The West is currently in the grip of a perfect storm: a lingering economic recession, a global refugee crisis, declining faith in multiculturalism and the rise of populist anti-immigration parties. These developments seem to confirm the widely held view that hardship and poverty fuel social unrest and, more specifically, scapegoating of minorities. Yet in this provocative new book, Mols and Jetten present compelling evidence to show that prejudice and intergroup hostility can be equally prevalent in times of economic prosperity, and among more affluent sections of the population. Integrating theory and research from social psychology, political science, sociology and history, the authors systematically investigate why positive factors such as gratification, economic prosperity and success may also fuel negative attitudes and behaviours. The Wealth Paradox provides a timely and important re-evaluation of the role that economic forces play in shaping prejudice.

Frank Mols is a lecturer in Political Science at the University of Queensland. His work, which brings together political science and social psychological theorising, has been published in leading international journals, including the European Journal of Political Research, Political Psychology, West European Politics, the Journal of Common Market Studies, Public Administration, Evidence and Policy and the Australian Journal of Public Administration.

Jolanda Jetten is Professor of Social Psychology at the University of Queensland. She has served as Chief Editor of the British Journal of Social Psychology and as Associate Editor for the British Journal of Social Psychology, Social Psychology and Comprehensive Results in Social Psychology. She was awarded the British Psychological Society’s Spearman Medal in 2004 and the European Association of Social Psychology’s Kurt Lewin Award in 2014.
The Wealth Paradox
Economic Prosperity and the Hardening of Attitudes

FRANK MOLS
University of Queensland, Australia

JOLANDA JETTEN
University of Queensland, Australia
# Contents

*List of Illustrations*  
*Preface*  
*Acknowledgements*  

<table>
<thead>
<tr>
<th>Part I</th>
<th>What We Know (or Think We Know)</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Recognising the Elephant</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Tracing the Origins of ‘Harsh Times’ Assumptions</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>Empirical Evidence for the ‘Harsh Times Producing Hard Attitudes’ Hypothesis</td>
<td>43</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part II</th>
<th>Broadening Our Horizon: The ‘Wealth Paradox’</th>
<th>61</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Rethinking the Relationship between Wealth and Tolerance: National, Regional and Local Trends</td>
<td>63</td>
</tr>
<tr>
<td>5</td>
<td>Development Aid, Charitable Giving and Economic Prosperity</td>
<td>86</td>
</tr>
<tr>
<td>6</td>
<td>The Relative Nature of Wealth</td>
<td>102</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part III</th>
<th>Understanding the ‘Wealth Paradox’</th>
<th>121</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Towards an Explanation of the Wealth Paradox: Introducing Social Identity Theorising</td>
<td>123</td>
</tr>
<tr>
<td>8</td>
<td>The Wealth Paradox Explained</td>
<td>138</td>
</tr>
<tr>
<td>9</td>
<td>The Missing Link: Crafty Politicians Galvanising Latent Sentiments</td>
<td>170</td>
</tr>
<tr>
<td></td>
<td>Final Word</td>
<td>189</td>
</tr>
</tbody>
</table>

*References*  
*Index*
Illustrations

Figures

1.1 Number of articles when entering the search term ‘relative deprivation’ into a Web of Knowledge search, September 2014. page 8

1.2 The top five most pressing issues according to the Dutch population aged 15 and over. 13

2.1 Assumptions about the relation between economic performance and attitudes towards minorities; four hypotheses. 21

2.2 A painting of the Peterloo Massacre, published in 1819 by Richard Carlile. 23

3.1 The relation between cotton prices. 45

3.2 Indexed trends for racially or religiously aggravated offences and their corresponding non-aggravated offences. 49

3.3 Mean values of anti-foreigner sentiment index for twelve European countries at four time points: 1988, 1994, 1997 and 2000. 52

3.4 Mean values of anti-immigrant attitudes and percentage change in GDP over the years 2002 to 2012. 54

4.1 Sweden’s economy (GDP and unemployment) and Sweden Democrat’s electoral performance. 65

4.2 France’s economy (GDP and unemployment) and Front National’s electoral performance. 66

4.3 Germany’s economy (GDP and unemployment) and the Republikaner’s electoral performance. 67

4.4 Australia’s economy (GDP and unemployment) and One Nation’s electoral performance. 68

4.5 Denmark’s economy (GDP per capita and unemployment) and the DPP’s electoral performance. 69
List of Illustrations

4.6 Austria’s economy (GDP and unemployment) and the Austrian Freedom Party’s electoral performance. 70
4.7 Switzerland’s economy (GDP and unemployment) and populist right-wing party performance. 71
4.8 The Dutch economy (GDP and unemployment) and performance by various anti-immigration parties. 71
4.9 Support for anti-immigration parties in affluent and less affluent European countries. 72
4.10 Immigration, asylum seeking and Sweden Democrats’ electoral performance. 73
4.11 Immigration, asylum seeking and the Swiss People Party’s electoral performance. 74
4.12 Immigration, asylum seeking and One Nation’s electoral performance. 75
4.13 Immigration, asylum seeking and anti-immigration party performance in the Netherlands. 76
4.14 Immigration, asylum seeking and FPÖ’s electoral performance. 77
4.15 Immigration, asylum seeking and Front National’s electoral performance. 77
4.16 UKIP Support in deprived UK regions. 80
4.17 UKIP support in regions with low levels of immigration and diversity. 80
4.18 The positive linear relationship between percentages ‘yes’ votes by Kanton in the Swiss referendum and relative disposable income. 81
4.19 The negative linear relationship between percentages ‘yes’ votes by Kanton in the Swiss referendum and unemployment in percentages. 82
4.20 Voters’ profile of the Dutch Party of Freedom (PVV). 83
5.1 European countries and their national ODA spending in 2003. 87
5.2 ODA as a% of GNI per capita growth in Norway. 89
5.3 ODA as a% of GNI per capita growth in Switzerland. 89
5.4 ODA as a% of GNI per capita growth in Austria. 90
5.5 ODA as a% of GNI per capita growth in the Netherlands. 90
5.6 ODA as a% of GNI per capita growth in Denmark. 91
5.7 UK ODA as a% of GNI under different national governments. 92
List of Illustrations

5.8 Charitable giving in Canada. 93
5.9 Charitable giving in the USA. 94
5.10 Percentage Annual Gross Income (AGI) spent on donations. 95
5.11 Percentage of household income spent on donations (2004 to 2004) by annual household income. 96
6.1 Income groups in the hypothetical society of Bimboola. 112
6.2 Houses by income group. 113
6.3 Cars by income group. 114
6.4 Opposition to immigration as a function of income level, means and standard errors. 115
6.5 Wealth of the wealthy. 118
6.6 Opposition to immigration by newcomers as a function of the extent to which the income gap between the groups decreases, remains constant or increases over time. 119
7.1 The focus of Hypotheses 1a and 2a versus Hypotheses 1b and 2b. 124
7.2 Example of an allocation matrix used in the Minimal Group Paradigm. 132
8.1 Relation between the socio-structural context and strategies used by the poor. 139
8.2 Relation between the socio-structural context and strategies used by the wealthy when responding to minorities. 141
8.3 Social media meme as social creativity strategy downplaying the importance of money as a source of happiness and self-esteem. 146
8.4 Graph presented to participants in a study by LeBlanc et al. (2015). 150
8.5 The three wealth groups in the hypothetical society of Mambiza. 155
8.6 The economy in the hypothetical society of Mambiza is portrayed as stable or as unstable. 156
8.7 Fear for the future of one’s income group as a function of income level and stability of the economy. 157
8.8 Opposition to immigration as a function of income level and stability of the economy. 159
8.9 Graphical representation for participants in income group 3 on how income changes over the next 20 years. 163
List of Illustrations

8.10 Support for anti-immigrant policies as a function of anticipated relative economic status (gratification versus control) and perceived normative climate in Britain. 165
8.11 Posters from the Australian Department of Immigration welcoming and promoting versus warning potential immigrants. 167

Tables

1.1 Shrinking Dutch economy: Fewer vacancies and paid jobs. page 12
1.2 Views about non-Western immigrants in the Netherlands between 2002 and 2012, among people aged sixteen years or older. 14
3.1 What predicts differences between countries in anti-immigrant attitudes? Looking within and between fourteen European countries, from 2002–2012. 57
7.1 Proposed explanations for the relative gratification–harshness relationship. 128
Preface

The Western world appears to be in the midst of a perfect storm: the impact of a deep and protracted economic crisis has barely subsided when we are confronted with the largest movement of displaced people since World War II. No wonder there is a declining faith in multiculturalism and a growing concern about free markets, open borders and immigration – all creating the perfect conditions for the rise of far-right parties and populist movements seeking to persuade us, it is time to curb immigration. Similar developments can be witnessed in the United States where the issue of immigration has become politicised by President Donald Trump’s election promise to build a wall on the US border to keep Mexican migrants out. Sentiments underlying opposition to Syrian refugees in Europe and Mexican immigrants in the United States appear to be identical: economic hardship and crises provide ‘fertile soil’ for radical right-wing parties and anti-immigration movements.

What is more, the popularity of parties such as the French Front National, the Belgian Vlaams Blok, the Swiss People’s Party, and the Greek ‘Golden Dawn’ party is typically attributed unreservedly to growing hardship among low-income earners in cities and regions facing economic decline. However, what tends to receive little air-time is (a) that most of these parties rose to prominence in the 1990s, an era of unprecedented growth and prosperity, (b) that far-right parties were able to do exceptionally well in wealthy countries, such as Switzerland, Austria and Australia, and, perhaps most strikingly, (c) that these populist parties tend to attract voters with above-average incomes.

At the time of finalising this book in 2016, there were two landmark political events that would underscore the pertinence of our research into the link between affluence and the hardening of attitudes. The first event was the Brexit referendum in the United Kingdom on June 23rd, whereby the winning ‘Leave’ campaigners were accused of using
deceptive populist tactics. The second event was Donald Trump’s surprise victory on November 8th, which was seen as yet another triumph for populist politics. Unfortunately, given the timing of these events, it was impossible to include an analysis of them in this book. However, also here, the exit-poll analyses confirmed in both cases that populist parties and leaders can count on support from voters with above-average incomes.¹

Even though these statistics are telling, it appears that rather than to take a broader historical perspective and to examine why populist parties enjoy popularity in times of economic prosperity and among more affluent voters, it has become more common to attribute the successes of successful far-right movements to the Global Financial Crisis (GFC) and its ramifications for ordinary citizens affected by the crisis. The idea that ‘harsh times produce harsh attitudes’ is of course not new, and can be found under different guises in different literatures. More importantly here, it continues to inform the vast majority of studies into social movements, contentious politics, far-right voting and outgroup hostility.

However, to view post-GFC events exclusively through this economic crisis lens would be to ignore growing empirical evidence that wealth and prosperity can also be associated with hostility towards other groups. If one starts to investigate these issues more systematically, there seems to be robust empirical evidence showing that intergroup hostility (and anti-immigration sentiments more specifically) can surge in times of economic prosperity, and among relatively affluent groups. When considering these trends, it becomes clear that the rise in living standards and general wealth, as experienced in most Western countries over the last two or three decades, has not increased tolerance for minorities in society. If anything, there appears to be a growing number of groups, movements and political parties openly advocating

¹ We elaborate these points in an online article entitled ‘Why Brexit and Trump are NOT working class revolts’ (ABC Religion and Ethics, 15 November 2016, www.abc.net.au/religion/articles/2016/11/15/4575585.htm). In this online publication we cite work by Dorling (2016), who analysed Brexit exit polls and found that two-thirds of those turning out to vote were middle-class. Of all those who voted ‘Leave’ 59% were middle-class (A, B or C1), as opposed to 24% of voters in the lowest two social classes (D, E). Likewise, Jonathan Rothwell and Pablo Diego-Rosell examined Gallup pre-election survey data and found that Trump voters earn more than average, not less. They are also less likely than non-voters to have been affected by globalisation and immigration.
anti-immigrant sentiments. Prime ministers and other political leaders have followed suit by openly declaring multiculturalism a failure. But why would prosperity be associated with hostility towards minorities rather than with greater tolerance?

In this book, we provide evidence for a ‘wealth paradox’. We show that, ironically, wealth, prosperity and affluence may be associated with scorn for minorities and immigrants. Whereas the vast majority of books and articles examining hardening attitudes focus on material grievances among those at the bottom of society, our focus will be on the psychology of those who feel they are financially and materially better off than others. Although most of us will agree that life is easier for wealthier people, as we will show, the well-off have their own anxieties, and, as we will also show, these anxieties can just as easily translate into harsher attitudes towards those who are less well off.

We are aware that this proposition might seem to go against everything we thought we knew about the link between economic conditions and outgroup hostility. However, the empirical research evidence we present (which includes evidence that challenges the standard textbook interpretation of a link between the 1930s Great Depression and the rise of Nazi movement) demands a fundamental rethink: wealth and prosperity can, under some conditions, also be associated with hardening of attitudes and more negativity towards minorities.

In this book, we provide an analysis that offers a first step towards such a fundamental rethink. Drawing from classic social identity theorising, we explain the wealth paradox by focusing on why and when attitudes among the wealthy can harden. This analysis not only fills a clear gap, it also breaks new theoretical ground. We hope that this will trigger further theoretical innovation in an already well-established literature examining far-right voting, ‘contentious politics’, political and social attitude formation, anti-minority sentiments, group status and prejudice.

There are a few additional points to make about this book. First, our overview aims to be multidisciplinary and integrative. Even though many social scientists have theorised the relationship between the economic or social standing of a group and their tolerance towards immigrants, it is also fair to say that theoretical insights obtained in one discipline typically have little or no impact in other disciplines. In this book, we bring together and integrate work from across the social
Preface

sciences (e.g. social psychological, sociological, historical and political sciences theorising). Second, and related to the first point, because we provide an analysis that draws on different fields of social science research, we have been able to study the wealth paradox at the micro, meso and macro levels, using different methods and theoretical concepts. We feel that, by drawing from and building on expertise in all these areas and at different levels, we have achieved real theoretical and empirical progress. As such, we hope that this book will galvanise work in this area and provide direction for future research.
Acknowledgements

Now that we have finished this book, we experience a strange mix of relief, exhaustion and pride. We hope that the latter will stay with us the longest. To indulge in that emotion, though, we also have to be very clear that there are many people who enabled us to feel proud now. This book is not an achievement of two people, but of many. The list of friends, colleagues and family members who were patient enough to listen to our ideas and who encouraged us is long, and it would be impossible to mention all of them by name. We will therefore limit ourselves to the ones that stand out in our memory as having been exceptionally generous with their time and support. We are very grateful for the input and valuable advice from our colleagues Tom Postmes and Russell Spears (both at the University of Groningen), and for the encouragement and feedback we received from our colleagues at home: Alex Haslam, Nik Steffens, Katie Greenaway, Tegan Cruwys and Kim Peters from the Social Identity and Groups Network (the SIGN team) at the University of Queensland. Special thanks go to Christine McCoy for the excellent administrative support she provided, and to our research assistants Coosje Veldkamp, James Schmidt, Michael Thai and Anh Thai (Hannibal) for their help with the research as well as the referencing and organisation of the many reprint permissions. We are grateful to the many honours students who build their research project around ideas presented in this book (Austin Chu, Marcus Goh, Nikita Healy, Rachel Ryan and Andrew Robinson); some of these student projects were essential for us to build our empirical case, and they are proudly presented here. We also would like to thank the editorial team at Cambridge University Press for their valuable feedback and for helping to get the book through production. We are also convinced that there would be no book had it not been for the financial support from the Australian Research Council (ARC,
xvi

Acknowledgements

DP1210053). We are very grateful for this. Last but certainly not least, we would like to thank our teenage daughters, Helen and Sophie, for their patience, and for having to put up with parents who frequently broke their promise not to ‘talk shop’ over dinner; we will try our best to improve.