

# Political Economics II, Spring 2019

## Part III, Political Selection

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Lecture 7, March 6

# Research program on Swedish politics

## Immediate questions

- ▶ who selected as politicians and leaders?
- ▶ drivers and consequences of selection?

## Broader question

- ▶ how well does democracy work?

## Common denominator

- ▶ high-quality register data for all national and municipal, politicians on a ballot in all parties and elections since 1982
- ▶ same data for rest of population

# Different studies with different co-authors

"Who becomes a politician?"

- ▶ *Quarterly Journal of Economics*, 2017
- ▶ selection on ability and social background

"Economic winners and political losers: Sweden's radical right

- ▶ Mimeo, 2019
- ▶ who become politicians in populist parties,  
*and* who vote for these parties

## Different papers with different co-authors (cont.)

"The primary effect: Preference votes and political promotion"

- ▶ *American Political Science Review*, 2016
- ▶ selection of local party leaders

"Dynastic political rents"

- ▶ *Economic Journal*, 2017
- ▶ incomes of close relatives to newly selected leaders

"Gender quotas and the crisis of the mediocre man"

- ▶ *American Economic Review*, 2017
- ▶ leader selection of follower competence and representation of women

# Who Becomes a Politician?

Ernesto Dal Bo, Fred Finan, Olle Folke,  
Torsten Persson och Johanna Rickne

*Quarterly Journal of Economics*, 2017

# Selection of politicians key to democracy

Information aggregation and competence (ability)

- ▶ competent more likely achieve given objective

Preference aggregation and representation

- ▶ representative group can better balance different interests
- ▶ also a plus when aggregating information

Can competence and representation be combined?

- ▶ many hypotheses, but empirically under-researched
- ▶ important reason is lack of data

# Some influential ideas

## On ability and self-selection

- ▶ free riding (Olson 1965), adverse selection (Caselli-Morelli 2004, Key 1947), or both (Messner-Polborn 2004), may imply negative selection
- ▶ but intrinsic motivation may be a remedy (Benabou-Tirole 2003, Besley-Ghatak 2005, Francois 2000)

## On selection by electoral systems

- ▶ may shape accountability vs. representation – PR favors latter (Myerson 1993, Persson-Tabellini 2004, Powell 2000, Taagepeera-Shugart 1989)

# Empirical hurdles to study political selection

## Three data constraints

1. many studies use elected only (e.g., Diermeier, Keane and Merlo 2005) – highly selected sample
2. most studies measure ability by proxies like education (Dal Bo et al. 2009, Ferraz and Finan 2010, Galasso and Nannicini 2011) – may reflect luck, or mix of ability and social class
3. no studies of politicians vs. full population, or other elite groups (Tillmann 2014 a few steps; Chetty et al. 2016 competence and family background of US innovators)



# First broad empirical study

All Swedish municipal and parliamentary politicians

- ▶ all lists, all parties, all elections since 1982

Detailed measures of ability and social background

- ▶ compare to full population and specific elite professions

# Main questions and answers

- ▶ selection on ability? – yes, and monotonic in power!
- ▶ elitism or meritocracy? – meritocracy!
- ▶ representative for full population? – yes!
- ▶ tradeoff ability-representation? – not really!
- ▶ drivers? – self-selection and party screening!

# Roadmap

1. **Background and data**
2. Selection on ability?
3. Meritocracy or elitism?
4. Tradeoff ability–representation?
5. Drivers?

# Swedish municipalities

## Lowest level of political organization

- ▶ 290 units of different size
- ▶ legal social-service (day-care, K-12 schools, old-age care) and local-infrastructure provider
- ▶ 20 % of the economy (spending, employment, income tax rate)

## Mini-parliamentary system

- ▶ council elected by PR from local party lists, every four years, 80-90% turnout
- ▶ majority coalition appoints council board, dominates committees, and proposes budget
- ▶ top politician in largest majority party becomes mayor

# Municipal politicians

## "Leisure" (part-time) politicians

- ▶ only reimbursed for direct costs and meetings – opportunity costs may be powerful disincentive
- ▶ council seat may be springboard for national career – 72% of 2010 national parliamentarians had been municipal councilors for same party

## Mayor

- ▶ often one of two full-time salaried positions (plus vice mayor)
- ▶ top percentile of national income distribution, plus yields power over policy and local prestige

# Data

Link together information from various sources

- ▶ all party candidate ballots, 1982-2010 (Election Authority)
- ▶ tax records and censuses – age, gender, education, occupation, earnings, ... – whole population, 1979-2012 (Statistics Sweden, various registers including Swedish Tax Authority)
- ▶ family relations (Multigenerational Register)
- ▶ individual mental-capacity scores for 18-year old men (Defense Recruitment Agency)

Large data sets

- ▶ altogether, about 14 Mill. unique individuals – 150,000 nominated and 53,000 elected politicians

# Enlistment scores

## Cognitive score

- ▶ 1-9 (stanine) scale from IQ-test of innate mental ability

## Leadership score (if cognitive score $\geq 5$ )

- ▶ 1-9 scale from evaluation of four (big-five related) traits by trained psychologist – “help create group cohesion”

# Earnings score

Gauge earnings power, given observables

- ▶ if full-time paid position in politics, use only prior earnings
- ▶ estimate fully saturated Mincer regression on panel data for whole population, based on Besley, Folke, Persson, and Rickne (forthcoming)
- ▶ compute individual average residual – conditional on cohort, employment sector, years of education, experience, municipality, gender and interactions of all of these – express as z-score
- ▶ validate by political success, and municipal service delivery



## Measure different ability dimensions

	Leadership score	Cognitive score	Years of education
Leadership score	1		
Cognitive score	0.338	1	
Years of education	0.300	0.511	1
Earnings Score	0.201	0.167	0.076

# Social background

## Parental income classification

- ▶ income percentile in 1979 of parents to politicians (or other groups) observed in 2011

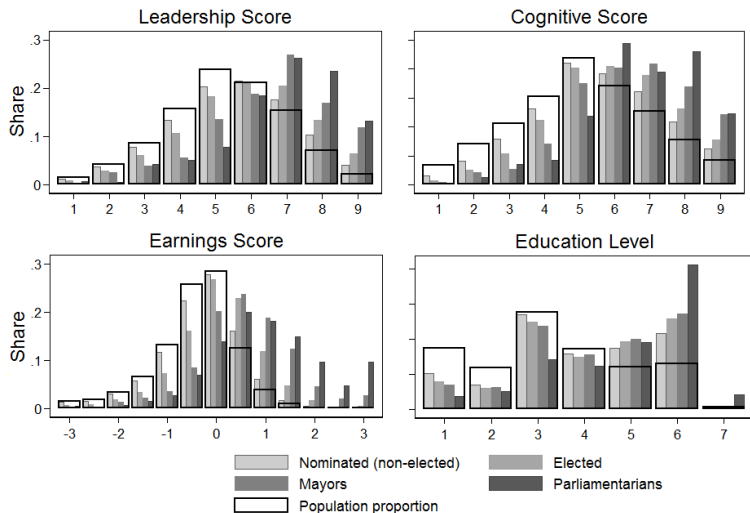
## Parental occupation classification

- ▶ social class (EGP scheme) of parents

# Roadmap

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# Strong positive selection – by all measures



# Perspective on ability (in 2011)

	Leadership score	Cognitive score	Earnings score	Years of schooling	Labor earnings	Obs
Nominated to mun. council	5.5	5.5	0.07	13.6	286.2	24535
Municipal councilors	5.8	5.9	0.38	13.8	379.0	8870
Mayors	6.4	6.2	0.79	13.9	679.4	247
Parliamentarians	6.6	6.4	0.98	14.8	802.2	320(*)
CEOs (10 – 24 employees)	6.1	5.8	0.81	13.6	675.6	6825
CEOs (25 – 249 employees)	6.4	6.2	1.12	14.2	1046.2	6885
CEOs ( $\geq$ 250 employees)	6.8	6.7	1.29	15.4	1926.0	1470
Medical Doctors	6.5	7.4	1.13	17.1	640.0	29514
Lawyers and Judges	6.5	6.8	0.69	17.0	568.0	5308
Economists	5.9	7.0	0.38	20.4	530	248
Political Scientists	5.8	6.8	0.61	20.4	513.3	306

# Roadmap

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# Selection meritocratic, or byproduct of elitism?

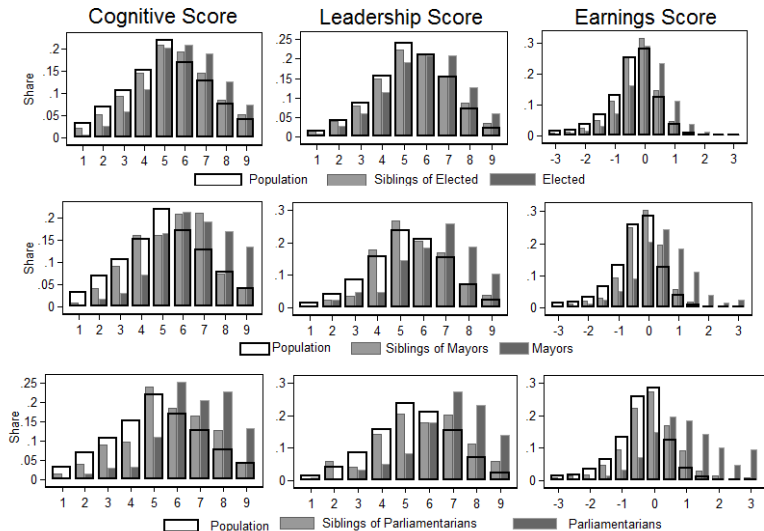
Given family background, do individual traits matter?

- ▶ check politicians vs. their own siblings

Does socioeconomic background drive selection?

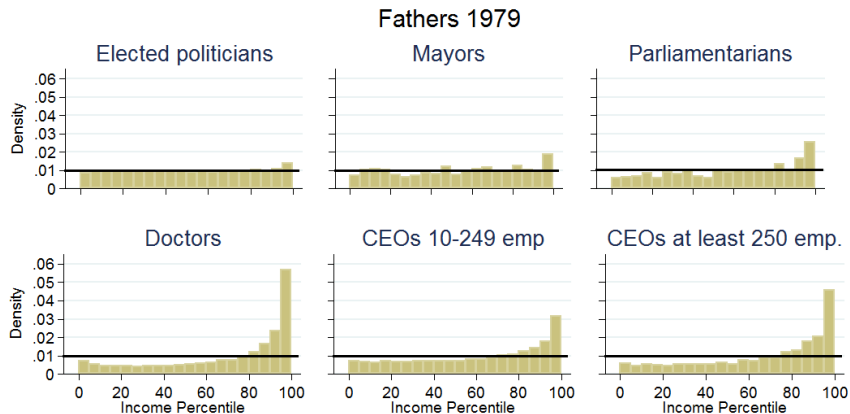
- ▶ check background of parents to politicians

# Politicians and their siblings





# Representativeness of parents



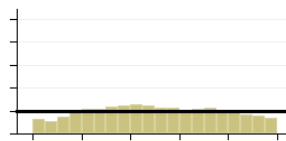
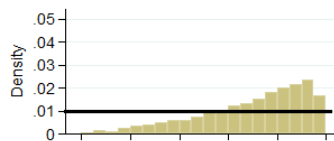
- ▶ similar results for measures of social class

# Disaggregate by party

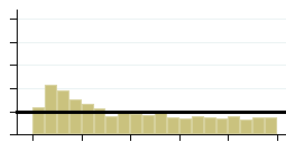
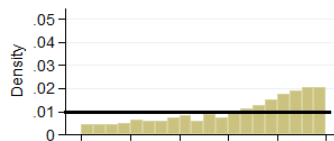
Elected Politicians

Elected Politicians' Fathers, 1979

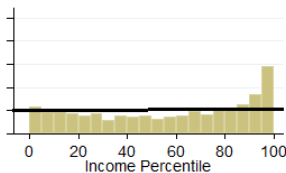
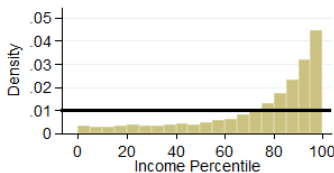
Social Democrats



Center Party



Conservatives



# Roadmap

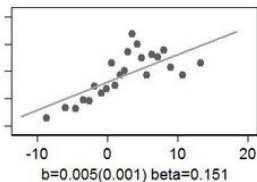
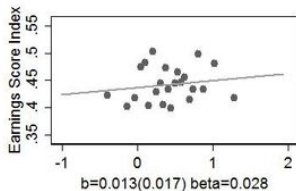
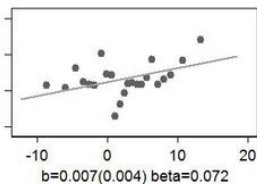
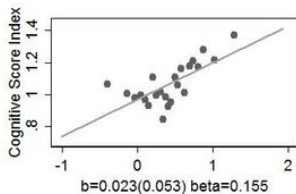
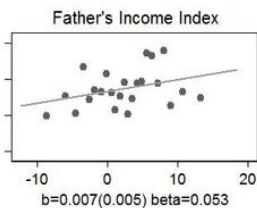
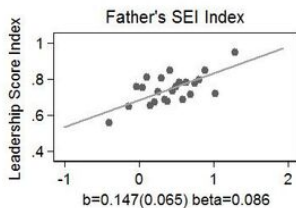
1. Background and data
2. Selection on ability?
3. Meritocracy or elitism?
4. **Tradeoff ability–representation?**
5. Drivers?

# Study different municipalities

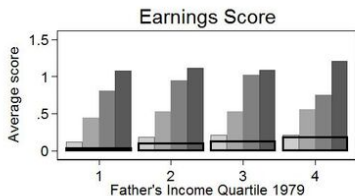
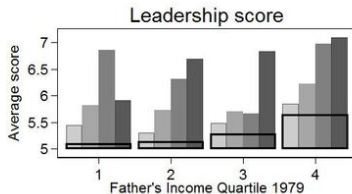
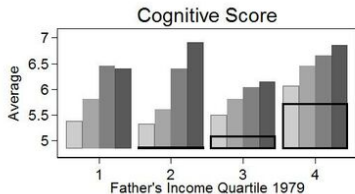
Ability and representation of politicians vs municipality population

- ▶ quite wide spread in both measures
- ▶ does more representation of lower social groups imply lower ability?

# Qualitatively, but not quantitatively



# Why is tradeoff so flat?



- ▶ better (relative) selection for worse family background

# Roadmap

1. Background and data
2. Selection on ability?
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5. **Drivers?**

# Mechanisms behind selection?

Supply: who self-selects into politics?

- ▶ material as well as prosocial motives

Demand: how do parties screen them?

- ▶ promotion by ability helps positive selection



## Drivers of supply – self-selection

Simple Roy model: risk-neutral citizens may offer political service

- ▶ joint distribution over ability  $y$ , and pro-social motive  $p$
- ▶ each citizen has two-period horizon

Outside politics

- ▶ earn  $y$  in period 1 and expect  $\gamma y$  in period 2, where  $\gamma \geq 1$   
*occupation-specific* age-earnings profile

Inside politics

- ▶ elected to council with probability  $q(y)$ , intrinsic benefit  $\frac{p}{2}$  per period
- ▶ must give up some private career: earn  $y$  in period 1, but only  $(1 - \delta)\gamma y$  in period 2
- ▶ elected becomes mayor in period 2: *party-municipality-specific* probability  $\pi$  to earn *municipality-specific* political wage  $w$

# Cost-benefit calculus and comparative statics

Self-select into politics if

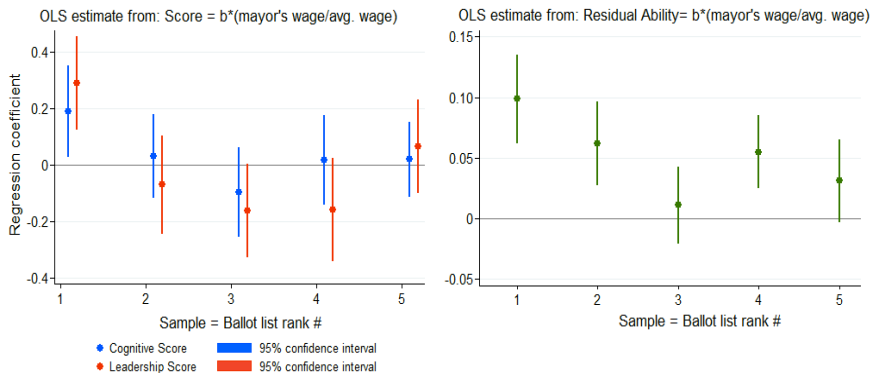
$$\begin{aligned}(1 + \gamma)y &\leq (1 - q(y))(1 + \gamma)y \\ &+ q(y)((1 + (1 - \pi))(1 - \delta)\gamma)y + \pi w) + q(y)p \\ \Rightarrow p &\geq p^* = \delta\gamma y - \pi(w - (1 - \delta)\gamma y)\end{aligned}$$

- ▶ pro-social benefit (LHS) must outweigh expected material cost (RHS)

Comparative statics suggest correlations to study

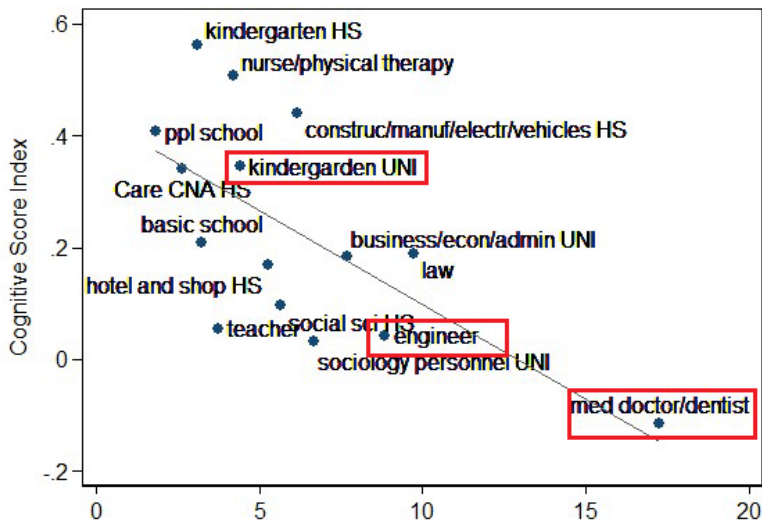
**Prediction** *if  $(p, y)$  drawn from joint distribution, higher  $w$ ,  $\pi$ , and lower  $\gamma$ , raise ability of those self-selecting into politics – with positive party screening, this also applies in equilibrium*

# Municipality-specific mayoral wages



- ▶ higher-ability candidates at top of party lists when wages higher  $w$ , as in model

## Occupation-specific age-earnings growth



- ▶ worse selection at higher earnings growth  $\gamma$ , as in model

## Party-specific promotion probabilities

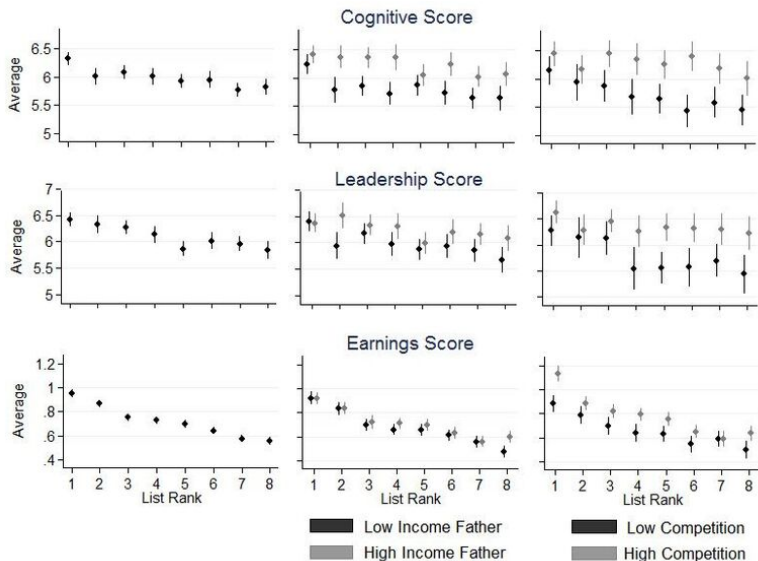
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	Probability that the politician's party appoints the mayor							
	0%		1-50%		51-99%		100%	
	Elected	Top	Elected	Top	Elected	Top	Elected	Top
Leadership Score	0.75	0.95	0.94	1.25	0.79	1.11	0.65	1.52
Cognitive Score	1.29	1.42	1.15	1.37	1.03	1.41	0.90	1.92
Earnings Score	0.35	0.51	0.51	0.79	0.58	0.88	0.60	1.13
Observations*	5,394		1,584		1,032		456	

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- ▶ better selection as mayorship more likely  $\pi$ , as in model
- ▶ but ability high also in other parties –  $p$  must be high enough

# Parties screen by ability



# Final remarks

## Swedish politicians

- ▶ positively selected by different ability measures, more so at higher political power
- ▶ representative for all socioeconomic groups
- ▶ even social representation not very costly in terms of lower ability – “inclusive meritocracy”

## Deepen the analysis

- ▶ more about mechanisms
- ▶ effect of competence and representativeness on policy

## Compare to other countries

- ▶ similar and different political systems
- ▶ but data an important constraint

# **Economic Losers and Political Winners: Sweden's Radical Right**

Ernesto Dal Bo (UC Berkeley), Frederico Finan (UC Berkeley),  
Olle Folke (Uppsala U), Torsten Persson (Stockholm U), and  
Johanna Rickne (Stockholm U)



# Rise of radical right

## Pronounced political phenomenon

- ▶ entry across countries and electoral systems
- ▶ numerous in Europe; ruling in Austria, Brazil, Finland, Hungary, Italy, Poland, Slovenia, US; resurging in Australia, Israel, Japan

## Programs

- ▶ glorify nation and past times: anti-establishment, anti-immigration populism
- ▶ stress traditional values, law and order, hierarchies: some challenge liberal democracy

## Study Sweden Democrats (SD) from *supply* and *demand* side

- ▶ from 2.9% in 2006 to 12.9% in 2014 (17.5% in Sept 2018)

# Starting point

## Pinpoint (relative) economic losers

- ▶ two dramatic economic events in 2006-2014 period
  1. Make-work-pay reforms: income gap of labor-market "outsiders" relative to "insiders" – up by 20% in 2006-2011
  2. Financial-crisis recession: job-loss risk of "vulnerable" insiders relative to "secure" insiders – doubled in 2008-2012
- ▶ use these categories in both supply and demand parts

# Supply – politicians

## Characterize political winners

- ▶ little (nothing) systematic known about this issue
- ▶ study individual politicians, by winning and losing groups
- ▶ SD over-represents outsiders and vulnerable insiders, while other parties seriously under-represent same groups

## Results extend

- ▶ stronger as disaggregate by subgroup or by municipality

# Demand – voters

Discern largest local electoral gains

- ▶ SD grow more in municipalities – or precincts – with large losses or many losers: outsiders or vulnerable insiders

Correlations

- ▶ but strikingly robust to drivers in research on radical-right voting: local immigration (level, change, media coverage), globalization exposure, crime, education, political context, ...

# Interpretation and mechanisms

## Citizen-candidate movement

- ▶ SD-politicians look more like result-oriented "citizen candidates" than opportunistic "Downsian candidates"
- ▶ such candidates more credible to voters with same labor-market traits – tie demand to supply
- ▶ descriptive representation translates to substantive representation: SD voters and politicians share anti-immigrant and anti-establishment preferences and other outlooks on life

## What drives relative losers to SD?

- ▶ differential *shifts* in anti-establishment views – fits timing of economic drivers
- ▶ *no shifts* of anti-immigration views, but latent supporters shift to SD from center-right outsiders, and left vulnerable insiders

# Road map

1. **Background**
2. Data
3. Supply
4. Demand
5. Interpretation and mechanisms
6. Implications

# Sweden Democratic party

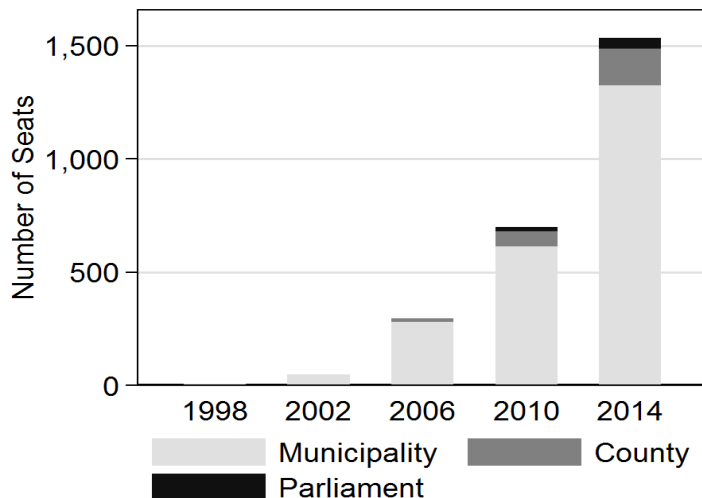
Founded in 1988

- ▶ roots in extreme right
- ▶ ideology moderated over time (Widfeldt 2008):  
biological racism  $\Rightarrow$  cultural chauvinism
- ▶ classified in radical-right (Rydgren 2007, 2018) and populist (van Kessel 2015) camps

Program and alignments

- ▶ invites nationalistic identity: "back to people's homestead"
- ▶ blames political establishment: "fails to see real problems"
- ▶ blames scarce public resources and employment threats on (non-white) immigration
- ▶ representatives often vote center-right, sometimes left

## Number of elected Sweden Democrats



- ▶ 3rd largest party 2014, but excluded from ruling coalitions



# Who vote Sweden Democrat?

## Existing research on SD-voters

- ▶ surveys: men, with lower education (Sannerstedt 2014), more often working-class (Oskarsson and Demker 2015, Jylhö et al 2018))
- ▶ register data: have higher job-loss risk (Dehdari 2018)
- ▶ draw votes from both left and right (SCB 2011, 2016)

# Who vote radical right?

## Existing research on radical-right populist *voting*

- ▶ huge topic in political science and sociology
- ▶ dominant views: drivers socio-cultural trends, not short-term economic events (Rydgren 2018), traditional parties converged and opened for radical right (Kitschelt 1995, Rueda 2005)
- ▶ immigration blamed for crowding out jobs (Dustmann et al 2013, Finseraas et al 2017) and welfare programs for natives (Borjas 1999, Dustmann and Preston 2004)
- ▶ economists study drivers like globalization (Autor et al. 2016)
- ▶ timing sometimes poorly fit suggested drivers
- ▶ most research sees different drivers as substitutes
- ▶ complements: latent radical-right voters lament modernization, turn actual voters if economic insecurity hits (Inglehart and Norris 2017, Gidron and Hall 2017)

## Existing research on radical right *politicians*

- ▶ no systematic, quantitative studies

# Road map

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# Data

## Link individual data from different registers

- ▶ all politicians on all party ballots, and election results, 1982-2014 (Election Authority)
- ▶ all income sources and socioeconomic backgrounds of 18+ population, 1979-2012 (Statistics Sweden, Swedish Tax Authority)
- ▶ big data – about 14 Mill. unique individuals – 150,000 nominated, 50,000 elected politicians

## Supplementary surveys

- ▶ population of local politicians (KOLFU) in 2017, representative sample of voters (SOM) from 1990s

# Event 1: Make-work-pay reforms (2007-2011)

## Income-tax cuts

- ▶ EITC for labor income, five steps 2007-2011
- ▶ 10% hike of monthly median income

## Social-insurance austerity – had begun earlier

- ▶ unemployment benefits: fixed nominal cap from 2002; cuts and stricter rules in 2007 (8% drop out)
- ▶ sickness benefits: lower replacement rate and nominally constant cap since 1990s; stricter limits in 2008
- ▶ early-retirement benefits: cuts and stricter rules in 2008

Aim: raise relative income of work (ISF 2014, MoF 2017)

# Outsiders vs. insiders in labor market

Losers – or not – from reforms

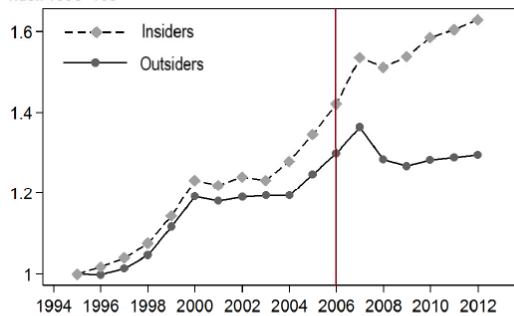
- ▶ define status by SELMA "Social Exclusion and Labour Market Attachment" (Kindlund and Biterman 2002)

How measure in individual registers?

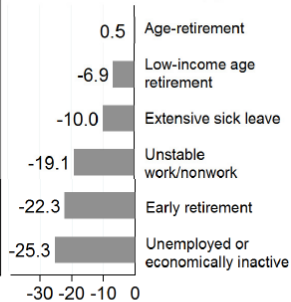
- ▶ yearly data all 18+ individuals 1993-2012
- ▶ labor income, sickness benefit, unemployment benefit, early-retirement benefit, military-enlistment compensation, student allowance, and age-related pension
- ▶ insider: labor income  $>$  3.5 base amounts (SEK 156,800), each of last three years, *or* pension  $>$  basic level (if retired)
- ▶ outsider: else – share 0.35-0.4, split into subgroups

# Average loss of disposable income

Index 1995=100



Difference in income growth relative to insiders in 2005-2012 (%)



- Yearly earned income tax credits 2007—2011
- Benefit cuts in social insurances, e.g. sick leave and unemployment
- 235 000 (8%) leave the unemployment insurance in 2007—2008

- ▶ outsider relative income loss 2006-2012, 20%, but large variation across subgroups

# Vulnerable vs. secure insiders

Losers – or not – from job loss

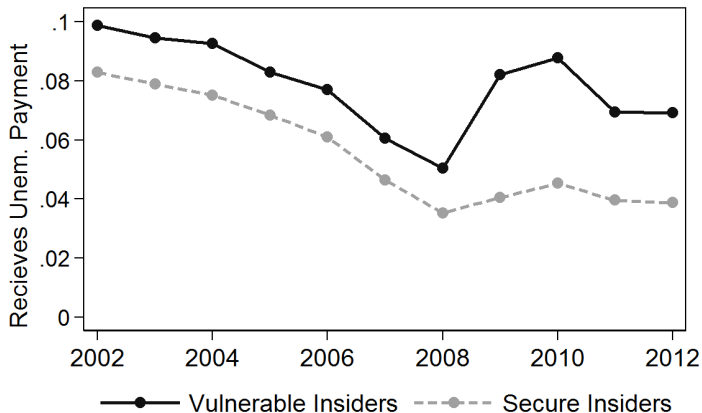
- ▶ define employment risk by occupations most vulnerable to technical change (Autor et al. 2013, Goos et al. 2014)

How measure in individual registers?

- ▶ use classification of each 2-digit occupation
- ▶ rely on Routine Task Intensity (RTI) of its typical tasks
- ▶ vulnerable: insider status, above-median RTI occupation
- ▶ secure: insider status, below-median RTI



## Event 2: Financial crisis (2008-2012)



- ▶ illustration for groups defined among 2006 insiders
- ▶ vulnerable: higher job losses, salient in recession

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# Individual local-politician data

Councilors in 290 municipalities (21-101 seats)

- ▶ PR election via party ballots: list candidate names, ages, occupations, and places of residence
- ▶ turnout rates around 85%

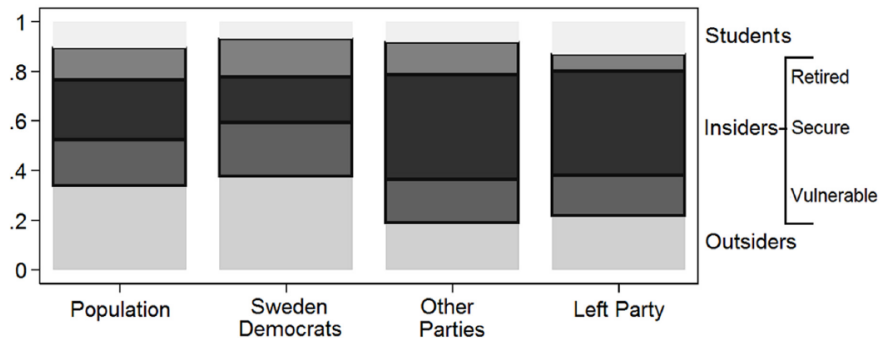
Politicians from all parties

- ▶ omit parliamentarians and write-in candidates from "unprotected" ballots
- ▶  $N = 51,162$ , in 2002-2014 period
- ▶ impute 2014 status with 2012 data

Compare population to three party groups

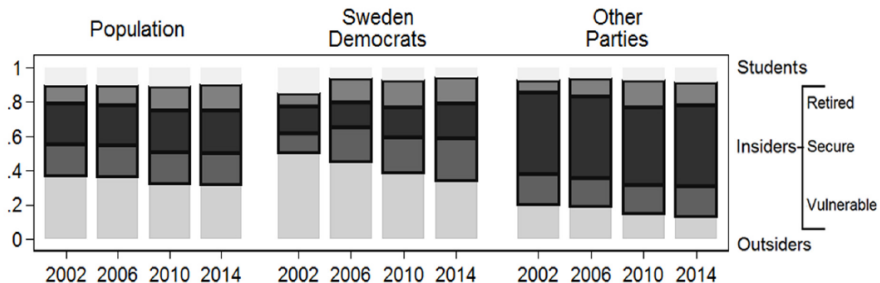
- ▶ representatives of SD, Left party, (all) other parties

## Elected candidates, in aggregate, 2002-2014



- ▶ SD over-represent losers – outsiders, vulnerable insiders – but other parties under-represent them

# Elected candidates over time



- ▶ other parties do not adapt candidate selection
- ▶ SD gains boost losing-group representation

## SD vs. other parties by subgroup

Estimate SD over-representation

- ▶ for subgroup  $g$ , among insiders and outsiders, run

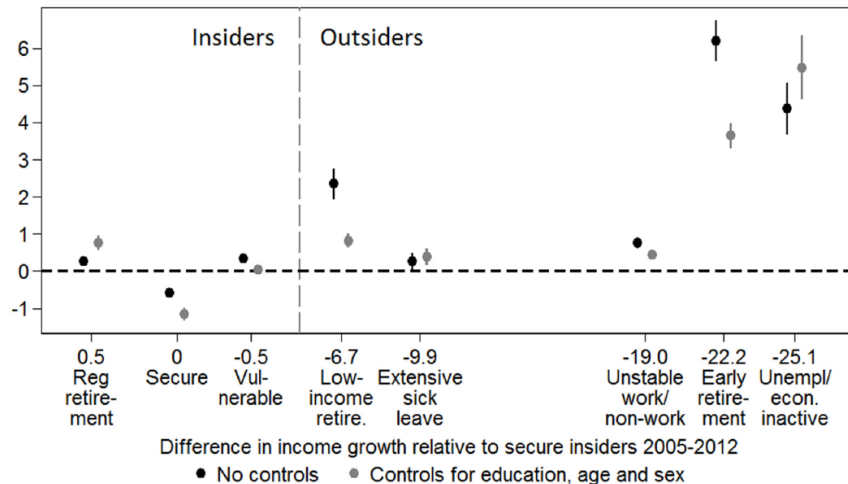
$$L_{i,t}^g = \beta^g SD_{i,t} + \mathbf{Z}_{i,t} + \varepsilon_{i,t}$$

- ▶  $L_{i,t}^g$  dummy for councilor  $i$  in group  $g$  and election  $t$
- ▶  $SD_{i,t}$  dummy for SD politician
- ▶ dummies,  $\mathbf{Z}_{i,t}$ , for sex, age, and education, as SD have less women and tertiary educated, more  $<35$  and  $>65$

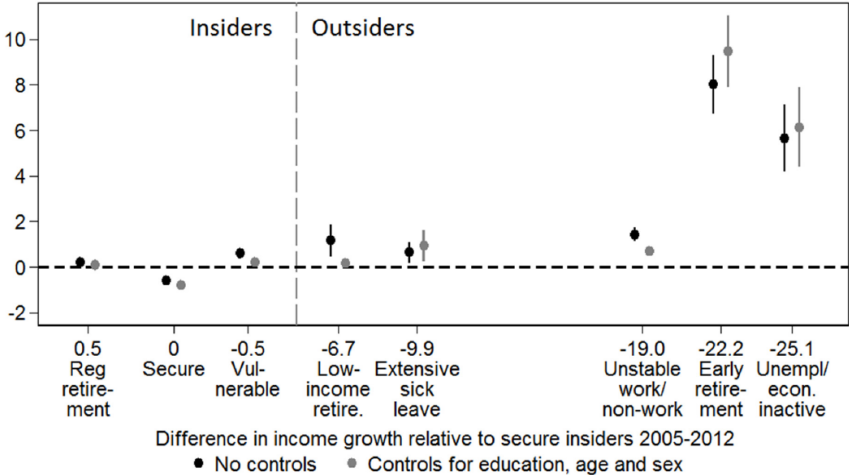
Measure SD over-representation

- ▶ for each  $g$ , compute  $\frac{\beta^g}{E(L_{i,t}^g) \text{ in other parties}} - 1$
- ▶ order estimates by 2006-2012 loss vs. secure insiders

# Over-representation largest for biggest losers

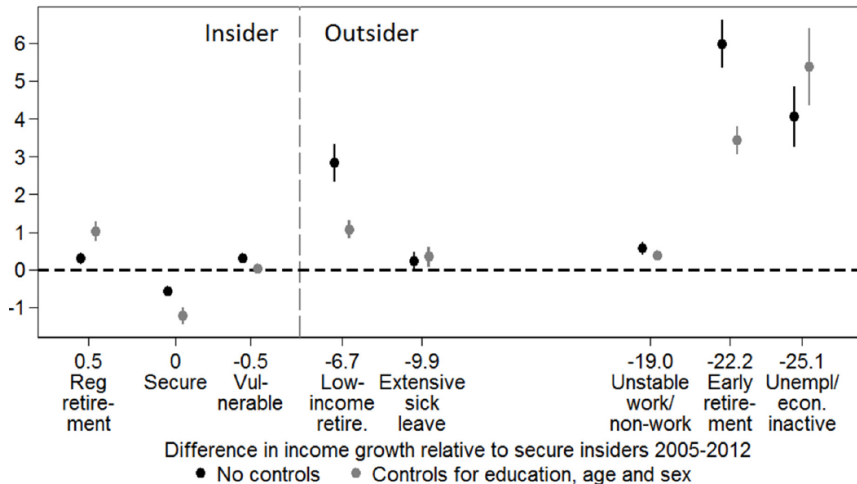


... this is true for party leaders

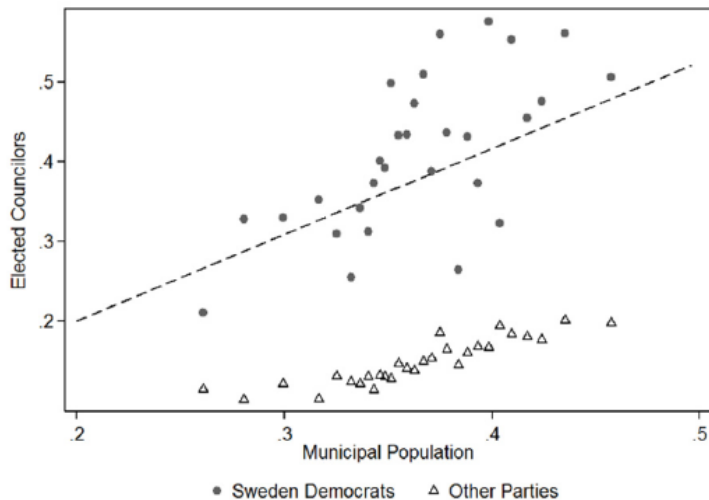




... as well as followers

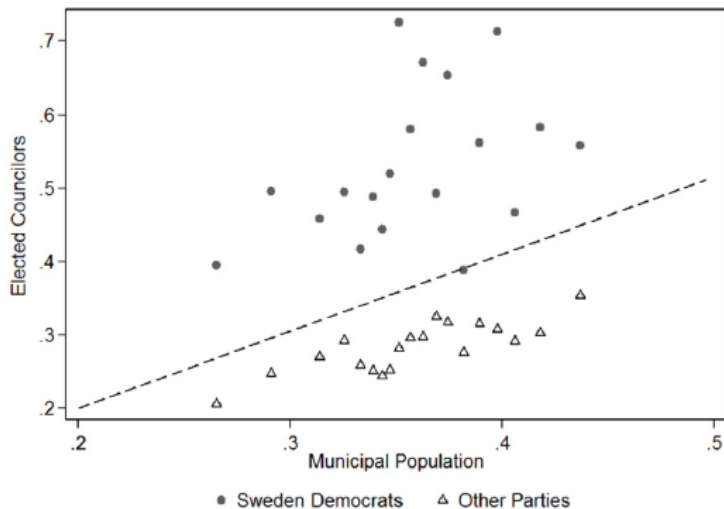


## SD vs. other parties by local populations



- ▶ *outsider shares* in municipality (x-axis) vs. elected councilors in SD and other parties (y-axis)

## SD vs. other parties by local populations



- ▶ same pattern for *vulnerable insider* share

# Road map

1. Background
2. Data
3. Supply
4. **Demand**
5. Interpretation and mechanisms
6. Implications

# How study voting for SD?

Two measures of local-group composition

- ▶ start from individual data and aggregate to obtain:  
local *insider-outsider inequality*

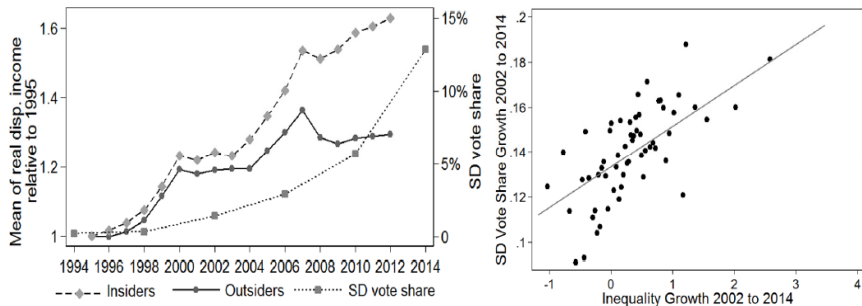
$$ineq_{m,t} = \frac{N_{m,t}^{out}}{N_{m,t}} \cdot \frac{I_{m,t}^{in}}{I_{m,t}^{out}}$$

and *vulnerable-insider share*

$$share_{m,t} = \frac{N_{m,t}^{vul}}{N_{m,t}^{in}}$$

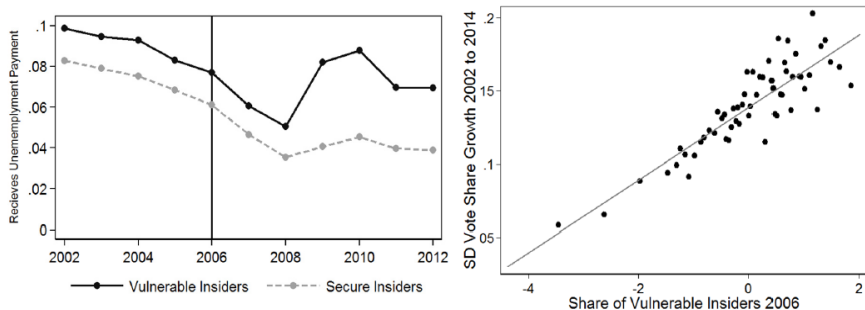
- ▶ graph local SD vote share vs.  $ineq_{m,t}$  and  $share_{m,t}$
- ▶ show across-locality and within-locality regressions

# National and municipal insider-outsider inequality



- ▶ SD gained more where outsiders lost more – i.e., where inequalities grew more

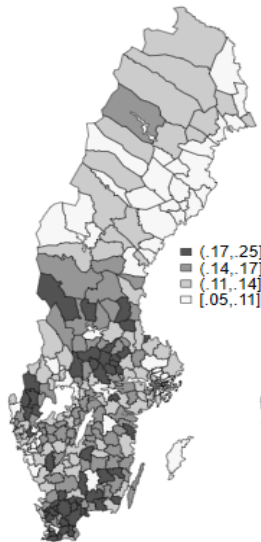
# National and municipal vulnerable insiders



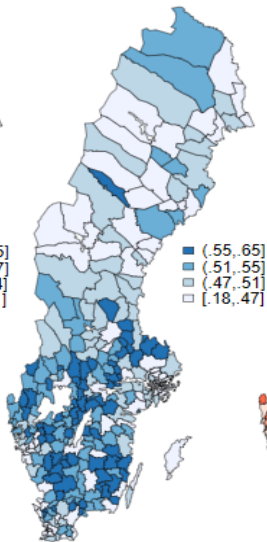
- ▶ SD gained more where more insiders threatened by job loss – i.e., where vulnerable insider shares higher

# Geography of SD gains and economic losers

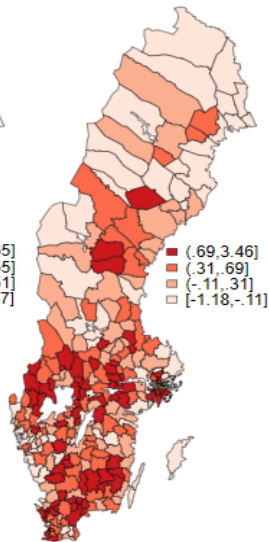
SD Growth  
2002-2014



Share Vulnerable  
Insiders 2006

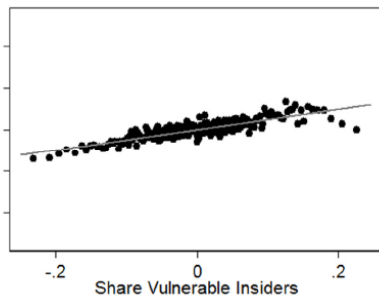
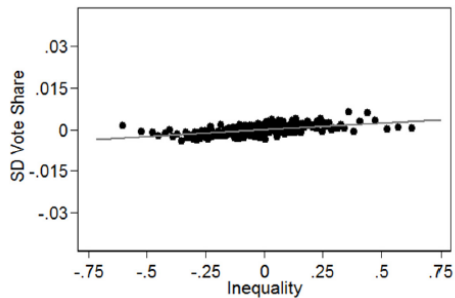


Inequality Change  
2002-2012

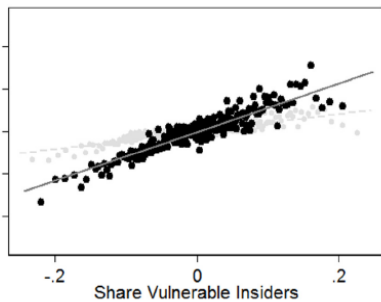
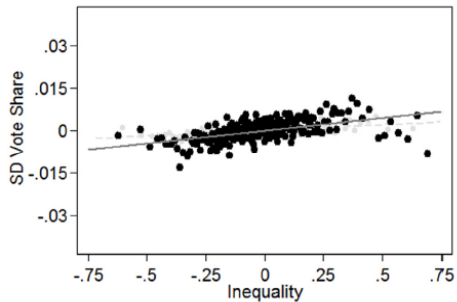




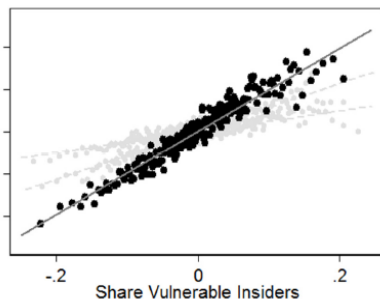
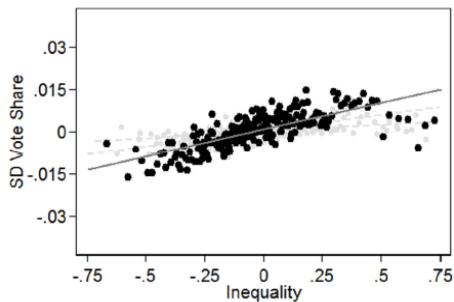
# Precinct (within-municipality) variation 2002



# Precinct (within-municipality) variation 2006



# Precinct (within-municipality) variation 2010



# SD vote-share regressions

## Municipality-level OLS regressions

- ▶ regress vote share in municipality  $m$ , election  $t$ , on inequality, and vulnerable-insider share (let effect differ by  $t$ )

$$vs_{m,t} = \alpha \cdot ineq_{m,t} + \sum \beta_t \cdot \eta_t share_{m,t} + \eta_t + \mathbf{X}_{m,t} \boldsymbol{\lambda} + \delta_m + \varepsilon_{m,t}$$

- ▶ always election FE,  $\eta_t$ , sometimes municipality FE,  $\delta_m$
- ▶ controls  $\mathbf{X}_{m,t}$ : foreign-born, tertiary-educated, and sectoral-employment (1-digit SNI) shares
- ▶  $ineq_{m,t}$  as z-score ( $\sigma = 0.10$ )

## SD-winners among economic losers

	(1)	(2)	(3)	(4)	(5)
Inequality	0.51 (0.13)	1.27 (0.29)	0.59 (0.23)	0.81 (0.28)	0.59 (0.28)
Share of vulnerable insiders	0.12 (0.01)	-0.03 (0.08)	0.10 (0.04)	-0.02 (0.08)	
D2002×Share of vulnerable insiders					-0.05 (0.01)
D2010×Share of vulnerable insiders					0.04 (0.01)
D2014×Share of vulnerable insiders					0.22 (0.04)
Immigrant share			0.02 (0.05)	-0.08 (0.12)	-0.04 (0.11)
Observations	1,159	1,159	1,159	1,159	1,159
Election Intercepts	✓	✓	✓	✓	✓
Municipality Intercepts		✓		✓	✓
Municipal controls			✓	✓	✓

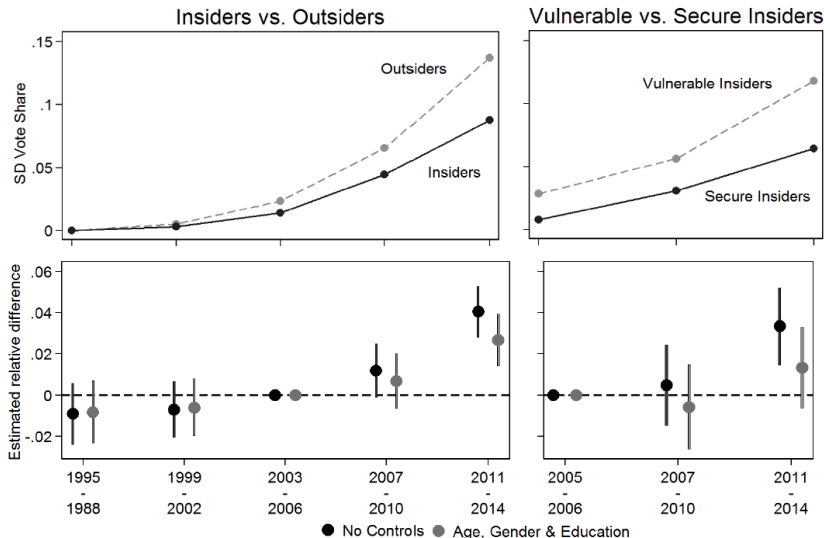
- ▶ SD gain more where larger income losses, or more losers
- ▶ local immigrant share *not* significant (nor other measures of local immigrants and their competition for jobs)

## Robust to measurement and level of elections

	(1)	(2)	(3)	(4)
Inequality	3.82 (1.2)	2.62 (1.11)	0.65 (0.29)	1.02 (0.42)
D2002×Share of vulnerable insiders		-0.05 (0.01)	-0.05 (0.01)	-0.06 (0.02)
D2010×Share of vulnerable insiders		0.04 (0.01)	0.04 (0.01)	0.05 (0.02)
D2014×Share of vulnerable insiders		0.20 (0.03)	0.23 (0.04)	0.18 (0.04)
Observations	1,159	1,159	1,159	1,159
Election Intercepts	✓	✓	✓	✓
Municipality Intercepts	✓	✓	✓	✓
Municipal controls	✓	✓	✓	✓
Immigration adjusted vote share			✓	✓

- ▶ cols (1)-(2): inequality measured (Bartik-style) by  $\frac{N_{m,2006}^{out}}{N_{m,2006}} \cdot \frac{I_t^{in}}{I_t^{out}}$
- ▶ cols (3),(4): adjust inequality and vote share for migration, municipal rather than national elections

# SD sympathies in individual (SOM) surveys



$$\text{DID: } SD_{i,t} = \alpha O_i + E_t + \sum \beta_t (O_i \cdot E_t) + \mathbf{Z}_{i,t} \gamma + E_t \cdot \mathbf{Z}_{i,t} \delta + \epsilon_{i,t}$$

# Summing up so far

## Clear and robust correlations

- ▶ gains in SD popularity – at municipal, precinct, individual levels – associated with memberships in losing groups since mid 2000s
- ▶ highest electoral SD-support comes from groups over-represented among politicians in party

## Alternative explanations

- ▶ could some other society-wide events (macro shocks) have caused these differential mobilization rates across groups?



# Robustness to alternative explanations

Emphasize drivers in existing radical-right research

- ▶ *immigration shocks* absent (until 2014); average *anti-immigration attitudes* constant or declining
- ▶ individual SD-sympathies by group robust to (pre-existing) *individual* anti-immigration attitudes
- ▶ municipality correlations robust to *immigration policies by other local parties*
- ▶ supply and demand relations robust to offshorability (*globalization* sensitivity) of individual occupations
- ▶ results robust to local *media attention* to immigration and local *crime*
- ▶ can rule out other explanations as well ...

# Road map

1. Background
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## Citizen candidates

SD candidates over-represent groups voting for SD

- ▶ if political parties cannot enter binding contracts with voters, similar personal traits make candidates more credible promoters of preferred policies
- ▶ also explains why losers don't turn to the left

Citizen or Downsian candidates?

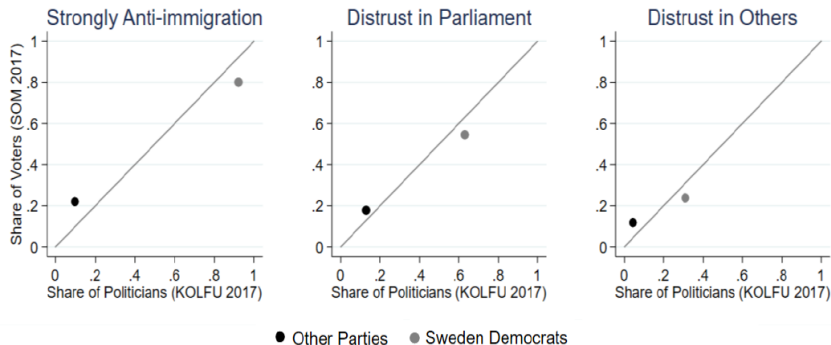
- ▶ predominant share of elected SD-councilors never appeared on ballot (>90%) or got elected (>98%) for another party – numbers much lower for other parties

Descriptive or substantive representation?

- ▶ do similar labor market traits translate into similar attitudes among voters and politicians
- ▶ compare to other parties in individual surveys to politicians (KOLFU 2017) and voters (SOM 2017)
- ▶ natural to look at anti-immigration and antiestablishment attitudes (hallmarks of SD-program) – also check generalized trust in others

# Attitudes of voters and politicians

Strong contrast between SD and other parties



- ▶ voter-politician similarities do extend to attitudes and outlook

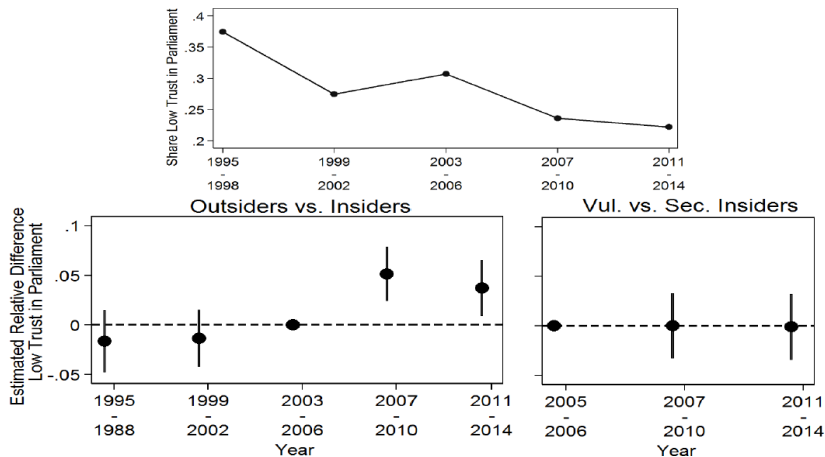
# Mechanisms behind SD-support?

Why did losers turn to SD, as politicians *and* voters

- ▶ focus on anti-establishment and anti-immigration platform
- ▶ did people's attitudes shift towards SD's position, or did those who held similar views shift their support?
- ▶ how does this square with differential support across groups?
- ▶ once again, exploit surveys from 1990s onwards (SOM) with representative samples of voters – but time series of cross sections rather than panels

# Anti-establishment views shift over time

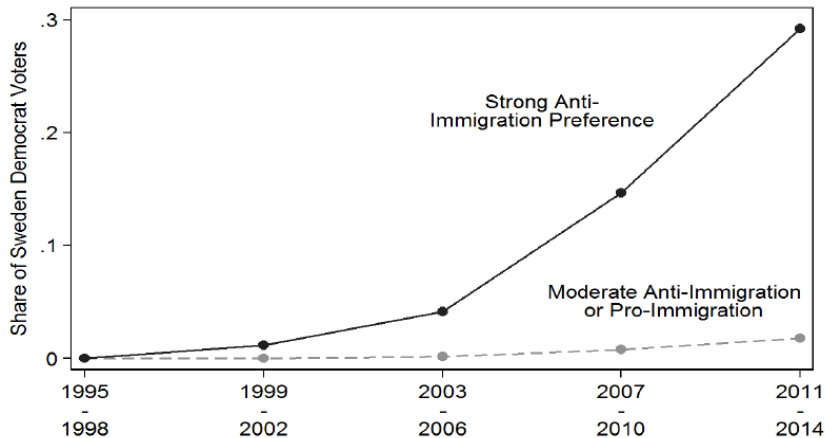
## Levels and DID of low trust in parliament



- ▶ insider-outsider gap in line with make-work-pay reforms
- ▶ no similar relative shift for anti-immigrant views

## SD-support across views on immigration

Comes entirely from the strong anti-immigrant group



- ▶ anti-immigrant SD-supporters among outsiders mainly from center-right, but among vulnerable insiders mainly from left

# Road map

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# Selection of SD politicians in other dimensions?

SD offers representation to previously under-represented groups

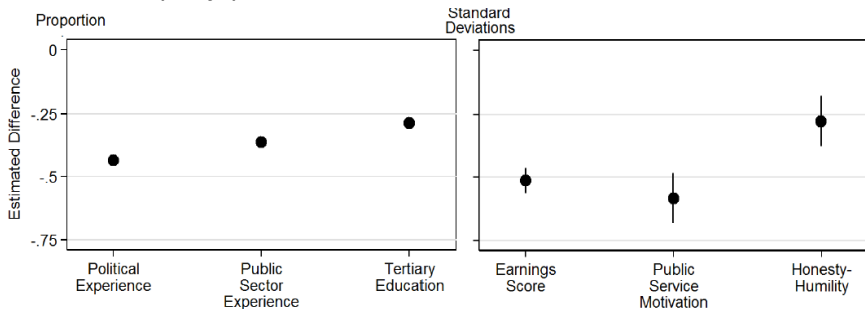
- ▶ new politicians make democracy more inclusive
- ▶ but how about their social background and valence (ability)?

Social background

- ▶ SD politicians have similar background in terms of parental income
- ▶ they are themselves economic losers, rather than from unfortunate family backgrounds

# Valence (ability) traits?

## SD vs. other-party politicians



- ▶ less experience and expertise
- ▶ lower ability, public-service motivation, and morality

## Final remarks

Study Sweden Democrats in supply and demand perspective

- ▶ add to how occupations and job losses shape populist vote (Kitschelt 1994, Autor et al. 2016, Dehdari 2018)
- ▶ show national policy reform driver of populist support
- ▶ uncover how populist party over-represents losing groups, while other parties under-represent them
- ▶ interpret as citizen-candidate response, where economic losses, dwindling trust, and mobilization of latent anti-immigrant voters may interact

Lessons on democratic trade-off?

- ▶ new party offers more inclusive representation to groups of disgruntled economic losers
- ▶ but new politicians score low on various valence traits
- ▶ weakens strong local political selection on ability, uncovered elsewhere (Dal Bó et al. 2017)