



# Globalisation and the Rise of the Right

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## Abstract

In this symposium entry, we review current thinking on the partisan effects of economic globalisation, and propose a new political economy of these effects. We argue that globalisation eroded the post-war capital labour accord by which workers shared in the productivity gains enjoyed by capital. In all cases, this has meant a deteriorating (relative or absolute) social-position for the working and middle classes. Despite recent claims to the contrary, it is these constituents among whom right-wing politics have become more attractive, even in the recent Trump election in the U.S. and the Brexit vote in the U.K. We argue, however, that both organisational and institutional processes at the global and national levels, respectively, moderate the partisan impacts of production globalisation. First, we argue that the world-wide entrenchment of globalised production networks (GPNs) increased the downward pressure of production globalisation on the demand for low-skill workers, and increased negative perceptions of globalisation. That is, GPNs exacerbated the partisan effects of production globalisation. Second, we argue that production globalisation had weaker partisan effects in countries where the post-war capital labour accord became more institutionalised in the form generous welfare states, strong wage-setting institutions and higher rates of unionisation. On one hand, the greater institutional power of working and middle class families resulted in smaller deteriorations of social position. On the other, it also created a normative and semiotic

context by which progressive solutions to the dislocations of globalisation were more plausible than reactionary ones. We demonstrate the plausibility of our argument by way of a time-series cross-section regression analysis of right and left-wing parties from the 1970s to the present. We conclude by proposing several avenues for research.

**Keywords:** right-wing politics, globalisation, Global Production Networks/Value Chains, welfare states, labour market institutions

## Introduction

Despite predictions that the post-industrial society would be one of an increasingly progressive political drift (e.g. Inglehart 1977), we have instead witnessed the precipitous rise of right-wing populism in many, but certainly not all, rich Democracies. Perhaps uncoincidentally, this political turn mirrors another surprising development in the developed world: the 'great U-Turn' toward rising economic inequality (Alderson and Nielsen 2002). Indeed, two now well-established literature on populist-right wing parties and the trade effects of economic globalisation converge on a common - if partial - explanation. The globalisation of production should, in theory, erode the economic standing of low-skilled, working class segments of the population (Wood 1994) and thereby increase the 'demand' for redress (Colantone and Stanig 2018). Right leaning parties in Western

democracies, and the rise of extreme right-wing populism in particular, respond to this demand with anti-‘globalist’, xenophobic and culturally traditionalist platforms that appeal to population segments displaced by production globalisation.

The election of Donald Trump in the U.S. and the ‘Brexit’ vote in the U.K. are two recent examples. Neither are driven by right wing populist *parties*, per se, but they are nevertheless emblematic of the ideology of this movement. While class-based explanations for these political outcomes appear widely in the popular and scholarly literature, recent work criticises such explanations (e.g. Anderson 2017; Bhambra 2017; Lopez 2016). Moreover, the wide degree of temporal and cross-national variation in the success of the right is less frequently discussed in light of these two more recent events.

In this short essay, we hope to stimulate more research on the partisan effects of production globalisation. Here we situate both Trump and Brexit within a historical and comparative perspective. Drawing primarily from the rich literature on the rise of far right parties, we advance the now classic ‘demand side’ explanation for the partisan effects of production globalisation, but also account for both the more recent success of the right and for cross-national variation therein. First, classic economic trade theory predicts that rising imports from the global South should reduce the labour demand for low-skill workers in the global North (see Wood 1994). Second, ensuring economic and social dislocation of these population segments should have partisan implications. In particular, production globalisation should increase the political viability of parties that propose solutions to these trade induced dislocations. The partisan implications of trade have been examined, but the focus has been on the strength of right parties (e.g. Swank and Betz, Colantone and Stanig 2018) or on the concept of political polarisation (e.g. Autor et al. 2016). In our intervention, we propose that the partisan impacts of Southern manufacturing imports depend on the degree to which global production networks consolidated into predominant organisational models worldwide, and on the degree to which the post-WWII capital-labour accord became institutionalised

at the national level. Our preliminary analysis is consistent with this intervention, and we conclude by suggesting avenues for future research.

## Does Production Globalisation Facilitate the Rise of the Right?

Research on the political strength of right parties has been on the rise since the 1970s and 1980s. This research parallels the rising political influence of what has been variously termed ‘new’ right wing parties. These parties are new because they are something other than fascist (maybe), in that their politics are rooted in the critique of the post-WWII political order in Western Democracies but lack an explicit critique of democratic capitalism per se. These parties combine anti-elite populism with a critique of national borders open to trade and immigration. These parties often foment a sense of resentment amongst a ‘silent majority’ that has been ‘left behind’ by the widely observed patterns of socio-economic change dating back to the 1970s - globalisation, deindustrialisation, and increased North/South migration. These parties are also socio-culturally conservative, and harken to an idealised past of family values and cultural homogeneity. For a good review of this literature, see Rydgren (2007).

This research has developed two stylised facts that, until very recently, were fairly uncontested. First, while support for these parties spans every segment of the electorate, it was disproportionately strong in ‘middle-class strata, particularly among small shopkeepers, farmers and the self-employed’ through the early 1980s (Swank and Betz 2003). Since the 1980s, however, there has been a marked shift in support among semi and un-skilled workers (particularly men) with low to moderate levels of education. This newer constituency makes sense from the standpoint of modern trade theory, where rising inequality and stagnant working class wages occur simultaneously with increases in the globalisation of production. Rising imports from the global South should decrease labour demand (and thus wages) for the low and unskilled, and increase both real and perceived levels of economic precarity (e.g. Alderson and Nielsen 2002;

Mahutga, Roberts and Kwon 2017; Wood 1994).

Recent analyses of the election of Donald Trump in the US criticise this stylised fact, but such analyses are misplaced. For example, Bhambra (2017: 68) suggests that 'the swing to Trump was carried not so much by the white working-class vote, but the vote of the white middle class, including college-educated white people'. While such an observation is consistent with the proportion of class and race-based subgroups of the electorate who voted for Trump in the 2016 election, it fails to appreciate the political implications of the two-party system in the U.S. and recent U.S. political history. Both the Republican and Democratic parties are rather big tents by European standards, including both moderate and more radical right/left constituents, respectively. In the U.S. political landscape, whites always vote predominantly Republican, including college-educated middle class whites. In the previous election cycle (2012), Mitt Romney - a more moderate Republican who has been highly critical of Donald Trump - was the nominee, and received 57% of the white vote. In 2016, 58% of whites voted for Trump. However, only 49% of white college graduates voted for Trump compared to 59% who voted for Romney in 2012. By contrast, a full 67% of whites without a college degree voted for Trump, compared to only 53% who voted for Romney in 2012. That is, the 2016 election represented a 14-point Republican swing for non-college educated whites, but a 10-point *Democratic* swing for college-educated whites. More telling still, Black, Hispanic and Asian Americans swung Republican by 7, 8 and 11 percentage points, respectively, from 2012 to 2016 (Time 2016).<sup>1</sup> In short, much like the success of right parties in Europe, the swing to Trump was carried by the white working class and by large voting shift among racial minorities that disproportionately hail from the working class. The class-based grievances of Trump's constituency is also reflected in their political attitudes.<sup>2</sup>

The second stylised fact is the wide degree of cross-national and temporal variation in the success of right parties. While at least one right-wing party exists in every rich democratic country but Ireland, the success of these parties - and of conservative parties more

generally - varies dramatically. For example, at least 20 percent of the vote in the 2014 European Parliament election went to far right parties in Austria, Poland, Denmark, the U.K., France and Poland. More than 10 but less than 20 percent of the vote went to far right parties from Greece, Lithuania, Hungary, Finland and the Netherlands. Less than 10 percent of the vote went to far-right parties for all other EU nations (Halikiopoulou and Vlandas 2016). In the settler countries, which can be described as *de-facto* two-party systems, right-party sentiment often translates into contestations over which candidate represents the right-leaning major party. In the 2016 U.S. presidential election, for example, Donald Trump and Ted Cruz were both far to the right of the rest of the candidates in the Republican primary and received a combined 80.1 percent of the primary vote. Romney (2012) and McCain (2008) were fairly centrist Republican candidates and have been highly critical of the Trump presidency.<sup>3</sup> Trump's presidency came on the heels of a rightward, populist shift in the Republican party, however, evinced by the 'tea-party' wave beginning in 2010 and the House Freedom Caucus today. Canada has had no such increase in right-wing populism.

This first stylised fact immediately suggests a set of cause of rising support for far right views - those socio-political-economic processes that impact this class-based constituency disproportionately. One process is somewhat obvious given the politics of these groups - globalisation - though skill biased technological change is probably at least equally responsible for the class-based grievances (e.g. Mahutga, Curran and Roberts 2018) as is immigration (Bhambra 2017; Time 2016; c.f. Brady and Finnigan 2014). The second stylised fact presents more of a puzzle because these three processes do not vary across countries as much as the success of right parties. For example, 78.4 percent of the variation in the cabinet share of right parties lies between countries. By comparison, only 32.1 percent of the variation in southern manufacturing imports lies between cases. It is this puzzle that we seek to address.

## Our intervention

Building on previous work in the right-wing parties research tradition, we argue globalisation has distinct partisan effects that favour the right (e.g. Colantone and Stanig 2018) but these effects vary across both time and space (Swank and Betz 2003). Swank and Betz (2003) argue generous welfare states lessen the economic dislocations of globalisation, and thereby the link from globalisation to right parties. We add to this three insights from recent work on the distributional impacts of economic globalisation and egalitarian institutions (Mahutga, Roberts and Kwon 2017; Western and Rosenfeld 2011).

Our first contribution accounts for the fact that globalised production networks (GPNs)/value chains (GVCs) have become the modal organisational form for industrial organisation world-wide. This process both increased the downward pressure on labour demand for low-skilled workers *and* enhanced perceptions that trade causes economic precarity (see Mahutga, Roberts and Kwon 2017). As such, the exposure of national economies to manufacturing imports from the global South should have a larger positive effect on the strength of right parties as production networks become more entrenched organisational forms. With our second, we expand upon the set of egalitarian institutions identified by Swank and Betz (2003) that should weaken the impact of globalisation on right parties. Here we argue that globalisation leads to weaker right-ward political shifts where the post-war capital labour accord became more institutionalised in the form of wage-coordination and stronger/more persistent labour unions. And third, we suggest that the moderating effect of these egalitarian institutions is driven as much by the *semi-otic* context within which working classes experience globalisation. Here, the working class *feels* is more likely to support calls for redistribution by left parties than it is to support the increasingly anti-trade (and, perhaps, anti-immigrant) political platform of right leaning parties in countries with more wage-coordination, labour unions and generous welfare states (see Brady and Finnigan 2014; Mahutga et al. 2017;

Western and Rosenfeld 2011).

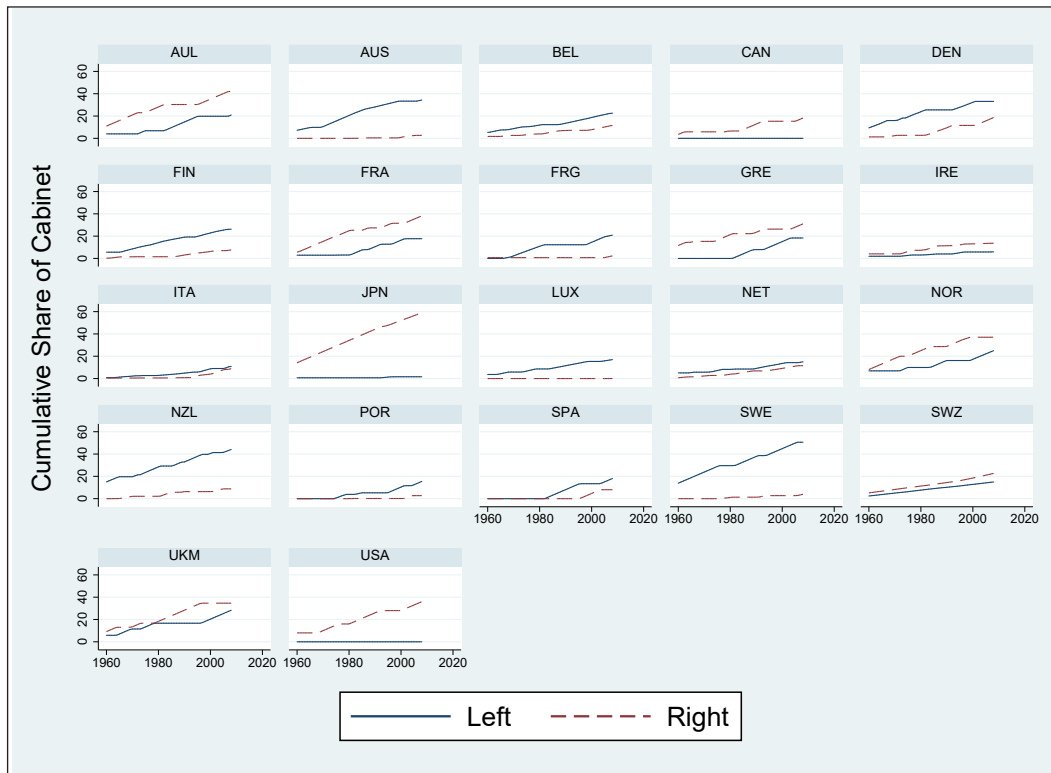
We depart from the broader literature on the success of right-wing populism by focusing upon the partisan effects of trade more generally. Using the definition of Brady, Huber and Stevens (2014), we analyse the cumulative cabinet share of right and left parties, respectively. For the European parliamentary systems so often studied by the literature on right-wing populism, these data include both the more extreme/populist right/left parties of typical interest *and* more influential parties on the right/left. While this necessarily introduces a degree conceptual muddling vis-à-vis the larger literature on right parties and our contribution here, it also provides two distinct advantages. First, the traditional focus on populist right parties limits the empirical scope to the parliamentary systems of Western Europe, where small parties have a non-trivial chance of gaining cabinet share in any given election. Second, even in such systems, supporters of populist right parties fear ‘a vote for a small party is a wasted vote, which makes them voter for one of the two major parties instead’ (Rydgren 2007: 254). By focusing on the *total* right/left party share of national cabinets, we capture a broader set of countries for which the rise of the right is reflected in the changing ideology of dominant parties (see note 3) *and* the right-populist sympathetic vote share captured by historically influential right/left parties. As is clear in Figure 1, the cross-national and temporal variation in these covariates maps onto to that in the narrower literature on populist right parties. Many countries show an uptick in the cumulative right party share after 1980, but the relative weight of left and right parties varies tremendously across countries.

## Data/Analysis

### *Dependent Variables*

**Right and Left Cabinet Share.** We measure the cumulative right and left cabinet share with data from Brady et al. (2014) (see Figure 1). Each measure takes the cabinet share of right and left parties, respectively, in the current year and adds it to the sum of these cabinet shares in preceding years. By analysing both the

Figure 1: Cumulative Party Share on the Left and Right



left and right cabinet share, we can test the auxiliary hypothesis that globalisation has a larger negative effect on left parties as production networks consolidate, and a smaller negative effect on right parties in countries with more wage coordination, generous welfare states and higher rates of unionisation. Because Brady et al. (2014) also code for other types of parties, these covariates are only slightly correlated at  $-.113$  for the entire series.

**Independent Variable**

**Production Globalisation.** A common measure of production globalisation among advanced industrial countries is the value of manufacturing imports from Southern countries (see Alderson and Nielsen 2002). However, trade scales linearly with country size such that it is common to normalise imports from Southern countries (typically defined as non-OECD and non-COMECON countries) by gross domestic prod-

uct (GDP). However, this approach has been shown to understate the relative economic importance of Southern imports because they increase GDP disproportionately (see Mahutga et al. 2017 note 5; Kollmeyer 2009). Thus, we follow Mahutga et al. (2017) by employing the ratio of manufacturing imports from the global South to total imports.

**Moderating Variables**

**GPN Consolidation.** To measure the world-wide consolidation of GPNs, we follow Feenstra (1998), Mahutga (2012) and Mahutga et al. (2017) by employing the ratio of world trade in manufacturing to world value added in manufacturing. Here, the divergence of world trade from world value added is proportional to the consolidation of various industry-specific network models as world-wide organisational forms. World trade and value added data come from the United Nations (2014) and UNIDO



(2015), respectively. As a world-level covariate, this varies over time but not countries.

**Wage Coordination.** We measure wage-coordination with Kenworthy (2001), and updated by Brady et al. (2014). Scores ranged from 1 to 5, with 1 indicating fragmented bargaining at the plant-level and 5 indicating centralised bargaining amongst large union and business confederations, or government imposed wage schedules.

**Welfare State Generosity.** We measure the welfare state with the updated generosity index (Scruggs, Jahn and Kuitto 2014) which expands on and updates the Epsing-Anderson's (1990) decommodification index. More generous welfare states provide relatively large outlays for longer periods of time, and have minimal eligibility requirements.

**Union Density:** We measure union density with net union membership as a percentage of employed wage and salary earners. These data come from Brady et al. (2014).

### *Control Variables*

Our analysis is exceedingly provisional and there is as of yet little consensus with which one could establish a baseline model of right and left-wing parties. That said, commonly employed predictor of the success of right-wing parties is the unemployment rate. Thus, we control for the we control for the harmonised unemployment rate (OECD 2017). Our focus on the cumulative share of left and right cabinets also creates an upward trend in both covariates. Thus, to mitigate the correlations between these two-covariates and trending variables on the right hand side, we also include a linear time trend.

### *Time-Series Cross Section Regression*

We conduct a time-series cross section regression analysis of income inequality among 22 rich democracies. The sample includes most of Western Europe, Japan, the US, Canada, Australia and New Zealand.<sup>4</sup> The unit of observation in the time-series cross-section regression is the country-year. Because of missing

data on the right hand side, our panels are unbalanced. Because of different patterns of missing data across moderators, we also estimate our models with unique samples across moderators.

We control for omitted unobservable covariates that vary across countries but not over time with fixed country effects. These type of data typically yield heteroskedastic, serially and spatially correlated disturbance terms. Thus, we employ standard errors that are robust to heteroskedasticity and spatially correlated errors, and a first-order (AR1) autocorrelation correction with a Prais-Winstone transformation.

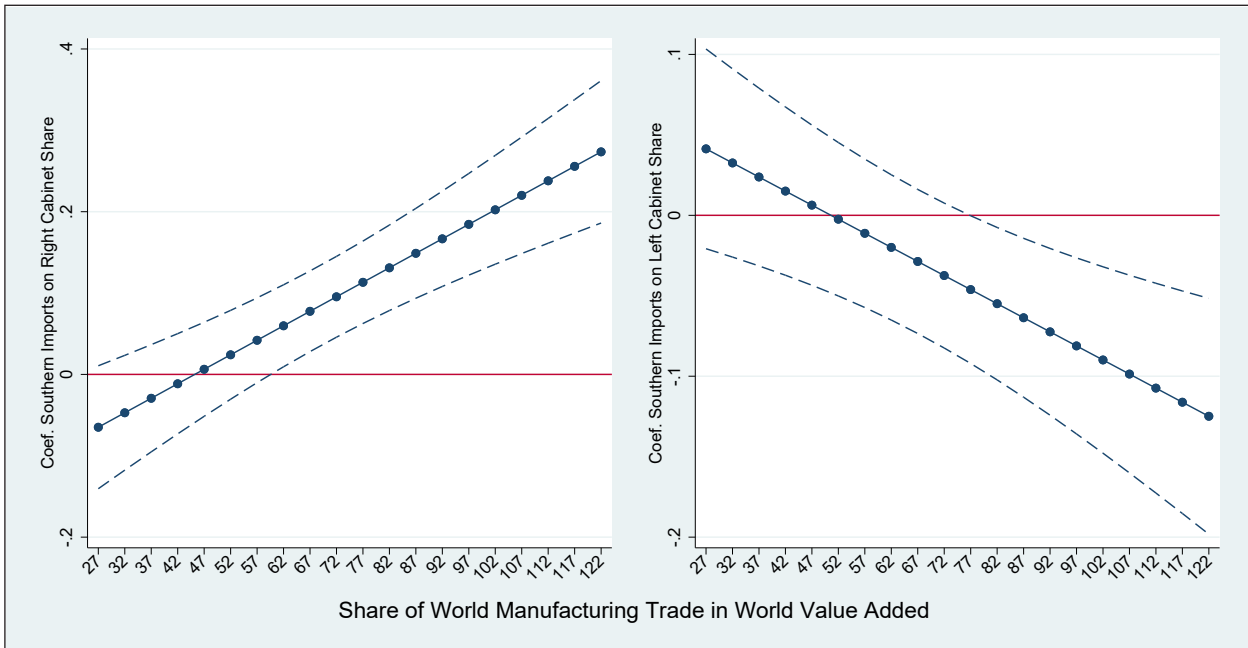
To test the hypotheses that the consolidation of GPNs, wage coordination, welfare states and union density moderate the impact of southern imports on right/left cabinet share, we regress income inequality on interaction terms between southern imports and each of these moderators.

## **Results**

As we discuss above, our primary interest is in the degree to which world-wide organisational forms and national institutions moderate the political impacts of production globalisation. For brevity, we include a table of regression coefficients in the Appendix (see Table A1), and restrict the majority of our discussion here to variation in the marginal effects of production globalisation across these factors. Southern imports have a positive and significant effect on the cabinet share of right parties, and a negative but non-significant effect on the cabinet share of left parties. These effects are largely consistent with recent work on right party votes and voter polarisation (e.g. Colantone and Stanig 2018; Autor, Dorn, Hanson and Majlesi 2016). Consistent with our intervention above, however, these effects vary considerably across time and space.

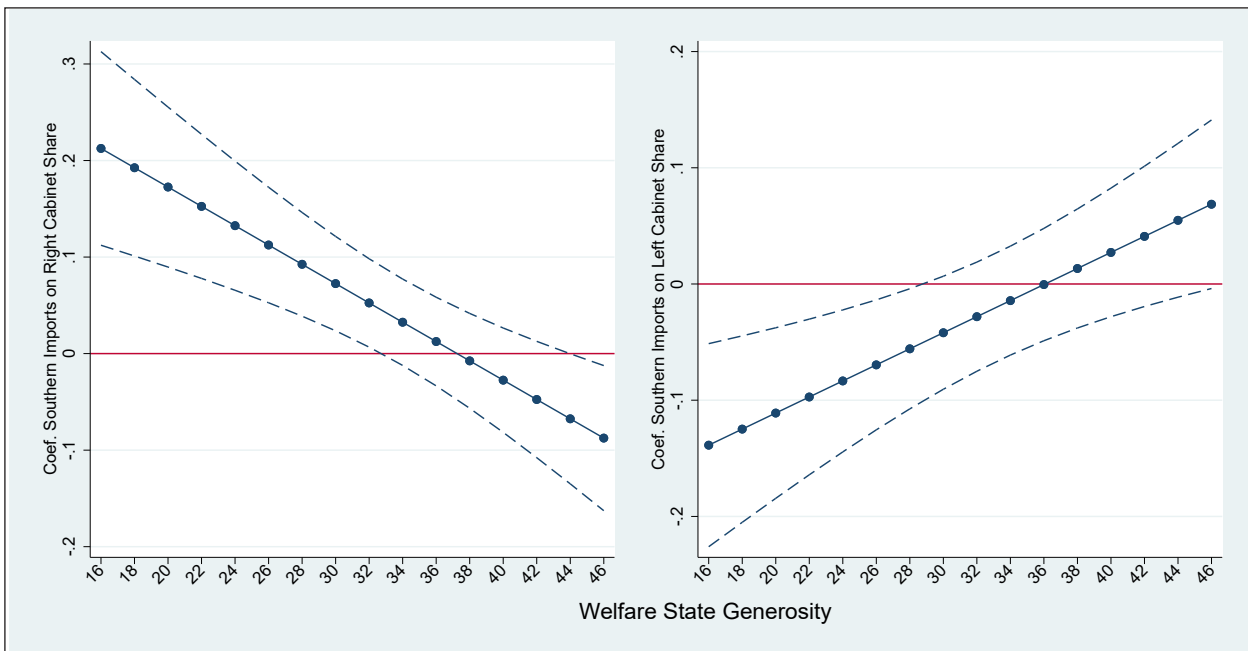
Figure 2 reports the marginal effect of Southern imports on the cabinet share of right and left parties, respectively, as they vary by the world-wide consolidation of GPNs. As can be seen on the left panel of Figure 2, GPNs exacerbate the positive impact of Southern imports on right parties and its negative effect on left parties. Southern imports increase the

**Figure 2: Marginal Effects of Production Globalisation on Right and Left Party Share by GPN Consolidation**



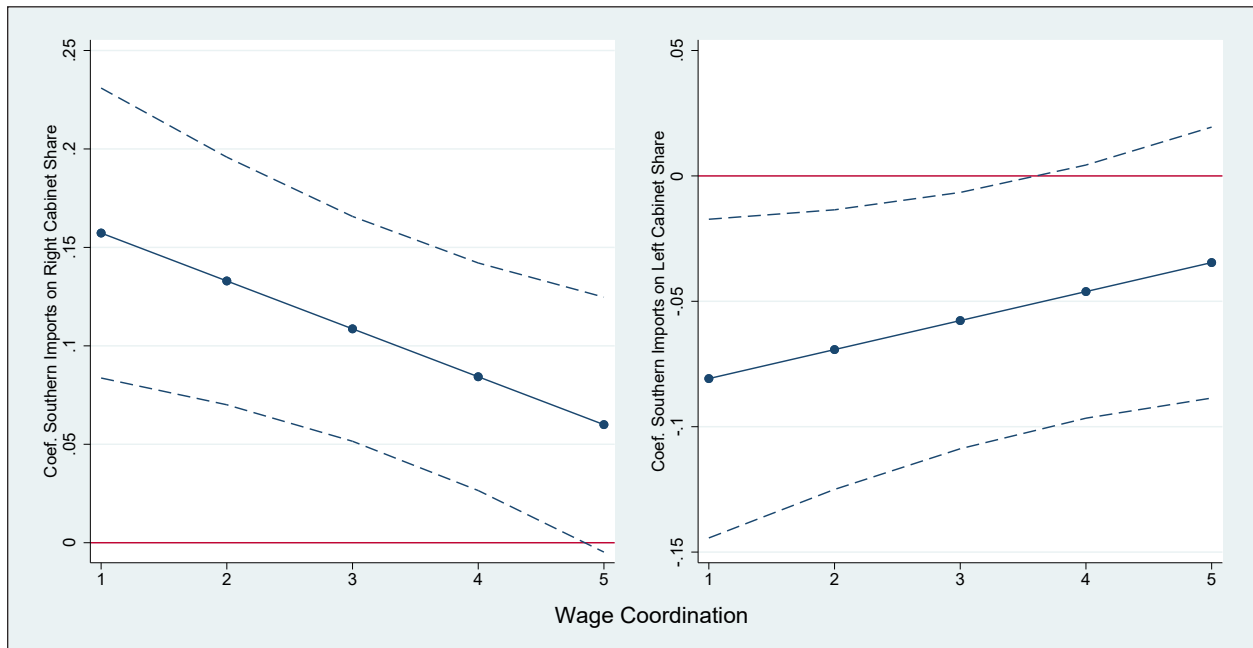
Note: Dashed lines are 95% confidence intervals.

**Figure 3: Marginal Effect of Southern Imports on Right and Left Cabinet Share by Welfare State Generosity**



Note: Dashed lines are 95% confidence intervals. Interaction non-significant for left party share.

**Figure 4:** Marginal Effect of Southern Imports on Right and Left Cabinet Share by Wage-Coordination



Note: Dashed lines are 95% confidence intervals. Interaction non-significant for left party share.

cabinet share of right parties after the share of world-manufacturing trade to world value added surpasses ~61%. Similarly, Southern imports decrease the cabinet share of left parties when this ratio surpasses ~76%. Prior to these thresholds, Southern imports have no effect on the cabinet share of left or right parties.

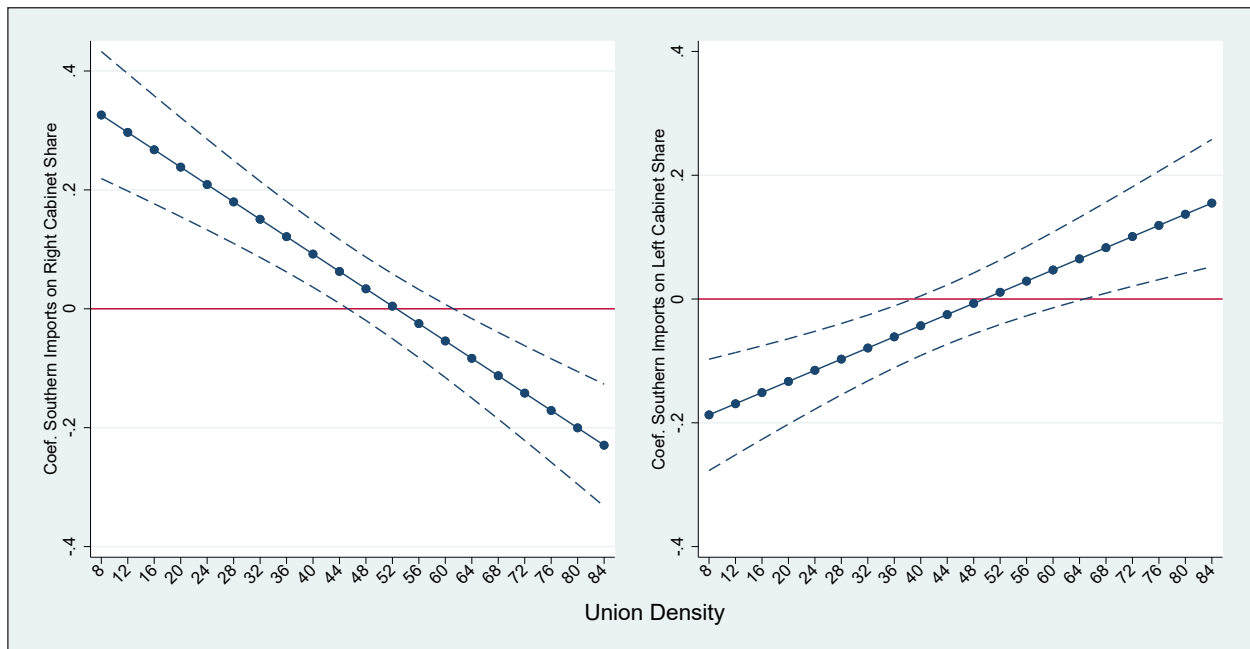
Figure 3 repeats this exercise for the interactions involving welfare state generosity. Here, generous welfare states reduce both the positive impact of Southern imports on right cabinet shares, and the negative impact of Southern imports on left cabinet shares. With respect right parties, Southern imports increase the cabinet share among countries with generosity scores from ~16 to ~32. Interestingly, the results in the left hand panel of Figure 3 also suggest that Southern imports decrease the cabinet share of right parties in countries with the *most* generous welfare states (generosity scores greater than 44). With respect to left parties, Southern imports decrease their cabinet share

in countries with generosity scores between 16 and 28, after which Southern imports have no effect on left cabinet shares. In short, welfare states moderate the partisan effects of Southern imports on both the right and the left.

Figure 4 displays the results for the interactions involving wage-coordination. Due in part to the imprecision of our wage-coordination covariate, the slope of the marginal effects are relatively shallow (and non-significant for left parties) and the confidence intervals around the point estimates are relatively wide. Nevertheless, there are important qualitative differences in the partisan effects of Southern imports as wage coordination varies. On the right, the positive effect of Southern imports on the cabinet share becomes non-significant in countries with the highest level (5) of wage-coordination. On the left, the negative effect of Southern imports on the cabinet share becomes non-significant in countries with either a 4 or 5 on the wage-coordination index (i.e. wage-coordination is



**Figure 5:** Marginal Effect of Southern Imports on Right and Left Cabinet Share by Union Density



Note: Dashed lines are 95% confidence intervals

centralised in peak labour confederations, employer associations and/or the state and patterned across industries).

Finally, Figure 5 displays variation in the partisan effects of Southern imports across levels of union density. On the right, Southern imports increase the cabinet share in countries with ~8 to ~44 percent unionisation, and then decrease the cabinet share in countries with unionisation rates at or above ~64%. On the left, Southern imports reduce the cabinet share in countries with unionisation rates of less than 36%, but actually increase the cabinet share in countries with a ~68% or more unionisation rate. Much like the three interactions analysed above, the moderating effect of union density is greater on the right and the left. Nevertheless, union density appears to have the largest moderating effect of any analysed here, and is unique in promoting a positive trade effect on the left cabinet share in very unionised countries.

## Conclusion

In this symposium entry, we advanced a political economy of the partisan effects of the globalisation of production. Drawing inspiration from the rich literature on the rise of right parties, we link rising southern imports to greater demand for right leaning parties advocating a nationalist, anti-globalisation, and anti-immigration agenda. As a point of departure from this literature, however, we argue that these partisan effects should vary across time and space. Temporally, the consolidation of GPNs as modal organisational forms worldwide exacerbates the partisan effects of Southern manufacturing imports. Spatially, countries in which the post-WWII capital-labour accord was more institutionalised in the form of generous welfare states, stronger wage-setting institutions and higher rates of unionisation experience weaker partisan effects of trade. Our very preliminary evidence is entirely consistent with this

intervention: southern imports increase the cabinet share of right parties and decrease the cabinet share of left parties. However, Southern imports increase the right cabinet share, and decrease the left cabinet share, more when GPNs are more consolidated. Southern imports increase the right cabinet share more when welfare states are less generous, when wage-coordination is weaker and when union density is smaller. Similarly, Southern imports decrease the left cabinet share less when welfare states are more generous, wage-setting is highly centralised and unionisation remains high. In general, the partisan effects of trade are stronger for the right than for the left<sup>5</sup>, and unionisation has the strongest moderating effect.

What can we make of these findings? Of course the most general conclusion is that the partisan effects of the globalisation of production depend on how production is organised, and on the institutional configuration in any given country. But our findings are far from causal. First, space constraints preclude a more exhaustive treatment of the causal mechanisms we believe underlie these processes. We believe that the *semiotic* context in which working classes experience globalisation is incredibly important. That is, it is one thing to experience declining social position and hope for redress, and quite another to conclude that protectionism, xenophobia/racism and authoritarianism are the right prescription. Much work has been done to explicate how wage-setting and unions promote egalitarian norms even beyond direct participants in these labour market institutions, so these mechanisms are straightforward (e.g. Western and Rosenfeld 2011; Wallerstein 1999). Likewise, research on the welfare state suggests strongly that universal and generous welfare states promote egalitarianism. Compared to targeted welfare states, which promote competition between segments of the population subject to more or less generous welfare state transfers, welfare states with few eligibility requirements convey a cultural script that all members of a society are worthy of social protection (e.g. Epsing-Anderson 1990; Swank and Betz 2003). In these contexts, the reactionary prescriptions by right parties are likely to have less resonance with the general population than pro-

gressive ones. Second, better and more robust econometric treatments at the macro level are critical. Third, and finally, analyses of individual voting behavior are also critical.

How might these findings advance related questions? While the focus of this research note has been on the globalisation of production, it is clear that immigration played an equally, if not more, important role in the global rise of the right. While our intuition would be to link this to the same demand side phenomena underlying the partisan effects of trade, it is nevertheless a critically important question in its own right.<sup>6</sup> Any impact of immigration on related outcomes - e.g. support for social spending - is very much in doubt (e.g. Brady and Finnigan 2014). However, research could examine the partisan effects of immigration. Recent research suggests significant partisan effects in countries with weak welfare states, wage-coordinating institutions and low unionisation rates (e.g. the United States, Hajnal and Rivera 2014). Thus, future work might consider the degree to which the egalitarian institutions discussed here matter for the partisan effects of immigration. Similarly, work should consider additional institutional covariates like multiculturalism, which has been shown to matter for the effect of immigration on support for social spending among natives (Kwon and Curran 2016).

## Notes

<sup>1</sup> Bhambra (2017) was equally critical of analyses linking Brexit to class-based social problems, but the analysis is likewise puzzling. Brexit was overwhelmingly driven by older and less educated voters—these two covariates explain nearly 80% of the inter-ward variation in the Brexit vote (BBC 2017). The vote was also strongly correlated with individual skill and income levels (New Statesman 2016).

<sup>2</sup> 79% of Trump voters believed the nation's economy is in 'poor' condition, compared to only 15% of Clinton voters. 65% of Trump voters believed that trade with other countries eliminates jobs in the US, compared to only 31% of Clinton voters (Time 2016).

<sup>3</sup> At the same time, the Republican party won a larger share of the US Congress and Senate in 2010 and

after, part of which was attributable to the rise of more extreme Republican candidates (e.g. the 'tea party' wave and subsequent freedom caucus). Thus, the partisan character of government in these countries is measured as much by the politics of personalities in office as the vote share of the major parties.

<sup>4</sup> The following countries appear in at least one of the reported models: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States.

<sup>5</sup> This can be gleaned most clearly by comparing the  $R^2$  across the same models for the right and left cabinet share, respectively, in Table A1.

<sup>6</sup> Indeed, Clinton and Trump supporters differed starkly in their views of immigration. 64% of Trump supporters felt immigration should be the top policy priority compared to 32% of Clinton supporters. A full 84% of Trump supporters felt undocumented immigrants should be deported compared to only 14% of Clinton supporters.

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## Appendix

Table A1: Regression Results Underlying Figures 2-5.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			Right Cabinet Share					Left Cabinet Share		
Production Globalisation	0.082** (0.027)	-0.160** (0.054)	0.376*** (0.090)	0.182*** (0.045)	0.384*** (0.063)	-0.027 (0.023)	0.088* (0.043)	-0.251** (0.077)	-0.092* (0.037)	-0.223*** (0.054)
GPN Consolidation		-0.058*** (0.011)					0.036*** (0.010)			
Production Globalisation X GPN Consolidation		0.004*** (0.001)					-0.002** (0.001)			
Welfare State Generosity			0.058* (0.025)					-0.056* (0.025)		
Production Globalisation X Generosity			-0.010*** (0.003)					0.007** (0.002)		
Wage Coordination				0.107* (0.051)					-0.071 (0.045)	
Production Globalisation X Wage Coordination				-0.024* (0.010)					0.012 (0.008)	
Union Density					0.045** (0.016)					-0.022 (0.017)
Production Globalisation X Union Density					-0.007*** (0.001)					0.005*** (0.001)
Unemployment	-0.025 (0.016)	-0.033 (0.017)	-0.018 (0.016)	-0.007 (0.018)	0.016 (0.019)	-0.001 (0.015)	0.011 (0.016)	0.005 (0.016)	-0.001 (0.018)	-0.015 (0.019)
Year	0.325*** (0.011)	0.380*** (0.019)	0.336*** (0.012)	0.319*** (0.013)	0.301*** (0.014)	0.394*** (0.012)	0.349*** (0.020)	0.415*** (0.013)	0.400*** (0.013)	0.415*** (0.015)
N	767	756	690	707	644	767	756	690	707	644
R <sup>2</sup>	0.808	0.844	0.843	0.840	0.888	0.694	0.748	0.780	0.790	0.820

Heteroskedasticity and serial correlation consistent standard errors in parentheses; \* p<0.05, \*\* p<0.01, \*\*\* p<0.001