PART I

What We Know (or Think We Know)
‘Britain could return to racism as recession bites’ (The Telegraph, 19 January 2009)

‘UN chief: Bad economy threatens more racism’ (Fox News, 20 April 2009)

‘Europe: Economic crisis fuels rise in anti-immigration politics’ (Global Voices, 10 May 2010)


‘Racial discrimination in the world of work is on the increase in the aftermath of the global economic downturn’ (International Labor Organization Magazine, August 2011)

‘Hard times lift Greece’s anti-immigrant fringe’ (New York Times, 12 April 2012)

As the newspaper headlines opening this chapter illustrate, there was widespread concern in the wake of the 2008 Global Financial Crisis (GFC) that harsh economic times would trigger harsher attitudes towards minorities and immigrants. Such headlines, and the message conveyed in the corresponding articles, appeal to the conventional wisdom that those facing hardship are prone to ‘lash out’ and ‘scapegoat’ others. As a result, in times of economic recession, minorities can easily become the target of intergroup violence because they are regarded as a threat and deemed responsible for the misfortunes of the host society. On the one hand, such accounts rely on relative deprivation thinking: the notion that when the economy is in crisis or recession, or when there is downturn more generally, people become painfully aware that they are worse off than they were in the past. This reasoning, which relies on what became known as the frustration-aggression paradigm, suggests that hostility towards other groups represents the natural response displayed by people facing deteriorating socio-economic conditions and relative deprivation.

It is also possible, and very common, to look at this fear of growing racism and prejudice during times of recession as a realistic conflict
problem: the shrinking pool of resources during an economic crisis intensifies competition over these scarce resources. In this struggle, and in this highly competitive labour and economic market, newcomers, immigrants and minorities are increasingly unwelcome. People typically rely on this logic to legitimise anti-immigration attitudes. For example, one British commenter, posting on a news website under the name ‘James’, remarked:

She [Merkel] wanted people from richer nations to embrace and train poorer region folk! It hasn’t worked, its cost us all billions and it’s getting more expensive year on year! Would you rather have a farmer from Romania working in Britain, claiming to be poor and sending all the money home to build a mansion! That’s what’s happening.

At times, explanations for the hardening of attitudes towards immigrants focus not so much on relative deprivation or realistic conflict, but on so-called symbolic threats posed by immigrant. For example, it has become rather common to hear European leaders (e.g. German Chancellor Angela Merkel, British Prime Minister David Cameron, former Spanish Prime Minister Jose Maria Aznar) argue that multiculturalism has failed, that immigrants have not integrated successfully in their country and that newcomers should make more efforts to assimilate with the host society. For example, former French President Nicolas Sarkozy remarked in 2011:

We have been too concerned about the identity of the person who was arriving and not enough about the identity of the country that was receiving them.

This sentiment has been echoed by leaders elsewhere. For instance, in his 2010 autobiography, Australia’s former Prime Minister John Howard reflects on cultural diversity in Australia, arguing that ‘Multiculturalism is not our national cement’.

That being said, impactful events such as the GFC appear to have led to slightly different fears and anxieties in different societies. For example, recently, in the United States, Donald Trump’s 2016 Presidential election campaign revolved around a powerful narrative focusing on ‘making America great again’, to be achieved by, among other things,

Recognising the Elephant

curbing immigration. This is not all that different from what happened in the immediate aftermath of the GFC. It has been argued that the post-GFC recession increased fear for racism and discrimination against African Americans. As Barbara Ehrenreich and Dedrick Muhammad observed in an article in the *New York Times* in 2009,

What do you get when you combine the worst economic downturn since the Depression with the first black president? A surge of white racial resentment, loosely disguised as a populist revolt. An article on the Fox News Web site has put forth the theory that health reform is a stealth version of reparations for slavery: whites will foot the bill and, by some undisclosed mechanism, blacks will get all the care.²

The observation that it is a diverse range of minority groups that become targets of discrimination and prejudice is not unique to the recent GFC. The idea of harsh times (i.e. relative deprivation and realistic conflict) producing harsh attitudes towards minorities and immigrants has been used to explain phenomena as varied as the rise of the Nazi movement in 1930s Weimar Germany, the revival of extreme right-wing parties in Europe in the 1980s, violence against the Roma minority in Hungary, violent attacks against overseas students studying in Australia, and growing support for radical ‘white supremacy’ movements in the United States. In each of these situations, we find support for the notion that poverty and harsh economic times produce harsh attitudes, resulting in increased intergroup conflict, racial violence and growing support for populist right-wing parties. As we discovered writing this book, this notion is widely accepted and challenged very rarely. The psychological process assumed to be at work in groups and societies facing deteriorating socio-economic conditions can be captured by the following hypothesised relationship between economic downturn and tolerance:

**Hypothesis 1a.** As societies become less affluent, public opinion should become less permissive and tolerant and, as a result, we should see a rise in anti-immigrant sentiments, xenophobia and prejudice.

It is not just that attitudes against immigrants and minorities will become more negative during a recession; there is also good evidence

that the increased discrimination that minorities face during an economic recession is consequential and affects minority members’ outcomes. For example, a 2011 study revealed that the recession took a greater financial toll on African Americans and Hispanics than it did on White Americans (Taylor, Kochhar, Fry, Velasco, & Motel, 2011). Of course, not all of these negative outcomes are necessarily the result of discrimination and exclusion. For instance, as these authors showed, part of the reason for these more negative outcomes for racial minorities was due to non-discrimination factors. As an example, their analyses revealed that African Americans and Hispanics were more likely to live in areas where house prices declined more sharply during the GFC and that African Americans and Hispanics had fewer investment savings than White Americans, leaving them more vulnerable to the economic recession (Taylor et al., 2011).

Despite this, there is also evidence that part of the reason that these groups have lost the most in the Great Recession is that exclusion and discrimination of these groups is on the rise during recessions – for example, individuals from minorities are less likely to be hired and they are more likely to be the first to be fired in times of recession, compared to majority members. For example, after analysing data from the Current Population Survey in the United States, economist Marlene Kim concludes that there is a widening gap between the unemployment rates of Asian Americans and Whites when comparing employment rates at the very beginning of the GFC in 2007 and 2008 with statistics in 2009 and 2010 (Kim, 2012). In other words, Asian Americans are more likely to become unemployed than Whites when the negative effects of the recession such as unemployment start to emerge.

**Poverty and Harsh Attitudes**

A similar rationale (a combination of relative deprivation and realistic conflict) underlies thinking about differences in attitudes towards immigrants among groups in society that differ in affluence. It is often argued, along these lines, that the poor – because they are particularly hard-hit in times of recession – will be most likely to develop anti-immigrant attitudes. For example, in 2013, economist Paul Donovan, cited in the *International Business Times*, argued:
Certainly the data is suggestive of the crisis breeding increased hostility to immigration, perhaps as lower income groups (correctly) perceive both their absolute and relative income levels as falling and seek an external scapegoat to blame for their predicament.\(^3\)

In other words, according to this commonly used logic, the poor will be most dissatisfied during an economic crisis because they are most exposed to the negative effects of a recession, and, so the argument typically goes, xenophobia and prejudice will hence be more pronounced among the relatively poor (i.e. the lower strata of society). This leads to a second hypothesis on the relationship between wealth of a particular group in society and tolerance for minorities:

**Hypothesis 2a.** Those at the bottom of the economic, social and financial ladder should be least tolerant and generous. This leads to relatively high anti-immigrant sentiments, xenophobia and prejudice among the poor.

### The Other Side of the Coin

The benefit of translating received wisdom views into hypotheses is that it becomes much easier to recognise a bias in our thinking about anti-immigration sentiments and outgroup hostility: We tend to focus on the effects of economic decline and poverty (i.e. relative deprivation), not on the effects of economic prosperity and relative wealth (i.e. relative gratification). It thus appears that it is only in times of economic downturn that we start to worry about effects on attitudes towards immigrants and migrants, not in times of economic prosperity. Likewise, when explaining prejudice or support for radical anti-immigration parties, we seem to focus on attitudes of the poor, not on attitudes of the wealthy.

A quick Web of Knowledge search confirms this inkling. A search using the key words ‘relative gratification’ revealed only nine results, while many more articles were found (884 in total) when entering the search

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words ‘relative deprivation’ (see Figure 1.1), with the oldest papers being published as early as 1959. As Figure 1.1 shows, interest in the effects of economic hardship on outgroup attitudes has grown substantially over the last decade, and in particular in the wake of the 2008 GFC.

Even though the number of articles listed changes somewhat when other search terms are used (e.g. ‘privilege’), regardless of the precise term, it is fair to say that the number of articles examining and explaining the effects of economic decline and poverty towards minorities far exceeds the number of papers examining such attitudes in times of economic prosperity or among the wealthy.

Xenophobia and prejudice are topics that have attracted a great deal of scholarly attention, with researchers having developed a keen interest in attitude formation under particular socio-economic conditions (crisis and perceived relative deprivation), and among particular groups in society (low-status groups). The picture that thus emerges is one in which the lower strata of society become regarded as representing a particularly volatile segment of society: as a class with considerable latent aggression, which will manifest itself in times of economic crisis and relative deprivation. The wealthier class, on the
other hand is conceived (usually implicitly) as a more tranquil class that can afford to be generous and tolerant even when the economy slows down.

Why would it be the case that concerns about xenophobia and lack of tolerance are only attracting attention in some economic climates and in relation to some wealth groups? Why is it that periods of prosperity and wealthy groups in society have not been a topic of study when attempting to answer these questions? There may be a number of reasons for this. One obvious reason would be that when providing explanations for the rise of anti-immigrant sentiments, the focus is on factors that arouse fear, such as a declining economy. Conversely, because economic prosperity is perceived as a period of stability, the state of the economy is less likely to become the focus of attention to explain negative outcomes such as increased prejudice. Economic prosperity and wealth simply do not seem to spring to mind to the same extent as economic downturn and poverty do to explain rising anti-immigration sentiments or the hardening of attitudes towards minority groups.

However, as we will argue in this book, at best this focus may lead to an impoverished and skewed understanding of the effect of economic performance and wealth on attitudes towards minorities. At worst, the problem we are facing is akin to the one conveyed by the well-known Indian tale of ‘the blind men and the elephant’. In this story, a group of blind men are asked to touch a large object and to guess what it is that they are touching. Because the men fail to examine and touch the elephant in its entirety and only touch parts of it, they are unable to correctly identify the object as an elephant. For example, one of the blind men examined the elephant’s ear and concluded that he must be touching a rug because he felt something large, flat and leathery.

In line with the lesson conveyed by this old story, we should not focus on examining only some forms of economic performance and some wealth groups if we aim to develop a complete and accurate understanding of the way that economic performance of societies or groups impacts on attitudes towards minorities. As a first step, then, we need to return to Hypotheses 1a and 2a and articulate two additional hypotheses, ones that expand our horizon and draw attention to the aspect of the relationship that has been explored insufficiently in previous research. Rewording the first hypothesis, and turning the focus to
economic prosperity rather than to economic downturn, Hypothesis 1a can be restated as follows (changes in italic):

**Hypothesis 1b.** As societies become more affluent, public opinion should become more permissive and tolerant and, as a result, we should see a drop in anti-immigrant sentiments, xenophobia and prejudice.

Turning the focus to wealth and those at the top (rather than to those at the bottom of the financial ladder), Hypothesis 2a can be restated as follows (changes again in italics):

**Hypothesis 2b.** Those at the top of the economic, social and financial ladder should be most tolerant and generous. This leads to low levels of anti-immigrant sentiments, xenophobia and prejudice among the wealthy.

The Wealth Paradox

Looking more closely at these hypotheses, it becomes immediately clear that even though Hypotheses 1b and 2b are the logical equivalent of Hypotheses 1a and 2a (assuming linear relationships), they do not have the same immediate appeal as Hypotheses 1a and 2a. Indeed, Hypotheses 1a and 2a appear to ring true, while Hypotheses 1b and 2b are less intuitive and more likely to raise eyebrows, especially among people who witnessed first-hand that the well-to-do are not always as generous and welcoming as their wealth affords them to be. By examining the flipside of the coin (wealth and outgroup hostility), this book will contribute to developing a more complete and more accurate understanding of the various forces fuelling anti-immigration sentiments.

The studies and findings presented in this book will enable us to shed new light on the question of when (and under which conditions) more affluent individuals and groups feel they can afford to show a more generous, caring side, and when such attitudes become overshadowed by fear of material losses and/or identity threat. As we will discuss in more detail in the following chapters, at the individual level there is a growing body of work suggesting that increases in wealth do not
predict increases in relative giving to others (Giving USA, 2013). At a societal level, historical analyses show that intra-societal tensions are particularly pronounced when the economic tide is rising after a period of economic hardship (see Rudé, 1964; Tilly, Tilly, & Tilly, 1975). There is also robust empirical evidence that shows that intergroup hostility (and anti-immigration sentiments more specifically) can surge in times of economic prosperity, and among relatively affluent groups. Indeed, the rise in living standards and general wealth experienced in most Western countries over the last two or three decades has, paradoxically, not increased tolerance for minorities in society. If anything, there has been a marked increase in groups, movements and political parties openly advocating anti-immigrant sentiments, especially in Europe. This rise started in the 1980s and continued in the 1990s, well before the GFC (Wilson & Hainsworth, 2012), at a time when the economies of many Western countries were booming.

Finally, there are many examples which show that when there is a fertile ground for economic threat and relative deprivation effects to emerge, there is little evidence that attitudes towards immigrants and ethnic minorities become more negative. Let us unpack that a bit further. In the Netherlands, a recent report by the Social and Cultural Planning Bureau (SCP) entitled ‘The social state of the Netherlands’ mapped out economic developments over the last decade as well as changes in attitudes towards immigrants (Henry, 2013).4 The findings were startling, and run counter to conventional wisdom views about when attitudes towards immigrants can be expected to harden.

Focusing on CBS unemployment data over the last ten years, it becomes obvious that unemployment declined in the period from 2002 until the GFC hit in 2008, after which unemployment steadily grew until the final measurement point in 2013 (see Table 1.1).

A similar story emerges when studying the responses to the question of what the average Dutch person perceives as the most important problems currently facing Dutch society (data from the European Union Commission). While concerns about the economy and unemployment steadily decline up until the Global Financial Crisis, these

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