



The Wealth Paradox

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.

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The Wealth Paradox

Economic Prosperity and the Hardening
of Attitudes

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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

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,

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.