Shocking the Vulnerable: Job Insecurity, Local Sociotropism and Anti-Globalization Sentiment

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The Backlash Against Globalism

- Rising support for populists among those whose lose from globalization in advanced industrial democracies

(Mutz, 2018)
The Backlash Against Globalism

- Rising support for populists among those whose lose from globalization in advanced industrial democracies
  - Less educated
  - More rural
  - White

But little evidence that those who have lost are driving the backlash

Current consensus: it is “status threat”, not economic hardship (Mutz, 2018)
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- Economic hardship $\rightarrow$ status threat
- Need a measure of economic status threat
- We operationalize with *occupational risk*
Populism $\sim$ Occupational Risk + Globalization Shocks

- Combine General Social Survey (GSS) data with (1) O*NET data and (2) Census data.
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Measure “occupational risk” as the costs to finding a new job

The more dissimilar are the available jobs, the more at-risk is one’s occupation
Occupational Risk: Skill Distance

- Distance between current occupation $o$ and new occupation $p$
  (Acemoglu & Autor, 2011; Owen & Johnston, 2017)
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  - Task intensity vector for occupation $o$ is $(t_{1}^{o}, t_{2}^{o}, \ldots, t_{d}^{o})$
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$$d_{o,p} = \left( \frac{1}{2} \sum_d (t_d^o - t_d^p)^2 \right)^{\frac{1}{2}}$$
Occupational Risk: Geographic Distance

- Weight occupations $p$ by availability in two steps

\[ R_o, s = \sum p (d_o, p \ast L_p, s) \]

\[ H_{Ro, GEO} = \sum s (R_o, s \ast L_s H \rightarrow s \sum s L_s H \rightarrow s) \]

Intuition: Occupations that are more dissimilar from those most physically proximate are more risky.
Weight occupations $p$ by availability in two steps

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  2) Weight each state $s$ by flow of jobs that go to it from respondent’s home state $s^H$
     $$R_{o,GEO} = \sum_s \left( R_{o,s} \times \frac{L_{s^H \rightarrow s}}{\sum_s L_{s^H \rightarrow s}} \right)$$

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Occupational Risk: Industry Distance

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$$R_{o,\text{IND}} = \sum_p \sum_n \left( d_{o,p} \times \frac{L_{p,n}}{L_n} \times \frac{L_{n^H \rightarrow n}}{\sum_n L_{n^H \rightarrow n}} \right)$$
Visual Example

To shiny!
Estimation

▶ Populism $\sim$ occupational risk + globalization shocks
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$$y_{i,n,t} = \lambda + \delta + \beta_1 IPW_{i,n,t} + \beta_2 R_i + \beta_3 IPW \ast R + \beta_4 X_{i,t} + \varepsilon_{i,n,t}$$
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▶ Expectations:

1) Exposure to trade shocks increases anti-globalism (\( \beta_1 > 0 \))
Estimation

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- Occupational risk: $R_i = \frac{1}{2}(R_{i,GEO} + R_{i,IND})$
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- Expectations:
  1) Exposure to trade shocks increases anti-globalism ($\beta_1 > 0$)
  2) Stronger reaction among those with occupational risk ($\beta_3 > 0$)
Anti-Globalist Bundle

- PCA across component questions to calculate “synthetic” latent measures of views on trade, immigration, and IOs
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Unpacking Anti-Globalist Views

- Instrumental beliefs
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  - Policy-relevant views
  - Explicit connections to economic conditions
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  - Policy-relevant views
  - Explicit connections to economic conditions
- Populism
  - Insecurity over national identity
  - Status threat
Dimensions of Xenophobia

- Immigrants do not improve America's economy
- Immigrants take jobs away from Americans
- Immigrants lead to lower economic growth
- Immigrants should not receive special favors
- Immigrants should not receive social assistance in first year
- Gov spends too much assisting immigrants
- American ancestry is important
- Children born in US of non-citizens should not become citizens
- Children born abroad of US citizen should not become citizens
Economic Xenophobia
Resource Competition Xenophobia

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Nativism
Discussion

- Anti-globalist backlash is couched in the *threat* of economic hardship
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- Status threat and economic hardship are not mutually exclusive
Anti-globalist backlash is couched in the threat of economic hardship.

Status threat and economic hardship are not mutually exclusive.

Political entrepreneurs who explicate sources of hardship most convincingly can shape dominant dimension of response.

But this doesn’t mean it’s either/or!
Thank you!

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Supporting Material

- Validating risk
- Dimensions of protectionism & isolationism
- Empirical evidence of the populist political movement being strongest among globalization’s losers
- Industry versus geography
Validating $R_i$
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Dimensions of Protectionism and Isolationism

- Free trade does not lead to better products
- America does not benefit from NAFTA
- America should not follow NAFTA decisions
- Intl orgs take away too much power
- MNCs doing more damage to local businesses in America
- America should not follow decisions of intl orgs

Graphs showing the relationship between Individual Trade Shock and Occupational Risk.
Decomposing Industry versus Geography

$R_{i,IND}$
Decomposing Industry versus Geography

\[ R_{i, \text{IND}} \]
Decomposing Industry versus Geography

$R_{i,GEO}$