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

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August 2018

Abstract

We study the rise of the Sweden Democrats, a radical-right party that rose from negligible size in 2002 to Sweden's third largest party in 2014. We use comprehensive data to study both its politicians (supply side) and voters (demand side). All political candidates for the party can be identified in register data, which also lets us aggregate individual social and economic conditions in municipalities or voting districts and relate them to the party's vote share. We take a starting point in two key economic events: (i) a series of policy reforms in 2006-2011 that significantly widened the disposable- income gap between "insiders" and "outsiders" in the labor market, and (ii) the financial-crisis recession that doubled the job-loss risk for "vulnerable" vs "secure" insiders. On the supply side, the Sweden Democrats over-represent both losing groups relative to the population, whereas all other parties under-represent them, results which also hold when we disaggregate across time, subgroups, and municipalities. On the demand side, the local increase in the insider-outsider income gap, as well as the share of vulnerable insiders, are systematically associated with larger electoral gains for the Sweden Democrats. These findings can be given a citizen-candidate interpretation: economic losers (as we demonstrate) decrease their trust in established parties and institutions. As a result, some economic losers became Sweden-Democrat candidates, and many more supported the party electorally to obtain greater descriptive representation. This way, Swedish politics became potentially more inclusive. But the politicians elected for the Sweden Democrats score lower on expertise, moral values, and social trust – as do their voters which made local political selection less valence oriented.

Keywords: Political Selection, Radical Right, Populism.

1 Introduction

In the last two decades, many developed democracies have seen a marked strengthening of radical right parties, a trend that manifests itself across continents and electoral systems. Radical-right parties are numerous in Europe, politicians on the radical right take part in the governments of Austria, Finland, Hungary, Italy, Poland, Slovenia, and the US, and such politics is resurging in Australia, Israel, and Japan (Rydgren 2018). These new political entrants share some broad features. Most of them stress traditional values, law and order, and glorify past times. Their programs are typically nationalistic, nativistic, and push a populist anti-immigration and anti-establishment message (Mudde 2007). As such, they often challenge the core values of liberal democracy (e.g., Mudde and Kaltwasser 2012).

Scholars across academic fields have taken on the urgent task to explain the rise of the radical right.[1] An important discussion in this literature concerns the trigger factors that allow the radical right to expand in a particular country at a particular time. At the core of this debate is the role of shocks to economic conditions, which are viewed either as critical drivers or as distractions from socio-cultural explanations (e.g., Knigge 1998, Lubbers et al. 2002, Ivarsflaten 2008, Norris and Inglehart 2018, Mutz 2018, Dehdari 2018).

This paper offers a – mostly descriptive – case study of Sweden's radical right. A key contribution is to study the rise of a radical-right party – the Sweden Democrats – from the supply side (politicians) as well as the demand side (voters). Using detailed data from administrative registers, we link the rise of the radical right to two events that created large shocks to economic inequality and job security for large sub-groups of the Swedish population.

Our joint study of politician and voters lets us characterize the Sweden Democrats as a citizen-candidate movement. Politicians and voters share labor market experiences and attitudes toward outgroups – political elites and immigrants. The vast majority of politicians are new to politics, rather than drop-outs from the existing party structure. Our unique study of individual politicians also lets us consider how the rise of the radical right affected political selection. The new politicians emerge from low-resource labor-market segments with a pre-existing weak political representation. At the same time, these politicians are relatively inexperienced, have low education and earnings, together with relatively low public-service motivation. This weakens the average qualifications of the political class.

First and foremost, our study sheds new light on how economic shocks may explain the rise of the radical right. We start from the timing of the Sweden-Democrat rise: growing to enter parliament between 2006 and 2010, and continuing to become Sweden's third largest party in 2014 (with a 12.9 percent vote share). This period pre-dated the 2015 refugee crisis, but coincided with two events that worsened the relative economic lot for large segments of the population. In 2006, a Center-Right coalition of parties took power and implemented a dramatic reform agenda of tax cuts and social-insurance austerity with the purpose to "make work pay". Over a mere six years, these reforms triggered a dramatic increase in income inequality. With earned income tax credits, incomes continued to grow among "insiders" with stable employment, while spending cuts implied a stagnation of disposable incomes for "outsiders" with unstable or no jobs. The second key event is the 2008 financial crisis. The crisis increased the job insecurity for "vulnerable insiders", segments of the population with stable employment, but with jobs at higher risk of replacement by automation and other forms of rationalization than "secure insiders".

To analyze the consequences of these events, we classify the population into economic winners or losers, starting out from comprehensive register data that provides a panel of yearly observations for

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[1]A literature review is contained in Section 2, but is by necessity partial. As of July 2018, Kai Arzheimer's bibliography on the Radical Right in Western Europe alone stood at 743 articles

(http://www.kai-arzheimer.com/extreme-right-western-europe-bibliography)

the full adult population in 1979-2012. With this data, we can characterize the economic and social circumstances for individual politicians and for residents of each precinct or municipality. Thus labor-market insiders and outsiders are defined from detailed data on the composition of income sources, using the SELMA categorization model (Kindlund and Biterman 2002). The insiders are further sub-divided by their risk of replacement by automation, using occupation-level values of the Routine Task Intensity index (Goos et al. 2014). This gives us the two groups of vulnerable and secure insiders.

Main findings and their interpretation We find that the groups which faced a relative-income decline and higher job insecurity are over-represented among the politicians and voters of the radical right. Politicians from the Sweden Democrats include more outsiders and vulnerable insiders, compared to both the population and, very starkly, other political parties. Over-representation also grows across sub-groups of labor-market outsiders the more they lost (relative to insiders) from the make-work-pay reforms. For voters, we find a strong positive correlation between the Sweden Democrats' electoral success and the impact of the economic reforms and the financial crisis (i) across municipalities and (ii) across voting districts within municipalities. Putting this correlation into a formal regression model, we can add a myriad of control variables from register data and other data sources. The strong correlation with negative economic shocks is not affected by the stocks and flows of immigrants from different regions, or by immigrants having jobs or being welfare recipients in a geographic area. They are also robust to controls for crime rates, media reporting on immigration, and local political contextual variables.

Our analysis of voting patterns contributes the empirical literature on radical-right voting (reviewed by Arzenheimer 2018). By studying economic inequality that arises from political reforms and economic crises, we also complement the recent attention by economists to the voting impacts of trade and technology shocks (e.g., Autor et al.2016, Dippel, Gold, and Heblich 2015, Che et al. 2016. Colantone and Stanig 2018).

One may legitimately ask why new politicians and voters who suffered economic shocks turned to the radical right, rather than the Swedish Left party or the Social Democrats, parties which have traditionally favored redistributive policies and job security (e.g., Guiso et al. 2017). The suggested answer from our analysis is that the political left offers a slate of politicians skewed away from labor-market outsiders and vulnerable insiders towards secure insiders. Adding to this evidence, we find that wherever groups of economic losers (or the losses they incur) are particularly large, the Sweden Democrats offer them more over-representation relative to other parties.

Another side of our explanation is that economic shocks triggers diminished trust in government, of which the established left parties form part (following e.g., Algan et al. 2017). We find some support for this in survey data. The rise in electoral support for the Sweden Democrats temporally coincides with a clear divergence in trust in government institutions, including political parties, between labor-market outsiders and insiders. It is intuitive that candidates who themselves share the economic traits of disgruntled voters may stand a better chance to credibly bridge this trust gap.

How about imigration, gender and education? Our analysis does not show a link between direct exposure to immigration and support for the radical right. The 2002-2014 rise of the Sweden Democrats coincides with a *higher* tolerance for immigration of the average Swede. The divergent anti-immigration attitudes between insiders and outsiders are also weaker than the divergent trust in government institutions. This does not preclude an instrumental role of anti-immigration rhetoric in the party's electoral success. With diminished trust in established parties, taking a stand so clearly at odds with the inclusive values of the traditional political class signals an uncompromising opposition

to the establishment, which complements the credibility attained by citizen candidates.

Moreover, we could easily think of an indirect link from economic outcomes to attitudes on immigration, and/or the salience of immigration policy in voting decisions. Perhaps most importantly, economic pressures may make people more receptive toward political messages that emphasize the fiscal costs of immigration and the latent redistribution from foreign to native-born by restricting it. Economic shocks could also lead low-income natives away from a social identification with class and support for redistribution, towards an identification with the nation and support for tax cuts and restricted immigration, even at a utility cost (Shayo 2009). Similarly, disgruntled economic losers may socially identify more strongly with their own in-group. If these voters put the blame for their predicament on out-groups, they may be attracted by a party that is anti-establishment as well as anti-immigration. Other explanations along similar lines posit that a long-standing, latent, anti-immigrant stance may interact with economic shocks to drive populist voting (Gidron and Hall 2017).

An equally important, though separate, topic to discuss is the long-term social decline of the white, middle or working-class man, often with short education. This population segment is the backbone of radical right voters, both in Sweden and elsewhere[2]. In the Swedish case, these demographic segments were more likely to suffer from the economic events that we study. We show, however, that the strong relationships of voting and political candidacy remain after flexibly controlling for gender, education, and industrial sector. All in all, our results are compatible with an understanding that both long-term and short-term socioeconomic decline matters, and that short-term economic decline can be a trigger event for so-called "latent" voting segments that have more nostalgia for the past (Norris and Inglehart 2018).

Citizen candidates   Our analysis of politicians and voters suggests that the rise of the Sweden Democrats can be understood in terms of citizen candidates. The majority of the party's politicians are drawn directly from the labor-market segments that lost out in the economic events, and also appear to be critical segments of its voters. We use two additional pieces of survey data to compare politicians' and voters' outlooks on out-groups, immigrants and political elites. In both dimensions, radical-right voters and politicians depart in a dramatic fashion from voters and politicians in established parties. Finally, with data on nominated and elected politicians back to 1982, we document that the vast majority of Sweden Democrat politicians have never been elected for another party (>96%), or been a candidate for one (>90%). Together, the socioeconomic and attitudinal alignment, and the newness to politics, are consistent with a citizen-candidate interpretation of Sweden's radical right. In this interpretation, a large fraction of party's politicians can – through hard-changing personal traits – credibly commit to representing disgruntled segments of the electorate.

Implications for the selection of politicians   Our finding that the rise of the Sweden Democrats raises the representation of economically aggrieved voters implies that the entry of the party contributes to a more inclusive political class. But we also show that, relative to other parties, the politicians elected from the Sweden Democrats score lower on a number of other traits which many would consider valence characteristics – such as expertise, social trust and moral values. In this way, their entry may begin to reorient representation in Swedish local politics from the positive selection on ability that we have recently documented elsewhere (Dal Bó et al. 2017).

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[2]The long-term socioeconomic decline of these groups, and its' link to radical right voting is laid out in seminal contributions by e.g., Betz (1994), Ignazi, Ignazi, and Press (2003), Minkenberg (2000), Kriesi, Grande, Lachat, Martin, Bornschier, and Frey (2006); in addition to work as e.g. Kimmel (2013) on gender. Swedish overviews include Sannerstedt (2014) Erlingsson (2012), and Oskarson and Demker (2015).

Organization of paper The next section gives some more background on Swedish elections, on the Sweden Democrats, and on earlier research about their electoral supporters. We also discuss the sizeable international literature on voting for populist radical-right parties. Our bottom line is that a nuanced explanation of their success might combine economic events and other forces. Section 3 discusses our data and, in particular, defines the two groups of economic losers and the losses they have incurred vis-a-vis other groups during the last dozen years – i.e., during the era of Sweden Democrat growth. Section 4 examines the supply side, who becomes a Sweden Democrat, using individual data from registers and our own survey instruments. Section 5 turns to the demand side of politics – i.e., to voting for the Sweden Democrats. Section 6 gives our common citizen-candidate interpretation of the supply-side and demand-side results, offers some additional support from this interpretation, and discusses how Sweden-Democrat and other-party politicians differ in other dimensions. Section 7 offers a brief conclusion. Some auxiliary material – on data and additional empirical results – are collected in a Web Appendix.

2 Background

In this section, we first present some facts on Sweden's electoral system. Then, we briefly paint the history of the Sweden Democrats. We present a selective survey of earlier research on who votes for the populist radical right in Sweden and elsewhere. Based on this discussion, we suggest how economic losses together with social forces may create electoral support for the radical right.

Swedish elections Every four years, Sweden runs elections for its 290 municipalities, 20 counties, and the nation. All elections take place on the second Sunday in September with a turnout between 80 and 90 percent. In each election, citizens cast a separate party ballot, a ranked list with a large number of candidates. Based on the election results, 13,000 municipal-council members, 1,100 county councilors, and 349 members of parliament, are appointed. The supply-side analysis in Section 4 focuses on the local politicians elected in the first set of elections, while the demand-side analysis in Section 5 focuses on the first and third set of elections (see further discussion below).

In Sweden's proportional-representation (PR) system, seat shares in the municipal councils and the national parliament closely trace the vote shares of political parties. Since 1998, voters can also cast an optional preference vote for one candidate. But as only about a third of all voters exploit this option, this reform has only allowed a handful of politicians from lower ranks to bypass the party's list order and win a seat.[3]

History of the Sweden Democrats The Sweden Democrats were founded in 1988. In its early days, the party was a marginal force in Swedish politics. It won political representation for the first time in 1991, with two municipal council seats. Although a bit stronger in some regions, its national vote share until 1998 was only about 1 percentage point. In the 2006 election, its support in the national parliamentary elections reached 2.9 percent, still below the 4-percent threshold to gain the first seat. But the party broke this threshold in 2010 by earning 5.7 percent of the national vote. Another major breakthrough was the 2014 election, when the Sweden Democrats became the third largest party with a 12.9 percentage-point vote share, and considerably higher support in some municipalities.

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[3]This reflects voter "abstention" from the optional vote, a concentration of votes for candidates at the top of the ballot, and high thresholds. See Folke et al. (2016) for a thorough analysis of the preference-vote system and its consequences.

Figure 1 shows the number of seats won by the party over time at the three levels Swedish politics. Despite its recent success – and differently from its sister parties in many other European countries – the Sweden Democrats has generally been denied essential political influence. However, in half a dozen municipalities the party did play an essential role in putting a governing coalition in place after the 2014 election (Aftonbladet 2014)

[Figure 1 about here]

The Sweden Democrats faced some problems in finding candidates for their party lists, especially during the beginning of the party's success. In many municipalities, the party was therefore largely constrained by a self-selected supply of local entering members to fill their electoral ballots. The characteristics of the elected and non-elected candidates are thus likely to reflect self-selection into the new party, rather than screening by party leaders.

As described in Widfeldt (2008), the party initially grew out of an organization known as "Keep Sweden Swedish" (Bevara Sverige Svenskt, BSS). Over time, the Sweden Democrats moderated their political stance from biological racism towards cultural national chauvinism. They currently argue that social conflicts ensues when people from different cultures attempt to live together in Widfeldt (2008). In the early 2010s, nationalism was formally replaced by social conservatism, putting more emphasis on traditional family values and on law and order (Rydgren 2018). Recent work on European-wide party ideologies has classified the Sweden Democrats as a typical radical-right party Rydgren (2007), Rydgren (2018) and as part of the "populist right" (van Kessel 2015, Norris and Inglehart 2018).

Political stance Like other radical-right parties, the Sweden Democrats adopt an anti-establishment stance, while appealing to a nostalgic picture of Sweden's past drawn from the construct of the "people's homestead", a 1920s Social Democratic concept that emphasizes working-class employment, nuclear families, and a strong welfare state.

The Sweden Democrats also argue that (non-white) immigration takes a large toll on the public finances and threatens job prospect for natives. Consistent with this, a main political priority of the party is to restrict immigration (Erlingsson, et al. 2012). In the national parliament, the party often votes with the center-right bloc. But its stance on tax and labor-market issues is more ambiguous. A left-leaning think-tank concludes that for the 2010-2014 election period

> "the Sweden Democrats are ambivalent [on tax issues]. The party wants to spend like a left-wing party, but tax like a right-wing party" :. the party thinks that it can solve this equation by lowering immigration and international aid" (Tanksmedjan Tiden 2014).

In municipal politics, the Sweden Democrats have often supported center-right coalitions on tax cuts and privatization, warned of an Islamization of cities and neighborhoods, and demanded "multicultural financial statements" that would describe the local budget by separately earmarking money spent on natives and immigrants (Wingmar 2011). The party also emphasizes law and order, challenges multi-cultural education and feminist-inspired pedagogical frameworks, and often strives to direct more resources towards elderly care (Mulinari and Neergaard 2017).

Who votes Sweden Democrat? Survey data shows that Sweden Democrat voters have a similar demographic profile as other radical-right parties, with an overweight of men, people of working-class, and with a short education (Sannerstedt 2014, Erlingsson et al. 2012, Oskarson and Demker 2015, Jylhä and Strimling 2018). The party's voters are also less trusting of politicians, political

institutions, the court system, and news media than voters of other parties (SCB 2011, Jylhä and Strimling 2018).

Earlier research disagrees somewhat on the role of economic vulnerability. With administrative data, Dehdari (2018) finds that layoff notifications among low-skilled native workers during the financial crisis increased the Sweden Democrats' vote share in the precinct of the notified workers. A weak labor-market attachment among the party's voters is also shown by high self-reported support among the unemployed, people on disability insurance, and people on long-term sick leave (Erlingsson et al. 2012, Sannerstedt 2014, Jylhä and Strimling 2018). Some scholars argue that, as these categories together do not make up a majority of the party's voters, economic insecurity cannot be a major driver of the party's rise (Sannerstedt 2014, 2015, Jylhä and Strimling 2018). Section W1 in the Web Appendix discusses these results with regard to survey design and sample stratification.

Data from surveys and exit polls suggests that most of those who cast their ballots for the Sweden Democrats would otherwise vote for one of the two dominant parties, the Social Democrats and the Conservative party. Inflows were larger from the Social Democrats between 2006 and 2010, and from the Conservatives between 2010 and 2014 (SCB 2011, 2016).[4] On a left-to-right scale, Sweden-Democrat voters put themselves somewhere in the middle of the ideological spectrum (Sannerstedt 2015).

Who vote for radical-right populist parties, more generally? A wide range of theories purport to explain the dramatic rise of the radical right in Western democracies, accompanied by hundreds, maybe thousands, of empirical papers. In the following, we comment briefly on the main theoretical arguments, refer to reviews of the empirical literature, and reserve more specific quotes for the empirical work most closely related to our own argument.

Two theoretical arguments for the rise of the radical right appear relatively uncontroversial. The first one says that a back-bone of support grew out of long-term changes of differential life chances. Economic and social modernization brought about expanded higher education, shifts from industry to public and service sectors, and more gender (and racial) equality. These shifts reduced the relative wellbeing of men, industrial workers, lower strata of white-collar workers, the unemployed, and the lower-educated (Betz 1994, Ignazi et al. 2003, Minkenberg 2000, Kriesi et al. 2006); see also Inglehart and Norris 2017, and Kimmel 2013 on gender). A sense of being worse off than deserved created nostalgia for the past in these groups, which all tend to be over-represented among radical-right voters.

The second theoretical argument says that politics changed with economic and social modernization: the ideology of established parties converged (Kitschelt 1995, Kitschelt and McGann 1997, Carter 2005, Brug et al. 2005) and Social-Democratic parties turned their agenda more towards well-established blue-collar workers (e.g., Rueda 2005). Platform convergence produced voter detachment from established parties and opened an ideological space that allowed the radical right to mobilize on the socio-cultural dimension.

Additional arguments appear necessary to understand why the radical right expanded more in some countries than in others. In Sweden, e.g., economic and social modernization has gone on for many decades since World War II, while the Sweden Democrats did not appear as a significant force until very recently. Some scholars try to explain these cross-country differences by appealing to variation in the ideology or leadership of the radical-right parties themselves, or to variation in

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[4]Another possibility is mobilization via higher turnout (even though turnout in Swedish elections, around 85 percent, is internationally very high). A direct test in our data reveals that turnout did not go up significantly in municipalities where the Sweden Democrats made their largest gains. This evidence is not definitive, however, as turnout could counterfactually have fallen without the gains of the Sweden Democrats.

political corruption spurring anti-establishment votes (see the review in Rydgren and Arzheimer 2018).

Two further drivers have received considerable attention in the literature: immigration and economic insecurity. Anti-immigration attitudes are, by far, the largest self-reported reason for radical-right voting (e.g., Oesch 2008, Ivarsflaten 2008). But do immigrants themselves trigger such voting, or do economic insecurities trigger anti-immigrant sentiments (regardless of immigrant numbers or activities)? Following Allport (1954), advocates of the so-called contact hypothesis hold that more immigrants bring more tolerance, if frequent encounters build harmony and understanding. But more immigrants competing for the same jobs or the same funds from a social program, may raise hostility between in-groups and out-groups – see e.g., Barth (1998), Olzak (1992), and Quillian (1995), and adaptations to economics by e.g., Scheve and Slaughter (2001), and Mayda (2006).

On the empirical side, single and cross-country studies find that high rates of immigrants, Muslims, or asylum seekers are positively correlated with anti-immigrant sentiment and radical-right voting (see the recent review by Billiet et al. 2014, or Sekeris and Vasilakis 2016). A plausible causal link exists for rural Danish municipalities (Dustmann et al. 2013), and polarized voting is related to inflows of labor-market competitive migrants in Norway (Finseraas et al. 2017). . Economic insecurity is also associated with stronger anti-immigrant sentiments (shown in the European Social Survey by Billiet et al. 2014, and Guiso et al. 2017). Importantly, the most economically vulnerable exaggerate immigrant numbers, which triggers further anti-immigrant sentiments (Alesina et al 2018).

Our empirical analysis shows that the share of immigrants across districts is not related to the vote share of Sweden Democrats, despite our experimenting with various specifications and measures of immigrant presence. As a result, we find little support for the contact hypothesis either in its positive or negative form (i.e., more immigration contact leads to acceptance vs. rejection due to job competition).

Another proposed mechanism behind the link between economic insecurity and radical-right voting is the perception that immigrants crowd out natives in the use of government finances (Borjas 1999). A link between economic insecurity and anti-immigrant sentiments means that downward pressure on national budgets can trigger radical-right voting. Perceived or real budget conflicts become more salient with scarcer public (Olzak 1992) Lackluster economic growth, austerity politics, reduced redistribution, or weakened public services can hence produce radical-right votes – especially in groups that lose out. Ongoing research on UK politics indeed ties austerity policies to UKIP and pro-Brexit voting (Fetzer 2018). Concerns about the fiscal cost of immigration may well dominate labor-market concerns (Dustmann and Preston 2004, Facchini and Mayda 2009). Indeed, a recent survey of 2,000 Sweden Democrat voters shows that a whopping 98 percent of respondents agree with "immigration is too costly for public finances", but only just over a third agree with "it is a problem that immigrants take jobs from native-born Swedes" (Jylha and Strimling 2018, Figure 3.2). Such perceptions of a public-finance conflict also appear in Sweden-Democrat proposals and campaigns.[5] Stereotypes about cultural distances, welfare dependencies, and weak work ethics of immigrants may also depress the taste for redistribution among natives (Alesina et al. 2018). As noted above, one of standard local-politics proposals by Sweden Democrats is an "immigration-sensitive budget" reporting on the local costs of immigration.

A relevant dimension of our analysis is the time frame over which shocks are considered. As mentioned earlier, some authors rationalize voting for the radical right as stemming from long-dormant traits that are activated by erosion in living standards (Inglehart and Norris 2017, Gidron

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[5]Before the 2010 election, a party commercial featured burka-clad women with strollers winning a running race for the national budget against senior ladies with walkers. The message – a culturally distinct group crowds out support for vulnerable Swedes – could not be clearer. The video was censored by Swedish Public TV, which helped make it viral.

and Hall 2017). Other authors argue that a short-term decline in economic prospects can undercut trust in institutions and the political establishment, but may not by itself cause radical-right voting (Algan et al. 2017, Knigge 1998, and Mutz 2018). Our own analysis emphasizes that the tax *cum* social-insurance reforms and the financial-crisis recession from the mid-2000s imposed large relative losses on people in certain groups, leading in short order to an increased supply and demand for new candidates met by the Sweden Democrats. The differential effect of these shocks may shed new light on some controversies in the literature. Low economic status may produce radical-right voting, but this can be more pronounced for groups on a downward relative trajectory than groups on an upward trajectory, like women or public-sector workers.

3   Data and Group Divisions

In this section, we describe the data that we analyze in the paper. Following the discussion in the previous section, we also classify the population into different groups tied to being a relative loser, or not, from two key economic events in the last dozen years, namely a set of significant tax and benefits reforms pursued in 2006-2011 and the recession associated with the world financial crisis that hit Sweden in 2008.

Data sources   The empirical analysis in this paper is based on individual-level data (although we frequently aggregate it to a higher level). Our first dataset encompasses all elected and non-elected individual candidates running for national or municipal political office during the period of 1982-2010. Prior to every election, each political party must report its ordered list, with personal identification codes for the politicians it enumerates. These lists are kept by Statistics Sweden or, in some cases, by regional electoral authorities. After each election, another record is created with a complete account of all elected politicians from each party. Altogether, our sample consists of over 200,000 unique individuals, of which about 50,000 are elected. Electoral results are linked to our dataset from records kept by the Swedish Electoral Agency. These give us the vote shares for every party in every election.

The politician data are linked to several administrative registers from Statistics Sweden for the population (aged 16+). For most variables, our data holds annual records from 1979 to 2012 for everybody in the entire population, about 14 million unique men and women. The data contain precise information on demographic and social background variables (e.g., age, sex, education level, and occupation). Given this information, we can precisely characterize how the personal traits of politicians relate to those in the entire population.

The Multigenerational Register identifies parent-child relations, where we use only biological parents. Because the income data begins in 1979, it is truncated. Nevertheless, we observe father's income in 1979 for 78 percent of the politicians elected after 2002.

Various types of annual earnings for the entire population are available from the Swedish Tax Authority. We also have universal annual information about the individual sector of employment for the whole period. As occupations are only recorded on a yearly basis from 2003, we complement the occupation data with earlier information from Censuses (from every fifth year).

Finally, we supplement these register data with data from a variety of surveys (see further discussion below). Of special note is a survey of the universe of current local politicians, which was carried out in 2017 by a subset of the authors in collaboration with a group of University of Gothenburg political scientists (KOLFU 2017). This survey had a response rate of 69 percent and asked local politicians a number of questions about their preferences, motivations, and personality traits (see Section 5 below). In the same year, a subset of the same questions were posed to a random sample of

Swedish voters together with questions about their party sympathies, in a survey conducted together with another set of Gothenburg political scientists (SOM 2017).

"Make-work-pay" reforms   The election in September 2006 ended twelve years of Social Democratic rule. A coalition of center and right parties took power, under the lead of the Conservative Party. It ran on a program of tax cuts, coupled with measures against the alleged misuse of social-entitlement programs, to "make work pay".

This program was gradually implemented over six years through different pieces of legislation. A hallmark of the reforms was a series of labor-income tax cuts, along the lines of an Earned Income Tax Credit (EITC). Taxes on earned income were thus cut in five steps, once per year in 2007, 2008, 2009, 2010, and a fifth time in 2011 after the center-right coalition's re-election to a second term. For a person at Sweden's median income, these tax cuts meant about 10 percent higher level of disposable income.

To finance the tax cuts and incentivize work vs. non-work, the coalition also held back expenditures in endowment programs and social insurance. Some prominent policies included lower unemployment benefits, lower sickness-insurance benefits, and lower disability insurance benefits, as well as stricter rules for claiming the two latter types of support. A more indirect way of cutting benefits was to index various social insurances to nominal prices while real wages were rising, or to introduce nominal caps for benefit levels. Such policies had already been introduced by earlier Social Democratic governments (in the 1990s for sickness insurance, and in 2002 for unemployment insurance).

A fully intended consequence of the make-work-pay agenda was to raise the disposable-income gap between people with and without work (Bengtsson, Edin, and Holmlund 2014, ISF 2014, MoF 2017). The lower taxes for the employed made retirees relatively worse off. To compensate for this, retirees obtained tax cuts worth 50 percent of the EITC. More well-to-do retirees were also buoyed by abolished property and wealth taxes.

Whether and to what extent the reform agenda increased employment is an open question. Employment has only risen marginally, and obviously the financial-crisis recession confounds analysis of this issue. Swedish labor economists have argued that the universal structure of the earned-income tax credit defies robust evaluation methods (Edmark et al 2016).

Labor-market insiders vs. outsiders   How do we use the register data to determine the individuals who lost out, at least in relative terms, from the make-work-pay reforms? In defining prospective economic losers, it is natural to start with each individual's labor-market status. To do so, we borrow from earlier research and distinguish between *insiders* and *outsiders* based on the Social Exclusion and Labor Market Attachment (SELMA) framework, developed by Kindlund and Biterman (2002) and Bäckman and Franzen (2007). Following this framework, we classify individuals as insiders (in SELMA called core members) of the labor force if their labor income exceeds 3.5 "basic amounts" (SEK 156,800 in today's prices, about USD 18,700) in each one of the last three years.[6]

Other individuals are classified as outsiders, which make up 35-40 percent of the grown-up population during our period of analysis. Following the SELMA framework, outsiders can be further divided into subgroups based on their sources of income.[7] *Students* are defined by receipt of student

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[6] The benchmark amount is updated each year for inflation and used in various Swedish social insurance programs. An income exceeding 3.5 benchmark amounts is expected to cover nearly all full-time jobs in minimum-wage sectors. Only a handful of occupations in the hotel and restaurant services would fall below the cutoff (Social Rapport 2010).

[7] The model also uses information on age, year of immigration, and year of death. Details of the exact categorization are given in the Web Appendix (Table W2).
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benefits and enrollment in higher education (those involved in military training are also included among students). *Retiree* status is based on age and age-related pension receipts. Those in *unstable employment* have a combination of income from labor and other sources, such as unemployment benefits or sick leave, over the last three years. Individuals on *extensive sick leave* are those with at least 90 days of such leave in at least two of the past three years. Those on a *disability insurance* have recieved benefits above a certain threshold. Finally, *excluded from the labor market* are individuals who have suffered extensive unemployment (at least 180 days in two out of the past three years), who have been economically inactive (an income below 0.5 benchmark amounts in all three years), or who have recently immigrated to Sweden.

We extend the SELMA classification in two ways. First, throughout the analysis we keep students separated from the rest of the outsiders. Second, we check whether retirees have received any "guaranteed pension," a program that supplements low pensions (e.g., due to a low past income level or a short residence time in Sweden). We define low-income retirees as those who receive a nonzero guaranteed pension supplement and consider them part of the outsiders – those without a guaranteed pension are classified as high-income retirees and as part of the insider group.

Outsider losses of disposable income We can now compute how the tax cuts and benefit austerity measures impact the disposable incomes of the outsiders relative to the insiders of the labor market. The result is illustrated in Figure 2, which plots average disposable incomes for insiders and outsiders from 1995 (taken as the benchmark year for both groups) to 2012. Prior to 2002 the average incomes of insiders and outsiders moved largely in parallel. In 2006, the income gap of the two groups had widened by about 7-8 percent (relative to 1995).

[Figure 2 about here]

From 2006, the income gap widens sharply. One clearly sees a hike of average insider disposable income due to the first EITC tax cuts in 2007 (the effects of later tax cuts are confounded with the effects of the financial crisis), as well as a cut in average outsider income due to the benefit austerity in 2008. By 2012, the cumulative relative deterioration of average outsider income since 2005 amounts to about 20 percent.

To the right of the time-series plot, Figure 2 displays the difference in disposable income growth relative to insiders for different subgroups of outsiders from 2005 to 2012. Outsiders who had unstable work, a disability insurance, or remained unemployed all faced cuts of about 20 percent or more. The outsiders farthest away from a stable job thus faced the largest cuts in their relative disposable income.

Vulnerable vs. secure insiders Even if we restrict attention to those with a regular job, not all insiders share a similar situation in the labor market. In particular, they face different risks of losing their job due to technological change, outsourcing, or general business downturns. To classify workers in this dimension, we again follow earlier research – this time by Autor (2013), Autor and Dorn (2013), and Goos, Manning, and Salomons (2014), who distinguish occupations with different Routine Task Intensity (RTI) defined by the typical tasks they entail. Specifically, occupations whose holders perform many (few) routine tasks, compared to manual or abstract tasks, have a high (low) RTI. We would expect individuals in such occupations to be more exposed in periods of high rates of job loss.

How do we identify such individuals in our register data? These data include 2-digit occupation (ISCO) codes for each employed person. Using the RTI-indexes from Goos, Manning, and Salomons (2014), we pool all individuals with such an occupation code in 2002-2012 and compute the median RTI value. We then define a *vulnerable* insider as an insider (by the earlier definition), who has an

occupation with an RTI-index above the median. By contrast, we label those working in occupations with a below-median RTI-index *secure* insiders.

Job loss risks for 2006 insiders   Figure 3 plots the average job-loss risks over time for individuals with insider status in 2006. For each year on the horizontal axis, the vertical axis displays the share of these 2006 insiders who had non-zero unemployment benefit payments in that year. As the figure shows, the vulnerable insiders face a higher average job loss, especially after the financial crisis. Thus the secure insiders do not see any substantial increase in unemployment from a level of about 4 percent in 2008. On the other hand, the risk of job loss for the vulnerable insiders goes up to more than double that number and stays above 7 percent until the end of the sample.

[Figure 3 about here]

4   The Supply Side

In this section, we exploit the rich individual-level data to examine who becomes a Sweden Democrat. In particular, we are interested in assessing the extent to which representatives of the party for municipal councils resemble the groups of voters who were most afflicted by the two key economic events described above. We compare Sweden Democrat politicians with those from other parties – on average, across time, across subgroups of insiders and outsiders, and across municipalities with different populations.

4.1   Supply of Candidates by Groups

Elected candidates – on average and over time   The upper panel of Figure 4 shows the composition of the population, and elected local politicians from the Sweden Democrats, all other parties (except the Left Party), and the Left Party.[8] The latter party is singled out, as one might think that voters facing disposable-income losses or larger unemployment risk would naturally turn to the left. The shares in this bar graph are computed as an average over the 2002-2014 electoral periods.[9] As the bar to the very left shows, between 35 and 40 percent of the population are outsiders, while between 15 and 20 percent are vulnerable insiders. On the whole, these two groups of economic losers thus make up about half of the adult population.

The Sweden Democrats over-represent each one of these groups such that together they supply about 60 percent of the party's local councilors. The other parties instead under-represent the two losing groups, which only add up to about 35 percent of the other parties' representatives; on the flip-side of this is a massive over-representation of the secure-insider group: 40 percent of the representatives vs. 20 percent of the electorate. The Left Party is similar to these other parties in this respect, as are the Social Democrats (not shown).

[Figure 4 about here]

The lower panel of the figure shows the same composition data broken up into each of the four election years from 2002 to 2014. The population composition does not change much, except for a marginal decline in the number of outsiders. The outsider representatives of the Sweden Democrats

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[8]We have also performed the analysis in this section on the full ballots of nominated candidates, rather than on the candidates elected from these ballots. If anything, the results we report below gets stronger with this wider definition of representation.

[9]Since our individual data ends in 2012, we have to impute an individual's 2014 group status from her 2012 data.

decline over time, but this is compensated by an increased share of vulnerable insiders, especially after the two recession-stricken election periods at the end. Overall, this maintains the two losing groups at roughly 60 percent of the party's representatives. The other parties (now including the Left to keep the figure simple) decrease their share of outsiders over time, such that the two groups of economic losers only encompass 30 percent of their elected representatives in 2014. Thus the other parties do not appear to adapt the candidates on their ballots to the electoral gains of the Sweden Democrats.

A measure of Sweden Democrat over-representation So far, we have only considered the decomposition of party candidates in the whole country into the broad groups defined in Section 3. We now refine this analysis in different ways. First, we disaggregate representation into different subgroups of outsiders (and insiders) – recall the discussion around Figure 2. To carry out this analysis, we estimate the following regression for the full sample of politicians from each subgroup g

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

Here, $L_{i,t}^g$ is a dummy variable for councilor i in group g and election t, and $SD_{i,t}$ is a dummy for i being a Sweden Democrat politician. We also add indicators, $\mathbf{Z}_{i,t}$, for gender, age, and education, as the Sweden Democrats field less women (25.5 vs. 43.5 percent), more under-35 (23 vs. 13 percent), more retired (23 vs. 16 percent), and less tertiary-educated (25 vs. 48 percent) candidates than the other parties.

We use the resulting estimates to define measures of relative Sweden-Democrat supply. For each g, we thus compute

$$\frac{\beta^g}{E(L_{i,t}^g) \text{ in other parties}} - 1.$$

This measure takes a value of 0 if the Sweden Democrats have the same share of elected candidates from subgroup g as do other parties. It takes a positive (negative) value if the party over-represents (under-represents) the group. For instance, a value of 1 would correspond to a 100-percent over-representation.

Comparing representation by subgroups The uppermost part of Figure 5 plots the resulting over-representation measures, which are ordered by the economic losses in 2005-2012 relative to secure insiders (recall Figure 2). The black dots in the figure show the average measures estimated without controls (and their 95-percent confidence intervals), while the gray dots show the estimates when we control for covariates $\mathbf{Z}_{i,t}$.

The left part of the figure confirms that the Sweden Democrats under-represent secure insiders and over-represents vulnerable insiders, as we had already learned. The right part of the figure is more interesting. Even though the estimates are not completely monotonic, the largest Sweden-Democrat over-representation – on the order of five times the other parties – is found for those with disability insurance and the unemployed/economically inactive, the two subgroups with the largest economic losses vs. secure insiders.

[Figure 5 about here]

One may suspect that these results do not apply to the top local politicians. However, the two lower panels of the figure show that this suspicion is false. The over-representation for the top names on the list (in the middle panel) is, if anything, higher than for candidates lower down the list (in the lower panel).

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Comparing representation by local populations Next, we relate the elected councilors of the Sweden Democrats and the other parties to the composition of the municipality population. The left panel of Figure 6 looks at outsiders: the horizontal axis plots the binned share of outsiders in the municipality population, while the vertical axis plots the same share among the elected politicians from the Sweden Democrats (filled circles) and from all other parties (unfilled triangles). The dotted line marks the adjusted 45-degree line, where the population and representation shares coincide. We see a clear shift of the two clouds of points, with other parties under-representing outsiders at all population shares and the Sweden Democrats (mostly) over-representing them. Moreover, other parties at best increase their representation of outsiders at the same pace as their share in the municipality goes up, while the Sweden Democrats appear to raise the outsider share at a faster pace.

[Figure 6 about here]

The same general pattern is clearly visible in the right panel of the figure, which provides the analogous information for the vulnerable-insider share.

As shown in the Web Appendix, a very similar pattern emerges when the vertical axes instead measure the shares of outsiders and vulnerable insiders among the *nominated*, rather than elected, candidates on the ballots (see the top row of Figure W1).

Summing up The results presented thus far suggest that the Sweden Democrats offer considerably more local representation to the two groups of relative economic losers than do the other parties in the Swedish political system. This is not only true on average, but also when outsiders are disaggregated into subgroups by their relative losses, and when the aggregate body of politicians are disaggregated into municipalities by their population shares of losing groups. As discussed in Section 2, the candidates elected from on the Sweden Democrat side is more likely to reflect new entrants that self-select into the party than strategic screening by the party.

Of course, the Sweden Democrat gains of vote shares and seat shares came at the expense of other parties, meaning that while the two losing groups did become better represented in Swedish local politics over the last dozen years, the gains of the party decreased the representation of some other groups, notably women and immigrants from non-OECD countries.

5   The Demand Side

In this section, we study how the gains of Sweden Democrat votes relate to the classification of relative economic losers made in Section 3 and exploited in the supply analysis of Section 4. Based on that classification, we define two measures to analyze how the local gains of the Sweden Democrat votes relate to local groups of economic losers. In computing them, we start from the individual data and aggregate these to the level of a specific locality for a specific time period. To gauge the local relative income losses of outsiders vs. insiders, we use the inequality measure

$$ineq_{m,t} = \frac{N^{out}_{m,t}}{N_{m,t}} \cdot \frac{I^{in}_{m,t}}{I^{out}_{m,t}} \ .$$

The first term on the right-hand side reflects the share of outsiders in the total (voting-age) population of locality m (a municipality or a voting precinct) and election period t, and the second term is the local ratio of the disposable incomes of insiders vs. outsiders. To gauge the local share of vulnerable insiders in locality m and election period t, we simply define

$$share_{m,t} = \frac{N^{vul}_{m,t}}{N^{in}_{m,t}}.$$

National and municipal insider-outsider inequality   The left part of Figure 7 shows the time-series graph for insider-outsider inequality from Figure 2, overlaid with the Sweden Democrat overall vote share in the national parliamentary elections. The timing of the reforms, and the widening of the income gap between insiders and outsiders coincides with the sharp acceleration of electoral support for the Sweden Democrats after the 2006 elections.

[Figure 7 about here]

Beyond these aggregate trends, we find an analogous relation in the cross-sectional variation across municipalities. In the right part of Figure 7, we plot the growth in Sweden Democrat vote shares between 2002 and 2014 on the vertical axis against the growth in income inequality between insiders and outsiders over the same period on the horizontal axis – i.e., $ineq_{m,2014} - ineq_{m,2002}$. These data are binned: each dot corresponds to five municipalities. We see a strong positive relationship, such that Sweden Democrats gain the most votes where outsiders lost the most, meaning in the municipalities with the highest growth in insider-outsider inequality.

National and municipal vulnerable insiders   Figure 8 turns to the other group distinction, namely vulnerable vs. secure insiders. The left part of the figure shows the time-series graph for the job-loss among the 2006 insiders from Figure 3, which – as in Figure 7 – is overlaid with the Sweden Democrat vote share in the parliamentary elections. The party gains the most in those electoral periods when the difference in unemployment risk between the vulnerable and secure insiders is the highest.

[Figure 8 about here]

The right part of the figure shows the cross-sectional pattern across (binned) municipalities. As in Figure 7, we put the growth in Sweden Democrat vote shares between 2002 and 2014 on the vertical axis. But now the horizontal axis shows the level of the 2006 share of vulnerable insiders. We use the level because this share is relatively constant over time and may imply different pressure on vulnerable insider jobs over time depending on the state of the (local) business cycle. As in Figure 7, we observe a strong positive relation, such that the Sweden Democrats gain the most votes where the most insiders are threatened by job loss, meaning the municipalities with the highest shares of vulnerable insiders.

Geography of losing groups and Sweden Democrat support   An important question is whether the cross-sectional correlations that emerge from Figures 7 and 8 just capture some general regional covariation. To shed some light on this possibility, Figure 9 displays how the most important variation underlying these figures is distributed over Sweden's geography. The left map show the quartiles of growth in the Sweden Democrat vote share across Sweden's 290 municipalities with darker color indicating larger growth of populist votes. The map indicates some regional clustering, but also quite a bit of spatial variation, even among neighboring municipalities.

[Figure 9 about here]

The middle map in Figure 9 shows the geographic variation corresponding to the horizontal axis in Figure 8 – in the 2006 share of vulnerable insiders. The general pattern is again one of partial regional clustering, and comparing this map to the left one we observe some covariation, especially in the inland area West of the Stockholm region (Bergslagen), in the Western areas bordering Norway next to Sweden's largest lake (Vänern), and in the South-East (Småland).

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Finally, the right map shows the spatial variation of inequality growth – the horizontal-axis variable in Figure 7. Again, some areas with high inequality growth appear to coincide with high growth of Sweden Democrat vote shares, including some municipalities in the very South of Sweden (Skåne). Comparing the middle and right map suggests that municipal inequality and the share of vulnerable insiders are positively, but far from perfectly, correlated. The simple correlation coefficient between the two variables is 0.36.

Precinct-level variation   Next, we consider correlations at a more disaggregated level. The smallest unit for which we can gauge voting outcomes is the precinct. Sweden has about 5,600 precincts, with an average population of about 1,200 voters. Figure 10 illustrates the within-municipality correlation between the Sweden Democrat vote share and insider-outsider inequality as well as the share of vulnerable insiders. The figure thus shows the variation that remains after removing the municipality mean from the variable on each of the axes. From the top, the three rows of plots refer to the 2002, 2006, and 2010 elections, respectively.[10] Vertically, the left column shows the inequality/vote-share correlation, while the right column shows the vulnerable-insider share/vote-share correlation.

[Figure 10 about here]

The 2002 correlations in the top plots are quite weak. This is natural, given that the Sweden Democrats were not much of a political factor in that election. But the correlations for 2006 and, especially, 2010 are stronger and decisively positive. These precinct-level correlations are further *prima facie* evidence of heavier economic losses, or many economic losers, being associated with stronger electoral support for the Sweden Democrats.

Vote-share regression specification   Let us turn to more systematic evidence on the correlation patterns with strong Sweden-Democrat electoral support. To do so, we turn to (OLS) regression analysis.

Denote the Sweden Democrat vote share in municipality m and election t by $vs_{m,t}$. Our main specification regresses this dependent variable on inequality and the vulnerable-insider share, where the effect of latter is allowed to differ across periods (η_t is a binary election-period indicator). Specifically, we estimate the following equation

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

To (non-parametrically) remove the aggregate time trend in the Sweden-Democrat vote, we always include election-period fixed effects, η_t. To estimate the effect of within-municipality variation, we sometimes include municipality fixed effects, δ_m.

Some of our specifications hold constant municipality-level variables that are known, or believed, to correlate with Sweden-Democrat voting. We thus include a control vector $\mathbf{X}_{m,t}$ that includes the shares of foreign born, tertiary educated, and employed in main industrial sectors (1-digit SNI level). We cluster the standard errors at the municipality level. Finally, to facilitate interpretation $ineq_{m,t}$ is as measured as a z-score.

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[10]Since our individual data stops in 2012, we cannot compute the inequality and share variables by precinct for the 2014 election.

Basic regression estimates   Table 1 reports a basic set of regression estimates. Column (1) shows that the simple cross-sectional correlations of the Sweden-Democrat vote share with insider-outsider inequality and with the vulnerable-insider share are both positive and precisely estimated. Within-municipality estimates appear in column (2). The association of the vote share with inequality is now stronger. But the association with the vulnerable-insider share drops to zero, as the municipality fixed effects absorb most of the variation in these slow-moving shares.

[Table 1 about here]

Column (3) shows that the previous association is retrieved when we replace the municipality fixed effect with municipal controls. Interestingly, the immigrant share in the municipality – its coefficient shown in the bottom row – is not associated at all with electoral support for the Sweden Democrats. The same is true when we add municipality fixed effects in column (4), a specification which otherwise yields results similar to those in column (2). Below, we further discuss the influence of different measures of immigrants.

Column (5) allows the association between Sweden-Democrat voting and the share of vulnerable insiders to be period-dependent. As expected, this reproduces the association seen in the earlier figures, with positive estimates for the two elections following the financial-crisis recession (the 2006 election is used as the reference category).

All in all, these results strongly indicate that the Sweden Democrats gained the most votes in municipalities where outsiders faced the largest drop in incomes relative to insiders, and where there was a larger fraction of vulnerable insiders who risked losing their jobs in the financial-crisis recession. The associations are statistically precise and quantitatively non-trivial.

The size of the cross-sectional effects can be gauged from a simple back-of-the-envelope calculation. Regressing the SD vote share in 2014 on the two economic variables, reveals that a one-standard deviation higher share of vulnerable insiders is associated with a 2.5 percentage-point higher Sweden-Democrat vote share. A one-standard deviation higher inequality is associated with a 1 percentage-point higher vote share. Rasing both these variables from one standard deviation below the mean to one standard deviation above the mean, would thus raise the predicted vote share of the Sweden Democracts by 7 percentage points.

We note that the inequality results are driven much more by the change in insider/outsider inequality than the relative shares of the outsider group. This is shown explicitly in the Web Appendix (see Table W3), which splits up the inequality variable in the share of outsiders and the income differences between the two groups.

Robustness to measurement of inequality   The estimates presented in Table 1 potentially suffer from omitted-variable bias. At least for the inequality measure, we can find a more exogenous source of variation, which relies on the national policy reforms described in Section 3. Specifically, instead of the earlier municipality measure

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

we can use

$$ineq_{m,t}^{B} = \frac{N_{m,2006}^{out}}{N_{m,2006}} \cdot \frac{I_{t}^{in}}{I_{t}^{out}}.$$

That is, we replace the concurrent outsider share by the fixed 2006 outsider share, and the local insider-outsider income ratio in every period with its national counterpart. The resulting specification

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is thus like the reduced form of a Bartik-style IV-design, with national insider-outsider inequality plus the set of initial shares as an instrument for local inequality. We do not pursue such an IV-analysis though, because it is unlikely to satisfy the exclusion restriction.

Column (1) in Table 2 shows that association of the Sweden-Democrat vote share with $ineq_{m,t}^B$ is positive and precisely estimated. Column (2) shows that the most general specification from column (5) in Table 1 still holds up with this alternative inequality measure. Moreover, the estimated relationship between a one standard deviation larger inequality and the Sweden-Democrat vote share is more than four times larger with this measure than with the raw measure used in Table 1.

We can use the estimate from Column (2) for another crude calculation how much of the Sweden Democrats' increased vote share can be attributed to the change in relative income. The national variation in inequality, at a constant share of outsiders, implies an increase in inequality of 1.8 standard deviations. This widened income gap correpsonds an explain a good share – namely 4.7 percentage points – of the 2002-2014 hike in the Sweden-Democrat vote share.

[Table 2 about here]

The results could also be biased by including in our measure of inequality, immigrant residents who are poorer than natives and vote less for the Sweden Democrats. We thus adjust the inequality measurement by dropping all non-OECD immigrants from the calculation. We also adjust the vote share for the Sweden Democrats by dropping non-European immigrants to calculating the share of SD votes in the Europe-born population. This calculation also takes account of lower rates of voting eligibility and turnout among the non-Europe immigrants. As shown in column (3) of Table 2 this does not change the estimates from the most demanding specification of Table 1 in column (5). (Section W2 of the Web Appendix describes these adjustments in detail, and Table W4 replicates all the results in Table 1).

Robustness to level of elections So far, all our graphs and estimates rely on municipal (or precinct) votes in the *national parliamentary* elections. We believe this is natural, given our stress on national policy reforms as a driver of inequality. But it is still interesting to check whether the same results hold up in *municipal council* elections, especially as our analysis in Section 4 was focused on the politicians appointed via these local elections. Column (4) in Table 2 shows that this is indeed the case, when we rerun the specification in column (5) of Table 1, using as the dependent variable the Sweden-Democrat vote share in the municipal-council election. (Table W5 in the Web Appendix replicates all the results in Table 1, with this alternative dependent variable)

Evidence from survey data We have estimated correlations at either the municipal or precinct level – the level of aggregation for which we observe actual vote shares. As an additional robustness check, we can also use individual-level survey data to estimate the association between labor market status and support for the Sweden Democrats.[11] The advantage of survey data is that we can estimate individual correlations, which are not subject to ecological fallacy. See the Web Appendix section W2 for a detailed description of the survey data. The disadvantage is that we have to rely on stated preferences and that these data lack the richness of the administrative data. As a result, we can only compare outsiders vs. insiders, and cannot further distinguish vulnerable insiders. But if vulnerable insiders behave similar to outsiders – as the more aggregate results suggest – our comparisons are likely to be underestimates.

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[11]The SOM survey is the largest annual Swedish voter survey, with a nationally representative sample of 3,400 respondents annually in the 16-85 age interval. We use data for five election periods, giving us a total of 80,207 respondents between 1995 and 2014.

Figure 11 shows the shares of survey respondents who support the Sweden Democrats over time, distinguishing between insiders and outsiders. Panel A plots the responses in levels, whereas Panel B plots the insider-outsider differences (and their 95% confidence intervals) after adjusting the estimates for basic socio-demographic characteristics: gender, education, age, and citizen status.

The figure displays a sharp rise in Sweden-Democrat support starting in 2002, as well as clear divergence in support among outsiders and insiders and outsiders after 2006, precisely when outsiders began to lose out in disposable incomes (relative to insiders) due to the make-work pay reforms. By 2011-2014, the difference in support for Sweden Democrats between outsiders and insiders is as much as 68 percent (0.11 versus 0.07). Although these results rely on stated party sympathies, they are consistent with the voting results presented above.

[Figure 11 about here]

Robustness to specification and measurement of immigration   A salient result from our basic regression analysis is that the municipality's immigrant share is never significantly correlated with voting for the Sweden Democrats, once we include our measures tied to losing groups. Moreover, the association between these measures and Sweden Democrat vote shares are not sensitive to including immigration. Given the large attention paid to immigration in the literature on populist voting discussed in Section 2, we have tried to measure the influence of immigration – and the prospective competition between immigrants and natives – in a variety of ways. These alternative specifications are discussed in the Web Appendix (see Section W3). In particular, we allow the immigration share to enter as an interaction effect with the inequality and vulnerable-insider share variables (see Table W6). This does not change the main results, although we can see that the relationship between the share of vulnerable insiders and support for the Sweden Democrats is stronger in municipalities with a higher share of immigrants.

Alternatively, we add as right-hand-side variables the share of insiders in industries, or occupations, with a large immigrant share, the shares of immigrants from different regions in the world, the share of immigrants in the commuting zone (rather than the municipality), and the flow of immigrants into the municipality since the last election (rather than the stock in the municipality). The estimation results (see Table W7) show that none of the immigration variables meaningfully changes the magnitude or the statistical significance of the coefficients on insider/outsider inequality or the share of vulnerable insiders from the basic analysis. The only alternative immigration variable that is significantly correlated with the Sweden Democrat vote share is the share of immigrants in the commuting zone.

Immigrant attitudes in survey data   We can also use data from repeated surveys from SOM to compare how attitudes of insiders and outsiders towards refugees have changed over time since 1995. Figure 12 has the same layout as Figure 11. Panel A depicts, by labor-market status, the share of respondents who agree, at least partly, with the statement that Sweden should accept fewer refugees. It shows that on average 50 percent of outsiders agree that Sweden should accept fewer refugees, and that this percentage has stayed relatively constant over time. In contrast, anti-refugee sentiments declined over time for insiders, starting at above 50% during the 1995-1998 term to slightly above 40% in 2011-2014.

Panel B displays the difference between insiders and outsiders after accounting for basic demographics. We see that this gap in immigrant attitudes has been widening over time, but there is no noticeable trend break in 2006 like the one we saw in Figure 11 for supporting the Sweden Democrats.

[Figure 12 about here]

Robustness to additional control variables   In addition to these robustness checks, we follow the research discussed in Section 2, by adding other variables that have been found to correlate with voting for radical-right populist parties elsewhere. As detailed in the Web Appendix (again, see Section W3), we thus include variables meant to capture the local effect of globalization, local media coverage of immigration issues, local crime statistics, and local election and party system variables, such as political polarization and mainstream politicians attitudes towards immigration. The latter is measured via a survey of local politicians and is thus based on the stated attitudes and policy positions of the politicians themselves.

The estimation results (in Table W8) shows that our main results on the association between the Sweden Democrat vote share and insider/outsider inequality and the share of vulnerable insiders are robust to including all these additional variables, one by one. When we include all the variables together the same holds true, except for when we add the controls for stated attitudes and policy positions of the politicians, which renders the inequality variable insignificant. But this non-robust specification is also the most unreliable one, as it is estimated only for two election periods, since the politician measures are only available for those periods.

Summing up   We do not pretend to have nailed a causal relation in the data. But it is hard to escape the clear and robust associations between the Sweden Democrat electoral gains at the municipality, precinct, and individual levels and the relative economic losses incurred since the mid-2000s in the same localities. Such correlations exist for the local income losses of outsiders relative to insiders, as well as for the share of vulnerable relative to secure insiders.

6   Interpretation and Implication

In this section, we do three things. First, we suggest that decreased trust in the government is a mechanism whereby economic grievances lead to radical-right support (Subsection 6.1). Second, we interpret the Sweden Democrat rise as a citizen-candidate movement (Subsection 6.2). Third, we analyze how the party's emergence has impacted on the selection of politicians (Subsection 6.3).

6.1   Declining Trust as a Mechanism

Economic grievances lead to distrust in government and make the political platforms of established parties less credible. Thus, if members of the losing groups grow to distrust the government or mainstream, established political parties, this could lead them to join politics themselves in an anti-establishment party, or to vote for a party that can offer descriptive representation for their own group. To test this interpretation, we use the SOM survey data on attitudes and policy preferences to estimate the following regression

$$A_{i,t} = \alpha_1 O_i + E_t + \sum \beta_t (O_i \times E_t) + \mathbf{X}_{i,t}\gamma + \epsilon_{i,t}.$$

The dependent variable $A_{i,t}$ is an indicator for whether individual i surveyed in election period t expressed a particular attitude or preference. Among the independent variables, O_i is an indicator for whether individual being an outsider, E_t is an indicator for each election cycle, and vector $\mathbf{X}_{i,t}$ measures socio-demographic characteristics of the respondent that we interact with the election-period indicators.

In Figure 13, we plot the coefficients β_t, along with their 95% confidence intervals, for a series of outcomes. The coefficients are estimated from regressions with a basic set of demographic controls

(i.e., gender, indicators for education, citizen status, age, and age squared) over the period of 1995 to 2014, with the baseline category being the 1999-2002 term. In the Web Appendix (Table W9), we present alternatives estimates to the equation above for different model specifications. In our most saturated model, we control flexibly by election period for gender, education levels, citizen status, and age.[12] All the patterns in Figure 13 hold up under these alternative specifications.

[Figure 13 about here]

Panels A-E, show our estimates of the relationship between outsider status and trust in government institutions. Except in Panel E, the dependent variable in each plot is an indicator for whether the individual expressed "pretty low" or "very low" trust in the given institution. The dependent variable in Panel E measures generalized trust in others, which has a scale of 0 to 10. Overall, outsiders are much less trusting of government institutions, including political parties. Moreover, this relative gap in attitudes between insiders and outsiders grows considerably after 2006, which exactly coincides with the economic shocks (the policy shifts and the financial crisis) and the rise of the Sweden Democrats. With the exception of trust in municipal council boards, this distinct pattern is present across the various types of government institution (e.g., executive branch, parliament, political parties). As a placebo check, we also estimate the same set of specifications using trust in non-government institutions as dependent variables, and do not find similar patterns (results available upon request).

6.2   A Citizen-Candidate Interpretation

Overall, the patterns of candidate entry into the Sweden Democrats and the results on voting suggest a simple citizen-candidate interpretation.[13] People facing stagnated or declining disposable incomes and increased job insecurity became more likely to vote for, but also to join and engage in, the party. The fact that politicians enter from those labor-market segments where voters have the highest demand for the party is, of course, consistent with a citizen-candidate interpretation.

A second observation is that most Sweden-Democrat politicians are entirely new to the political arena. Using our data set of all ballot papers back to the 1982 election (10 elections in total), we can compute the fraction of Sweden Democrat local councilors who ever appeared on a ballot paper or were elected for another party. This shows that over 90% have never been nominated, and over 98% have never been elected. Thus the councilors do not appear to be Downsian opportunists who are motivated by election as such, but have failed to achieve it in other parties.

Apart from labor-market traits, we can also evaluate the similarity of voters and politicians in their social outlook. Such similarity is telling for a citizen-candidate interpretation, given that credibility of party representatives could stem from a shared outlook on society between politicians and their voters. In particular, income losses or greater economic insecurity relative to others, may have led those suffering from deteriorating economic conditions to not just identify more strongly with others in the same predicament, but to also put the blame for this situation on out-groups such as the domestic establishment or immigrants.

We use the voter and politician survey data to compare three attitudes towards out-groups: generalized trust, trust in the national and local political executives, and anti-immigration sentiments. For all three attitudes, politicians were asked exactly the same questions in the KOLFU 2017 survey as voters were asked in the SOM 2017 survey. Since voters were also asked to state their party sympathies, we check whether the attitudes of politicians from a certain party are congruent with

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[12] All of these controls enter non-parametrically, with the exception of age, which does include a quadratic term.

[13] See Osborne and Slivinski (1996) and Besley and Coate (1997) for the original formulations of this model.

the attitudes of voters who say that they support this party. Figure 14 shows the results of this check (all three measures are normalized to a scale between 0 and 1). As before, we compare the Sweden Democrats with all other parties, with average politician scores on the horizontal axis and average voter scores on the vertical axis.

[Figure 14 about here]

As the graph shows, voters for parties other than the Sweden Democrats display the same high levels of generalized trust as those normally measured in Sweden (the 0.65 score corresponds to 6.5 on a 1-10 scale). The local politicians elected from these parties have even higher trust than their voters – the black marker is placed below the 45-degree line. Sweden-Democrat voters and politicians alike score considerably lower than their other-party analogs. But now the roles are reversed: the politicians are less trusting than the voters, such that the gray circle sits to the left of the 45-degree line. The difference in trust between the politicians from the Sweden Democrats and the other parties is a whopping 1.3 standard deviations.

A similar alignment between Sweden Democrat voters and politicians, and a similar differentiation from other parties, can be seen for trust in political executives (a proxy for political elites) and opposition to refugee immigration (a proxy for low-income out-groups). In the Sweden Democrats, both voters and politicians are more critical compared to those in the other parties. Moreover, the deviations are large in terms of standard deviations: close to, or above, one standard deviation in the voter and political dimensions, respectively. We can also compare politicians and voter responses to a questions about their morality as measured by honesty-humility index. We find a similar pattern, although here the difference between Sweden Democrats and the others are smaller, both for voters and for politicians (see Figure W2 in the Web Appendix).

These results lend further support to our citizen-candidate interpretation of the Sweden Democrat rise, by showing that auxiliary attitudes held on the demand and supply sides of politics are indeed congruent. On average, Sweden Democrat voters and politicians do not just belong to the same labor-market groups of the Swedish population. They also appear to share a common outlook on other aspects of life, in the cases where we have comparable measures.

6.3   Impacts on Political Selection

We have shown that the Sweden Democrats offer far greater descriptive representation than other Swedish political parties to the population groups that fared the worst following the make-work-pay reforms and the financial-crisis recession. In this subsection, we further compare the councilors elected from different parties with respect to other personal traits. In particular, we compare their social background, policy expertise (previous political experience, public-sector jobs, or tertiary education), public-service motivation, morality, and (again) their generalized trust in other people. In terms of the data sources discussed in Section 3, some of these variables are measured via administrative registers, others via the special survey (KOLFU 2017) directed to the universe of municipal councilors.

Social background   Figure 15 summarizes the incomes of politicians elected in the 2002-2014 local elections and their fathers in 1979 (on average thus roughly at the same stage of the life cycle as the current politicians).[14] Incomes for both politicians and their parents are related to the respective population distribution of income. Consider first the middle plot in the bottom row, which shows the 1979 distribution of income – in terms of population *percentiles* – across the fathers of current

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[14]We can also look at mothers of politicians with similar results

politicians in all parties except the Left Party and the Sweden Democrats. To simplify the comparison, we also show the population distribution in 1979 as a black line – by the percentile definition, this is a uniform distribution with a density of 0.01. Clearly, the fathers of these other-party politicians are close to a replica of the Swedish population in their own generation.[15]

Consider next the right-bottom plot for the fathers of recently elected Left-Party politicians. This is a smaller sample so the distribution looks a little more jagged, but still close to the distribution for all fathers, except possibly for a shortfall at the very highest and lowest levels of income. The fathers of Sweden Democrat politicians in the left bottom plot look quite similar to the fathers of the Left-Party politicians and thus to the whole population. On average, today's Sweden Democrat politicians are thus selected from a representative sample of social backgrounds.

[Figure 15 about here]

The top row of the figure for the incomes of current politicians shows a different pattern. The incomes of the politicians of the other parties and the Left Party clearly over-represent higher income levels, a fact emphasized by **?**) as one (of several) indications of meritocratic selection in Swedish politics.[16] In contrast, the Sweden Democrat politicians stand out by over-representing low income percentiles and under-representing high income percentiles.

These results suggest that Sweden Democrat politicians do not primarily differ from other-party politicians in their social background, but rather by their own incomes being tilted towards those in the lower end of society. Of course, this is consistent with the earlier results that Sweden Democrat politicians over-represent the groups that we have identified as relative losers in recent times.

Valance Figure 16 compares politicians from different parties on a set of variables that many would consider valence characteristics on the aptitude for local politics. The graph to the left shows the difference in the shares of Sweden-Democrat and other-party politicians who have, in turn, previous political experience as a councilor, job experience in the public sector, and a tertiary education. The difference in political experience is about -20 percentage points (20 percent vs. 40 percent), which is a natural disadvantage for a newer party. The differences in other expertise variables are larger: compared to Sweden-democrat politicians, other-party politicians are 30 percentage points more likely to have job experience in the public sector, and similarly for having completed a tertiary education.

[Figure 16 about here]

The right graph in the figure shows differences in a few other traits, all measured in terms of standard deviations (in the sample of politicians). The left-most dot shows the difference in the earnings score, an ability measure based on the residuals estimated from a rich Mincer equation estimated for the whole population. This score was developed by Besley et al. (2017) and also used by Dal Bó et al. (2017). Since we know that the Sweden Democrats are more often outsiders, we compare the earnings score only for politicians that belong to labor-market insiders as defined in Section 3 – i.e., those with a stable income from a job. Among these insiders, Sweden Democrat politicians still score 0.7 standard deviations below that of the politicians of other parties.

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[15] Another way to say this, stressed in Dal Bo et al. (2017), is that the social mobility into Swedish local politics appears very high.

[16] As a reminder, these incomes reflect market incomes of politicians as almost all local representatives do not draw a political salary. To the extent they do, we either drop them from the sample, or consider their income ahead of their first political full-time appointment.

While the earnings score is computed from register data, the remaining scores in the figure come from our survey among local politicians (KOLFU 2017); with fewer participants, the confidence intervals are thus a bit wider. First we consider public-service motivation, measured via the survey developed by Kim et. al. (2013), and computed from the answers to a battery of questions about private and altruistic motives. On average, Sweden-Democrat politicians score 0.6 standard deviations below the politicians of other parties. Next we look at a measure of morality, based on the so-called HEXACO module of questions developed by Lee and Ashton (2004) to construct an index for honesty and humility. Sweden-Democrat politicians again score lower than those of other parties, now by about 0.3 standard deviations. The last comparison concerns the well-known question about generalized trust in others, where Sweden-Democrats politicians score as much as 1.3 standard deviations lower than politicians from other parties.

As these comparisons show, the Sweden Democrats not only represent other groups in society than the established political parties, but their representatives also carry different qualifications, attitudes, and outlooks on life.

7 Final Remarks

We study the Sweden Democrats, a radical-right populist party in Sweden, and its recent success. On the demand side of politics, we mostly expand earlier research on how occupations and job losses may help shape populist votes (Rydgren and Arzheimer 2018, Autor, et al. 2016, Dehdari 2018), by identifying groups of losers from two main economic events during the period when the electoral support for the Sweden Democrats expanded. Our most novel result here is that the local consequences of an important set of national policy reforms are a main correlate of local populist votes. We also show that the rise of the Sweden Democrats took place as the trust of voters in government diverged depending on their economic status.

More importantly, our paper is the first to systematically analyze the supply side of a major populist party, using individual-level data for the locally elected representatives of the growing Sweden Democrats. We exploit the same subgroup disaggregation as in the demand-side analysis and show that the Sweden Democrats over-represent the losing groups, while other parties under-represent them.

Together, these findings rhyme with what we have called a citizen-candidate interpretation, namely that the disgruntled groups not only support the Sweden Democrats electorally, but also join their ranks as members and run as political candidates. Our interpretation is that in the wake of economic grievances and diminished trust, political platforms lose credibility. And in the spirit of citizen-candidate models, proposals are credible when entering candidates share socioeconomic traits with voters, and thus appear committed to representing them faithfully. In sum, the economic shocks and the trust deficit create both a supply and a demand for descriptive representation. We have also seen that elected local Sweden-Democrat politicians differ from local politicians of other parties in a number of other dimensions. In particular, they score lower on a number of personal traits and attitudes that many would consider valence variables in politics.

In one sense, the Sweden Democrats thus appear to fulfill a traditional role of new parties in democracies, namely to provide representation to some previously under-represented groups (at the same time, they offer less representation to other social groups, like women and non-OECD immigrants). In another sense, the new populist party appears to threaten the positive selection on ability in Sweden's local democracy that we have recently documented elsewhere (Dal Bó et al. 2017).

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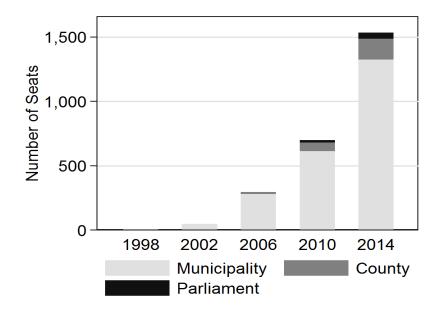
Figure 1: Seats won by the Sweden Democrats 1998-2014.
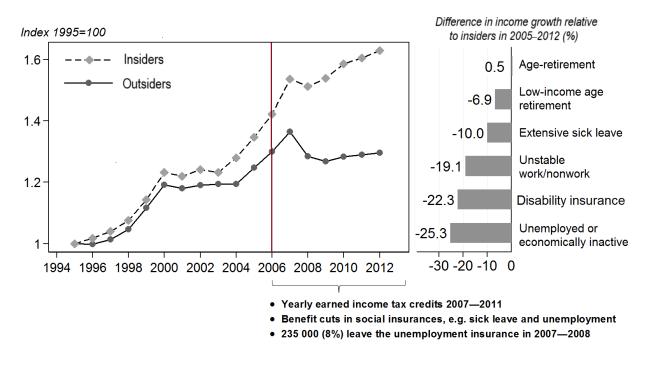
Figure 2: Disposable income for outsiders and insiders 1995-2012.

Notes: Labor market categories are defined based on by the SELMA model (Kindlund and Biterman 2002).
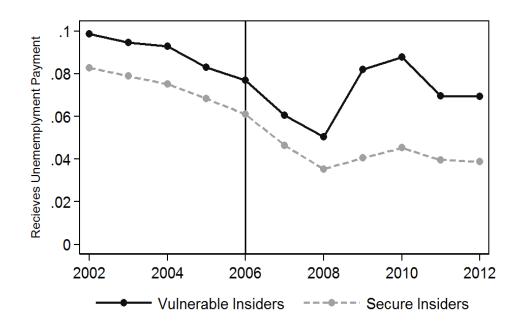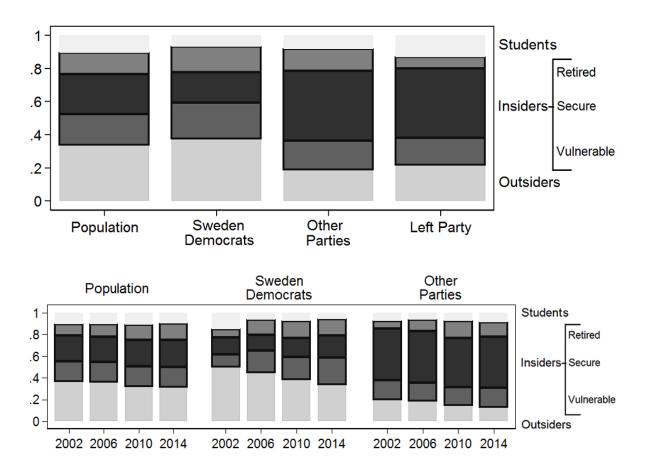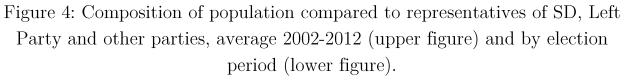
Figure 3: Share of vulnerable and secure insiders receiving unemployment benefits 2002-2011.

Notes: Vulnerable insider status is defined as having an occupation with an RTI index score above the median. The authors thank Goos, Manning, and Salomons (2014) from kindly sharing these RTI indices.

Figure 4: Composition of population compared to representatives of SD, Left Party and other parties, average 2002-2012 (upper figure) and by election period (lower figure).

Notes: Labor market categories are defined based on by the SELMA model (Kindlund and Biterman 2002). Vulnerable insider status is defined as having an occupation with an RTI index score above the median. The sample includes all municipal councilors.
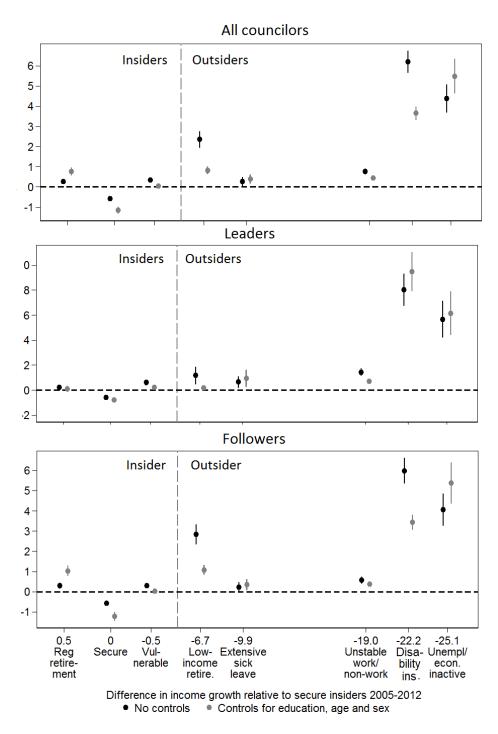
Figure 5: Estimates of over-representation in SD compared to other parties for labor-market subgroups. All elected councilors (upper figure), list leaders (middle figure), and followers (bottom figure).

Notes: Labor market categories are defined based on by the SELMA model (Kindlund and Biterman 2002). Vulnerable insider status is defined as having an occupation with an RTI index score above the median. The sample includes all municipal councilors.
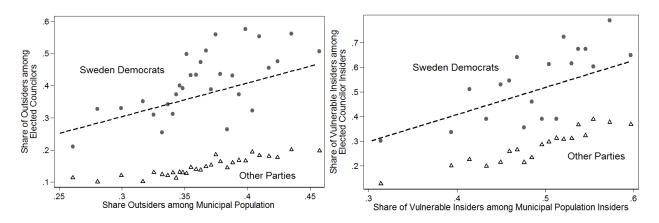
Figure 6: Share of outsiders (left) and share of vulnerable insiders (right)
among elected councilors and the municipal population.

Notes: The sample includes all elected municipal councilors and the adult population in
each municipality in the election years between 2002 and 2014. Municipalities are dropped
if there are no elected Sweden Democrats. They are also dropped from the left-hand side
graph if there are no outsiders among the elected Sweden Democrats, and from the right-
hand side if there are no elected insiders and vulnerable insiders.
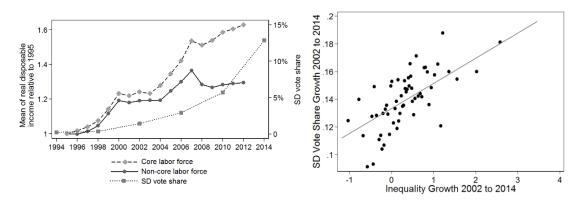
Figure 7: Inequality growth and growth of the Sweden Democrats.

Notes: Labor market categories are defined based on by the SELMA model (Kindlund and
Biterman 2002). Each bin in the right-hand side graph contains 5 municipalities.
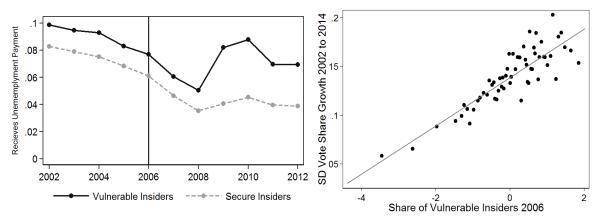
Figure 8: Share of vulnerable insiders and growth of the Sweden Democrats.

Notes: Vulnerable insider status is defined as having an occupation with an RTI index score above the median. Each bin in the right-hand side graph contains 5 municipalities.
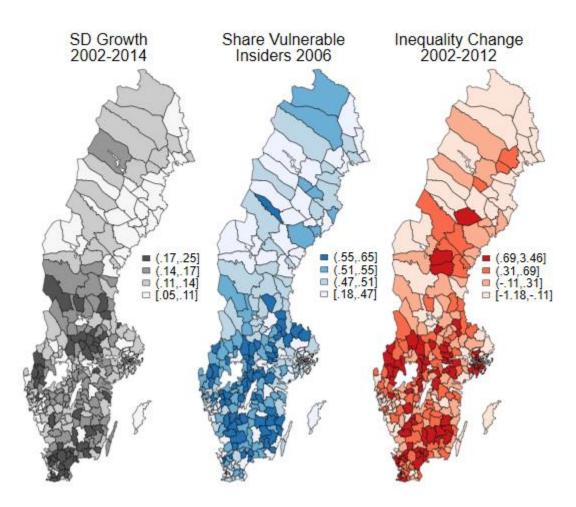
Figure 9: Geographical distribution the Sweden Democrat's growth 2002-2014, share of vulnerable insiders 2006, and growth of inequality 2002-2012.

Notes: Labor market categories are defined based on by the SELMA model (Kindlund and Biterman 2002). Vulnerable insider status is defined as having an occupation with an RTI index above the median.

2002

2006

2010
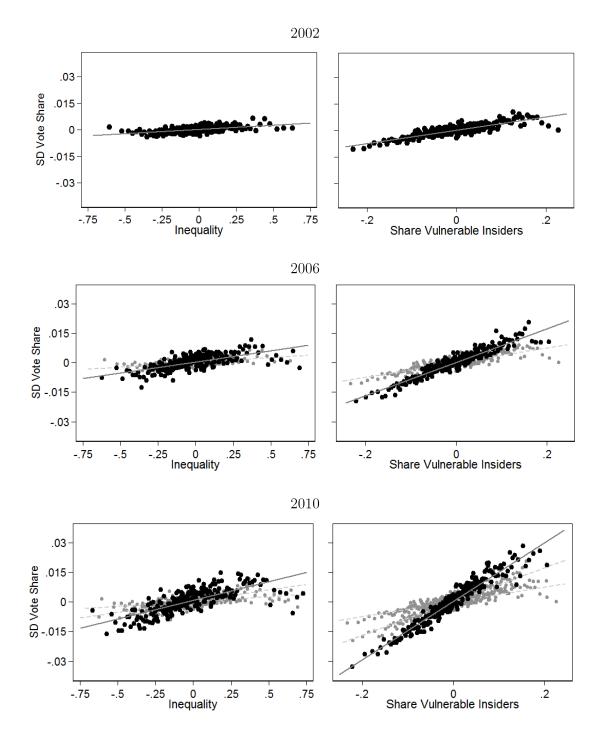
Figure 10: Within-municipality precinct-level variation in SD vote share, inequality and share of vulnerable insiders.

Notes: Each bin contains 25 observations. Labor market categories are defined based on by the SELMA model (Kindlund and Biterman 2002). Vulnerable insider status is defined as having an occupation with an RTI index above the median.

Table 1 Basic regression results for local parliamentary elections

	(1)	(2)	(3)	(4)	(5)
Inequality	0.51***	1.27***	0.59***	0.81***	0.59**
	(0.13)	(0.29)	(0.23)	(0.28)	(0.28)
Share vul.ins.	0.12***	-0.03	0.10**	-0.02	
	(0.01)	(0.08)	(0.04)	(0.08)	
D2002*Share vul.ins.					-0.05***
					(0.01)
D2010*Share vul.ins.					0.04***
					(0.01)
D2014*Share vul.ins.					0.22***
					(0.04)
Immigrant share			0.02	-0.08	-0.04
			(0.05)	(0.12)	(0.11)
Observations	1,159	1,159	1,159	1,159	1,159
Election FE	x	x	x	x	x
Municipality FE		x		x	x
Municipal controls			x	x	x

Notes: ***p <0.01, **p <0.05, *p <0.1. Robust standard errors clustered at the municipality level are in parentheses. All regressions are estimated using OLS. Municipal controls include shares of foreign born, tertiary educated, and employed in main industrial sectors (1-digit SNI level)

Table 2 Robustness of basic regression results to measurement of inequality and excluding immigrants from the voters

	(1)	(2)	(3)	(4)
Inequality	3.82***	2.62**	0.65**	1.02**
	(1.20)	(1.11)	(0.29)	(0.42)
D2002*Share vul.ins.		-0.05***	-0.05***	-0.06***
		(0.01)	(0.01)	(0.02)
D2010*Share vul.ins.		0.04***	0.04***	0.05***
		(0.01)	(0.01)	(0.02)
D2014*Share vul.ins.		0.20***	0.23***	0.18***
		(0.03)	(0.04)	(0.04)
Observations	1,159	1,159	1,159	1,159
Election FE	x	x	x	x
Municipality FE	x	x	x	x
Municipal controls	x	x	x	x
Imm. ad. vote share			x	x

Notes: ***p <0.01, **p <0.05, *p <0.1. Robust standard errors clustered at the municipality level are in parentheses. All regressions are estimated using OLS. Municipal controls include shares of foreign born, tertiary educated, and employed in main industrial sectors (1-digit SNI level)
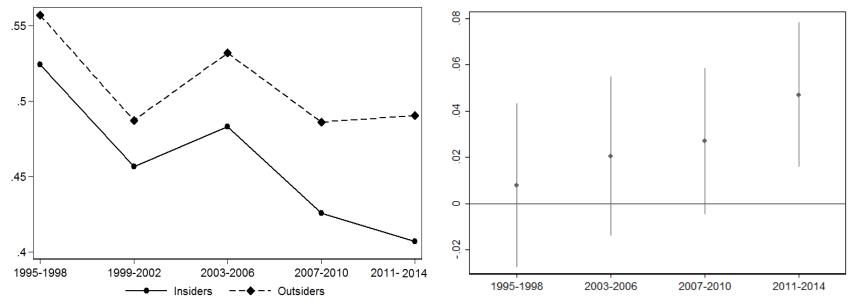
Panel A: Sweden Democrat support over time for insiders and outsiders

Panel B: Difference in Sweden Democrat support over time between insiders and outsiders

Figure 11: Support for the Sweden Democrats by Insider-Outsider status.

Notes. Data comes from the yearly SOM survey. An insider is defined as employed and having a medium or high household income. An outsider is defined as being in an active labor market programs, unemployed, on disability pension, non-employed, or employed with a low household income.

Panel A: Support for reducing refugees over time for insiders and outsiders

Panel B: Difference in support for reducing refugees over time between insiders and outsiders

Figure 12: Support for Refugees by Insider-Outside status.

Notes. Data comes from the yearly SOM survey. An insider is defined as employed and having a medium or high household income. An outsider is defined as being in an active labor market program, unemployed, on disability pension, non-employed, or employed with a low household income.
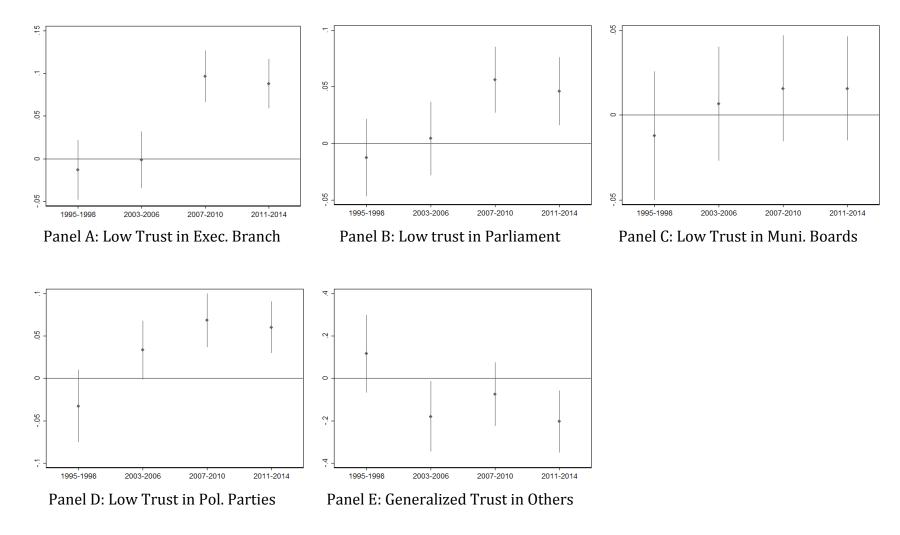
Figure 13: Trust in Government Institutions by Insider-Outsider Status.

Notes. Data comes from the yearly SOM survey. An insider is defined as employed and having a medium or high household income. An outsider is defined as being in an active labor market program, unemployed, on disability pension, non-employed, or employed with a low household income.
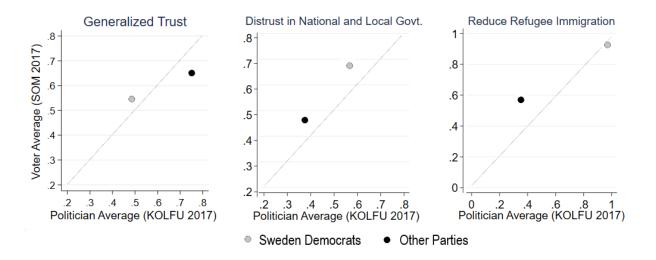
Figure 14: Trust and anti-immigration attitudes of elected councilors and self-identified voters for Sweden Democrats and other parties.

Notes: Voter data is from the 2017 SOM survey. Politician data is from the 2017 KOLFU survey, which was administered to all municipal councilors.
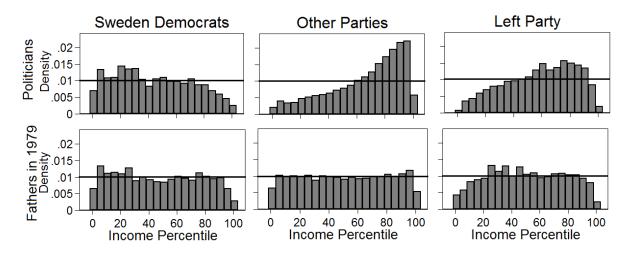
Figure 15: Income percentile of politicians elected between 2002 and 2014 (upper figures) and their fathers in 1979 (lower figures).

Notes: The income percentiles are calculated by birth year and sex at birth. Data from year 1979 were used to compute the percentiles of annual earnings for the fathers. Fathers are only included if they are of adult age in year 1979 (e.g. 18 or older).
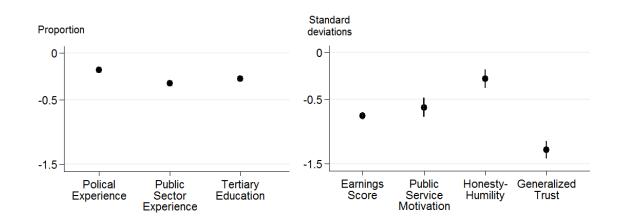
Figure 16: Traits of elected councilors of Sweden Democrats compared to councilors of other parties.

Notes. Data on political experience, public sector experience, tertiary education and earnings score come from administrative registers for municipal councilors elected in 2002 to 2014. Data on public service motivation, honesty-humility and generalized trust come from the 2017 KOLFU survey.

Web Appendix

Economic Losers and Political Winners:
Sweden's Radical Right

Ernesto Dal Bó, Frederico Finan, Olle Folke,
Torsten Persson, and Johanna Rickne

W1. Economically Vulnerable Populations in Swedish Survey Data

Swedish social scientists have relied on survey data to reject the idea that economic insecurity or long-term economic and social decline can explain Sweden-Democrat voting (most notably Sannerstedt 2014, 2015, and Jylhä et al. 2018). They present two main pieces of evidence to arrive at this conclusion: (1) *A majority* of the party's voters do not self-report to be among the unemployed, enrolled in an unemployment program, on long-term sick leave or on disability pension. (2) The income distribution of self-reported Sweden Democrat voters is highly similar to the income distribution of the population.

We take issue with the definitions and the data quality underlying this analysis. On the definition point, using the categories of unemployed, and sickness or disability pension recipients may be a reasonable proxy for the *economically marginalized*. But it leaves out some social support systems as well as low-income seniors. More importantly, other economically insecure voters are not captured by the proxy. The sociological construct of the SELMA model, which we use in this paper, highlights the differences between a core labor force (that we call insiders) and other groups with an unstable status in the labor market. These people, who make up 11% of the voting population in our data, go back and forth between employment and non-employment but do not qualify for other support systems as their main source of income. Another point we highlight in this paper is that economic insecurity can be very real also among people with more stable employment, because of sectoral or occupational variation in the risk of losing one's job from e.g. automation, digitization, or globalization. Taken together, the segments of workers who face significant economic insecurity are a lot larger than the economically marginalized.[1]

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[1] Another analytical point is that social-insurance recipients do not correspond well to the broader theory of "losers from modernity". As explained in Section 2 of the text, this theory speaks about the development of higher education, gender and racial equality, globalization of industrial production, and the expansion of the public and service sectors. The losers of modernity may thus include men, people with low education, and those with jobs in the industrial sector. The Sweden Democrats is over-represented in all these categories in survey data, who in 2010 accounted for 86% of the party's voters

When it comes to data quality, survey data is not stratified on income or other labor-market variables. Neither is it stratified on region of birth. Even though survey respondents may be representative of the population income distribution, these multiple sources of prospective measurement error may make it highly unrepresentative in terms of labor-market categories. In the low-income category, students are more likely to respond at the same time as foreign-born and social-support recipients are less likely to respond. The low response rate for foreign-born people is likely to overstate the Sweden democrat vote share upwards, while the low response rates for social-support recipients is likely to understate it.

Calculating response rates for subgroups of the population in surveys is difficult since sub-group characteristics are typically self-reported, or unavailable for the full population. An exception to this rule is the 2010 Swedish National Election Survey (NES), which partly builds on register-based measures. This survey also has a very high response rate, 69 percent, meaning that differential response rates is probably a smaller problem than in other surveys (e.g., the SOM survey that we use in Section 5 of the text has a response rate of 50 percent). In the NES, the share of Sweden Democrats voters was 3.8 percent in 2010, which under-represented the party's actual vote share in the 2010 election by more than a third (the party won 5.7 percent of the vote). NES includes two register-data variables that we can compare to the full population: taxable income, which is available in the survey as the respondent's population percentile, and level of education, which we can compare to the population distribution in our register data.

The results are shown in Table W1. It shows that voters with low income and education are clearly underrepresented, while those with high income or education are over-represented in the NES. For example, the coverage of voters in the lowest 15 percentiles is 77 percent, while those with primary education have an average representation of less than 80 percent. If we would look at the intersection of these groups, the relative response rate would in all likelihood be even lower. Although this issue may not be too important when we look for the probability that certain groups vote Sweden Democrat, it creates a large problem if we look to describe the "typical" Sweden Democrat voter, as the missing voters are more likely to have low income and education.

W2. Individual level survey data

Measurement. We use survey data to study shift of attitudes. We focus on three attitudinal variables as measured in the SOM survey, the largest annual Swedish voter survey, with a nationally representative sample of 3,400 respondents annually in the 16-85 age interval. We use data for five election periods, giving us a total of 80,207 respondents between 1995 and 2014.

Anti-immigration attitudes are captured by preferences for the policy proposal to "Reduce refugee immigration," where respondents are asked to use a scale from 1 to 5 to rate this proposal as (1) "Very good", (2) "Good", (3) "Neither good nor bad", (4) "Bad", and (5) "Very bad". To measure anti-immigration attitudes by higher numbers, we invert this scale. Anti-redistribution

attitudes are captured by the same 1-5 preference ranking for "Cutting taxes", which we invert to let higher numbers capture more positive attitudes to tax-cuts.

Finally, anti-establishment sentiments are measured with "Trust in political parties", measured in the survey as (1) "Very much trust", (2) "Some trust", (3) "Neither a lot nor a little trust", (4) "Little trust", and (5) "Very little trust". The SOM-survey is divided into modules. The immigration and trust questions were included in all modules, and have 56 020 and 54 426 person-year observations, respectively.

For 86 percent of our sample, we also have information on their labor-market status and household income (the variables lmsit and hinc3rel). We exclude students and retirees, another 14 percent of the overall sample, and classify the remaining 50,000+ respondents as either insiders or outsiders. An insider is either employed and has a medium or high household income. An outsider is defined as being in an active labor market programs, unemployed, on disability insurance, non-employed, or employed with a low household income. The split between outsiders and insiders is close to 75-25, with a smaller proportion of outsiders than the register-based SELMA population data used in the main text. Among the respondents in the voter survey, labor market outsiders are 25 percent of the non-student, non-retiree population. We also use control variables for sex (women are 52 percent of the sample), low-educated (23.8 percent, measured as below high school by the variable edu3) and people who grew up outside of Europe (2.2 percent). Unfortunately, the surveys do not contain enough information that we can credibly split insider respondents into those with vulnerable and secure occupations.

W3. Robustness of the basic vote-share results

Excluding the influence of immigrant voters

We re-calculate the vote share for the Sweden Democrats to remove interference from immigration, as surveys show that likelihood for immigrants to vote for the Sweden Democrats varies considerably by region of birth. People growing up in other Nordic countries, or in Europe, self-report very similar voting probabilities as Sweden-born (Statistics Sweden 2011, 2016). By contrast, the rate is below 1 percent (reported as 0 percent) for people growing up outside of Europe. Simply removing all people in this category from the denominator when computing the Sweden Democrat's vote share would be an over-adjustment, however, because the franchise and turnout rates are not close to one in this group. Two public databases from Statistics Sweden can be used to compute true rates of eligibility and turnout in our sample period of 2002—2014. The database for eligible voters puts the average share of eligible voters at 0.75 (Statistikdatabasen för röstberättigade, www.scb.se). The database for election turnout puts the turnout rate at 0.70 (Valdeltagandeundersökningen, www.scb.se). With these two proportions we adjust the Sweden Democrats' vote share in each municipality or district r as:

$$\frac{\textit{Number of SD votes in region r}}{\textit{Number of eligible voters} - (\textbf{\textit{Number of people born outside Europe}} * \textbf{0.75} * \textbf{0.70})}$$

We replace the outcome variable in the main regression with the adjusted vote share to get the results in Table W5.

Expanding the vote share regression with additional control variables

Following the literature on radical right party voting discussed in Section 2 of the text, we construct a number of control variables and add these to the baseline regressions in Table 1.

Immigration data is available for first and second-generation immigrants, by region of birth (Europe, North America, etc.). At the most basic level, we expect the magnitude of the negative response to immigration by the dominant group to depend on timing and size of the incoming group, and on the ethnic distinctions between in- and out-group(s) (Blalock 1967). Our first variable measures the share of foreign-born from all other countries. The second measures foreign born outside the OECD, and the third includes foreign born outside the OECD plus people born in Sweden but with at least one parent born outside the OECD.

The so-called halo effect holds that stereotypes and negative attitudes about immigrants take hold in areas close to immigrant-dense areas, but less so in those areas themselves (e.g., Mayer and Perrineau 1992). We divide Sweden into 114 commuting zones, using the official categorization of Statistics Sweden. For about 25 percent of municipalities, the municipality itself is the commuting zone, and these are hence dropped from the estimation. We then compute the average share of immigrants – using the baseline definition of people born outside of the Nordic countries – for the commuting zone minus the municipality in question. The resulting, fourth, immigration variable is the proportion of immigrants in the commuting zone surrounding the municipality itself.

The timing of immigration may be important since new inhabitants can take time to integrate economically and socially. We compute the change in the proportion of immigrants since the last election year as our fifth immigration variable.

As discussed at length in Section 2, immigration could trigger a more severe response if immigrants contribute to pressure on labor markets or public finances. Our sixth immigration variable is the share of immigrant outsiders in the municipal population. To compute the intensity of economic competition we first take the share of immigrants among all employees in 3-digit industry codes at the national level, and then weigh each municipality's employment composition by these fractions. Our seventh immigration variable is this weighted industry share of immigrants, and the eighth variable is the election year to election year change in that variable. As the ninth and final variable we compute the share of immigrants in the composite of 3-digit occupation codes instead of industry codes.

The estimation results in Table W6 show that none of the immigration variables change the size or significance of the coefficients on insider/outsider inequality and vulnerable insiders from the main analysis. The only alternative immigration variable significantly correlated with the vote share of the Sweden Democrats is that of the share of immigrants in the commuting zone.

Globalization index. We use the offshoring intensity index at the 2-digit ISCO-level from Goos et al. (2014) to weigh the composition of municipal employment by this feature. The method is exactly the same as for the RTI index. Results in panel A, columns (1) and (2) show that this variable is not correlated with the outcome and does not affect our coefficients of interest.

Media data operationalizes the proportion of eligible voters that consume media reports on the Radical Right's core issue of immigration. At the most basic level, salience of immigration benefits the party that "owns" that issue, and positive or negative coverage can both be expected to bring votes to the radical-right party.

We collect data on newspaper content from Retriever Sweden Inc., a text database for Swedish newspaper articles. The database has usable coverage of local newspapers starting in 2002. Including both national and local newspapers, gives us a total of 160 newspapers with at least one article and at least one subscriber (further details below). Carlsson et al. (2015) calculate that the Retriever post-2006 data covers 95 percent of all printed newspapers, even after excluding national newspapers. We search each paper's archive for articles that mention "immigration" in various forms. The, we pool the number of articles for all years in an election period and divide it by the total number of articles (on all topics). To find the consumption intensity of immigration messages in each municipality, we weigh each newspaper's share of immigration articles by the share of subscribers in the municipality. Subscriber data for all local and national newspapers can be downloaded from Tidningsservice Media facts. For 15 percent of the newspapers that appear in Retriever, we cannot find a single subscriber. The final variable contains subscription weighted immigration coverage from 108 newspapers. Results in Table W7 panel A, columns (3) and (4) show that this variable is not correlated with the outcome and does not affect our coefficients of interest.

Electoral and party system factors are aggregated up from the KOLFU survey with local politicians. Politicians elected in 2006 and 2010 were surveyed to measure ideologies, political preferences, and attitudes toward other parties. KOLFU was sent to all local municipal councilors and the response rate exceeded two thirds in both years (Gilljam et al. 2010, Karlsson and Gilljam 2014) Our first control variable from this data captures the politization of the left-right dimension as the difference in ideological stance between the Social Democrats and the Conservatives, i.e., left-right convergence. We compute this variable as the absolute value of the difference in means for the placements on a 10-step scale for left-right self-identification.

The second variable proxies for the Cordon Sanitaire, as the average like-dislike attitude of all other parties towards the Sweden Democrats (on a scale from Strongly Like to Strongly Dislike). Unlike the other variables in this section, this survey question was only asked to the 2010 politicians. The third variable captures the salience of the anti-immigration issue, the immigration climate, as the average policy preference for "Reducing refugee immigration to the municipality" among all non-SD politicians. We also compute this variable for the Conservatives only to capture issue competition as the fourth variable. The fifth variable captures the main left-wing party, the Social Democrats', stance on redistribution. This is captured by the reverse-

coded, average policy preference in among the Social Democrats' elected local councilors for "Reducing income inequalities".

Because the political variables are available only for the two most recent election periods (2006-2010 and 2010-2014), we only run the specifications without municipality fixed effects. When those dummies are added, the main results of the paper do not hold up in this time-restricted sample. Results in panel A, column (5) of Table W7 shows that the political polarization variable does not affect the point estimates. The control variable for the cordon sanitaire (column (1) in panel B) has the expected negative sign and is significantly correlated with the Sweden Democrat vote share but does not affect our estimates of interest. The average anti-refugee sentiment of other parties (column (3) in panel B) is positively correlated with the vote share and slightly reduces the point estimate of the inequality variable.

Crime statistics are provided by the Swedish National Council for Crime Prevention, a government agency with state-of-the art data collection from the Swedish police and court system. We use the total number of crimes per inhabitants, and the number of crimes per inhabitants in two sub-categories: larceny (most proximate to gang violence), rape and sex offences (massively politicized by the Sweden Democrats), and total crime. In these data, attempted offences are counted as crimes, and multiple offences against the same person are each counted as an individual crime.

The crime control variables are added in Table W7, panel C and panel D. In panel C, columns (3) and (4), we see that this crime rate is not correlated with the Sweden Democrats' vote share and does not affect the estimates of interest. The crime rate of rape and sex offences in panel C, columns (5) and (6) is positive and statistically significant, but does not affect our estimates of interest. Finally, the total crime rate, panel D, columns (1) and (2), is positive and statistically significant. Adding this variable reduces the magnitude of the coefficients on both outsiders and vulnerable insiders in the cross section (column 1) but does not affect the estimates in the specification with municipality fixed effects (column 2).

Full set of controls. In panel D, column (3) of Table W7 we add all control variables for media, political factors (except for the cordon sanitaire variable), and crime. Due to the time restriction for the political variables we only runt the cross-sectional specification without municipality fixed effects. When we add all controls, inequality is no longer significant at the 10% percent level. In column (5) and (6), we remove the political controls to show that these are what make inequality drop out. Out of these variables, it is attitudes toward immigration of the other parties that affects the inequality variable, and not the control for polarization, the left's attention to redistribution, nor the right's attitude to immigration.

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Table W1: Response rates for income and education categories in the 2010 Electoral Survey.

	Share of respondents	Share of population	Over/under Representation
Taxable income			
1-15 percentile	12%	15%	77%
15-35 percentile	17%	20%	87%
36-65 percentile	31%	30%	104%
66-85 percentile	22%	20%	111%
86-100 percentile	18%	15%	118%
Education level			
Primary, less than 9 years	7%	12%	65%
Primary at least 9 years	10%	11%	84%
Secondary education	46%	55%	83%
Tertiary education	36%	31%	116%
Doctoral degree	1%	1%	130%

Table W2: Categorization rules for the *Social Exclusion* and *Labour Market* Attachment (SELMA) Model.

Core labor force (Kärnarbetskraft)	Labor income that exceeds 3.5 price base amounts in at least two out of three years. Zero income from early retirement. Extensive sick leave, unemployment or work income above 1 but below 3.5 price base amounts can exist in at most one out of three years.
Unstable labor force (Instabil arbetskraft)	A unified category for several subcategories that lie between the core labor force and other statuses and which are usually merged.
	Toward establishment or re-establishment
	Labor income of at least 3.5 price base amounts in the last of the three years. No work income at all in the first year. Extensive sick leave, early retirement, unemployment benefits or labor income of less than 0.5 price base amounts can exist in one or two years out of three.
	Unstable labor force
	Participants in the workforce without extensive sick leave, early retirement or unemployment in at least two out of three years. Labor income below 0.5 or above 3.5 price base amounts can exist in one year at most. This category includes part time workers with annual incomes between 0.5-3.5 price base amounts. It also includes some students with part time jobs.
	In the margins of the labor market
	People with a weakened connection to the labor market. The relationship to the labor market is different in each of the three years. Labor income may also be between 0.5-3.5 price base amounts in the first year, and below 0.5 amounts in the last year.
	Alternative sustenance
	Persons who do not belong to any other category and who have labor income below 0.5 PBB in two out of three years.
Students and military basic training	Students are categorized purely on the income sources in year three, the current year. Any incomes are allowed for the first two years, but in year three, labor income should be below 3.5 PBB and the person should either have nonzero student benefits (t. ex. studiemedel or studiebidrag) or be registered as an attendee of tertiary education. Military basic training income above 1 PBB and labor income below 0.5 PBB in year two out of the three years, or in the most recent year only.
Extensive sickness absence	At least 90 days of registered gross sick leave (re-calculated to 64 days of net leave at 5/7 of gross days)
Early retirement and permanent disability	Early retirement benefits of at least 1 PBB and labor income below 0.5 PBB in at least two out of three years.
Excluded	***Extensive unemployment***
	Labor income below 0.5 PBB and registered unemployment of at least 180 days in two out of three year.
	Economically inactive
	Persons who do not belong to any other category and who have labor income below 0.5 PBB in all three years.
	Recent immigrant
	Immigrated in the t or t-1, and did not live in the country in year t-3.
Age-based retirement	Labor income below 0.5 PBB and income from age-based retirement (all types) that exceed 1 PBB.
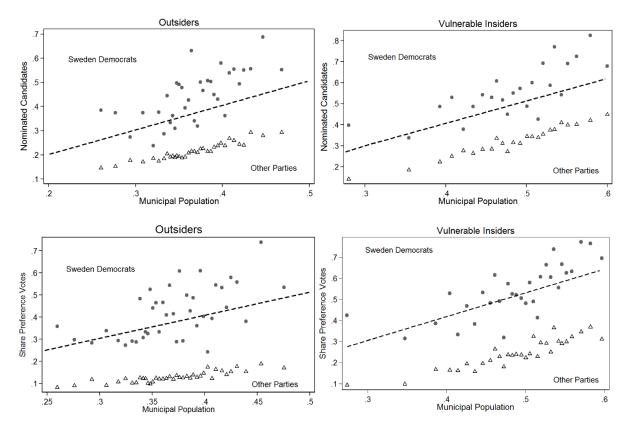
Figure W1: Share of outsiders (left) and share of vulnerable insiders (right) among nominated councilors (top) and preference-vote recipients (bottom), plotted against same shares of municipal population.

Table W3: Separating the inequality variable into income differences
and shares of outsiders.

	(1)	(2)	(3)	(4)	(5)
Income difference	0.06***	0.06***	0.06***	0.05***	0.03***
	(0.01)	(0.02)	(0.02)	(0.01)	(0.01)
Share outsiders	0.00	0.12	-0.08	0.02	-0.00
	(0.02)	(0.08)	(0.05)	(0.10)	(0.10)
Share vul.ins.	0.13***	-0.05	0.09**	-0.03	
	(0.01)	(0.08)	(0.04)	(0.08)	
D2002*Share vul.ins.					-0.05***
					(0.01)
D2010*Share vul.ins.					0.04***
					(0.01)
D2014*Share vul.ins.					0.22***
					(0.04)
Immigrant share			0.01	-0.04	-0.01
			(0.05)	(0.12)	(0.11)
Observations	1,159	1,159	1,159	1,159	1,159
Election FE	x	x	x	x	x
Municipality FE		x		x	x
Municipal controls			x	x	x

Notes: ***p <0.01, **p <0.05, *p <0.1. Robust standard errors clustered at the municipality level are in parentheses. All regressions are estimated using OLS. Municipal control variables are the share of foreign born, share with tertiary education, and share employed in each of the nine 1-digit industrial sectors.

Table W4: Replication of Table 1 when removing the share of Non-European immigrants.

	(1)	(2)	(3)	(4)	(5)
Inequality	0.63***	1.55***	0.64***	0.87***	0.65**
	(0.14)	(0.28)	(0.23)	(0.28)	(0.29)
Share vul.ins.	0.12***	-0.04	0.10**	-0.02	
	(0.01)	(0.08)	(0.04)	(0.08)	
D2002*Share vul.ins.					-0.05***
					(0.01)
D2010*Share vul.ins.					0.04***
					(0.01)
D2014*Share vul.ins.					0.23***
					(0.04)
Immigrant share			0.08	0.08	0.12
			(0.05)	(0.12)	(0.11)
Observations	1,159	1,159	1,159	1,159	1,159
Election FE	x	x	x	x	x
Municipality FE		x		x	x
Municipal controls			x	x	x

Notes: See notes for Table W3.

Table W5: Replication of Table 1 with municipal election results.

	(1)	(2)	(3)	(4)	(5)
Inequality	0.66***	2.10***	0.66**	1.27***	1.02**
	(0.20)	(0.38)	(0.28)	(0.42)	(0.42)
Share vul.ins.	0.06***	-0.06	0.13**	0.02	
	(0.02)	(0.10)	(0.05)	(0.11)	
D2002*Share vul.ins.					-0.06***
					(0.02)
D2010*Share vul.ins.					0.05***
					(0.02)
D2014*Share vul.ins.					0.18***
					(0.04)
Immigrant share			0.14**	0.34*	0.40**
			(0.07)	(0.18)	(0.17)
Observations	1,159	1,159	1,159	1,159	1,159
Election FE	x	x	x	x	x
Municipality FE		x		x	x
Municipal controls			x	x	x

Notes: See notes for Table W3.

Table W6: Interacting the immigrant share and economic-insecurity variables.

	(1)	(2)	(3)	(4)
Inequality	0.61***	0.80**	0.87***	0.70*
	(0.23)	(0.38)	(0.32)	(0.38)
Inequality* Imm. Share	-0.90	1.25	-1.33	-0.14
	(1.82)	(1.77)	(1.62)	(1.73)
Share vul.ins.	-0.04	-0.34***	0.00	-0.22***
	(0.03)	(0.08)	(0.05)	(0.08)
Share vul.ins* Imm. Share	1.79***	5.35***	1.89***	3.63***
	(0.30)	(0.48)	(0.26)	(0.57)
Immigrant share	-0.77***	-2.50***	-0.87***	-1.64***
	(0.13)	(0.21)	(0.12)	(0.28)
Observations	1,159	1,159	1,159	1,159
Election FE	x	x	x	x
Municipality FE		x		x
Municipal controls			x	x

Notes: See notes for Table W3.

Table W7: Table 1 with an expanded set of immigration controls.

	(1)	(2)	(3)	(4)	(5)	(6)
Inequality	0.90***	0.66**	0.90***	0.85***	0.91***	0.93***
	(0.20)	(0.30)	(0.23)	(0.26)	(0.23)	(0.25)
Share vul.ins.	0.10**	-0.03	0.10**	-0.02	0.10**	-0.02
	(0.04)	(0.08)	(0.04)	(0.08)	(0.04)	(0.08)
Imm sh, all countries	-0.05**	0.02				
	(0.02)	(0.13)				
Imm sh, non OECD			-0.07	-0.16		
			(0.05)	(0.13)		
Imm sh, no OECD, include 2g					-0.07	-0.20**
					(0.05)	(0.10)
Observations	1,159	1,159	1,159	1,159	1,159	1,159
Inequality	0.44**	0.71***	0.61***	0.65***	0.54**	0.65**
	(0.20)	(0.24)	(0.20)	(0.23)	(0.24)	(0.29)
Share vul.ins.	0.12***	0.03	0.10**	-0.04	0.10**	-0.03
	(0.04)	(0.09)	(0.04)	(0.08)	(0.04)	(0.08)
Imm sh, commuting zone	0.22***	0.11				
	(0.04)	(0.12)				
Imm sh, change			0.17	0.22*		
			(0.16)	(0.13)		
Imm sh, outsiders					0.06	0.05
					(0.10)	(0.20)
Observations	896	896	1,159	1,159	1,157	1,157
Inequality	0.66***	0.60***	0.70***	0.71***	0.74***	0.74***
	(0.19)	(0.22)	(0.19)	(0.23)	(0.19)	(0.22)
Share vul.ins.	0.10**	-0.03	0.10**	-0.03	0.10**	-0.02
	(0.04)	(0.08)	(0.04)	(0.08)	(0.04)	(0.08)
Imm sh, industry	0.08	0.50				
	(0.34)	(0.46)				
Imm sh, industry change			-0.40	-0.73		
			(0.62)	(0.44)		
Imm sh, occupation insiders					-0.24	-0.41
					(0.32)	(0.43)
Observations	1,159	1,159	1,159	1,159	1,159	1,159
Election FE	x	x	x	x	x	x
Municipality FE		x		x		x
Municipal controls	x	x	x	x	x	x

Notes: See notes for Table W3.

Table W8: Table 1 with controls for immigration, globalization, media salience of the immigration issue, political structure, and crime rates.

Panel A.	(1)	(2)	(3)	(4)	(5)	(6)
Inequality	0.60***	0.80***	0.63**	0.72**	0.69**	0.44
	(0.23)	(0.28)	(0.26)	(0.32)	(0.29)	(0.63)
Share vul.ins.	0.09**	-0.02	0.14***	-0.08	0.17**	-0.41
	(0.04)	(0.08)	(0.05)	(0.11)	(0.07)	(0.25)
Globalization insiders	0.01	-0.00				
	(0.01)	(0.01)				
Immigration news			0.18	0.16		
			(0.19)	(0.22)		
Political polarization					-0.00	-0.00
					(0.00)	(0.00)
Observations	1,159	1,159	868	868	557	557
Panel B.						
Inequality	0.69**		0.47*	0.39	0.62**	0.46
	(0.35)		(0.26)	(0.62)	(0.29)	(0.63)
Share vul.ins.	0.41***		0.22***	-0.49**	0.18**	-0.43*
	(0.09)		(0.06)	(0.23)	(0.07)	(0.25)
Cordon sanitaire	-0.03***					
	(0.00)					
Anti-refugee			0.04***	0.01		
			(0.00)	(0.01)		
Anti-refugee, right bloc					0.01***	0.00
					(0.00)	(0.00)
Observations	290	290	580	580	557	557
Panel C.						
Inequality	0.75**	0.37	0.60***	0.81***	0.56**	0.79***
	(0.30)	(0.61)	(0.23)	(0.28)	(0.22)	(0.27)
Share vul.ins.	0.21***	-0.50**	0.10**	-0.02	0.10**	-0.01
	(0.07)	(0.23)	(0.04)	(0.08)	(0.04)	(0.08)
Betrayal	0.01	-0.01				
	(0.01)	(0.00)				
Larceny			-1.68	-0.44		
			(1.82)	(2.10)		
Rape and sex offenses					4.23**	2.46*
					(1.95)	(1.44)
Observations	580	580	1,159	1,159	1,159	1,159
Panel D.						
Inequality	0.52**	0.79***	0.36	0.19	0.55**	0.59*
	(0.21)	(0.28)	(0.24)	(0.65)	(0.23)	(0.31)
Share vul.ins.	0.08*	-0.02	0.15**	-0.34	0.12**	0.06
	(0.04)	(0.08)	(0.07)	(0.28)	(0.06)	(0.11)
All crime	0.12***	0.05	All controls		All controls except political	
	(0.04)	(0.06)				
Observations	1,159	1,159	556	556	868	868
Election FE	x	x	x	x	x	x
Municipality FE		x		x		x
Municipal controls	x	x	x	x	x	x

Notes: See notes for Table W3.

Table W9: Differences-in-differences estimations for outsider-insider differences in trust levels.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Low trust (i.e. "Pretty low trust" 5 "Very low trust")														
Dependent variable	Executive branch			Parliament			Municipal Boards			Political Parties			Generalized Trust		
Outsider	0.071***	0.057***	0.065***	0.083***	0.068***	0.076***	0.016	0.028**	0.029**	0.044***	0.030**	0.032***	-0.862***	-0.665***	-0.690***
	[0.011]	[0.011]	[0.012]	[0.011]	[0.011]	[0.011]	[0.011]	[0.012]	[0.012]	[0.012]	[0.012]	[0.012]	[0.058]	[0.059]	[0.060]
1(1995-1998)	0.104***	0.101***	0.073***	0.093***	0.088***	0.090***	0.065***	0.062***	0.073***	0.055***	0.053***	0.055**	-0.021	0.003	-0.04
	[0.010]	[0.010]	[0.020]	[0.009]	[0.009]	[0.020]	[0.011]	[0.011]	[0.021]	[0.012]	[0.012]	[0.024]	[0.047]	[0.047]	[0.104]
1(2003-2006)	0.034***	0.038***	0.061***	0.030***	0.035***	0.082***	0	0.003	0.027	-0.019**	-0.017**	0.031	-0.131***	-0.158***	-0.225**
	[0.008]	[0.008]	[0.019]	[0.008]	[0.008]	[0.018]	[0.008]	[0.008]	[0.019]	[0.009]	[0.009]	[0.019]	[0.037]	[0.036]	[0.090]
1(2007-2010)	-0.063***	-0.053***	0.001	-0.061***	-0.048***	0.011	-0.058***	-0.052***	-0.036*	-0.130***	-0.121***	-0.111***	0.051	-0.068**	-0.102
	[0.007]	[0.007]	[0.019]	[0.007]	[0.007]	[0.018]	[0.008]	[0.008]	[0.019]	[0.008]	[0.008]	[0.020]	[0.035]	[0.035]	[0.090]
1(2011-2014)	-0.089***	-0.076***	-0.040**	-0.074***	-0.055***	0.006	-0.046***	-0.039***	0.004	-0.151***	-0.140***	-0.133***	0.089***	-0.069**	-0.251***
	[0.007]	[0.007]	[0.018]	[0.007]	[0.007]	[0.020]	[0.008]	[0.008]	[0.020]	[0.008]	[0.008]	[0.019]	[0.033]	[0.033]	[0.092]
1(1995-1998)*Outsider	-0.014	-0.013	-0.015	-0.014	-0.013	-0.018	-0.011	-0.012	-0.008	-0.032	-0.033	-0.031	0.105	0.116	0.139
	[0.018]	[0.018]	[0.018]	[0.017]	[0.017]	[0.018]	[0.019]	[0.019]	[0.020]	[0.022]	[0.022]	[0.022]	[0.094]	[0.094]	[0.096]
1(2003-2006)*Outsider	0.001	-0.001	-0.002	0.007	0.004	-0.003	0.01	0.007	0.005	0.034*	0.033*	0.030*	-0.238***	-0.180**	-0.136
	[0.017]	[0.017]	[0.017]	[0.016]	[0.016]	[0.017]	[0.017]	[0.017]	[0.018]	[0.018]	[0.018]	[0.018]	[0.085]	[0.085]	[0.087]
1(2007-2010)*Outsider	**0.101*****	**0.096*****	**0.078*****	**0.060*****	**0.056*****	**0.043*****	**0.018**	**0.016**	**0.011**	**0.071*****	**0.068*****	**0.062*****	**-0.151****	**-0.075**	**-0.051**
	[0.015]	**[0.015]**	**[0.016]**	**[0.015]**	**[0.015]**	**[0.015]**	**[0.016]**	**[0.016]**	**[0.016]**	**[0.016]**	**[0.016]**	**[0.017]**	**[0.077]**	**[0.076]**	**[0.079]**
1(2011-2014)*Outsider	**0.091*****	**0.088*****	**0.073*****	**0.053*****	**0.046*****	**0.035****	**0.022**	**0.016**	**0.012**	**0.064*****	**0.060*****	**0.060*****	**-0.309*****	**-0.204*****	**-0.170****
	[0.015]	**[0.015]**	**[0.015]**	**[0.015]**	**[0.015]**	**[0.016]**	**[0.015]**	**[0.016]**	**[0.016]**	**[0.015]**	**[0.016]**	**[0.016]**	**[0.075]**	**[0.074]**	**[0.077]**
Socio-demographic controls	N	Y	Y	N	Y	Y	N	Y	Y	N	Y	Y	N	Y	Y
Socio demographic * Election dummies	N	N	Y	N	N	Y	N	N	Y	N	N	Y	N	N	Y
Observations	46,860	46,354	46,354	42,855	42,381	42,381	42,369	41,900	41,900	44,314	43,852	43,852	47,008	46,501	46,501
R-squared	0.03	0.038	0.039	0.027	0.041	0.042	0.006	0.012	0.012	0.025	0.037	0.038	0.04	0.081	0.082

Figure W2: Self stated honesty-humility of elected councilors and self-identified voters for Sweden Democrats and other parties.

Notes: Voter data from the 2017 SOM survey. Politician data from the 2017 KOLFU survey that was administered to all municipal councilors in Sweden