

The Role of Economy in Right-wing Populism: Two Differing Approaches

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ABSTRACT

Populism has been one of the concepts that attract conflicting opinions from scholars. These debates revolve around many different aspects such as who votes for populist parties, what constitutes a populist leader, which institutional factors help populist parties come to power, and even on how populism should be defined. This conflicting opinion then matters for social scientists since differing opinions about the question of what populism is would then lead to different research and different results. This article analyzes the two different populism definitions: Populism as an ideology, and populism as a discursive style and shows how two definitions yield different results in explaining the economic nexus that drives populist parties. This article shows two seminal works on populism literature; Cas Mudde, and Norris and Inglehart have differing opinions on the economic reasoning behind populist parties solely because of the definitions they attribute to populism.

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Introduction

Populism has become one of the concepts that gathers significant attention in recent decades and led to various discussions and different segmentations in the literature. By being far from establishing a certain consensus the meaning and shape of populism have seen many conceptualizations such as a thin ideology (Stanley, 2008, p. 106; p. Mudde & Kaltwasser, 2013, p. 596), or as a certain discursive style (Aslanidis, 2016, p. 98), or as “a discursive strategy of constructing a political frontier dividing society into two camps” (Laclau, as cited in Mouffe, 2018, p. 4), or as situated as a certain political style that includes various performative styles within (Moffitt & Tormey, 2014, p. 394). Moreover, the root causes and domains of populism have also been explained by different approaches; the generational shift and changing cultural values, and consequential cultural backlash is situated as the reason for the rise of populism (Norris & Inglehart, 2016, p. 30), or has been explained by economic crises and deep crises are the reason for the increase in the voter turnout for populist parties (Hernández & Kriesi, 2016, p. 220).

The economic aspect of populism as could be seen above has always been a contentious topic, even though the value aspect of populism is perhaps the dominating outlook in the literature, both aspects have to be looked at simultaneously with the same attention since only one explanation could not exactly cover the causes, explanations and the effects of rising populism that is taking place all over the world. This paper therefore will compare the economic aspects of right-wing populism through examination of seminal books: Cas Mudde’s book *Populist Radical Right Parties*, and *Cultural Backlash: Trump, Brexit, and Authoritarian Populism* by Pippa Norris and Ronald Inglehart, both books have different approaches to both the definition of populism and economy’s relationship with

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populism. They differ in two key points, the root causes of populism in the context of the economy and the economic framework of populism. The former explains the road to populism and explains questions regarding what socio-economic factors make up the voters and why the economic reasoning put forward by the populist leaders makes sense to the public, whereas the latter delves more into to journey ahead and explains the economic agenda indicators of these populist economic frameworks of populist parties. It is therefore interesting to compare how and in which ways these two books differ in their conceptualization and the importance they give to the aspect of the economy.

It is also important to mention that Mudde's unit of analysis is right-wing populist parties in Europe whereas Norris and Inglehart look at both the parties and the leaders, they also include left-wing populism, and their study is not only confined to Europe and draw examples from the United States as well. However, since Norris and Inglehart also devote a chapter on political parties and their classifications and their major examples come from Europe, as well as the economic aspect being an overarching theme in both books where there are lines about economic explanations that come up even in chapters that are not devoted to the economy. However, it is fair to compare both books albeit in the parameters of right-wing populism.

First, the paper will give brief summaries of the two books and point out key points in order to highlight the mindset of the writers in terms of the given subject. In the 'The role of economic indicators in right-wing populism' section of this paper, the 'Explanations' chapter of the *Populist Radical Right Parties in Europe* – by excluding 'Assessing impact: populist radical right parties vs. European democracies' section – and 'Authoritarian and populist values' chapter of the *Cultural Backlash* will be comparatively discussed. In the 'Economic framework argument' section of this paper, the "It's not the economy, stupid!"¹ section of the *Populist Radical Right Parties in Europe*, and the "Classifying parties" section of the *Cultural Backlash* will be comparatively discussed. A comparative review of these two seminal books will end with a critical discussion about the comparison of books.

Brief Summary of the Two Books

Pippa Norris and Ronald Inglehart's book *Cultural Backlash Trump, Brexit, and Authoritarian Populism* consists of four parts. In the first part, the book focuses on the definition of populism, and the main theoretical background of the book is based on the argument of namely the cultural backlash and the varieties of populism. In the introduction part, the book defines populism as a discursive style that leaders operationalize and use in their rhetoric (Norris & Inglehart, 2019, p. 4). The second part delves into the value aspect of populism in the context of immigration, the economy, and the cultural backlash. The third part focuses on the political sphere. Here the book classifies populist parties, the make-up of the voters, populism's relationship with the political rules of the system, and as was promised in the title analyses of Trump and Brexit. The last part of the book investigates the consequences of populism and its effect on civic culture and liberal democracies. The main argument of the book is that the reason populist parties, and leaders have garnered support in the last decade has to do with the generational change, change from materialistic values to more pluralist and post-material values created a resentment in the older generation and they are responding to these changing values that they cannot relate by supporting populist leaders.

Cas Mudde's book *Populist Radical Right Parties in Europe* has three major parts, the first part focuses on the highly contentious topic of defining right-wing populism and classifying the major European parties according to that definition. Mudde defined right-wing populism through three central ideological cores: nativism, authoritarianism, and populism. However, rather than

¹ A tongue-in-cheek reference to the notorious slogan hung into the wall of Bill Clinton's campaign headquarters in 1992, "it's the economy, stupid." Signaling to everyone that Bill Clinton's campaign's focal point is the economy and the ongoing recession happening under the Bush administration.

formulating as a political style, he defined populism as a thin-centered ideological core that views society in two antagonistic factions: “the pure people” and “the corrupt elite” (2007, p. 23).

The second part of the book delves into the issues portion here right-wing populism’s relationship with subjects such as the friend and foe dynamic, women voters of right-wing populist parties and the women’s position in right-wing populist parties, the economy axis and neoliberalism, the European integration and Euroscepticism and globalization and cultural globalization. The last part analyzes the explanations for right-wing populism: On the demand side, why and who could vote for right-wing populist parties; and on the external supply side the potential opportunities, the culture, politics, and institutions presented to the right-wing populist parties; and on the internal supply side the impact of the inner-party politics and the leadership styles of right-wing populist parties and the effect of right-wing populist parties on democracies. Overall, Mudde provides an extensive discussion and revision to the literature and identifies core characteristics of the party family of the right-wing populism and puts that alongside being a dependent variable that is affected by structural factors, right-wing populist parties are also independent variables that are constantly reformulating themselves.

The Role of Economic Indicators in Right-wing Populism

In this section, both books will be critically compared through their views and analyses regarding the role of economic factors in right-wing populism. Throughout their book, Norris and Inglehart highlight the birth cohort phenomenon and intergenerational value change. In their chapter “Backlash against the silent revolution,” they show that post-materialist values² in the newer generations such as pluralism and diversity leave the older generations alienated and resentful since their socially conformist values are no longer represented on the larger scale. Thus, as they (Norris & Inglehart, 2019, p. 96) have shown in their empirical study authoritarian values are the highest in interwar and baby boomer generations. For Norris and Inglehart birth cohort explanations and consequential cultural values seem to trump over economic factors in the calculation of “who hold authoritarian values” (2019, p. 133). Also, in their chapter “Economic grievances”, they point out that authoritarian values are less closely linked with the economic indicators than a person’s generation. They affirm that economic hardships and grievances do in fact drive support for populist parties, but they make a distinction: This grievance is not the direct cause of the support but rather a jumping point, economic grievances then in turn trigger anxieties such as fear of crime, fear of the social system being overflooded or fearing the influx of immigration. In short, the economic hardship, crisis, and grievances cannot be untangled from cultural grievances; to put it differently, economic fears fuel cultural ones in a causal relationship in the process of the rise of populist parties.

Mudde criticizes the previous studies in the field of right-wing populism and claims that nearly all explanations described right-wing populism as a direct consequence of “macro-level socio-economic development” (2007, p. 4). Therefore, right-wing populism is portrayed as a passive actor in a deterministic manner in these studies. Mudde states that big social transformations such as the silent revolution, the emergence of multicultural societies, and modernization play some roles, but none of them is comprehensively enough to explain the rise of right-wing populist parties empirically. In the sphere of economy, Mudde (2007, p.206) claims that right-wing populist parties have less appeal when there are higher levels of unemployment. Here Norris and Inglehart (2019, p. 166) disagree by saying, “[...] Populist attitudes [...] are more strongly influenced by personal experience of economic insecurity and by perceptions of the national economy’s performance.” However, both books concur that high levels of immigration can increase the saliency of economic grievances and can lead to xenophobia and an increase in voter turnout for right-wing populist

² Post-materialist values emphasize individual free-choice, autonomy and self-expression while materialist values prioritize physical and economic security (Norris & Inglehart, 2019, p. 32).

parties. On the other hand, Mudde states that the macro-level societal and external factors are far from being adequate to explain the rise of right-wing populism; hence the ideological core, organization, and leadership of the party have an effect on its success or failure.

Table 1. Mudde's and Norris & Inglehart's Views on Right-wing Populism.

Mudde, C. (2007). <i>Populist Radical Right Parties in Europe</i> .	Norris, P., & Inglehart, R. F. (2019). <i>Cultural Backlash: Trump, Brexit, and Authoritarian Populism</i> .
Populism as a thin-centered ideology	Populism as a discursive style
Welfare chauvinism is one of the key features	Welfare chauvinism is conditioned to the failure of the mainstream political parties
Nativism is the core ideology of right-wing populism	Nativism is a product of the ideologies attached to populism
Losers of modernization thesis have secondary importance in the emergence of the right-wing populism	Losers of modernization thesis as a direct reason for the emergence of the right-wing populism
A loosely shaped pattern of the economic framework of right-wing populism	Right-wing populism does not suggest any coherent blueprint for the economy.
The economy and economic program of right-wing populist parties are only secondary features both for parties and their constituency	Economic grievances exacerbate the saliency of cultural grievances

In sum, both books agree that economic factors are secondary in nature when explaining the rise of right-wing populism. However, what they differ in is how they operationalize it: Mudde claims all factors need to be considered when explaining the rise of populism since the public debate regarding the economy and economic program of right-wing populist parties only constitute the secondary feature both for parties and their constituency, whereas Norris and Inglehart claim that economic grievances exacerbate the saliency of cultural grievances. In a comparative view, the articulated literature of populism studies and political developments make Mudde's argument more plausible, since recessions and economic crises' effect on the rise of right-wing populist parties is not a traditional cause and effect relationship but rather the economic crises set the stage for right-wing parties to play. It is undeniable that economic factors play into the emergence of right-wing populism, yet there are also other key factors that contribute to this phenomenon. For instance, a study (Schwander & Manow, 2017, p. 19) on the electoral successes of German right-wing populist *Alternative für Deutschland* (AfD) shows modernization thesis has little significance to explain the rise of the AfD, instead, the political milieu plays a role, the AfD has been able to receive votes from traditionally right-wing electoral districts when broader political and social context became suitable for the emergence of a right-wing populist party.

Economic Framework Argument

In this section, the economic framework of right-wing populism will be discussed by comparing both books' arguments regarding any possible generalizable socio-economic framework of right-wing populism. In the "It's not the economy, stupid!" section, Mudde claims that against the common assessment the right-wing populist parties do not embrace a neoliberal economic framework, and the economic frameworks of this party family play a secondary role in their ideological construction. As a general methodological approach, Mudde backs his claims by examining various right-wing populist parties throughout Europe and by re-examining related previous studies, and by referencing manifestos and speeches from the parties in question.

The assertion of the dominance of the neoliberal economic framework within right-wing populism, as Mudde shows, played a driving intellectual paradigm within the literature. Therefore, it is possible to say that Mudde's refutation to this is convincing since a consensus or increasing accumulation of studies regarding any dominance of neoliberal economic policies within right-wing populism is far from being achieved in the current literature, fifteen years after the publication of the

book. However, even though the neoliberal economic framework does not constitute the central theme of right-wing populist parties it would be shortsighted to contemplate right-wing populism as unaffiliated with neoliberalism, and existing in a bubble. It is of the utmost importance to keep in mind that the proliferation of neoliberalism eroded social-democratic values which in turn created a broader social and political context that made the stage suitable for the appearance of right-wing populist parties. Mouffe (2018, p. 10) refers to this context as the “populist moment” and claims that right-wing populism does not necessarily include a rejection of neoliberalism. However, in the absence of the dominance of a neoliberal economic framework within right-wing populism, it is meaningful to ask whether right-wing populism contains any generalizable economic framework?

Norris and Inglehart use the “right-left spectrum” to scale populist parties’ position on the economic spectrum, and their main observation unit is the analytical evaluation of the nexus of free trade vs. state intervention in the markets. However, how useful and convincing is their approach is up to debate. One can say that their methodological and analytical approach to overgeneralizing is innately reductive since their observation simply looks at populist parties’ attitude towards free trade, but they do not include the role of trade unions, and the debate on the ownership of means of production. For instance, they state that the Golden Dawn Party of Greece is an amalgam of pro and anti-capitalist features, however, their examples of being an anti-capitalist party are the nationalization of banks and natural resources, and improved trade relations with Russia, Iran, and China (Norris & Inglehart, 2019, p. 239). However, Mudde (2007, p. 125) observed that nativism as a core feature of the right-wing populism substantially influences the economic program of this party family, and their economic programs mostly resemble national capitalism by largely accepting the conditions of the market but rejecting a totally free international trade. At this point, Mudde’s analysis sounds more convincing in comparison, since he categorizes right-wing populism as a pro-capitalist party family overall, which is a more comprehensive and tangible approach. In sum, even though there are radical differences between the economic policies of different right-wing populist parties, it is possible to talk about a general economic pattern of right-wing populism. In order to steer the discussion to the political philosophy, it is essential to ask: Is it possible to claim the nexus of the free trade and state intervention to the markets or being in close relationship with the western liberal trade markets as adequate observation points to determine the economic positioning of right-wing populism? State intervention in the market does not necessarily equate to left-wing economic policies since government ownership of capital and means of production does not necessarily affect the unequal distribution of wealth. It is possible to claim that *Cultural Backlash*’s approach to the economic positioning of right-wing populist parties should be critically assessed since innate empirical and analytical approaches in the book have a tendency to simplify the importance of economy in the analysis of right-wing populism, where the book treats the political spectrum as a binary scale - parties are either right or left through the nexus of free trade vs. state interventionism- which leads to missing the nuances and the fluidity of populist parties and their relationship with economy.

On the other hand, Mudde (2007, p. 137) claims that the party family of right-wing populism is inclined to a nativist economic approach that favors welfare chauvinism and economic nationalism rather than a dominance of neoliberal economics. Likewise, Norris and Inglehart position welfare chauvinism as one of the features of right-wing populism; however, with reference to the literature they condition the welfare chauvinism to the failure of mainstream parties, especially social democrats, and populist demagogues exploit escalated opportunity structures by blaming immigrants and foreigners (2019, p. 137). According to both approaches, right-wing populism favors welfare chauvinism that excludes the perceived “others” of society. It is possible to claim that in the name of saving the nation and economy, right-wing populist parties divide society through ethnic lines by designating migrants as adversaries. As Mouffe (2018, p. 10) underlies the neoliberal hegemony and its ongoing crisis made the rise of populism possible, but their electoral victory could only lead to “authoritarian forms of neoliberalism, in the name of recovering democracy”.

Besides, in the framework of populism as a discursive style and political opportunity structures, one could possibly say that the Great Recession of 2008 would play a major role in the reformulation of opportunities and reshaping of exploitable discursive styles over the sphere of economy. But two books' explanations differ on that point possibly due to the different approaches to the meaning of populism. One can claim that the empirical evidence that is presented by Mudde contradicts the outputs of the *Cultural Backlash*. It is important to point out that Mudde's book was published before the Great Recession of 2008 since he suggests that welfare chauvinism and economic nationalism are widely observable economic patterns that are closely related to the ideological features of right-wing populism even before the Great Recession of 2008. Therefore, it is possible to say whether the conditions that lead to the implementation of welfare chauvinism and economic nationalism by exploiting opportunity structures through a right-wing populist discursive style are not changed due to an event with huge magnitude and capacity to affect the structural factors of the society, Great Recession of 2008, or even so they are secondary value, welfare chauvinism and economic nationalism constituted core ideological features of right-wing populism.

Moreover, Mudde (2007, p. 133) claims a conditionality between ideological core and economic policies of right-wing populist parties by saying "populist radical right parties define their (socio)economic policy on the basis of their core ideology, particularly nativism, and instrumentalize it accordingly", but Norris and Inglehart (2019, p. 247) state that populism hardly portrays any guidance about what policies should be implemented and is mostly "silent about second-order principles". Therefore, rather than trying to understand populism in relation to specific party types, evaluating populism as a pervasive discourse can be more useful. In other words, Mudde's evaluation of right-wing populism and ideological core's effect on economic policies makes it possible to formulate a common economic framework of right-wing populism since the relationship between ideological core and economic policies in most conditions would lead to national capitalism and some form of welfare chauvinism that divides the society along ethnic lines.

Conclusion

Both books concur that economic factors are secondary when explaining the rise of right-wing populism, while Norris and Inglehart argue that losers of the modernization thesis have an immediate effect, and economic insecurities and grievances only fuel the cultural backlash, hence manifesting as anxieties against immigration and the fear of failure of welfare systems due to influx of people. On the other hand, Mudde does not downplay the effect of economic indicators. He concurs with Norris and Inglehart in the argument that economic indicators do not fully explain this rise in right-wing populism; however, he differs from Norris and Inglehart by stating that this breeding ground for this rise happens because of a conjunction of a myriad of elements including economic factors.

Due to these differing opinions on the question of what populism is, the economic grievance line of argumentation plays out differently in both books: Norris and Inglehart take economic grievances as a driving force for fueling cultural grievances because the talking points of both parties and leaders pivot to the ultimate cultural thread, whereas Mudde differs on this by saying the nativism as a core ideology of populism shapes the economic policies of the right-wing populism. Therefore, it is possible to talk about a loosely shaped pattern of the economic program of this party family since the core ideology directly affects the economic framework in Mudde's argumentation. However, Norris and Inglehart's understanding and formulation of populism conditions the economic positioning of the right-wing populism to various factors and opportunity structures. It is hard to seek for a general economic framework within the right-wing populism according to this line of argumentation. It could be concluded that both books seem to differ in the order of which influences which first and second.

The key weakness in Norris and Inglehart's book is that they heavily underline the losers of the modernization thesis without ever contemplating the cultural aspect of populism. This theory is especially flawed when looking at the AfD's success in Germany. The literature on populism shows that the right-wing populist parties can achieve electoral victories both in times of economic crises and prosperity, such as in the case of the AfD in Germany (Schwander & Manow, 2017, p. 6). Even though the losers of the modernization thesis hold some theoretical importance it is hard to talk about an only a cause-effect relationship between the thesis and the rise of right-wing populism. Whereas Mudde suffers from being too rigid in the ideology and party concept, with this Mudde, overlooks the charismatic leader archetype, a figure who could adapt to a populist discourse, utilizes existing opportunity structures, and takes over a non-inherently populist party. One could look no further than Boris Johnson and the aftermath of Brexit with this, however, it is also worth to mention the book was written in populism studies' infancy and could not predict the oncoming events.

In the end, both books mostly agree that economic factors are secondary when explaining populism, but their key differences come into the light when explaining the economic framework, here the difference seems to stem from how they conceptualize populism. Both books present two different approaches to analyzing populism and right-wing populism.

On a larger note, *Populist Radical Right Parties in Europe* grounds a significant place in the literature by employing a comprehensive literature review and empirical analysis to position right-wing populist parties as independent variables in relation to the other factors. On the other hand, *Cultural Backlash* is one of the unique examples with a longitudinal analysis by incorporating long durational societal transformations into the analysis. Their analyses regarding the economics of populism could shed light to further research by helping researchers have two different conceptualizations of populism and how those two different definitions could lead to different roads in terms of understanding the relationship between the economy and populism.

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Notes on Contributor

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