

THE ECONOMIC GEOGRAPHY OF XENOPHOBIC POPULISM: CAUSES AND IMPLICATIONS

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Abstract: The current rise of xenophobic populism has a distinct geography. With some exceptions it tends to be concentrated in regions that are outside the main growth activities of the modern economy. Attention has focused on old manufacturing and mining areas in decline, and therefore with relatively poor, working-class populations. However, voting for right-wing populist parties is also strong in certain prosperous areas, which despite their relative wealth, are outside the most dynamic sectors. Both types of area can therefore be covered by the term often used to describe the new populist heartlands – “left behind” – but with rather different implications. In the following we shall examine in turn these issues: the geography of populism; its relationship to the geography of economic sectors; and the kinds of public policy that are relevant to tackling emerging geographical inequalities.

Keywords: xenophobia, populism, economic geography, left-behind, inequalities.

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Both kinds of “left behind” relate to the two processes in the contemporary economy that are causing various kinds of dislocation: globalization and the transition to a post-

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industrial economy. As the former changes comparative advantage across the world, many cities and regions find their former activities are no longer competitive and have to search for new ones. Even if they are currently prosperous, these areas might fear for a future that has no place for them. Also, the opening of the world to intensified international trade brings with it the movement of people, which disturbs cultural homogeneity in areas with little past experience of ethnic diversity. There is both a sense and a reality of growing disconnect-ness of the historical local economy, society and culture from a wider world that comes to be seen as menacing. Anger is likely to become focused on immigrants and ethnic minorities as the visible and ostensibly most easily attacked manifestation of the overall phenomenon.

Partly a separate factor, partly connected to the economic reorganization consequent on globalization, is the general sectoral shift in employment towards various services activities. High value-added services sectors that do not have any particular need for customers among local populations have few logistical constraints, and can choose where they go. They tend to prefer high-quality locations, especially if they are primarily employing highly skilled people who need to be attracted.

The decline of employment in manufacturing and mining also brings other changes. The power of employee interests is weakened through the decline of unions, while the gender balance within economy and society is changed as the more evenly balanced services sectors replace strongly male manufacturing and mining. The kinds of economic activity that can flourish in various locations, and the ways in which these connect to the global economy, therefore have major effects, not only on the local economy itself, but on politics and culture too. The public policy implications of these developments are profound.

In the following we shall examine in turn these issues: the geography of populism; its relationship to the geography of economic sectors; and the kinds of public policy that are relevant to tackling emerging geographical inequalities.

THE GEOGRAPHY OF POPULISM

The current rise of xenophobic populism has a distinct geography across a range of countries, although the weight of local factors varies. With some exceptions it tends to be concentrated in regions that are outside the main growth activities of the modern economy. This does not define only areas in decline, but those whose prosperity seems rooted in the past and therefore likely to face a vulnerable future, such as thriving but traditional industrial cities, or wealthy small towns and rural areas.

There is relevant evidence from a number of countries. In the 2016 US presidential elections, the votes for Donald Trump, who stood on a socially conservative, xenophobic platform, were concentrated in counties that accounted for 36 per cent of GDP, those for Clinton in those accounting for 64 per cent (Muro, Liu 2016). Since both candidates scored broadly equal number of votes, this suggests strongly that Trump voting was associated with the least dynamic and productive local economies. Trump's votes also correlated rather strongly ($r^2=0.50$) with employment in the "old" (agriculture, mining and manufacturing) economy, and even more strongly ($r^2=0.61$) with the proportion of white persons with no high school diploma in the area (Irwin, Katz 2016).

In the UK the vote to leave the European Union (Brexit) in the referendum of June 2016 was concentrated in small and moderately sized towns, both prosperous ones and old industrial ones in decline. Of the country's 30 largest cities, 18 (including the capital, London) had higher anti-Brexit votes than the national average, and three others had higher anti-Brexit votes than the regions in which they were situated. Of the remaining nine, six were old industrial cities and three were declining port cities. There was considerable regional diversity in the vote, the proportion voting for Brexit ranging from 59.21 per cent in the West Midlands to 37.98 per cent in Scotland. Comparison of voting in the referendum with national statistical data on the educational level of the population of the various regions shows a strong negative correlation ($r^2=0.5146$) between voting for Brexit and educational level. (The correla-

tion is far stronger if Scotland and Northern Ireland are taken out of the account, both having poor educational levels but voting strongly against Brexit for specific political and cultural reasons.) Having reached a similar conclusion examining data at a more local level, Manley, Jones and Johnston (2017) showed that in fact educational level was more relevant than region as such. In other words, differential voting in different areas can be explained by differences in the educational level of populations. Educational level is in turn in good part a function of the economic activities dominant in a region.

The French presidential elections of 2017 revealed some similar patterns. Looking at the first round of the elections, where voters could choose among five candidates, the vote for Marine Le Pen, the leader of the xenophobic party, Front National (FN), was concentrated in smaller towns in both the prosperous, rural south west and the declining industrial north west (Renard 2017). Drawing on work by Hervé Le Bras, as yet unpublished but based on the latter's earlier analyses of FN voting (Le Bras 2015), Renard showed that size of town was more important than indicators of social distress in predicting FN strength; indeed, Le Pen's vote was negatively associated with these latter indicators. There were similar findings to UK and US research on education level.

A striking finding of Le Bras's work is that pessimistic future expectations were more important than current economic reality in predicting the FN vote. A very similar conclusion emerges from Philip Manow's (2018) work on voting for the xenophobic Alternative für Deutschland (AfD) in the German parliamentary elections of 2017. The AfD vote correlated highly with experience of unemployment in 2000, but negatively with current unemployment. This holds true despite the German situation being complicated by the different histories of the eastern and western parts of the country. In Germany as elsewhere voting for the xenophobic party was high in areas of manufacturing industry, but – in contrast with the UK and US – in the German case these are flourishing areas of high employment. Indeed, it was workers in secure jobs, not the precarious, who were more likely to vote for AfD.

Manow's finding does not so much refute the evidence from elsewhere on the "left behind", as clarify it. Evidence from France, the UK and US already showed that xenophobic voting was high in prosperous small towns as much as in depressed ones. The common factor was pessimism about the future, and perhaps worrying memories from the recent past. There can be many different reasons why people feel that their educational level or the activities characteristic of their area will not have a secure place in the future, whatever their present situation. Similarly, hostility to immigrants tends to be highest where there are very few of them, but their imminent arrival is feared, rather than in cities where there are already large numbers. As globalization changes comparative advantage across the world, people in locations characterized by "older" economic activities fear that these will no longer be competitive. Also, even when immigration controls are in place, the opening of the world to intensified international trade necessarily brings with it the movement of people, which disturbs the cultural homogeneity of certain areas. Anger is likely to become focussed on immigrants and ethnic minorities as the visible and ostensibly most easily attacked manifestation of the overall phenomenon.

GLOBALIZATION AND THE SERVICES ECONOMY

Partly a separate factor, partly connected to the economic reorganization consequent on globalization, is the general shift in employment from agriculture, manufacturing and mining towards various services activities. It had once been thought that, because many of these latter lacked strong locational requirements, they would be spread more evenly across territories than manufacturing and mining. This was expected to be especially true for high-technology activities, which could locate themselves more or less anywhere and had low space needs in relation to their added value. The reality has turned out to be very different, though again the picture is complex. Services that are delivered person-to-person and without payment at the point of delivery tend to be distributed accord-

ing to population density. This is the case for many non-marketed citizenship services; schools, hospitals, care services, and police will tend to follow a straightforward population density pattern. Marketed personal services, such as restaurants, shops, hairdressers, and local transport serve local populations and will be partly determined by local demography, but also by the wealth of the local population. Wealthier areas will attract more and better quality of these services, exacerbating existing inequalities even as they create employment.

Finally, high value-added services sectors that do not have particular need for local markets have few logistical constraints, and can choose where they go. They tend to prefer high-quality locations, especially if they are primarily employing highly skilled people who need to be attracted. Capital cities, with their excellent transport connections, cultural amenities and access to government personnel, are especially favoured, as are other culturally rich or beautifully appointed cities. Firms in these sectors also often like to cluster, in order to foster the informal knowledge exchanges that characterize innovation and creativity. While this is also the case for some manufacturing sectors, their characteristically high space needs make them sensitive to the increases in land prices that accompany concentration. Services firms with low space to earnings ratios have low land-cost elasticities. Their clusters therefore become extensive. Footloose services moving to poorer, unattractive cities are likely to be of lower value-added activities, sensitive to local costs and not needing to attract scarce staff. Examples are warehousing (though with a large space need) and call centres. There is therefore a relationship between the differential location of sectors and income.

There is therefore a location multiplier at work, which becomes an inequality multiplier. Cities and regions that already possess advantages will attract the most activities with high-earning personnel. These in turn spend part of their income on local services, creating more local wealth. Local government benefits from property taxes on the services firms, which enables it to maintain and enhance the attractiveness of the city. This in turn attracts more firms seeking pleasant locations. A high proportion of the persons working in these ser-

vices being highly educated, they are likely to produce children who also acquire a high level of education, boosting the quality of the local labour market and thereby attracting more firms needing highly educated workers. The opposite spiral affects cities that lack the amenities that attract high value-added activities. Young people, and especially well-educated ones, will leave the region altogether. Often the local economy stagnates; or it might, as in Germany, remain a strong industrial one, but with anxieties about a future in which manufacturing will become ever less important (for evidence of an association between income inequality and the regional location of high value-added services in the UK, see Crouch 2019.)

THE PUBLIC POLICY IMPLICATIONS OF SECTORAL CHANGE

The political and cultural consequences of these growing differences extend further. The decline of employment in manufacturing and mining has also coincidentally weakened the power of employee interests, within both the economy and the polity. These sectors were the heartland of the labour movements of industrial society, generating trade unions and worker-oriented political parties. Outside public services, some parts of the financial and distribution sectors, unions have become weak, with knock-on effects on their associated parties and party fractions. In many economies these sectors have been heavily male activities; most services have a far more even gender balance in their work forces, though there is a tendency for women to be concentrated at the lower levels of organizational hierarchies. Just as the disruption of globalization seems to stimulate nationalism and resentment of immigrants and other foreigners, sectoral change might stimulate certain gender conflicts. The relatively recent prominence in the economy of women encourages many of them to assert political demands for rights, while some men, and indeed some women, resent the challenge to traditional gender differences. Xenophobia and masculism come together to form a kind of pessimistic nostalgia, which can be politicized as a powerful

force, especially in societies where the same forces of globalization and sectoral change are challenging the relevance of past political traditions.

As Manow (2018) argues, the current rise of populism is not a uniform phenomenon; it affects countries with different economic circumstances in different ways. However, that only makes more striking certain similarities: the negative association between xenophobic voting on the one hand and city size, education level and sectoral dominance. Market forces in the post-industrial economy favour a small number of large cities, leaving large areas and many if not most smaller cities without any dynamic activities that can sustain wealth and income, retain the young, and give people a sense of local pride in their *Heimat*. Many inequalities among cities and regions are the consequences of past and present public policies; capital cities are often the result of centuries of state policy, as are many of the infrastructures and amenities that strengthen the attractiveness of flourishing cities. Therefore, attempts to address them also require public policy.

The geographical inequalities, even within countries, that globalization and post-industrialism together produce are enduring. Eventually diminishing returns might set in even for services activities, as land costs and labour scarcities reduce the attractiveness of today's favoured places. But that can take a very long time to emerge; meanwhile generations in other regions live out their lives contemplating at worst decline and at best an anxiety that current success is likely to be temporary. Left to global market forces and without imaginative local urban policy-making, a majority of towns and cities are being left in economic and cultural mediocrity. The concept of "glocal" helpfully expresses the way in which global pressures make it important for policy-makers to attend to what happens at local level (see, for example, Swyngedouw, Kaika 2003). There has to be local economic and social policy, not of a protectionist kind, but to enable as many areas as possible to find their way to viable economic futures, with the help of national and (in the case of EU member states) European authorities. It is only if diversity is accepted and encouraged that multiple means can be found to common problems.

It is not enough for such policies to provide generous social support for people who are unemployed or left in low-income occupations as a result of these processes, or to encourage firms and government organizations to locate back-office and warehouse activities in such places. Such measures do not facilitate local pride and confidence. Policy-makers at all levels need to identify new activities than can thrive, in particular provision of the infrastructure that will enable them to rival the already favoured places, including iconic cultural projects, provided these reach into the daily lives of the population and are not just isolated pockets of elite activity fenced off from the rest of the city (for examples of such policies see OECD 2006.) As Marc Saxer (2018) has argued, maintaining a high-quality local environment of which people can be proud requires considerable public spending. Success in such a task will not be achieved everywhere; there will always be sad areas that fail to find a place in the changing world. But combinations of imaginative national and local planning with entrepreneurship, and determined attention to the geography of dynamism can reduce their number and therefore the numbers of those who feel left behind.

The economic policy subsidiarity that this implies also has a cultural dimension. A globalized world needs citizens who are at ease with a variety of layered identities, able to feel loyalties and identities of varying strengths – to local community, town city, region, country, world region, common humanity – that feed on and reinforce each other, not set in zero-sum conflict. We are again reminded of the finding of much research that xenophobic movements are weakest in cities where large numbers of ethnic minorities and immigrants have been living for a considerable period. These are usually the cities finding a confident place in the modern economy (it is this which has attracted the immigrants), and where populations of all ethnicities have been able to get to know and appreciate each other. There is a double, economic and cultural, confidence. The link between forward-looking economic development in the hands of local people able to be involved in the future of their cities and avoidance of a retreat into a world of warring tribes was identified by the late US sociologist Benjamin Barber in

his book *Jihad versus McWorld How Globalism and Tribalism are Reshaping the World*, published in 1995, six years before the massacre at the New York Twin Towers. His words have acquired considerably greater meaning during the intervening years.

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