WHY IS THE SUPPORT FOR EXTREME RIGHT HIGHER IN MORE OPEN SOCIETIES?§

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Abstract: We investigate the support for extreme right across societies of different levels of openness in Europe. Societal openness is defined as a greater tendency to accept universal vis-à-vis traditional values, and is expected to catalyze and filter the socioeconomic factors that affect the vote shares of extreme right (i.e., neofascist and populist parties). We establish that, in more open societies the direct effect of openness on neofascist votes is, as expected, negative. Paradoxically, however, openness increases the neofascist support indirectly through immigration and unemployment. We explain this with socioeconomic dynamics whereby vulnerable native segments of a more open society, i.e., a society manifesting higher welcoming sentiments towards immigrants, turn to neofascists as immigration and unemployment start threatening their material welfare. Moreover, we find that openness has no direct effect on the support for populist parties, but has indirect positive effects through unemployment. Our results establish strong links among openness, immigration and unemployment in determining the sources of neofascist and populist support in Europe.

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1. Introduction

Extreme right parties have recently increased their average vote shares to about 15 per cent in Western Europe. While they have managed to be part of the coalition governments in Austria, Italy, the Netherlands and Switzerland, they are also permanent and sizeable fixtures in Norwegian and French parliaments. Norris (2004, p.2) puts forward a puzzle about the rise of extreme right in Europe: “…[these parties] have arisen in established democracies, affluent post-industrial ‘knowledge’ societies, and cradle-to-grave welfare with some of the best-educated and most secure populations in the world, all characteristics which should generate social tolerance and liberal attitudes antithetical to xenophobic appeals.” This paper provides an explanation to this puzzle.

In the last two decades, the literature on the rise of extreme right in Europe has sought the explanation in (1) immigration (Anderson 1996, Knigge 1998, Mayer and Perrineau 1989, Golder 2003), (2) unemployment (Knigge 1998, Jackman and Volpert 1996) or its dependence on immigration (Lewis-Beck and Mitchell 1993, Golder 2003), (3) electoral characteristics (Jackman and Volpert 1996, Swank and Betz 1996), and (4) the magnitude of the districts and the allocation of parliamentary seats in upper tiers (Amorim Neto and Cox 1997).

Kitschelt’s (1995) extensive and detailed analysis of 1990 World Values Survey, however, points to a more fundamental reason underlying the support for extreme right. He finds that the blue-collar workers and small-business owners – who are over-represented in the extreme right parties’ constituencies – possess traditionalist values such as support for social

\(^1\) “The French first.”
order and cultural homogeneity. The *raison d'être* of this paper is our conviction that these values, in conjunction with the socially-tolerant and “open” values of the society at large, catalyze the impact of socioeconomic factors (such as unemployment and immigration) on the support for extreme right. In other words, not only would the voting behavior of a society be fundamentally affected by its individuals’ values, but also the impact of such socioeconomic factors would be embedded in and filtered through the *Weltanschauung* of the voters. While one would expect that encompassing universal, open values as a world view would negatively affect the support for extreme right, its interaction with socioeconomic factors can be more involved and complicated. Would people maintain their values if their material welfare is threatened? Does openness provide an institutional framework whereby every movement and ideology can form and operate easily in the political sphere, or does it trigger more elaborate socioeconomic dynamics ex post?

Our main contribution to the literature lies in first establishing the relationships among openness, immigration and unemployment, and that they are more complicated than previously thought, and then sorting them out with significant findings. In particular, we use Golder’s (2003) data set and basic setup to investigate the links between openness, immigration, unemployment and the support for extreme right in Europe.\(^2\) We establish that in more open societies, the stand-alone direct effect of openness on neofascist votes is, as expected, negative.\(^3\) Paradoxically, however, in such societies, immigration and unemployment lead to a higher support for neofascist parties. We explain this with a socioeconomic conjecture that the

\(^2\) The sample includes 19 countries spanning elections in the period 1970-2000: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Malta, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and United Kingdom.

\(^3\) Betz (1994), Canovan (1999), Swank and Betz (2003) and Golder (2003) use the same categorizations in distinguishing neofascist parties from populist parties, which we too follow.
vulnerable native segments in a more open society, which are more welcoming to immigrants, exhibit a higher tendency to turn to the neofascists as immigration and unemployment start threatening their material welfare. Moreover, we find no stand-alone effect of openness on populist votes. Openness only operates on populist support through the channel of unemployment, with the channel of immigration being insignificant. While this can be explained with the same conjecture above, it is important to show that the neofascist and populist support differs on another sphere.

To facilitate the analysis, we construct a societal openness index using the data base of the European Social Survey (ESS, 2004). This survey enables us to compute country scores on a number of basic individual values. These values are aggregated into two different dimensions of openness, where the first dimension represents the tension between *Openness to Change* vs. *Conservation*, and the second dimension captures that between *Self Transcendence* vs. *Self Enhancement*. As it is based on the contrast between universal vs. traditional values, this openness measure encompasses more than the usual meaning of “social tolerance and liberal attitudes antithetical to xenophobic appeals” (Norris, 2004, p. 2). We use a summary openness measure that brings together all these values and also experiment with disaggregated dimensions as a robustness check.

Our results have very significant implications about socioeconomic dynamics that may arise in welfare states, in particular, about the conflict between welfare “chauvinism” vs. welfare generosity, as well as their relation to the distribution of power in the political arena. In

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4 *Openness to Change* comprises the values of self-direction and stimulation, while *Conservation* comprises tradition, conformity and security. *Self-Transcendence* comprises the values of universalism and benevolence, while *Self-Enhancement* comprises the values of power and achievement. See the Appendix for a detailed description of these basic values and as to how they are measured by the ESS, 2004.
particular, our results seem to stand in contrast to the findings of Swank and Betz (2003), who report that “welfare states characterized by universal coverage of populations, a generous social wage and well developed employment policies depress the support for the new far right in times of new risks and insecurities.”

At this point, it would be relevant to ask whether and how European countries differ in the scale of openness. The data suggest that there are significant inter-national variations in the openness levels in Europe. Figure 1 in Appendix shows that the countries are scattered rather asymmetrically along the openness spectrum. The top of the list, indicating the least open countries, is crowded by Southern European countries, while most Nordic countries exhibit a higher degree of openness. Most of the Western-Central European countries are in the middle ranks. Openness also comprises an important part of the country-specific factors that the literature has used. We essentially model part of these country-specific factors by bringing openness into the picture.

In Section 2, we provide a background for the construction of the openness index and the distinction between neofascist and populist parties. Section 3 provides our statistical model. In Section 4, we discuss the results, linking them to a wider literature. Section 5 concludes.

2. Background

2.1. Construction of Openness

ESS (2004) identifies nine motivationally distinct values with varying degrees of importance

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5 The scores of openness are scale-invariant, i.e., negative values do not mean that the country is not open.
6 Roland (2004) terms such values as slow-moving institutions while terming legal and political institutional as fast-moving institutions.
across societies. The battery of questions from which individuals’ values are extracted and the methodology of constructing this battery are based on Schwartz (1992). These nine values are universalism, benevolence, power, achievement, self-direction, stimulation, tradition, conformity, and security. They are aggregated into two distinct dimensions of openness, each having opposing value sets. In particular, one value set *Openness to Change* comprises the values of self-direction and stimulation, where its opposite value set *Conservation* comprises tradition, conformity and security. Thus, our first openness dimension is denoted as OPENDIM1 and is the difference between the *Openness to Change* score and *Conservation* score of the country. On the other hand, *Self-Transcendence* comprises the values of universalism and benevolence, and its opposite *Self-Enhancement* comprises the values of power and achievement. OPENDIM2 is the difference between *Self-Transcendence* and *Self-Enhancement*. The construction of these two-dimensional openness measures follows the discussion and detailed suggestions of Barnea and Schwartz (1998) and ESS (2004). Figure 2 in Appendix portrays the categorization of these value sets. Figure 3 displays the spectrums on which European countries lie in terms of OPENDIM1 and OPENDIM2, while Figure 4 plots the two different openness dimensions against each other. The simple correlation between them is found to be 0.56 and statistically significant. While this is not too high, it is not too low either. This provides us with room to aggregate the two dimensions and come up with a single openness index. The overall index of OPENNESS is the summation of OPENDIM1 and OPENDIM2. It is

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7 The reason why we do not take a tenth value, hedonism, into consideration is that there is no theoretical background regarding its effect on party choice (see Barnea and Schwartz 1998).
8 *Openness to Change, Conservation, Self-Transcendence* and *Self-Enhancement* scores are the averages of their corresponding individual values.
9 ESS (2004) does not report any value scores for Malta, hence we will not be able to use that country in our analysis.
important to note that using a single index is a better option than using the two dimensions separately in a regression, because in the latter case, common information between the two dimensions is lost (in a regression, other modeled factors are held constant in interpreting an effect). Thus, our focus is on the single OPENNESS index, while we also experiment with OPENDIM1 and OPENDIM2 as a robustness check. We provide a more detailed information about values in Appendix.

Values upon which we base our OPENNESS index have predicted more than 15 different behaviors in 20 countries (e.g., voting, delinquency, cooperation, competition, consumer purchasing, environmental, religious behaviors - Bardi and Schwartz 2003 and Schwartz and Bardi 2001). Schwartz (1994) argues that basic values are the foundations of individuals’ specific political values and ideologies, and may enable them to organize their political evaluations in a relatively consistent and coherent manner. Barnea and Schwartz (1998) contend that the key values that distinguished different segments of voters in the Israeli elections of 1988 were tradition vs. self-direction. In a group of 14 countries, Barnea (2003) finds that in countries where political competition is more concerned with issues of national security vs. equal rights and freedoms for all, security and conformity vs. universalism and self-direction turn out to be the central basic values. In countries where the main concern of political competition is the economic redistribution, “universalism and benevolence” vs. “power and achievement” turn out to be the central basic values.

2.2. Neofascist and Populist Parties as Components of Extreme Right

While it is easy to define a typical neofascist party, as very commonly agreed upon,
populism is a notoriously vague term, and that attempts at establishing a general theory about its nature have been problematic (see Canovan 1999). For instance, many populist parties were typically perceived as left-wing in Latin America, while the contemporary European parties are regarded as right-wing, an aspect that contributes to the ambiguity. Another aspect is that, it is not the ideology and the policy content that distinguishes populist parties from others, but their appeal to ‘the people’ against both the structure of established structure of power and the dominant elite ideas and values. As opposed to neofascist parties, populist movements are of the people rather than of the system; the fact that the term “movement” is used very frequently in the context of populist parties points to their attempt to maintain a movement character rather than being organized as an institutionalized party. Their programmatic flexibility is also remarkable. In welfarist, high-tax countries they may embrace an agenda of economic liberalism, elsewhere they may subscribe to a protectionist and statist agenda against the prevailing heavy dose of free market policies.

Populist movements contend that, unlike neofascist parties, they exhibit strong desire to win political influence. One of their central aspects is the constant reference to grass roots and ordinary/little people to whom malevolent elites pose danger. These parties reject any particularistic group claims, resist all forms of compulsory solidarity (such as trade unionism) and refer to the people as a unitary entity: as Canovan (1981, p. 265) points out “the notion that people are one, that divisions among them are not genuine conflicts of interest … are essential” in populist discourse. Populists, with their strong scepticism of representative democracy and elitist parliamentarism, express a deep desire to expand participatory and plebiscitary processes such as petition drives, citizen initiatives and referendums. In a sense, they side with a crude
majoritarianism that neglects or overrides the rights of minorities.

Heinisch (2003, p. 95) provides further contrasts between populist and neofascist parties. Populist parties, he argues, typically do not subscribe to the openly anti-egalitarian and anti-Western positions of neofascist parties, which are founded on the belief in the natural inequality of humans - be it “biological, genetic … to justify intellectual and cultural hegemony.” Nor do the populist parties adhere to the authoritarian conception of the state or the law-and-order doctrine that is directed towards all kinds of external and internal threats such as immigrants, criminal elements, as well as their critics and political opponents. Further, unlike neofascist parties, populist parties are not typically hostile to political compromises, nor do they subscribe to an ideological mission as the neofascist parties strongly do.

The above points from Canovan (1981, 1999) and Heinisch (2003) underlie the essence of how populist parties are distinguished from neofascist parties, pointing to an ambiguity as to the definition and discourse of populist parties. We keep this in mind in our analysis. We do not combine neofascist and populist votes into a single measure of extreme right, because the distinction is very compelling. Table 0 in Appendix presents whether neofascist and/or populist parties ever existed in our sample countries.

3. The Statistical Model

We estimate the variants of the following two equations to investigate the relationships among openness, immigration and unemployment:
\[ VOTESHARE_{it} = \beta_0 + \beta_1 \text{UNEMP}_{it} + \beta_2 \text{IMMIG}_{it} + \beta_3 \text{UNEMP}_{it} \times \text{IMMIG}_{it} + \beta_4 \text{LOGMAG}_{it} \\
+ \beta_5 \text{UPPERTIER}_{it} + \beta_{6-23} \text{COUNTRY DUMMIES}_{i} + \varepsilon_{it} \]

Equation (1)

\[ VOTESHARE_{it} = \delta_0 + \delta_1 \text{UNEMP}_{it} + \delta_2 \text{IMMIG}_{it} + \delta_3 \text{UNEMP}_{it} \times \text{IMMIG}_{it} + \delta_4 \text{LOGMAG}_{it} \\
+ \delta_5 \text{UPPERTIER}_{it} + \delta_6 \text{OPENNESS}_{i} + \delta_7 \text{OPENNESS}_{i} \times \text{UNEMP}_{it} + \delta_8 \text{OPENNESS}_{i} \times \text{IMMIG}_{it} + \upsilon_{it} \]

Equation (2)

where \( VOTESHARE \) is the percentage national electoral support for either neofascist or populist parties, \( \text{UNEMP} \) denotes the percentage of the total labor force that is unemployed at the national level in an election year, \( \text{IMMIG} \) stands for the percentage of the national population composed of foreign citizens, \( \text{UNEMP} \times \text{IMMIG} \) is the variable that measures the conditional effect of unemployment and immigration on the electoral success of extreme right parties, \( \text{LOGMAG} \) denotes the log magnitude of the median legislator’s district and \( \text{UPPERTIER} \) stands for the percentage of assembly seats allocated in upper tiers above the district level, \( \text{COUNTRY DUMMIES} \) captures country fixed effects, and \( \text{OPENNESS} \) is either single or two-dimensional openness index.\(^{10}\)

Equation (1) has also been used by Golder (2003). While we replicate the results with that model for comparison purposes, our focus is on results with Equation (2). These constructions are based on three types of arguments (Golder 2003):

1. The “ideational argument” hypothesizes that higher levels of immigration increase the support for extreme right.

\(^{10}\) As mentioned above, we use Golder’s (2003) data set. For all data sources, see
2. The “materialist argument” relates unemployment to the support for extreme right parties through the interaction effect with immigration (i.e., \( UNEMP \times IMMIG \)). That is, unemployment increases the support for extreme right parties when immigration is high. On the other hand, unemployment does not affect their vote shares when immigration is low.

3. The “instrumental argument” links the motivation of elites and other voters for voting to the support for extreme right. If these groups are instrumentally motivated, then extreme right parties would enjoy a higher support in countries with large district magnitudes and a large number of upper tier seats. This, however, will not be observed if they are expressively motivated, i.e., in the neofascists’s case.

We use the censored tobit estimation technique to estimate the models above. The reason behind this choice is the potential sample selection bias that may arise due to exclusion of countries without extreme right parties from the analysis. For instance, Golder (2003) states that extreme right ideologies exist in nearly every country, and their electoral support cannot be observed if they do not organize into political parties. While there are other methods that take into account the potential selection bias, such as Heckman’s (1978) two-stage selection model, censored tobit provides us with a chance to compare our results with the previous literature. In addition, many political scientists resort to this technique as the estimation method under similar circumstances (see Jackman and Volpert 1996). Thus, for the analysis, the dependent variable is “constructed” in such a way that countries with extreme right parties have their actual vote shares, and those without them are assigned a zero value. This is a left-censored limited dependent variable, and the regression can be estimated with censored tobit.

Note that COUNTRY_DUMMIES entail effects that are unchanged or at least very stable
over time, such as a country’s geographic location and characteristics (e.g., its distance from the equator, whether it is landlocked or not etc.), whether a country was ever part of a world war, or those factors that are at least very stable over the course of the time period considered, such as income and asset inequality. We interpret openness as another ‘institution’ in this class of factors. Also note that, when OPENNESS, as a time-invariant variable, is incorporated into the first equation, country-specific dummies must be dropped from the regression. Whether or not dropping the country dummies to bring in OPENNESS creates an omitted variables problem is tested formally in our empirical framework. In particular, we use a simple specification test where the linear and quadratic fitted values of vote shares from the first stage regressions are included back in the model in a second stage, and the significance of these terms is tested afterwards. If these terms are found to be jointly significant, which is tested through Likelihood-Ratio tests in the maximum likelihood context, this implies that the omitted variables problem is present in the model (i.e., Ramsey RESET test). A series of specification tests show that our modeling procedure is legitimate. In the case of populist vote shares, the model with country dummies successfully pass the test (the fitted terms are jointly insignificant). After removing the dummies, the problem is detected as expected. When we bring OPENNESS into the picture in the second equation (both as a single measure as well as in two different dimensions), the models pass the test again successfully. The test results in the neofascist case are largely consistent with above. In this case, our models with the single OPENNESS measure (our preferred models) pass the test successfully, while the model with two-dimensional measure marginally passes due to the information loss with the decomposition practice (see Section 2.1).

Another issue is whether country-specific effects can be treated as random, rather than fixed, in a panel framework and be retained in the model (recall that the first model assumes
them to be fixed by using country-specific dummies). The use of random effects is possible, however, if they are not correlated with the error term. We check this in the first model through a Hausman (1978) test. Our tests reject the null of no correlation (presented at the bottom of Table 2), and thus, we are not able to use random effects models with OPENNESS and its interactions.

4. Results and Interpretation

Table 1 reports the summary statistics of key variables. The left panel of Table 2 presents the estimation results for the determinants of neofascist votes, while the right panel presents those for populist votes.

4.1. Determinants of Neofascist Votes, and Openness

Model 1 is also estimated by Golder (2003). In this model, unemployment has a negative and strongly significant effect, while LOGMAG’s effect is positive and significant. The interactive term $UNEMP \times IMMIG$ is insignificant. When country dummies are removed in Model 2 (which is done to prepare a basis for using OPENNESS), LOGMAG loses its significance and UPPERTIER becomes significant at 5%. Interestingly, unemployment changes its sign from negative to positive, maintaining its significant effect, albeit at a mild level (10%). In addition, immigration becomes positive and significant at 1%, and $UNEMP \times IMMIG$ is significant, with its sign being not as expected. This points to an important finding: country dummies are instrumental in revealing the effects of unemployment and LOGMAG on the neofascist support in Model 1.

Models 3 and 4 augment Model 2 with the single- and two-dimensional openness indices,  

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11 We check whether the exclusion of Malta in Model 2 due to data unavailability makes any difference to the results, and find that they remain essentially the same.
respectively. The estimation results show that nearly all variables in these models are estimated to be strongly significant, possessing signs that point to interesting results. In particular, the significance levels of both the socioeconomic and instrumental variables are high, and the signs are as expected (note, for instance, the differing signs of unemployment between Model 1 and Model 3, which is primarily caused by the catalyzing effect of country-specific factors). In addition, just like in Model 1, we estimate the immigration-unemployment interactive term as insignificant as to its effect on neofascist votes. Moreover, the single OPENNESS index is estimated to have a strongly significant negative effect on the support given to neofascist parties (Model 3). When we employ openness in two distinct dimensions, i.e., *Openness to Change* vs *Conservation* (OPENDIM1) and *Self Transcendence* vs *Self Enhancement* (OPENDIM2), we find that the first dimension (OPENDIM1) has a strongly significant and negative effect on neofascist votes (Model 4). In other words, when a society adheres very strongly to values such as stimulation and self direction but weakly to the values of conformity, tradition and security, the support for neofascist parties decreases. On the other hand, the other dimension (OPENDIM2) falls short of being significant at conventional levels.

As noted before, we will confine ourselves to our Model 3. We will elaborate on the interpretation of OPENNESS by taking the derivative of the dependent variable with respect to this variable:

\[
\frac{\partial \text{NEOFASCIST}}{\partial \text{OPENNESS}} = -4.687 + 1.224 \times \text{IMMIG} + 0.244 \times \text{UNEMP}
\]

This derivative implies that the stand-alone effect of the OPENNESS index on neofascist votes is negative. In other words, when the levels of IMMIG and UNEMP are zero, the more open a
country is, the less support neofascist parties receive. Increasing any of the immigration or unemployment variables alleviates the impact of OPENNESS on neofascist votes. Further, when we consider the median values of IMMIG and UNEMP in our data set, which are 2.7 and 5.4, respectively, the median impact of OPENNESS on the neofascist votes is found to be close to zero. This strongly suggests that it is more informative to look at the distribution of the values of IMMIG and UNEMP, rather than a single statistic, in order to form a better-informed opinion on the direction of the effects (we come back to this below).

One could also pursue the following direction in interpreting the coefficient of the interaction term:

\[
\frac{\partial \text{NEOFASCIST}}{\partial \text{IMMIG}} = 0.358 + 1.224 \times \text{OPENNESS}, \quad \frac{\partial \text{NEOFASCIST}}{\partial \text{UNEMP}} = 0.244 + 0.244 \times \text{OPENNESS}
\]

The derivative taken with respect to IMMIG implies that immigration has a stand-alone positive effect on neofascist votes. It turns out that openness has a magnifying effect on the impact of immigration on neofascist support. Likewise, the stand-alone positive effect of unemployment on neofascist votes seems to be magnified by OPENNESS. All these results point out two extremely significant findings:

a. When the positive slope coefficient of IMMIG and UNEMP in the above derivative is considered, it is implied that there is a conflict between openness and economic concerns (i.e., socioeconomic dynamics).

b. When the median value of OPENNESS, -0.44, is considered, the support for neofascist votes is negative, at least in an important part of the distribution of elections across Europe.

We will delve into these findings in the next two sub-sections.
4.1.1. Conflict between Openness and Socioeconomic Dynamics

The positive slope coefficient estimated for the interactive term between OPENNESS and immigration as well as for unemployment suggests that in open societies (i.e., those which adhere strongly to basic values such as self-direction, stimulation, universalism and benevolence - *Openness to Change* and *Self-Transcendence* – and weakly to the values of tradition, security, conformity, achievement and power - *Conservation* and *Self-Enhancement*), the support given to neofascists due to high immigration and unemployment is higher. In other words, rather than promoting tolerance to socioeconomic distress associated with the presence of immigrants, openness becomes associated with higher neofascist support. This is a seemingly counter-intuitive result, but indeed suggests a striking finding in terms of the relationship between openness and socioeconomic dynamics. How can this happen?

Let us consider again the derivative of neofascist vote share with respect to openness:

$$
\frac{\partial \text{NEOFASCIST}}{\partial \text{OPENNESS}} = -4.687 + 1.224 \times \text{IMMIG} + 0.244 \times \text{UNEMP} .
$$

Let us now consider two countries, Country 1 and Country 2, where Country 2 has a higher OPENNESS index than Country 1. Assume also that these countries are identical in their unemployment and immigration levels (whatever those levels may be). Our finding suggests the following socioeconomic dynamics in voting behavior: higher openness sentiment in Country 2 is expected to give rise to a more welcoming attitude to immigrants by a larger greater segment of society (relative to Country 1). This will, in turn, trigger a shift of voters that are in the vicinity of voting for neofascist parties to actually vote for them (for evidence on the possibility of such vote-switchings, see Norris, 2004, p. 6). In other words, the higher is the level of
openness, the higher is the general support for immigrants in the society, thus, the higher is the consequent concern level by people in the vicinity of neofascists, and therefore, the greater is the shift of votes to neofascists. It is plausible to conjecture that the worry level of those who are in the vicinity of neofascists would be escalated due to their predictions that a greater majority of society would welcome immigrants with social support and welfare programs. In Country 1, this is less likely to happen because the society is less welcoming to immigrants due to the lower level of openness. It is relatively well-known that welfare generosity across Europe tends to stimulate support for anti-immigrant parties (see Jesuit and Mahler, 2004, for instance). Kitschelt (1995) also argues that extreme-right parties often embrace “welfare chauvinism” seeking to restrict the social welfare state to non-immigrant population only.

Our mechanism above can also be seen through the following derivatives:

$$\frac{\partial \text{NEOFASCIST}}{\partial \text{UNEMP}} = 0.244 + 0.244 \times \text{OPENNESS}, \quad \frac{\partial \text{NEOFASCIST}}{\partial \text{IMMIG}} = 0.358 + 1.224 \times \text{OPENNESS}$$

These imply that the impact of unemployment on neofascist support as well as that of immigration on this support is higher in more open societies. In other words, in a more open society, unemployment and immigration are associated with higher neofascist vote share, suggesting strongly that the vote shifting behavior would take place as a response to the society being more open.

This mechanism of shifting votes that our findings suggest, is expected to intensify when we consider a situation where voter turnout of the neofascist segment of the society is higher and that of more mainstream segments is lower, as it usually happens (Givens, 2002, p. 156, for instance, found that higher rates of non-voting take place in regions of Austria, France and Germany, where the support for the extreme right is higher). As pointed out in Section 2.2,
neofascist voters are more expressive and they are more likely to turn out for voting. On the other hand, when the majority of the society sticks to a certain political stance, members of that majority segment are less likely to turn out for voting due to their pre-conception that their stance will already win.

Overall, our results shed light on socioeconomic dynamics related to vote switching triggered by the level of openness. As will become clear below, our results on the determinants of populist votes also suggest extremely interesting avenues but somewhat different than the neofascist case.

4.1.2. Distribution of Neofascist Support Across Europe

Our results on the median effects of OPENNESS, unemployment and immigration have important implications on the distribution of neofascist votes across Europe. In order to track the implications of our results for each country’s elections, we evaluate of the derivative of neofascist vote shares with respect to OPENNESS at all data points of immigration and unemployment (see Table 3). The figures generated are very illustrative in that they facilitate observation of the support level of neofascist parties, i.e., whether they are being positive or negative, and whether and how the support changes over time within a country. Take, for instance, the case of the Netherlands. The trajectory of neofascist support in the Netherlands is such that it is first non-existent in the major part of the 1970s, but as unemployment increases rather sharply in 1980s and with moderately increasing values of immigration, the support turns out to be positive in the 1980s and 1990s. The sharp changes (i.e., increases) in neofascist

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\[\text{Our results on the median effects of OPENNESS, unemployment and immigration have important implications on the distribution of neofascist votes across Europe. In order to track the implications of our results for each country’s elections, we evaluate of the derivative of neofascist vote shares with respect to OPENNESS at all data points of immigration and unemployment (see Table 3).}\]

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support are also pronounced in Spain, Germany and France.\textsuperscript{14} Figure 6 plots the impact of OPENNESS on support levels of neofascist parties through 1970s to 1990s. It is revealed strikingly that OPENNESS prevents neofascist parties from getting positive support in some countries, as the level of support for them remains in the negative territory (i.e., Greece, Portugal, and in the majority of elections in Italy). In another group of countries, however, OPENNESS can either not prevent the negative effect becoming positive (e.g., Netherlands, UK, Spain) relative to the above set of countries, or the base of the trajectory is already set in the positive territory (e.g., France, Germany, Switzerland).\textsuperscript{15}

\textbf{4.2. Determinants of Populist Votes, and Openness}

Model 5 in Table 2 finds that both immigration and unemployment have insignificant effects on populist votes, while the interactive term UNEMP$\times$ IMMIG is significant at 5\%, having a positive sign. This is a support for the materialist argument that unemployment matters when only immigration is high. The catalyzing effect of country dummies is evident with their removal in Model 6, as seen through changing significance of unemployment, LOGMAG and UPPERTIER from Model 5 to Model 6. Moreover, immigration becomes significant with the unexpected negative sign.

In our Models 7 and 8, we augment the specification with single and two-dimensional OPENNESS, respectively. As before, our focus is on the single dimensional case, i.e., Model 7 (Model 8 can be interpreted in the vein as above). First, we estimate the stand-alone effect of

\textsuperscript{14} It is not difficult to see that the changes in neofascist support are driven by the time-varying variables of unemployment and immigration, but the OPENNESS variable, having positive figures for some countries and negative for others, determines the base of the trajectory.

\textsuperscript{15} There are of course factors not modeled in our context and may have upward or downward (e.g., Switzerland) effects on the support levels of neofascist parties.
OPENNESS on populist votes to be insignificant. The interactive term between OPENNESS and immigration is also estimated to be insignificant. However, OPENNESS interacts significantly with unemployment in raising the vote share of populist parties. In other words, the impact of OPENNESS on populist support works only through unemployment (note that it also worked through immigration in the neofascists’ case). Also, all other variables (except $UNEMP \times IMMIG$) are estimated to be insignificant. This implies that OPENNESS and its interaction terms capture most of any significant effect found in Model 6. In comparison to Model 5 (where all the instrumental variables are significant), this may indicate that vulnerable segments in the society with minimal job security are encouraged to vote sincerely by a less stringent electoral system.

Let us elaborate further on these results. The first striking fact is that, unlike the case of the neofascist support, there is no stand-alone effect of OPENNESS on populist support. In other words, openness as a stand-alone virtue is not effective on the vote shares of populists. Put differently, for openness to have any effect on populist support, it has to go through unemployment and the socioeconomic dynamics it triggers. To see how this effect works, take two countries, Country 1 and Country 2, where Country 2 is more open than Country 1. If unemployment is zero, there is identical support for populist parties in both countries. However, when we have a positive level of unemployment, the derivative

$$\frac{\partial POPULIST}{\partial OPENNESS} = 1.527 \times UNEMP$$

implies that the more open Country 2, would exhibit more support for populist parties. It can be easily observed that power is mostly held by mainstream (i.e., non-neofascist and non-populist)
parties across Europe. In fact, Golder (2003) suggests that (Figure 1, p. 444) a significant portion of votes in European elections have gone to more mainstream parties, implying that the mainstream parties would hold the power in determining the course of social support and welfare programs, as well as budgetary procedures. Thus, our results imply that many segments in the society including blue collars, those who are unemployed or have minimal job security would back up populist parties, who, in their programs and discourse, make generous promises or offer simplistic alleviation schemes regarding unemployment.

Supporting the conjecture above is

\[
\frac{\partial POPULIST}{\partial UNEMP} = 0.185 \times IMMIG + 1.527 \times OPENNESS.
\]

This implies that the impact of unemployment on populist votes is enhanced upwards by more openness, i.e., that in a more open society, unemployment is associated with a higher populist vote share (note also the impact of immigration on the responsiveness of populist votes to unemployment in this derivative; this is due to the significant interaction effect between unemployment and immigration).

Finally, let us evaluate the derivative for the distribution of populist support across Europe:

\[
\frac{\partial POPULIST}{\partial OPENNESS} = 1.527 \times UNEMP.
\]

This implies that across all data points of unemployment, openness has a positive effect on populist support. Table 3 shows the distribution of populist support across all elections in Europe. Figure 7 plots these values. It is obvious that, starting with very modest values in early and mid-1970s, populist support has been increasing strongly in Europe across time even though

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16 One might argue that populist parties may take part in forming coalitions. But this is a post-election fact.
17 Openness is expected to be consistent with welfare generosity.
it exhibits some fluctuations along the path.

4.3. Openness, Immigration and Unemployment Interactions

Our results suggest that openness, immigration and unemployment are effective on both the neofascist and populist vote shares, albeit through different channels. Both unemployment and immigration, through their interactive term, are associated with higher vote shares of populist parties. When we bring openness into the picture, we find that openness channels more votes to populist parties through higher unemployment. We explain this with the conjecture that “the blue-collar underclass with minimal job security,” “the petit bourgeoisie [i.e.,] small entrepreneurs, shopkeepers, merchants, self-employed artisans, and independent farmers” that are “among those [segments] most vulnerable to new social risks” generally feel “the threat of ‘the other’: driven by patterns of immigration, asylum seekers and multiculturalism.”\(^{18}\) This is expected to result in a higher support for populist parties, which, with their generous promises of costless solutions to the problem of unemployment and social risks, are expected to act for their interests, as opposed to mainstream parties. The mainstream parties, with their majority power in the political arena, represent more open sentiments and embrace generous welfare schemes for everyone (including immigrants) and budgetary discipline.

Betz (1994) suggests that it is this residual underclass of low-skill people, who are most prone to social risks are more likely to blame ethnic minorities for their hardships, and are more prone to blame governments for failing to bail them out. The failure of social democrat elites to maintain or restore a sense of security and well-being for these vulnerable segments provides support for populist leaders who do not refrain from making such promises or offering simplistic

\(^{18}\) The quoted parts are from Norris (2004, p. 3), which are also used frequently by Betz (1994).
solutions. Lubbers, Gijberts and Sheepers (2002) find support for this view and report that the unemployed, blue-collar workers, the retired, the less educated are overrepresented in the constituencies of the extreme right in Western Europe (some of these findings are verified by Norris, 2004, too).

In the case of neofascists, the dynamics is much more complex, involving interactions among openness, immigration and unemployment. First, immigration and unemployment have stand-alone effects on the neofascist vote share. In addition, in line with his findings, the interactive term UNEMP × IMMIG is estimated to be insignificant. When we introduce openness, the first prominent finding turns out to be a significant and negative stand-alone effect of openness on neofascist votes. In other words, unlike the populist case, neofascist parties start in a “disadvantaged” position in a more open society, other things being equal. Secondly, they start “recuperating” from this disadvantageous position via immigration and unemployment. The vulnerable segments of the society, who are disturbed by the presence of immigrants (who may possibly be attracting welfare generosity of mainstream parties) and are therefore more prone to blame immigrants for deteriorating conditions, will seek refuge in neofascist parties to express their discontent and their support of cultural protectionism.

4.4. Sensitivity Analysis

Regarding the specification test in the neofascist case (recall that in the populist case, all the models pass the tests successfully), when openness is used in two dimensions, the model passes the test if the interaction term is not used. With the interaction term, the test terms become jointly significant at 7%. This is possibly because when two different openness dimensions are used jointly in the model, their common effects drop out of the regression, resulting in
information loss.\textsuperscript{19} This lends credence to using openness as a uni-dimensional index.

Another robustness check is related to the argument that ignoring countries without extreme right parties in a regression may lead to a sample selection bias. As noted in Section 3.1, underlying this argument is the notion that extreme right tendencies exist nearly in every country, even though they may not form into political parties. While the argument is insightful, a useful robustness check for our purposes would be to estimate the models with OPENNESS and its interactions by using countries that actually do have neofascist and populist parties. It may be that our OPENNESS variable may control any sample selection bias by capturing the underlying grounds that give rise to extreme right tendencies. Table 4 presents the results with OLS estimations. We only discuss the models that include OPENNESS and its interactions. In the neofascist case (Model 3 in Table 4), OPENNESS and its interactions are estimated to be weakly significant (with significance levels around 18-20%), with the stand-alone effect being negative, and the interaction terms possessing positive signs, as found in Section 4.1. Considering that we employ only nine countries in this analysis (see Table 0) and that OPENNESS is a time-invariant variable, there may not be enough variation for this variable, and thus the level of significance is understandable. However, the exactly same signs found as above are noteworthy. In this model, we estimate IMMIG, UNEMP and LOGMAG with significant and positive signs and $UNEMP \times IMMIG$ with a negative and significant sign. As per the populists’ case (Model 6), we obtain consistent signs as in Section 4.2. OPENNESS, capturing the stand-alone effect, is estimated to be insignificant, while its interaction term with unemployment is estimated to be insignificant.

\textsuperscript{19} There are marginal cases in Models 1 and 2. While Model 2 cannot pass the test as expected, Model 1 marginally passes (or marginally fails) the test. Following our logic above, this is also possibly due to common country-specific effects in Europe such that with or without country dummies, information loss may appear in the regression. However, bear in mind that the significance of the fitted terms is marginal.

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significant with a positive sign. Different than before, we estimate the interaction term with immigration to be significant, possessing a negative sign (this variable was insignificant in Section 4.2). The results regarding the interaction terms of OPENNESS imply that, in this restricted sample, the socioeconomic dynamics that work through unemployment still hold, but openness works as a tolerating factor for immigrants, as higher levels of openness are associated with less support for populist parties.

5. Conclusion

Kitschelt’s (1995) extensive and detailed analysis of 1990 World Values Survey points to values as a fundamental reason underlying the support for extreme right. It is clear that, when their material welfare is threatened by the economic distress via immigration and unemployment, individuals may not maintain their socially tolerant values. As Norris (2004) states, the puzzle is that the societies that have very open features exhibit this trade-off between their interests and values more. Our main contribution lies in the way we answer this puzzle.

To summarize our results, in more open societies, the stand-alone direct effect of openness on neofascist votes is, as expected, negative. Seemingly paradoxically, however, openness increases the neofascist support indirectly through immigration and unemployment. We explain this with a particular socioeconomic dynamics in which vulnerable native segments of a more open society turn to the neofascists as immigration and unemployment start threatening their material welfare. Moreover, we find that openness has no stand-alone direct effect on populist support, but has indirect positive effects through unemployment.

Kitschelt (1995) notes that voters’ fears about the social welfare state lead to higher support for extreme right parties. Betz (1994) adds that in that sense the extreme right parties
serve as an outlet for political frustrations among losers in affluent societies. When there is a high level of universal welfare generosity in the presence of heavy and sustained foreign migration, nativist and ultra-nationalist ideologies gain momentum. This is due to the fact that these two ideologies (for one reason or another) favor welfare chauvinism, seeking to limit the benefits of the social welfare state to the native-born population. According to this view, the welfare state is supposed to provide social protection to the ones who have been contributing to it, not to the immigrants who are free-riders, or those who are ‘biologically/genetically inferior’ to justify intellectual and cultural hegemony (Heinisch, 2003). That is, when immigration is high, the social protection will be crowded-out by unemployed immigrants, leaving less per capita social protection for the vulnerable native population (i.e., unemployed, blue-collar workers, the retired, the less educated – Lubbers et al. 2002, and Norris 2004) who may lose their jobs as immigrants replace them at low-paying jobs.

Segments that have little to lose from immigration in terms of unemployment and social protection will have little to fear and will probably continue voting for the mainstream parties that are defenders of the universal welfare generosity (see also Jesuit and Mahler 2004). But these segments that may have a lot to lose from immigration in some form will be tempted to vote for the extreme right parties who want to stop (and perhaps reverse) immigration, and channel social welfare transfers to the natives only.

Our results on the openness of a society fit this scenario well. We show that, when openness is higher in a society, the welfare generosity is more likely to be embraced by the median voter and thus by mainstream parties. Vulnerable native segments will turn to populists more when unemployment becomes a more significant threat (i.e., these segments will expect less welfare chauvinism from the mainstream parties in a more open society and will expect
more generous promises and simplistic solutions against unemployment and other hardships from populist parties). When a society is more open, one can expect smaller support for neofascists but as immigration and unemployment increase, it is not hard to imagine that the vulnerable native segments will turn to the neofascists as well. As such, our results in a sense seem to stand in contrast to the findings of Swank and Betz (2003) who report that “welfare states characterized by universal coverage of populations, a generous social wage and well developed employment policies depress the support for the new far right in times of new risks and insecurities.”

References


Studies, 47, 2-16.


**Appendix**

The European Social Survey (ESS) uses the Portrait Values Questionnaire (PVQ) in order to gauge peoples’ basic values. In the PVQ, there are short verbal portraits of different people. To point implicitly to the importance of a single basic value, each portrait includes items that describe a person’s goals, aspirations, or wishes. For example: “Thinking up new ideas and being creative is important to her/him,” and “s/he likes to do things in her/his own original way” refer to a person for whom self-direction values are important. “It is important to her/him to be rich” and “s/he wants to have a lot of money” defines a person who cherishes power values. In so doing, the verbal portraits determine the person’s values without explicitly identifying values as the topic of investigation. Respondents, for each portrait, answer the following question: “How much like you is this person?” “Very much like me,” “like me,” “somewhat like me,” “a little like me,” “not like me,” and “not like me at all.” For each portrait, respondents choose their response by checking one of the six boxes labeled with the response alternatives. Respondents’ own values are, therefore, inferred from their self-reported similarity to people who are described in terms of particular values. A six-point numerical scale is used in order to quantify the similarity judgments. The PVQ is comprised of 21 items that are combined into ten indices, one
for each of the ten basic values. Three items measure universalism, whereas two items are used to gauge each of the remaining nine values. For an item to measure a basic value, aims, goals, wishes, or efforts of the person described express or promote the central goal of the basic value or lead to its attainment. Different items cover different conceptual components of each value.

To measure each value, related items’ scores are averaged at individual level. To compute the country level figures, each country’s individual value scores are averaged. As to the measurement of higher-order values, the Conservation score is subtracted from the Openness to Change score to get the OPENDIM1 dimension, and the Self-enhancement score is subtracted from the Self-transcendence score to get the OPENDIM2 dimension. Finally, the OPENNESS index is the summation of OPENDIM1 and OPENDIM2.

The ten basic values are:

1. **Self-direction**: Independent thought and action in terms of choosing, exploring and creating. To an individual who strongly possesses this value, it is very important to make his/her own decisions about what he/she does. Such a person likes to do things in his/her own way.

2. **Stimulation**: Excitement, novelty, and challenge in life. Such an individual looks forward to do things in his/her own original way and is open to the consequent surprises. As such, he/she would like to have an exciting life.

3. **Tradition**: To have respect for and acceptance of (as well as commitment for) the customs and ideas that the traditional culture (and/or religion) of the society provide for the individuals. Such an individual tries not to draw attention to him(her)self and avoids doing things in his/her own ways. Instead, he/she would like to follow the customs of his/her society that are handed down to him/her.

4. **Conformity**: To refrain from actions and inclinations that may violate social
expectations and norms. Such an individual believes that people should do what they are told and follow rules at all times - even when they are not watched.

5. **Security**: To care about safety and stability in the society (as well as harmony in relationships). It is important that the government ensures its citizens against all types of threats.

6. **Universalism**: It is defined as one’s understanding, appreciation, tolerance, and protection for the welfare of all people (as well as for nature). Such an individual thinks that every person in the world should be treated equally and believes that everyone should have equal opportunities in life. It also is important to her/him to listen to people who are different from her/him. Even when this person disagrees with them, he/she still wants to understand them.

7. **Benevolence**: To preserve and enhance the welfare of those who are one’s family, friends, and acquaintances. Such an individual would like to help people around him/her; such a person would like to care about them. One likes to be loyal to his/her friends and, if possible, likes to devote him(her)self to the people close to him/her.

8. **Power**: To care about social status and prestige - as well as control and dominance over people (and resources). Such a person cares about having a lot of wealth and expensive things that are visible to others. It is very important to such a person to get respect from others and such an individual wants others to do what he/she says.

9. **Achievement**: It is defined as having personal success by demonstrating competence according to commonly agreed-upon standards. Such a person needs to show off his/her abilities and wants others to admire what he/she does. Being successful is very important to such an individual; he/she hopes that the others will recognize his/her achievements.
Figure 1. Openness Across Europe

Greece
Portugal
Spain
Ireland
Italy
Austria
United Kingdom
Belgium
Germany
Norway
Luxembourg
Netherlands
Sweden
Denmark
Switzerland
Finland
France
Iceland

Figure 2. Structural Relations Among Ten Values (Barnea and Schwartz 1998)
Figure 7. Support for Populist Parties

Table 0. Have Extreme Right Parties Ever Existed in Western Europe?

<table>
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<tr>
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</tr>
<tr>
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Table 1. Summary Statistics of Key Data

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<th>Min</th>
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\(^\d\) Actual votes.
Table 2. Neofascist and Populist Parties and OPENNESS

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Absolute value of t statistics in parentheses. * significant at 10%; ** significant at 5%; *** significant at 1%. For Ramsey test, likelihood-ratio test statistics and p-values in parentheses (the null hypothesis assumes no omitted variables bias). For Hausman test, chi-squared test statistics and p-values in parentheses (the null hypothesis assumes no correlation between random effects and error terms). + Also reported by Golder (2003).
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Table 3. Actual and Predicted Distribution of Neofascist and Populist Support
Table 4. Using Actual Vote Shares - Neofascist and Populist Parties (OLS Estimations)

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Robust t statistics in parentheses. * significant at 10%; ** significant at 5%; *** significant at 1%