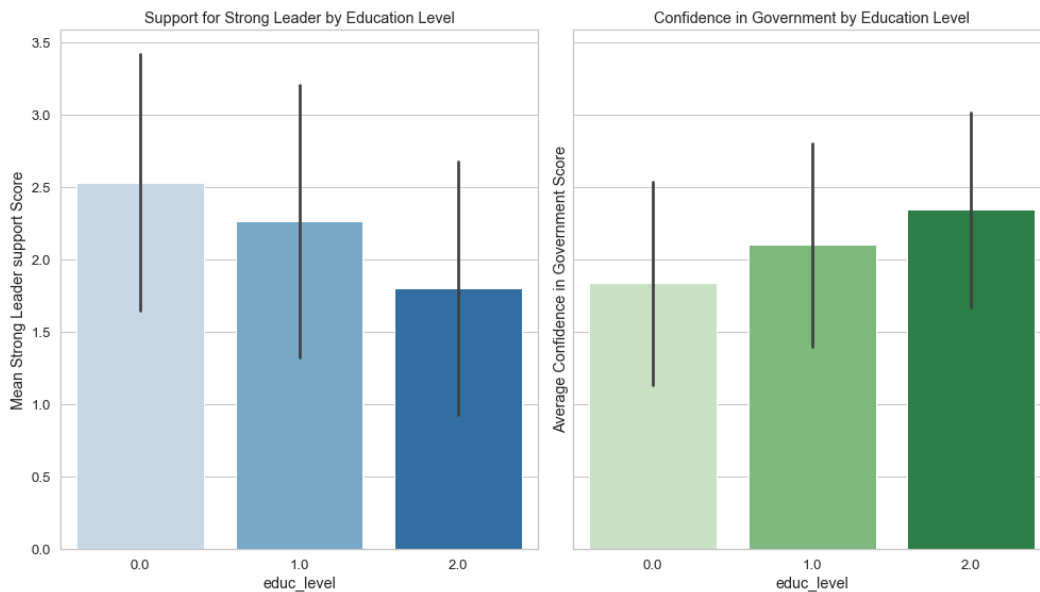
Graph 2. Support for a Strong Leader and Confidence in the Government across education levels. (0 = no education, 1 = secondary education, 2 = higher education)

Graph 3. Heatmap of Strong Leader preference by ideology. (1= left-wing, 10 right-wing)

Graph 4. Confidence in Government by Financial Satisfaction Level.

Graph 5. Comparison of OLS Coefficients Across Two Models