

How the Radical Right Has Changed Capitalism and Welfare in Europe and the USA

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Author: Philip Rathgeb

Affiliation: University of Edinburgh

Email: Philip.rathgeb@ed.ac.uk

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Preface

This book started out of a personal curiosity: How does the radical right affect people's livelihoods when it gets to power? The reason I became interested in this question is that the radical right has increasingly come to represent what political and social scientists call the "losers of globalisation". As these voters have lower levels of education or skills no longer needed, they have been particularly vulnerable to the socially corrosive effects of de-industrialisation and globalised competition during the neoliberal era. These so-called "losers" would need political power to compensate for their declining economic power. It was an open question how radical right parties would respond to the social needs of their new electoral strongholds amid their more general rise towards a mainstreamed party family.

When starting this research project, I relied on my priors as a political economist by viewing the radical right's policy choices through the analytical lens of the economic left-right divide. In theory, I expected that the radical right would pursue redistributive policies in order to consolidate its electoral support among lower middle-class and working-class voters. There was an emerging body of evidence underpinning this hypothesis based on party manifesto data. In reality, however, this is not what I found when studying the radical right's *policy choices* in government. While some of their policies have been protectionist in orientation, they have overall increased rather than decreased economic inequality. Jan Rovny's "position-blurring" hypothesis gave me another useful cue to address my puzzle. Accordingly, radical right parties would avoid taking a clear position and end up with a centrist policy impact in order to reconcile the ongoing heterogeneity of its electoral base, including both (right-wing) small shop owners and (left-wing) production workers. The radical right's policies seemed indeed difficult to categorise at first. But what they have had in common is that they produce similar groups of economic winners and losers. It thus became clear to me that the conceptual apparatus of the existing debate – distinguishing between "left" versus "right" and "pro-welfare" versus "anti-

welfare” positions – was too coarse to capture the radical right’s distributive impact. In other words, the radical right’s socio-economic agenda defied the left-right cleavage on which my thinking had been based.

This led me to search for answers in the literature of party politics, which emphasized the nativist and authoritarian worldview of radical right parties. I therefore started to take the socio-cultural ideology of the radical right seriously when analysing their policy choices in power. What if these parties are not only short-term electoral vote-seekers, as conventional models of politics would predict, but instead act as ideologically committed actors with hegemonic long-term ambitions? Indeed, radical right parties usually do not moderate when they get to power; they often radicalise even more as they aim to shift the terms of the debate, with destructive consequences for liberal democracy across the Western world. What started out as a policy-focussed analysis of the radical right thus turned into a more general inquiry into the distributive outcomes of today’s “culture war”.

To understand the radical right’s policy impact I first had to recognise how its socio-cultural ideology informed its socio-economic policy preferences. This has led to the first major contribution of this book: the radical right’s core ideology of nativism and authoritarianism has clear distributive implications that favour threatened core workers (“labour market insiders”) and male breadwinners, typically at the expense of the unemployed, the poor, immigrants, ethnic minorities, and new social risk groups such as working women and precarious non-standard workers (“labour market outsiders”). In other words, selective protections for the native (male) core workforce go hand in hand with the promotion of a racialized and gendered precariat when the radical right gets to decide who gets what, when, and how in contemporary capitalism. The importance of ideological values (nativism & authoritarianism) in shaping distributive policy preferences (selective status protection) illuminates how deeply intertwined cultural and economic conflicts have become.

The commonalities of the radical right's distributive impact might appear hidden by the varieties of policies the radical right has implemented in government. In some contexts, these parties have opted for trade protectionism or economic nationalism, whereas in other contexts, they have prioritised familialism or welfare chauvinism. To make sense of this variation I built on the literature of comparative political economy and welfare state research that highlights the enduring capitalist diversity in which domestic political actors find themselves. As countries have different economic vulnerabilities and institutional legacies, they have to rely on diverse policy instruments to achieve similar distributive outcomes. This recognition has informed the second main contribution of this book: the political-economic profile of welfare state contexts and growth models provides the radical right with diverse opportunities and constraints when pursuing their nativist-authoritarian agenda. This insight is important not only to make sense of the remarkable variations through which radical right parties have changed national models of capitalism and welfare; it also holds implications for the viability of liberal democracy as such. One of the broader takeaway messages of this book is that the radical right uses the welfare state to manufacture consent for authoritarianism.

Neoliberalism may have come to an end with the fallout of the global financial crisis, the Covid-19 pandemic, the current cost-of-living crisis, and the looming climate crisis, but the political exhaustion of our dominant economic order is by no means a guarantee for the resurgence of inclusive forms of social solidarity. There are different ways in which a sense of solidarity may be reinvigorated in a world of multiple crises. It is my hope that the radical right will not represent the only one in the emerging post-neoliberal era.

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It is a pleasure to thank the many colleagues and friends on whom I have relied when researching and writing this book. Institutional support came from the German Research Foundation (DFG) in the form of a research grant, the *Zukunftskolleg* at the University of Konstanz where I held a postdoctoral research position from 2018 until 2020, and my subsequent and current employer, the Social Policy Department at the University of Edinburgh. This book would not have been possible without the opportunity to move my research grant from Germany to the UK. I am grateful to Sarah Mutters and Jennifer Seemann at the DFG for facilitating this process at a time when Brexit caused considerable uncertainty in the academic community. Separate and special thanks go to my colleagues for taking over my teaching and administrative responsibilities in autumn 2022, so that I could spend a research sabbatical at the European University Institute in Florence and write large parts of this book at a most congenial setting. It is difficult to overstate how much I have benefitted from the intellectual environment and collegial atmosphere of Social Policy in Edinburgh. I am particularly grateful to Marzia Ballardin, Richard Brodie, Daniel Clegg, Niccolo Durazzi, Jan Eichhorn, Richard Freeman, and Elke Heins for their various types of support since my start in Edinburgh in May 2020.

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Philip Rathgeb

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Chapter 1: Introduction

Donald Trump assumed office with an unusual promise for an American president. He would bring “great prosperity and strength” by protecting the “forgotten men and women” from foreign competition. Not long before him did the political right and the left agree on a fundamentally different premise. In 2000, Bill Clinton argued to the admiration of his Republican contender, George W. Bush, how “[g]lobalisation is not something that we can hold off or turn off. It is the economic equivalent of a force of nature, like wind or water.” Meanwhile, his British counterpart, Tony Blair, explained at the Labour Party Conference how “in the world of the internet, information technology and TV, there will be globalisation. And in trade, the problem is not there’s too much of it; on the contrary, there is too little of it.” Of course, there was criticism at the time of the socially and environmentally corrosive effects of “hyper-globalisation” (Rodrik 2011), but these were restricted to left-wing fringe movements outside the political mainstream (e.g. Alter-globalization, Attac). Trump used this void and connected a policy of trade protection with conventional neoliberal reforms and an anti-pluralist agenda that ultimately threatened the viability of America’s democracy. In many ways, the GOP’s ideological platform under Trump, and the Tea Party movement that helped him to power, resembled those of Europe’s radical right parties, connecting (white) nativism with authoritarian law & order credentials (Minkenberg 2011, Mudde 2018). However, Trump’s economic and social policies were very different from what we can observe on the other side of the Atlantic. In both Eastern and Western Europe, trade protectionism has been by no means a salient feature.

Viktor Orbán, for example, received praise from the American radical right for establishing an “illiberal” regime (NYT, 19.10.2021), but his economic nationalism diverged from Trump’s trade protectionism. Instead of putting constraints on foreign competition, Orbán

re-nationalised key sectors of the economy and imposed discriminatory taxes on multinational companies in favour of domestic capital. While the Trump administration took issue with the cross-border movement of goods, the Orbán cabinet contested the cross-border movement of capital. Orbán's anti-liberal promise has also had deep implications for the welfare state. His protectionist promise not only incorporated the domestic business class, but also valorised the "productive Magyar family" through an unprecedented expansion of monetary family support. Familialist protection and economic nationalism thus formed important instruments with which the Orbán cabinet and other Eastern European radical right governments responded to the mounting dissatisfaction with the neoliberal paradigm that underpinned the Washington consensus (1990s) and the EU accession process (2000s).

Unlike in Eastern Europe, economic nationalism has been completely absent from the policy platforms of the radical right in Continental Europe. While often sharing a preference for familialist policies and conservative gender relations, Continental European radical right parties like the Austrian Freedom Party (FPÖ) prioritised the defence of mature social insurance rights for labour market insiders while downgrading the social rights of labour market outsiders and other new social risk groups. At the same time, its protectionist promise for the "hard-working" and thus "deserving" core workforce implied cuts in the benefit entitlements of non-citizens. The anti-immigration appeal of the radical right implied the "culturalisation" of distributive conflict through welfare chauvinism in this region. Hence, the Continental European radical right used government power primarily to protect the relative social status of core workers at the expense of the precarious (racialized) fringes of the workforce. These policies reacted against austerity pressures for previously well-protected workers while consenting to cuts for the rest.

The radical right in Northern Europe has neither opposed the cross-border movement of goods (USA) nor capital (Eastern Europe), but it has rejected the cross-border movement of

people on economic as much as on cultural grounds, leading to a comprehensive platform of welfare chauvinism that aimed to create greater social divides between natives and immigrants. The Danish People's Party (DF), for example, connected its selective cuts in the benefit entitlements of natives with the defence of protections for labour market insiders and improved rights for the elderly. At the same time, it placed little, if any, emphasis on social investment measures on which Scandinavian countries have relied so much in the past. Unlike in Continental Europe, familialism has been conspicuously absent in the policy choices of the DF, which contrasts with the FPÖ's policy impact in power. The DF thus mainly aimed to shore up welfare support for the "deserving" natives with tight boundaries to the outside.

The remarkable variations in the radical right's socio-economic policy impacts across Europe and the USA have gone largely unnoticed in the literature. Rather than restricting themselves to what came to be known as "culture war" issues such as immigration and gender rights, the radical right has had a deep and lasting impact on national models of capitalism and welfare, involving variations of trade protectionism, economic nationalism, traditional familialism, labour market dualism, and welfare chauvinism. Most observers have however seen them merely as agents of immigration control that play little role in capitalist development. In this view, radical right parties are likely to blur their social and economic policies in return for tighter restrictions on immigration (Rovny 2013, Rovny and Polk 2019). An alternative view states that radical right parties have turned into pro-welfare parties that can be located on the socio-economic left of the political spectrum. Seen in this way, radical right parties are likely to pursue a policy of redistributive state intervention, in line with their growing working-class support (Afonso 2015, Eger and Valdez 2015, Ivaldi 2015, Harteveld 2016, Michel and Lefkofridi 2017, Afonso and Rennwald 2018). What both lines of research have in common is that they typically focus on individual attitudes and party manifestoes without studying the

actual policy choices of radical right parties in office across different political-economic contexts.

In this book, I will show that across the variations described above, the radical right is neither “blurry” nor “left-wing” when it really gets to decide who gets what, when, and how in contemporary capitalism. By studying the socio-economic policy choices of radical right parties in office, we not only capture their impact on people’s livelihoods; it also provides insights into how they aim to facilitate democratic backsliding.

Research question and argument in brief

This book examines why radical right parties have had such a diverse impact on social and economic policies when coming to power. In doing so, the main argument is that (1) the socio-cultural ideology of radical right parties informs their socio-economic policy *preferences*, but (2) diverse welfare state contexts mediate their socio-economic policy *impact* along the following regime-specific lines. In welfare states with conservative family relations, the radical right has pushed for familialist policies (Continental and Eastern Europe). In welfare states with generous social insurance systems, the radical right has defended the benefit entitlements of labour market insiders with long contribution records while excluding non-citizens from welfare entitlements (Continental and Northern Europe). The nativist mirror image of welfare chauvinism may be economic nationalism in welfare states dependent on foreign direct investment (Eastern Europe). In the absence of these welfare state features, trade protection becomes a functional equivalent of social protection (USA).

In this introductory section, I will briefly outline how the socio-cultural ideology of the radical right promotes a policy of selective status protection that resonates with the material interests of its electoral strongholds (i.e. policy preferences). Afterwards, I will outline how the diverse welfare state contexts in which radical right parties operate have created different

opportunities and constraints in legislating their socio-economic reform agenda (i.e. policy impact). I will draw on party politics scholarship to capture the radical right's policy preferences on the one hand (agency), and build on comparative political economy to explain the radical right's policy impact in power on the other (structure).

Party politics scholarship and research on the far-right has produced a great body of knowledge on how radical right parties mobilise their voters through their ideology of nativism and authoritarianism, often combined with populism (Mudde 2007, 2019; Art 2022). However, these studies tend to assume that the radical right's core ideology primarily maps onto the socio-cultural dimension, with little implications for the socio-economic dimension. In this book, my *first main contribution* is to theorise and show how nativism and authoritarianism motivates a distinct set of social and economic policy preferences.

First, nativism refers to a combination of xenophobia and nationalism, whereby only (white) native citizens should be part of the national community, thereby excluding foreign-born citizens and ethnic minorities. Radical right parties not only influence socio-cultural policies as a way of putting “natives first”; they also *need* socio-economic policies to establish nativist principles, because by influencing the production and distribution of material resources, they can entrench nativist divisions in capitalist societies. More specifically, radical right parties can realise their nativist ideology through economic measures that reward native citizens while discriminating against non-citizens (leading to pro-natalism and welfare chauvinism) and fostering domestic businesses at the expense of foreign capital (leading to economic nationalism) and foreign trading partners (leading to trade protectionism). As such, nativism implies a xenophobic approach to social policy in response to ethnic diversity, but also a nationalist approach to economic policy in response to enhanced international competition.

Second, authoritarianism refers to a desire for order, conformity, and homogeneity with respect to traditional social norms inherited from the past, including (manual) “hard work”, the authority and deservingness of the elderly, and traditional gender norms and family values. A “law & order” approach against crime is the most common way we tend to think about authoritarianism. However, the welfare state provides a comprehensive set of policy instruments to reward in-groups displaying conformity with traditional social norms and punish out-groups that are perceived to break with them. Conceived in this way, radical right parties may defend and expand the social insurance rights of labour market insiders and the elderly, as these welfare schemes reward people who have contributed to the national cause through long and uninterrupted employment biographies. Conversely, the unemployed and the poor are considered less “deserving” of welfare support as they are perceived to show less commitment towards “hard work” and achievement. In a similar vein, family policy creates opportunities for the radical right to promote traditional gender roles and hierarchies within the household. Specifically, the expansion of child benefit payments and tax breaks helps to incentivise families, and thus women in practise, to assume a greater role as caregivers. By contrast, radical right parties typically oppose social investment in (higher) education and childcare facilities, as these policies promote inclusive social mobility and progressive gender values.

While the radical right shares similar ideologies of nativism and authoritarianism, it also pursues widely different policy choices in government. Drawing on comparative political economy, my *second main contribution* is to explain how welfare state contexts translate the radical right’s policy preferences into regime-specific policy impacts in power (Esping-Andersen 1990, Bohle and Greskovits 2012, Thelen 2014, Beramendi et al. 2015, Manow et al. 2018, Hassel and Palier 2021, Baccaro et al. 2022). In other words, I argue that the political-economic profile of welfare states and growth models provides the radical right with diverse opportunities and constraints when pursuing their nativist and authoritarian policy platform.

First, the nativist preference for putting “natives first” led radical right parties to legislate diverse policies, because their domestic economies have been prone to different contestations of globalisation, i.e. the cross-border movement of capital, goods/services, and people. Nativism took the form of welfare chauvinism in generous welfare states with growing immigration rates (Continental and Northern Europe), economic nationalism in FDI-dependent growth models after the fallout of the great financial crisis (Eastern Europe), and trade protectionism in a context of chronic current account deficits (USA). Whereas nativism contested the cross-border movement of foreign people in Western Europe, it responded to the cross-border movement of foreign capital in Eastern Europe and foreign goods in the USA, thereby reflecting the diverse economic vulnerabilities posed by the globalisation of diverse varieties of capitalism and welfare (Rodrik 2011, Rodrik 2018, Manow 2018). To be sure, radical right parties oppose immigration across the board, but generous welfare states have been more prone to the “culturalisation” of distributive conflict through welfare chauvinism in the form of selective cuts targeted at non-citizens.

Second, the authoritarian preference for traditional social norms inherited from the past stimulates radical right parties to make diverse policy choices, because welfare states display different institutional legacies and thereby entrench different electoral preference structures on gender relations and welfare deservingness. Authoritarianism took the form of insider protection and labour market dualism in welfare states with mature social insurance systems (Continental and Northern Europe) and familialism in welfare states with conservative legacies and/or conservative attitudes (Continental and Eastern Europe). While the strong entrenchment of a more gender-egalitarian dual career model cuts off political support for a conservative family policy in the Nordic welfare state context, the institutional legacies of the male breadwinner model in Continental Europe and the dominance of conservative gender values in Eastern Europe create opportunities for a familialist approach that valorises traditional gender

relations and hierarchies. In a similar vein, the authoritarian insistence on “hard work” at the expense of labour market outsiders and new social risk groups is easier to realise in mature welfare states where labour market insiders have traditionally enjoyed privileged access to generous benefit entitlements. Trade protectionism not only responds to discontents caused by globalisation; it may also act as a functional equivalent of social protection in favour of the “hard working” and thus “deserving” core workforces in declining manufacturing industries (USA). Taken together, we can see that radical right parties use the diverse social and economic policy instruments available within their welfare state context to pursue their nativist and authoritarian agenda in power. The importance of ideological values (nativism & authoritarianism) in determining distributive policy preferences (selective status protection) highlights how deeply intertwined cultural and economic conflicts have become.

To illustrate and test the arguments outlined above, I will use primarily case studies of Austria (Continental Europe), Denmark (Northern Europe), Hungary (Visegrád region), and the USA to test and illustrate the empirical patterns outlined above. The four primary case studies will be supplemented with secondary case studies to further substantiate (but also to nuance) my main argument: The German AfD and Italian *Lega* (compared to the Austrian FPÖ), the Norwegian FrP and Swedish SD (compared to Danish DF), and the Polish PiS (compared to Hungarian Fidesz). If my argument were correct, we should observe similar policy choices within a particular welfare state context from those radical right parties who assumed office (i.e. *Lega*, FrP, PiS) or the absence of such policy choices when radical right parties did not come to power (i.e. AfD, SD).

Winners and losers of the radical right in power

My analysis of the radical right’s impact on capitalism and welfare holds broader insights about the distributive outcomes of political conflict in the 21st century. While the policies outlined

above diverge from the neoliberal paradigm of the recent past, they nevertheless undermine redistributive state interventions that would reduce economic inequality. In other words, a pro-welfare stance does not necessarily equate support for inequality-reducing policies. The radical right pursues instead a socio-economic agenda of selective status protection that restores horizontal inequalities in terms of gender and ethnicity, without addressing vertical inequalities between the rich and the poor.

The diverse policy impacts outlined above have in common that they use policy instruments available within a particular welfare state context to re-affirm the traditionally privileged position of *threatened* labour market insiders and male breadwinners. Following the literature on labour market dualisation (e.g. Rueda 2007, Schwander and Häusermann 2013, Rathgeb 2018), “labour market insiders” refer to workers with relatively well-protected and permanent full-time employment contracts, whereas precarious labour market attachments exclude “labour market outsiders” from the employment and social rights enjoyed by insiders. The radical right focuses in particular on those labour market insiders and male breadwinners who have seen their dominance ebbing as their employment and citizenship status provides declining protections against the structural displacements and losses that decades of liberalisation have yielded in a context of de-industrialisation, globalisation, and technological change. Hence, the radical right does not primarily cater to those already “left behind” by structural shifts in the economy; it responds to the *fear* rather than the *outcome* of decline among the previously well-protected native (male) core workforces (Bornschiefer and Kriesi 2013, Häusermann 2020). It thus comes as little surprise that the radical right’s policy preferences have typically attracted disproportionately high electoral support from white males with lower levels of formal education over the past roughly four decades (Häusermann et al. 2013, Beramendi et al. 2015, Oesch and Rennwald 2018, Häusermann et al. 2022).

This book thus speaks to recent studies showing how perceived status losses – caused by the disappearance of manufacturing jobs, the concentration of well-paid service jobs in urban centres, and the purported replacement of native workers with immigrant workers – have increased radical right support (Gest 2016, Hochschild 2016, Engler and Weisstanner 2020, Gidron and Hall 2017, Kurer and Palier 2019, Kurer 2020, Kurer and Van Staalduinen 2022). For example, production workers are usually labour market insiders with permanent full-time jobs, but the state’s retreat from full employment and industrial policies in a context of de-industrialisation threatens their economic prospects, which has made them receptive to the protectionist appeals of the radical right. However, whereas the studies cited above show how status anxieties have *caused* electoral support for the radical right, this book shows the distributive *consequences* of the radical right in power.

While radical right parties primarily cater to threatened labour market insiders and male breadwinners, they typically tighten the screws on the unemployed and the poor while opposing a welfare recalibration and social investment measures that would cover new social risk groups, typically at the expense of (working) women, immigrants, ethnic minorities, and the young. In other words, selective protections for the native (male) core workforce go hand in hand with the promotion of a racialized and gendered precariat. Women face heightened challenges in reconciling work and family life in today’s “crisis of care” (Fraser 2016), the young are more likely to end up in non-standard contracts with less steady and secure income, whereas those with low or obsolete skills often face cycles between low-pay and no-pay (Bonoli 2007). As these groups have traditionally displayed a higher probability of being labour market outsiders with precarious employment and welfare standards (Schwander and Häusermann 2013), they would benefit precisely from those inclusive welfare state arrangements the radical right opposes (e.g. high-quality education across the life course, public childcare arrangements, universal and generous welfare benefits). Labour market outsiders – i.e. workers in precarious

employment/welfare standards and the unemployed – therefore typically abstain from voting or support the radical left, whereas threatened labour market insiders – i.e. workers in permanent full-time employment relationships – constitute the radical right’s electoral stronghold (Hopkin 2020). In short, nativism and authoritarianism may reflect ideological convictions in the first place, but they have clear distributive implications by promoting a policy of status protection that is regressive and defensive in nature.

Status protection and democratic backsliding

The radical right’s policy of status protection has important implications for the study of democratic backsliding. We know that the radical right and the radical left often share an anti-democratic quality by attacking the liberal-constitutional component of democracy, given that checks and balances systems are supposed to dilute the “general will of the people” (*volonté générale*) embodied by authoritarian strongmen. In other words, the radical right can be considered a form of democratic illiberalism waged against the undemocratic neoliberalism of the late 20th and early 21st century (Berman 2017, Madariaga 2020). Political science scholarship has provided insightful elite-level accounts on the strategies and techniques political actors employ in processes of democratic backsliding (Levitsky and Ziblatt 2018, Mounk 2018, Waldner and Lust 2018). These studies highlight that the viability of liberal democracy depends on a shared culture of mutual toleration and consent among political adversaries, ensured by party elites (“gatekeepers”) responsible to prevent processes of populist norm erosion.

My findings on the radical right’s policy of selective status protection point to the hitherto unexplored role of welfare state reform in facilitating democratic backsliding. In the neoliberal era, governments of virtually all partisan complexions felt compelled to prioritise “responsibility” towards market demands at the expense of “responsiveness” towards voter

demands (Mair 2013). The outcome of the neoliberal consensus was the widespread demobilisation of voters at the expense of civil society and class-based organisations. This hollowing out of the popular component of democracy has provided fertile ground for radical right parties to challenge the liberal-constitutional component of democracy as a way of giving voice to “our own people” at the expense of minority protection. The increased threat of (competitive) authoritarianism after the fallout of the global financial crisis cannot be understood without appreciating how the radical right has downgraded its neoliberal legacies in favour of previously dominant groups of voters whose social status has come under pressure in the post-industrial knowledge economy of the 21st century. This way, the radical right could generate the political support necessary to pursue authoritarian rule once in power.

Relationship to the literature

The above sections have already highlighted the main contributions to the literature. As this book enters into a dialogue with broader debates and strands of research, I want to use this section to reflect at a more general level on how my theoretical framework and empirical findings draw on and contribute to diverse sub-fields in political science and political economy.

First, this book engages with the study of *comparative politics* on the changing cleavage structures of political competition in the 21st century. There is overwhelming evidence on how a socio-cultural cleavage has gained relevance and thereby complemented the classic socio-economic left-right divide. As a result, comparative politics – and indeed political science more broadly – has become accustomed to make a distinction between “culture” versus “economy” when studying political conflict (on the far-right, see Norris and Inglehart 2019 versus Hopkin 2020). Recent works have begun to theorize at the micro-level how the two cleavages intersect in voting behaviour, arguing that economic processes of relative (status) decline activate cultural dispositions in favour of the radical right (see e.g. Burgoon et al. 2019, Carreras et al.

2019, Gidron and Hall 2020, Dehdari 2022, Kurer and Van Staalduinen 2022). At its most basic, the findings of this book take this literature further by showing how, in turn, socio-cultural values inform the socio-economic policy preferences of the radical right. However, the broader insight derived from my findings is that the two cleavages increasingly intersect and even merge into a sort of “culture war capitalism” that renders socio-economic and socio-cultural questions interdependent. The radical right is an illustrative example in this regard: as economic redistribution would benefit immigrants and ethnic minorities (“culture”), it refuses to address income inequality (“economy”). In a similar vein, the parties and social movements of the radical left oppose capitalism (“economy”) as they deem it an economic system that exploits people of colour (Black Lives Matter) and the environment (Extinction Rebellion) (“culture”). The claims that the state benefits non-deserving groups in society (radical right) or that capitalism promotes racism (radical left) are ultimately economic arguments made on cultural grounds.

In short, one of the book’s broader key points is that you cannot separate the culture war from capitalism. The culture war does not crowd out economic conflict, because it has itself a strong distributive component. While the “economy” versus “culture” distinction may be useful as a heuristic device, it starts from the flawed assumption that non-economic ends can be pursued *without* economic means, and *vice versa*. In fact, the welfare state as an economic institution has always been embedded in broader cultural projects that define the boundaries of national belonging, moral deservingness, and gender normativity. Margaret Thatcher’s famous quote that “[e]conomics are the method, but the object is to change the heart and soul” is an instructive reminder of how economic instruments serve cultural goals. Ultimately, the findings of the present book can thus be understood as an invitation for political scientists (focusing on identity politics and culture war issues) and political economists (focusing on capitalist development and macroeconomics) to engage more closely with each

other's work as socio-cultural and socio-economic policies cannot be separated along disciplinary boundaries.

Second, this book interacts with the study of *party politics*. This literature has shown that the radical right's electoral success lies mainly in the political activation of race, ethnicity, and authority (Mudde 2019, Art 2022). As should become clear from the introduction, I build on this finding in addressing the radical right's relationship to capitalism and welfare. Nativism and authoritarianism are not only the ideological key tenets of the contemporary radical right, but also explain their electoral appeal among its voters, with important implications for their social and economic policies. However, the literature of party politics also emphasises the strategic voluntarism with which parties choose policy issues in a two-dimensional policy space (Abou-Chadi and Wagner 2020, De Vries and Hobolt 2020). In this line of research, political challenger parties like the radical right can be considered "issue entrepreneurs" that struggle for political power by developing policies they find expedient to undermine the dominance of mainstream parties (De Vries and Hobolt 2020).

This book departs from agency-based and voluntarist party politics accounts by showing how welfare state contexts provide political actors with different opportunities and constraints in the pursuit of their political agenda. For example, radical right parties may want to enhance social protections for threatened labour market insiders, but some welfare state contexts pose political and fiscal limits, which directs the radical right's protectionism to other policy areas. In this view, radical right parties do not merely pursue short-term electoral gains by developing policy proposals in an opportunistic fashion; they instead have long-term hegemonic policy ambitions that are conditioned by institutional legacies and economic vulnerabilities inherited from previous policy choices (for a similar view, see Bohle et al. 2023). Marx (1852 [2016]) himself perhaps best captures this historical-institutionalist line of thinking in his 18th Brumaire of Louis Bonaparte: "Men make their own history, but they do

not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past.”

Third, this book speaks to the literature of *welfare state research*, especially in light of its renewed focus on partisanship and the related “electoral turn” in the explanation of diverse reform trajectories (e.g. Häusermann et al. 2013; Beramendi et al. 2015). In doing so, it draws on the insight that contemporary welfare state reform is multi-dimensional and thus involves distinct distributive choices on social protection and social investment, which makes clear why a simple focus on “more” versus “less” welfare or redistribution fails to capture policy developments in the 21st century. Whereas this literature pays close attention to the role of institutional legacies in shaping voter preferences and partisan room for manoeuvre (i.e. fiscal austerity, state capacity), it is less focused on the role of functional equivalents of social protection, for example trade protection in the case of Trump or the conversion of foreign currency loans in the case of Orbán. This omission may be due to its exclusive focus on Western European countries, but it is also a function of its two-dimensional conceptualisation of distributive conflict that distinguishes between social “consumption” and “investment”, which overlooks social policy by other means than social transfers and services.

Perhaps even more importantly, this book goes beyond the “electoral turn” by showing how welfare state contexts not only influence voter preferences, but also the political-economic vulnerabilities resulting from globalisation. It is clear that the radical right’s nativism (and thus anti-globalism) contested different elements of the globalised cross-border movement of people (welfare chauvinism), capital (economic nationalism), and goods (trade protectionism). Understanding this variation in the radical right’s policy priorities requires recognising how domestic models of capitalism and welfare have been exposed to neoliberal globalisation. This insight calls for a focus on how the international dimension has posed diverse domestic

economic vulnerabilities and thus produced diverse anti-system challenges to the neoliberal order (for a similar approach, see Rodrik 2018, Manow 2018, Hopkin 2020).

Fourth, this book takes inspiration from recent scholarship in *comparative political economy* on the origins and trajectories of different “growth models” (Baccaro and Pontusson 2016, Hassel and Palier 2021, Baccaro et al. 2022). This research shows how the demise of trade union power and thus wage-led growth ushered in a new era of finance- and export-led growth that produced growing inequality, secular stagnation, and populist contestation. In line with this periodization, this book finds that the trajectories of capitalist development are important to understand how the radical right turned from a neoliberal challenger towards an agenda of selective protectionism. Specifically, I draw on this literature by taking into account the international macroeconomic settings and domestic economic vulnerabilities in which radical right parties operate.

Yet, this book deviates from the growth model literature by emphasizing the radical right’s core ideology. The scholarship on growth models assumes that the policies of governing parties follow the structural demand to facilitate capital accumulation. As governments are expected to rely on structural elites in dominant economic sectors to achieve their primary objective of strong economic growth, the radical right’s nativism and authoritarianism can only be of situational and subsidiary importance in policy-making. In other words, whereas the growth model literature assumes that the “culture war” on which the radical right strives is a distraction from the real-world policy choices of macroeconomic management, this book argues the exact opposite: the radical right uses social and economic policies to achieve its socio-cultural goals. To be sure, political parties of all complexions are compelled to stimulate economic growth in a capitalist economy. However, the radical right’s non-economic objectives are important to understand its economic policy choices, including for example the ambition to re-traditionalise gender relations, create divides between natives and “producers”

versus non-natives and “parasites” or, indeed, to shore up legitimacy for democratic backsliding. As a result, this book contributes to this literature by demonstrating the intricacies of economic and cultural politics and, more specifically, the role of the radical right in legitimising or altering prevailing growth models as a way of pursuing non-economic goals.

Outline of the book

This book consists of eight chapter and proceeds as follows. *Chapter 2* provides a historical background and contextualization of the radical right’s socio-economic trajectory. As most Western European radical right parties emerged as challenger parties during the 1970s and 1980s, their neoliberal programme had an insurgent quality against the “political class” of the Keynesian post-war era. In the neoliberal era, however, they downgraded their free market appeals in favour of an ideologically coherent nativist-authoritarian platform. Meanwhile, the Eastern European mainstream right detached itself from the neoliberal devices of the Washington Consensus and the EU accession process by undergoing an ideological radicalisation that moved them closer to the policy platforms of the Western European radical right. In the USA, by contrast, the Republican Party remained loyal to neoliberal economic policies while falling back on a white nativist platform with openly racist appeals to attract lower-income whites outside the metropolitan coastal areas. I conclude this chapter with existing hypotheses about what kind of policy impact we should expect from the post-neoliberal radical right entering office from the 2000s, before outlining my own framework in the next chapter.

Chapter 3 presents the book’s theoretical framework to identify and explain how radical right parties in Europe and the USA have influenced social and economic policies when in power. First, it argues that the radical right’s ideological core – i.e. nativism and authoritarianism – translates into distinct deservingness conceptions that favour (threatened)

labour market insiders, male breadwinners, and the elderly. Second, it argues that welfare state contexts shape the ways in which radical right parties articulate and implement their deservingness conceptions in policy terms. It then discusses the book's case selection strategy and provides information on the data sources used to illustrate and test the book's main arguments.

Chapter 4 is the first empirical chapter and shows how the Austrian Freedom Party has aimed to defend and expand the welfare entitlements of labour market insiders (e.g. early retirement) and male breadwinners (e.g. child benefits), in line with Austria's conservative welfare regime that has traditionally privileged the status protection of the male core workforce. The FPÖ is thus a case of how conservative legacies translate an ideological agenda of nativism and authoritarianism into insider-oriented and, more recently, welfare chauvinist social policy choices. Whereas the threatened male core workforce has been the material winner of the FPÖ's social policy impact, the opposite can be said about immigrants and those without steady and secure employment, leading to a policy combination I term *chauvinist and familialist insider protection*. Shadow case studies of Germany (AfD) and Italy (*Lega*) support this claim about the radical right's policy impact in welfare states characterised by conservative welfare legacies.

Chapter 5 demonstrates how the Danish People's Party (DF) has prioritised the benefit entitlements of "deserving" benefit recipients – i.e. the elderly and labour market insiders – while retrenching the social rights of immigrants at the same time. The Danish DF and Austrian FPÖ have thus had a relatively similar pro-elderly and welfare chauvinist policy impact, but they diverged in the area of family policy. Unlike the FPÖ, the DF has not supported a familialist strategy that would allow (and expect) families, mostly women in practise, to reduce working hours in order to care for children. The institutional legacies of Nordic family policy and the related absence of a "male breadwinner" model cut off political support for a familialist

approach. The DF's policy impact may thus be summarised as *chauvinist insider protection*: cuts in welfare for non-citizens while expanding social security for the elderly and labour market insiders. Shadow case studies of Norway and Sweden buttress the primary case study evidence from Denmark.

Chapter 6 shows how the Orbán cabinet in Hungary has prioritised familialism in welfare state reform alongside economic nationalism in economic policy reform. Unlike in Western Europe, the Fidesz-KDNP government's nativist ideology has not translated into welfare chauvinist legislation due to the absence of high immigration rates and generous welfare benefits for non-citizens, whereas fiscal strains put constraints on the expansion of early retirement arrangements for "deserving" labour market insiders. It could however capitalise on culturally conservative attitudes and recast the "refugee crisis" in a demographic light, which helped to generate widespread support for a pro-natalist and conservative family policy. Taken together, the Orbán cabinet aimed to restore domestic policy-making autonomy in Hungary's FDI-led capitalism and cater to the one social unit deemed essential for the nationalist cause of resisting demographic decline and upholding traditional gender norms, which is the "productive Magyar family", defined as white, fertile, hard-working, and heterosexual. The Polish case reveals a similar familialist priority, with very different distributive implications however.

Chapter 7 shows how trade protection acted as a functional equivalent of social protection in the socio-economic agenda of the Trump administration. Although the Republican Party (GOP) gradually radicalised towards a nativist-authoritarian agenda similar to European radical right parties, it diverged in its social and economic policy impact under Trump. Rather than enhancing the social protection of labour market insiders or expanding familialist policies, the Trump administration connected the GOP's traditional reliance on tax cuts and deregulatory reform with a new focus on trade protection and immigration control.

Understanding Trump's policy impact requires an understanding of long-standing dynamics within the Republican Party as well as a comparative contextualisation of America's hostility to a European-style welfare state. Without strong public support for collective risk protection, the radical right's ambition to protect "deserving" social groups – typically the male (white) core workforce – may shift its attention to questions of trade rather than welfare.

Chapter 8 provides five broad analytical conclusions derived from the preceding empirical chapters and reflects on their political implications and related avenues of future research in the literatures of comparative politics, party politics, comparative political economy, and welfare state research.