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Honours Thesis

Why Values Matter

The Persistence and Resurgence of the Far-Right in France

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Declaration

I declare that this thesis is my own work and that, to the best of my knowledge, it contains no material which has been written by another person or persons, except where acknowledgement has been made. This thesis has not been submitted for the award of any degree or diploma at the University of New South Wales Sydney, or at any other institute of higher education.

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Abstract

This thesis examines the role of cultural and economic factors in explaining the resurgence of far-right populism. I find that current increases in unemployment are associated with increased support for the far-right French political party Front National, but the effect is significantly stronger in areas where far-right groups were more active during the 1930s. I demonstrate that a theory of deep cultural persistence and economic activation explains this pattern of voting behaviour better than other explanations which focus on economic or cultural factors alone. I also show that measurement error in historic support is unlikely to significantly bias my results, nor does spatial correlation explain their significance. Finally, examining other economic shocks over different time periods I find support for a pattern of cyclical behaviour, whereby economic shocks contribute to the repeated resurgence of far-right support in areas where far-right groups were more active historically.

Chapter 1

Introduction

Culture and social norms are powerful determinants of individual behaviour and economic outcomes (Algan and Cahuc, 2010; Doepke and Zilibotti, 2008; Grosjean, 2014; Tabellini, 2010). Recent literature has highlighted that cultural traits can persist over long periods of time, well beyond institutional and economic changes. For example, Voigtländer and Voth (2012) show that the local distribution of anti-Semitism in Germany during the 20th Century mirrors events which occurred almost 600 years earlier. On an even longer time-scale, Alesina, Giuliano, and Nunn (2013) show that Neolithic agricultural practices influence contemporary gender norms. Yet culture is far from a stable societal trait. Social norms can evolve rapidly (Fernández-Villaverde, Greenwood, and Guner, 2014) and shocks may lead to the resurgence of certain behaviours (Anderson, Johnson, and Koyama, 2017; Funke, Schularick, and Trebesch, 2016). Examples of rapid cultural change range from the shift in attitudes towards working women during the 1960s, to the current increase in support for gay marriage (Pew Research Centre, 2019).

Reconciling cultural persistence and change raises several questions. Do societies experience cultural stability and progress, or merely cycles of behaviour? Do cultural dynamics reinforce institutional choices, leading to the long-term stability of institutions such as democracy (Besley and Persson, 2019)? Or, by mistaking cycles for progress, do we systematically overestimate the stability of our institutions (Foa and Mounk, 2016)?

In my thesis, I shed some light on the process by which cultural traits may resurge following shocks. I focus on the rise of far-right populism during the 20th and early 21st century. Over the past two decades, the vote share going to far-right populist parties across Europe has increased substantially, from under 5 percent in 1997, to 11 percent in 2007 and 16 percent in 2017 (Tartar, 2017).[1] Far-right parties have moved from the political fringe, to a position of significant power in several European nations. In Poland and Hungary, right-wing populists have formed majority governments in their own right.[2] In Germany, Alternative für Deutschland became the first far-right party in over five decades to enter the Bundestag,[3] whilst in France, Marine Le Pen, the leader of the far-right Front National (FN), finished second in the 2017 presidential elections with just under 34% of the second round vote.

In seeking to explain the rise of far-right populism, existing literature has primarily focused on economic factors, from increased unemployment following the Global Financial Crisis (GFC), to economic insecurity arising from globalisation and cheap import competition (Algan, Guriev, Papaioannou, and Passari, 2017; Colantone and Stanig, 2018a; Dehdari, 2019; Malgouyres, 2017). Yet each of these economic factors only explains some of the variation in the success of far-right populists. A handful of recent studies have suggested that cultural factors, such as persistent far-right ideology, or a "cultural backlash" against progressive value change, may represent a missing link in understanding the resurgence of far-right populism (Cantoni, Hagemeister, and Westcott, 2019; Inglehart and Norris, 2016; Ochsner and Rösel,

[1]Tartar (2017) uses a list of 39 political parties in 22 countries classified as populist and radical right, that have at some point in their history held at least one parliamentary seat (whether nationally or in the European Parliament). The list was compiled by Matthijs Rooduijn who, in turn, used definitions set out by Cas Mudde in two books on the European far-right. The list was then peer-reviewed and finalised with the help of nine other experts.

[2]In Poland the right-wing populist party, Law and Justice, has been in majority government since 2015. In Hungary the right-wing to far-right populist party, Fidesz, has been in power since 2010. Whilst, there is some debate as to whether both Law and Justice and Fidesz are truly far-right parties, both have clearly leveraged related issues for political gain (Tartar, 2017).

[3]Since 1953, parties must receive a minimum of 5 percent of the overall vote to win seats in the Bundestag.

2017). However, little attention has been paid to the potential interaction between economic and cultural factors.[4]

In this thesis, I put forward a theory in which deep cultural differences influence how economic shocks affect far-right support. Using district-level data from France, I show that my theory helps explain the resurgence in support for the far-right political party FN, whose vote share more than tripled between 2007 and 2012 following the GFC.[5] FN's success provides an opportunity to examine the effect of an economic shock on support for an established far-right party. As I discuss in Chapter 4, from the early 1980s, FN has existed as the only large far-right party in France. Furthermore, France's long history of far-right support provides an opportunity to explore the link between historic behaviour and current far-right support.

My theory of the resurgence of far-right support rests on the idea that voters have deep values which persist over time and across generations. These values may lie dormant, not affecting behaviour or even being spoken about, either publicly or privately. At the individual level, voters themselves may not be conscious of their values during their everyday lives. However, changes in economic or social conditions may "activate" these deep values, leading to behavioural change. Prior to behavioural change, dormant values may not be detectable even in surveys. However, this *dormant values theory* has clear implications as to how economic shocks influence behaviour. In particular, it implies that while economic shocks may increase far-right support, this effect will be stronger in areas where deep far-right values have persisted over time.

In my analysis, I consider two alternative theories of how economic shocks and persistent culture may contribute to the resurgence of far-right support. The *economic*

[4]Some existing research has touched on an interaction between cultural and economic factors, but this has primarily focused on how economic conditions may change cultural values, attitudes etc. (e.g., Algan et al., 2017).

[5]From 4.3% in the 2007 legislative elections, to 13.6% in the 2012 legislative elections (Ministère de l'Intérieur, 2012a,b).

norms theory says that changes in economic conditions drive behaviour. This theory is similar to that put forward by the literature which suggests that negative economic shocks increase far-right support.[6] The *cultural persistence theory* says that culture persists within people at all times. Culture, in this case far-right ideology, may persist unobserved because of a lack of political supply, or because certain attitudes are viewed as taboo within society. An economic or political shock may change observed behaviour, but it will do so by revealing a pre-existing unfulfilled demand for far-right politics. This theory is similar to that suggested by the literature which argues that persistent far-right ideology, or a "cultural backlash" helps to explain resurgent far-right and populist support.[7]

My empirical analysis explores how these three theories compare when explaining the resurgence in support for FN between 2007 and 2012. To examine the influence of the past, I use a commune level data set compiled by Zambrano and Tilly (2006) on the violent activity of far-right groups during the 1930s. As I discuss in Chapter 4, following the Great Depression, support for far-right leagues in France grew to the point where many boasted memberships in the hundreds of thousands (Kalman and Kennedy, 2014). Most, however, were anti-parliamentarian, active through demonstrations, parades and clashes with anti-fascist groups (Kalman and Kennedy, 2014; Passmore, 1995).

My empirical results align with the predictions of my *dormant values theory*. I find that increased unemployment between 2007 and 2012 is associated with an increase in support for FN,[8] but the effect is stronger in areas where far-right groups were more active during the 1930s. The size of this interactive effect is substantial. The estimated effect of increased unemployment on FN support is over two and a half

[6]For instance, Dehdari (2019) shows that economic distress amongst low skilled unemployed individuals accounts for a significant proportion of far-right support in Sweden.

[7]For instance, Cantoni, Hagemeister, and Westcott (2019) argue that persistent far-right ideology led to an increase in the support for far-right parties following a political supply shock.

[8]I use the change in unemployment between 2007 and 2012 as a proxy for the GFC's impact.

times larger in areas in the 75th percentile of historic far-right activity, compared to areas in the 25th percentile.

I also show that the interaction I observe is unlikely to simply be the result of measurement error in historic support, nor does potential spatial correlation in my variables of interest explain their significance. There is also evidence that what I measure is not merely a general movement of support away from another political party in 2012. Furthermore, I show that alternate explanations for the resurgence in support for FN between 2007 and 2012 do not explain the pattern of voting behaviour I observe.

Finally, I examine whether a similar interaction is present for other economic shocks over different time periods. I find both import competition from China during the 1990s and 2000s, and the increase in unemployment during the 1980s are associated with an increase in support for FN, but the effect of both is significantly stronger in areas where far-right groups were more active historically. This result supports a pattern of cyclical behaviour, whereby economic shocks contribute to the repeated resurgence of far-right support over time in areas in certain areas.

The rest of my thesis proceeds as follows. In Chapter 2, I review related literature and discuss how my research contributes to existing work. Chapter 3 presents my theoretical framework and discusses three theories of cultural persistence and change. In Chapter 4, I provide a brief historical background to the empirical setting of my work and in Chapter 5, I discuss my data collection and variable construction. Chapter 6 introduces my empirical specification, presents my main results, and discusses how they relate to the theories of culture presented in Chapter 3. In Chapter 7, I perform several robustness tests of my results and discuss the potential implications of alternate explanations for the increase in FN support. In Chapter 8, I examine the potential of cycles in far-right support by considering the effect of two alternate shocks over different time periods. In Chapter 9, I explore the limitations of my work. Chapter 10 concludes my thesis.

Chapter 2

Related Literature

My thesis is related to two strands of literature. Firstly, to the growing body of research on the political economy of populism and the far-right,[1] and secondly, to the research on the influence and persistence of culture.

Political economy of populism. The theoretical literature on this topic has put forward several factors which may help explain the success of populist parties. Acemoglu, Egorov, and Sonin (2013) suggest that greater polarisation between the preferences of the median voter and special interest groups, as well as the perceived corruption of politicians, may increase populist support. Whilst Guiso, Herrera, Morelli, and Sonno (2017) argue that economic insecurity, a distrust of traditional political parties, and lower electoral participation may all lead to a greater demand for populist politics.

A number of recent empirical studies have also examined the origins of populism in a variety of settings. Becker, Fetzer, and Novy (2017) study the correlates of the Brexit vote across UK districts. They find that fundamental characteristics of the voting population are key drivers of the leave vote including low levels of education, low income, a historical reliance on manufacturing, and unemployment. In a similar vein, Colantone and Stanig (2018a) show that local import competition from China is a strong determinant of the Brexit leave vote.

[1] Gidron and Bonikowski (2013) provide an overview of recent research on the various forms of populism.

These findings are in line with work by Autor, Dorn, Hanson, and Majlesi (2016) who show rising political polarisation and a greater vote share for Donald Trump in US counties that were heavily affected by Chinese import competition. Similarly, Malgouyres (2017) documents a link between trade exposure and voting for FN in France, between 1995-2012. In more general work, Colantone and Stanig (2018b) uncover a link between import competition—in-particular competition from China—and support for nationalistic and far-right parties across Europe.

Whilst the majority of recent empirical work has focused on globalisation and other medium-term economic factors, a growing body of research links severe short-term economic downturns with sharp increases in political extremism and polarisation. Funke, Schularick, and Trebesch (2016) study the political fallout from systemic financial crises over the past 140 years in 20 advanced economies. They find that following financial crises, political polarisation rises and support for far-right parties increases substantially. In a similar vein, Algan et al. (2017) find a strong relationship between increased unemployment following the GFC and voting for populist parties. Interestingly, their results also suggest that economic insecurity has a direct impact on cultural values and beliefs (attitudes towards immigration, demand for authority, political orientation etc.) and that values may in turn amplify or mediate the effect of economic shocks.

Others have studied the role of culture more closely. Using survey data, Inglehart and Norris (2016) examine both cultural and economic explanations for populist support. They argue that the rise of populism primarily reflects a "cultural backlash" against progressive value change rather than the effect of economic factors. However, they also highlight the possibility of interactive processes linking the two. Ochsner and Rösel (2017) suggest historic events, even in the very distant past, may effect current support for the far-right. They show that anti-Turkish campaigning by Austrian far-right populists, which referred heavily to the Turkish sieges of Vienna in the 16th and 17th centuries, had the greatest effect in areas where pillaging occurred during the sieges. They argue that such campaigns can act as tipping points and catalyse

history to increase far-right support in areas where history is most salient.

Closest to my work, Cantoni, Hagemeister, and Westcott (2019) document a link between historic and current, far-right support. They show that in municipalities which expressed strong support for the Nazi party in 1933, voters are more likely to support the far-right Alternative für Deutschland (AfD) in 2017. They argue that an increase in the supply of far-right politics revealed persistent, unfulfilled demand. In contrast, I argue that economic shocks "awaken" deep far-right values, which in turn increases the demand for far-right politics. The difference in setting between our work is also significant. I examine the change in support for a relatively ideologically consistent established far-right party FN, following negative economic shocks. In comparison, Cantoni et al. (2019) focus on a significant ideological shift of a party to the far-right, which dramatically increased the supply of far-right politics in Germany.

My contribution to the literature on the political economy of populism is two fold. Firstly, I suggest that persistent cultural values may help explain the rise in support for the far-right. The role of culture in this respect has remained relatively untouched in the literature. To the best of my knowledge, the work by Cantoni et al. (2019) is the only aside from my own which examines a similar link. Secondly, my findings suggest that pre-existing deep cultural differences are an important consideration when interpreting the effect of economic shocks on far-right support. In my analysis, economic shocks increase support for the far-right, but the effect is significantly stronger in areas where far-right groups were more active historically.

Cultural economics. Existing theories of cultural persistence identify multiple channels through which culture and values may persist. One characterisation is in the form of equilibrium behaviour. For instance, Acemoglu and Jackson (2015) suggest that social norms, such as those of high or low cooperation, emerge as patterns of behaviour which can persist as stable equilibria due to agents' interpretations of the past. Similarly, Nunn (2009) argues that social norms may develop as aids to

decision making, which persist as individuals free-ride off of the learning of others.

Another view is that culture can also exist as preferences traits, or values, passed vertically from one generation to the next. Bisin and Verdier (2001) develop a model of inter-generational cultural transmission where parents pass their own preferences to their children as the result of a form of paternalistic altruism. Parents are biased by their own preferences when socialising their children, leading to the persistence of a diverse range of preference traits within society. Tabellini (2008) argues that the shaping of individual values explains how distant political and economic history may affect current institutions even after substantial political and societal change. Furthermore, Tabellini suggests that normative values, such as those of right and wrong, are largely inherited from previous generations, which in turn leads to their persistence.

More generally, a range of studies have found that events and institutional arrangements in the distant past are related to norms, preferences, and economic performance today. For instance, Alesina, Giuliano, and Nunn (2013) show that neolithic agricultural practices affect contemporary gender norms, whilst Voigtländer and Voth (2012) demonstrate the local persistence of anti-Semitism within Germany over 600 years. There is also evidence that differences in trust levels within Africa can be traced back to the effects of the slave trade (Nunn and Wantchekon, 2011), that "honour" culture helps explain the prevalence of homicide in the South of the United States (Grosjean, 2011), that former free medieval cities in Italy have higher levels of interpersonal trust today (Guiso, Sapienza, and Zingales, 2016), and that historic gender ratios influence contemporaneous attitudes towards women (Grosjean and Khattar, 2018).

Contrary to these examples of long-term, stable persistence are instances of rapid cultural change. For instance, Fernández-Villaverde, Greenwood, and Guner (2014) document how a change in technology—improved contraception—contributed to the rapid de-stigmatisation of premarital sex, a centuries old social norm. Furthermore,

Bursztyn, Egorov, and Fiorin (2017) demonstrate experimentally that social norms in communication can rapidly unravel when new information becomes available. They suggest that if the perceived cost of expressing a view is greater than the perceived benefit, individuals will hide their true feelings. Swift cultural change can appear to occur when new information changes the perceived costs of behaviour.

Other work has suggested that the persistence of attitudes may not always be visible, instead culture may need to be "activated" by current events. For instance, Fouka and Voth (2016) show that during the European debt crisis of 2010–2015, Greek localities which had witnessed massacres perpetrated by German forces in World War II saw significant declines in sales of German vehicles relative to other areas. No such difference was present prior to the crisis. They argue that this occurred due to a reactivation of past memories caused by the increase in German-Greek animosity during the crisis. Similar examples of "activated" history include the previously discussed work of Cantoni et al. (2019) and Ochsner and Rösel (2017).

My research contributes to this last body of work which suggests that culture may persist unobserved, until it is "activated" by current events. Here my work differs from that of Fouka and Voth (2016) and Ochsner and Rösel (2017) in two key respects. Firstly, I examine a heterogeneous "activating" shock, whereas both examine the response to a nationwide shock. Secondly, I focus on the effect of an economic shock, the increase in unemployment following the GFC. In comparison, Ochsner and Rösel (2017) examine a shock from a specific change in far-right rhetoric, whilst Fouka and Voth (2016) focus on the effect of German led austerity measures on the animosity of Greeks towards Germany and German goods.

Chapter 3

Theoretical Framework

In this Chapter, I present a theoretical framework of cultural persistence, which I use to later guide my empirical analysis. I focus on three theories of culture, each of which may explain the resurgence of far-right support following an economic shock.

To fix ideas, let D be the collection of districts in a country and $T = \{h, b, a\}$ represent time, where h is a *historical* time period, and b and a represent modern times, *before* and *after* an economic shock. For each district $d \in D$ and time $t \in T$, let $\beta_{dt} \in \{0, 1\}$ represent whether a certain behaviour is present ($\beta_{dt} = 1$) in district d at time t. As I focus on episodes of cultural resurgence following economic shocks, I assume $\beta_{db} = 0$ for all $d \in D$. Furthermore, let $\sigma_d \in \{0, 1\}$ represent whether district d is affected by the economic shock ($\sigma_d = 1$). I am interested in how different conceptualisations of culture map past experiences and contemporary economic shocks, i.e., (β_{dh}, σ_d), into current behaviour, i.e., β_{da}.

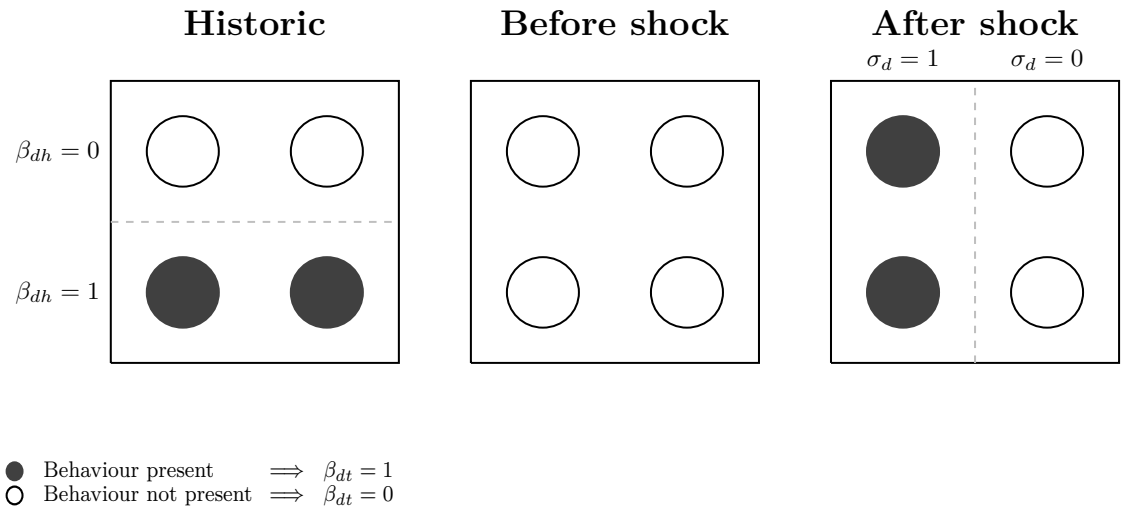
Economic norms. This first theory of culture is one in which only economic conditions affect behaviour. Certain behaviours may persist over time (norms), but only because they constitute equilibrium actions given the actions of others. Within this framework, changes in economic conditions may alter equilibrium behaviour and lead to the development of new norms. However, since $\beta_{db} = 0$ for all d, the behavioural norm does not exist prior to the economic shock in all districts. Therefore if the shock affects behaviour, then it will affect it in all districts with $\sigma_d = 1$. In

this case, this results in a mapping E such that

$$\beta_{da} = E\left(\beta_{dh}, \sigma_d\right) \equiv \sigma_d$$

Figure 3.1 provides a graphical representation of this mapping. Here, the four circles in each panel represent the collection of districts D in a country, and each panel represents one of three time periods, $t \in \{h, b, a\}$. Prior to the shock, behaviour is not present ($\beta_{db} = 0$ for all d). Following the shock, behaviour changes, but only in districts affected by the economic shock ($\sigma_d = 1$).

Figure 3.1: Economic Norms



This *economic norms theory* is similar to that put forward by the literature which suggests that negative economic shocks increase far-right populist support (e.g., Colantone and Stanig, 2018a; Dehdari, 2019; Malgouyres, 2017).

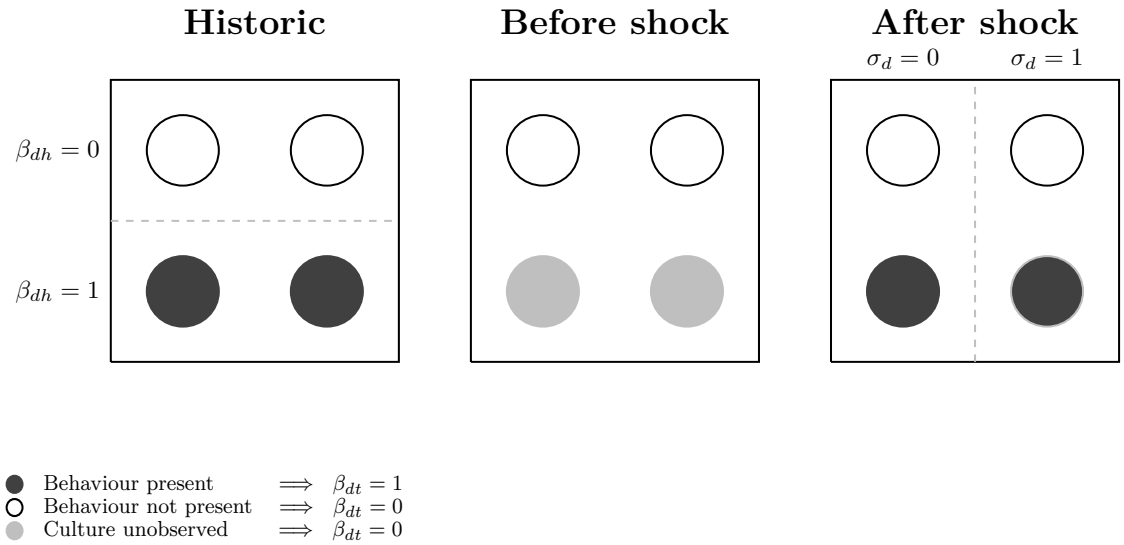
Cultural persistence. This second theory of culture is one in which culture persists within people at all times. If culture is not observed at some time (i.e. $\beta_{dt} = 0$ for all d), it may be because expression is costly (e.g. certain behaviours or views are taboo), or because little attention has been paid to culture by the media and other observers. An economic or political shock may change observed behaviour,

but it will do so by revealing pre-existing unobserved culture. For instance, through the entry of a new far-right party, or by changing what topics are considered taboo. The behavioural change has nothing to do with the change in economic conditions of the individual, but rather the wider shock caused to the system. This theory delivers a mapping P such that

$$\beta_{da} = P\left(\beta_{dh}, \sigma_d\right) \equiv \beta_{dh}$$

Figure 3.2 provides a graphical representation of this second mapping. In historic times, culture is observed in some, but not all districts. Prior to the shock, culture persists along historic lines, but is unobserved ($\beta_{db} = 0$). Following the shock, behaviour changes, but only in districts where culture has persisted. The change in behaviour is due to cultural persistence rather than changes in district specific economic conditions.

Figure 3.2: Cultural Persistence



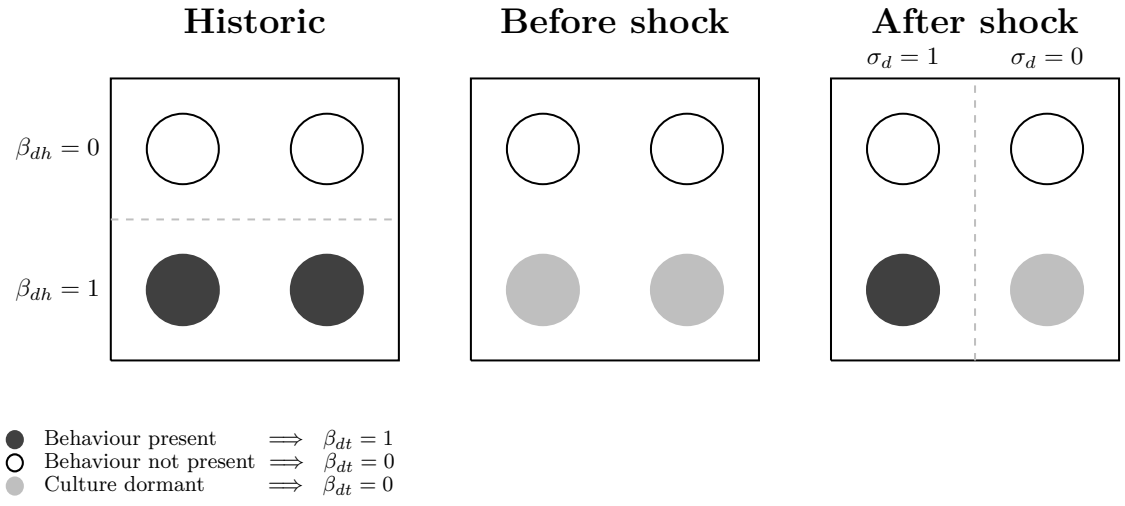
This theory is similar to that suggested by the literature which argues that persistent far-right ideology, or a "cultural backlash" may help explain resurgent far-right support (e.g., Cantoni et al., 2019; Inglehart and Norris, 2016). It is also similar to the apparent rapid cultural change which Bursztyn et al. (2017) document when social norms in communication unravel.

Dormant values. This third theory of culture posits that people have deep values which persist over time and across generations. People may not be conscious that they have these values, allowing culture to lie dormant—undetected for a long time—until economic conditions cause it to resurge. A potential mechanism for such a pattern of behaviour is that culture lies dormant *within* individuals, who only become aware of their deep values once current events make them salient. For example, beliefs about individuals of different races may lie dormant in individuals who are raised in an ethnically homogeneous society. However, such values may express themselves once an individual is exposed to waves of immigration, or economic competition from cheap foreign imports. In this theory behavioural change is dependant upon the presence of both persistent deep values and a change in economic conditions. This delivers a mapping V such that

$$\beta_{da} = V\left(\beta_{dh}, \sigma_d\right) \equiv \beta_{dh}\sigma_d.$$

Figure 3.3 provides a graphical representation of this mapping. In historic times, the expression of deep values as behaviour is observed in some, but not all districts. Prior to the shock, deep values persist, but lie dormant—not affecting behaviour. Following the shock, behaviour changes, but only in districts where changes in economic conditions lead to cultural resurgence.

Figure 3.3: Dormant Values



Chapter 4

Background

This Chapter provides a brief historical background of the setting for my empirical analysis. I discuss the ideology and evolution of FN, as well as the nature of the far-right leagues during the 1930s.

4.1 Front National

Origins and ideology. During the early 1970s, the far-right in France consisted of mainly small, extreme groups. With each lacking the sufficient size and resources to succeed individually, they saw little to no electoral success. In 1972, in an attempt to create a unified rightist response to the "New Left" political movement, a variety of these groups came together to form the Front National Pour l'Unité Française, or Front National (FN) for short (Shields, 2007). Whilst FN struggled initially, since the 1980s, it has become one of the largest far-right parties in Europe and a significant force in French politics.

Although the ideology of FN has changed over time, it has been broadly described as right-wing xenophobic populism (Camus and Lebourg, 2017). FN claims to defend the little guy, the "average Frenchman," against the corrupt elite. It leans heavily on a fear of "the other," which is often assigned an ethnic or cultural identity (Camus and Lebourg, 2017).

Since the late 1970s, non-European immigration, especially from Islamic countries, has been central to FN's political agenda. Notably, during the late 80s and early 90s, FN proposed several highly xenophobic policies, including a "national preference

for employment" to reduce seasonal foreign work, and the proposed expulsion of foreigners who commit "proportionately more crimes and offences than the French" (Fabre, 2012). Following the exit of several particularly radical elements in 1999, FN has cultivated a somewhat less extreme stance (Shields, 2007). However, it still supports the deportation of illegal, criminal, or unemployed immigrants, and representatives of FN have continued to connect immigration with Islamic terrorism (Nossiter, 2015). In 2011, leader of FN Marine Le Pen warned that full face veils were "the tip of the iceberg" in what she views as the Islamisation of French culture (Shorto, 2011). FN's continued radical stance on immigration has kept them firmly on the far-right of French politics.

Economic policy is one area where FN's ideology has changed substantially over time. Throughout the 1970s and 80s, FN had supported a market liberal economic program, campaigning for lower taxes, reduced state intervention, and privatisation (Shields, 2007). However, during the 1990s, FN underwent a substantial policy shift. They began to adopt an increasingly protectionist and pro-welfare list of policies in an attempt to garner support from voters negatively affected by globalisation (Shields, 2007).

Rise and fall and rise again. Despite successfully uniting a number of groups on the far-right, FN failed to secure meaningful electoral support during the 1970s. FN was hindered by a national media boycott and a political program which lacked direction due to the political compromise required to bring together disparate groups (Shields, 2007). It was not until the 1984 European elections that FN saw its first major success, winning 11.2% of the national vote. FN's rise was aided by the economic shocks and substantial growth in unemployment during the 1970s and 80s, as well as a fragmented moderate right and the lifting of the national media boycott (Malinvaud, 1986; Shields, 2007). In following elections, FN achieved repeated success. Notably, in the 1986 legislative elections, FN received 9.65% of the vote and 35 seats in the National Assembly.

In 1999, there was a substantial split in the party. Prominent FN member and factional leader, Bruno Mégret founded a rival party, the National Republican Movement (MNR) (Shields, 2007). The split hurt FN: it received only 5.7% of the vote in the 1999 European elections (down from 10.52% in 1994), whilst MNR received 3.3%. However, the popularity of MNR faded quickly. MNR won a mere 1.09% of the vote in the 2002 legislative elections, despite fielding as many candidates as FN. In the same year, Jean-Marie Le Pen finished a surprise second in the French Presidential elections. Whilst he benefited heavily from a campaign focused on law and order and a fragmented left vote, it still represented a significant personal success (Shields, 2007). Despite Le Pen's individual popularity, the party as a whole was in somewhat of a decline. Between the 1997 and 2002 legislative elections, FN lost almost a quarter of their support (down 3.6 percentage points). The slide continued, with the 2007 legislative elections marking the low point of FN's support. They received only 4.3% of the vote, FN's worst result since 1981 (Shields, 2010).

However, between 2007 and 2017, FN transformed from a party seemingly in decline, to the third—if not the second—most popular political party in France. Following the disappointing results of 2007, Jean-Marie Le Pen announced that he would retire as party president, with his daughter, Marine Le Pen winning the race to succeed him. However, FN still under the leadership of Jean-Marie in 2010, appeared to have already somewhat recovered its support: winning 12% of the overall vote in regional elections. Soon after, under Marine, FN's resurgence was clear, with the party winning 15% of the overall vote in the 2011 local elections (up from 4.5% in 2008). Furthermore, in 2012 Marine Le Pen finished third in the first round of the presidential elections, and FN more than tripled its vote share in the legislative elections: winning 13.6% up from 4.3% in 2007. Over the next five years FN saw repeated electoral success. Perhaps most significant of all, Marine Le Pen won 21.3% of the vote and claimed second place in the first round of the 2017 presidential elections. In the second round, she was soundly beaten by Emanuel Macron, but still received almost 34% of the overall vote.

4.2 The Far-right Leagues of the 1930s

Nationalistic and xenophobic origins. The far-right leagues of the 1930s find their ideological roots in two significant events during the late 19th century, the mass popular support which formed around General Georges Boulanger, and the events of the Dreyfus Affair. In 1871, France suffered a humiliating defeat at the hands of the Germans in the Franco-Prussian War. In the following years, political resentment grew amongst those crowded out of power in the new Third Republic and amongst French patriots who sought revenge against Germany. During the 1880s, an ambitious army officer and minster for war, General Georges Boulanger, capitalised on these feelings. Boulanger's nationalistic anti-German rhetoric, military reforms, and publicly expressed sympathy for striking workers won him considerable support from those on the extreme left and amongst nationalists (Passmore, 2013). His followers, known as Boulangists, formed a movement which was popular rather than class-based, combining elements of far-left ideology with nationalism. Although Boulanger largely failed to capitalise on his mass support, Boulangists played a key role in the new nationalistic far-right which emerged following the Dreyfus affair shortly thereafter (Passmore, 2013).

The Dreyfus affair refers to the events which followed the false conviction for treason of Jewish army captain Alfred Dreyfus in 1894. The scandal deeply divided France over not just the innocence of Dreyfus, but also issues such as national identity and religion. Much of the early publicity surrounding the case came from anti-Semitic groups who saw Dreyfus as symbolising the disloyalty of French Jews (Passmore, 2013). More generally, those who supported the conviction of Dreyfus, the *anti-Dreyfusards*, viewed the controversy as an attempt by France's enemies to weaken the army and nation. Many of the *anti-Dreyfusards* were former Boulangists whose influence helped to create a new far-right movement which was both highly nationalistic and xenophobic. This new far-right movement formed the template from which the far-right leagues of the 1920s and 30s were formed (Fuller, 2012).

During the interwar period, the far-right in France, as in much of Europe, enjoyed new success. In 1924, the election of a left-wing coalition government (the Cartel des gauches) sparked the creation of a number of far-right anti-parliamentary leagues (Passmore, 2013). The far-right mobilisation came largely out of fear. The new left-wing government recognised the USSR, pardoned the 'traitors', Caillaux and Malvy,[1] and threatened a capital levy to fill the hole in French finances (Passmore, 2013). The defeat of the Cartel in the 1926 legislative elections saw support for the leagues subside, however, this lull was short-lived. The election of a second Cartel des gauches government in 1932, combined with the economic turmoil of the Great Depression, saw support for the far-right leagues grow once more, attracting far greater support than before (Passmore, 2013).

Support. By 1936, the largest of the far-right leagues, the Croix-de-Feu, had some 500,000 members, more than the two largest left-wing parties combined: the French Socialist Party (200,000) and the French Communist Party (284,000) (Soucy, 1991). The leagues were popular across the country in both urban and rural areas. The far-right Comités de défense paysanne (Peasant Defence Committees), or "Green shirts," drew significant militant support from farmers, whilst the Solidarité Française claimed over 180,000 members in largely urban areas (Paxton, 1997; Soucy, 1981). Others, including the Jeunesses Patriotes, which had at least 90,0000 members as of 1932, appealed to both urban and rural classes for mass support (Soucy, 1981).

Anti-parliamentarian. Despite their large memberships, the leagues were virulently anti-parlimentarian (Soucy, 1981). The Jeunesses Patriotes frequently called for the overthrow of the Third Republic, which they claimed was preparing the way for the triumph of communism (Soucy, 1981). Similarly, before the paramilitary

[1] Joseph Caillaux was prime minister of France from 1911-1912 and leader of the peace party during World War I. Along with ex-minister of the interior, Louis Malvy, he was found guilty of treason for pushing for peace with Germany during World War I (The Literary Digest, 1917).

activities of the leagues were outlawed in 1936, François de La Rocque, the leader of the Croix-de-Feu, repeatedly told his followers that come "H hour," they would "re-organise the country according to its needs" (Irvine, 1991; Soucy, 1991). The French police reported in 1935 that the Croix-de-Feu had organised a shadow government in the event they were to seize power (Soucy, 1991). Some historians suggest the only reason La Rocque did not attempt a coup was for fear that his forces would be crushed by the superior numbers of the police and paramilitary groups on the left, rather than a lack of will or out of respect for the republican system (Irvine, 1991).

The anti-parliamentarian nature of the leagues meant that prior to their dissolution in mid 1936, the French far-right was not represented in the parliamentary process. Furthermore, with the fall of France to Nazi Germany in June of 1940, the far-right parties which replaced the leagues in 1936, never participated in national elections. Thus, even though the largest far-right party, the Parti Social Français (PSF), had a membership of at least 700,000, and as many as 3 million by 1940, this support was never realised in national elections (Soucy, 1991).

Activity and violence. Throughout the 1930s, both far-left and far-right movements made significant use of physical force. Due to their anti-parliamentarian nature, the far-right leagues were mainly visible through their engagement in street brawls with left-wing groups, military style parades, and riots (Kalman and Kennedy, 2014; Passmore, 1995). For instance, unlike the traditional right, the Croix-de-Feu staged mass public rallies and nationalistic parades featuring large columns of disciplined supporters (Soucy, 1991).

Far-right violence reached its zenith on the 6th of February 1934, when large anti-government protests broke out in Paris. The outrage occurred in the wake of revelations that the leader of the left-wing government had protected notorious financial embezzler Alexandre Stavisky, who later died in suspicious circumstances. The scale of the riots prompted some in the Government to worry that a far-right coup may be in the offing (Soucy, 1981). However, the far-right leagues were uncoordinated

and failed in their attempts to storm the Chamber of Deputies.[2] The fighting between police and the leagues was described as the "the bloodiest encounter in the streets of Paris since the Commune of 1871" (Soucy, 1981).[3]

Following the February riots, clashes between the far-right and newly formed antifascist groups became common place, more often than not resulting in bloody violence (Passmore, 1995). Violence between left- and right-wing groups increased significantly over the next two years until the far-right leagues were eventually dissolved following the 1936 legislative elections by the newly elected left-wing Front populaire government (Passmore, 1995).

[2]Many historians doubt whether a far-right coup was planned, or whether the riots were merely an act of disorganised violence (Irvine, 1991; Soucy, 1991).

[3]The Paris Commune was a radical socialist government which briefly ruled Paris during 1871 following the armistice with Prussia. It was brutally suppressed by the French Army only a few months later, resulting in between 5,000 and 20,000 deaths (Bernstein, 1941)

Chapter 5

Data

This Chapter provides summary information on my data collection and variable construction.

Electoral data. I measure current support for the far-right using electoral support for FN, the predominant modern far-right political party in France.[1] In my main results, I use the change in vote share for FN between the first round of the 2007 and 2012 legislative elections as my outcome variable of interest.[2] I focus on legislative elections over presidential elections to reduce any potentially confounding effects from the change in FN leadership between 2007 and 2012.

My electoral data is aggregated at the constituency level and sourced from the Constituency Level Elections Archive (CLEA) (Kollman, Hicken, Caramani, Backer, and Lublin, 2019).[3] Due to the redistricting of French legislative electoral constituencies (districts) in 2010, some districts were added and others removed between the 2007 and 2012 legislative elections. To address this in my main results I exclude affected districts from my analysis.

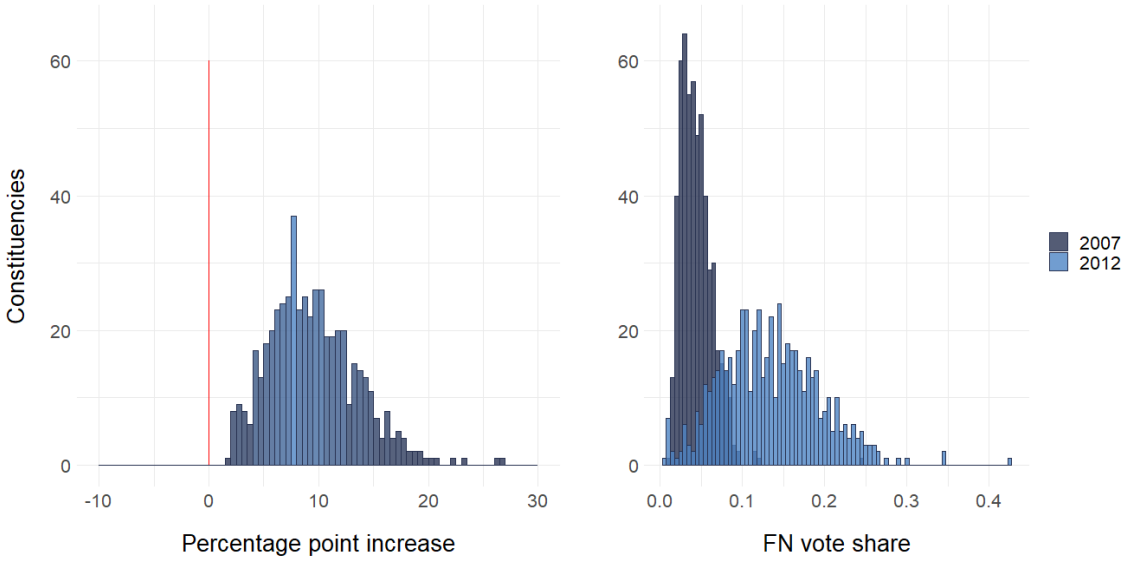
[1] Between 1981 and 2012, aside from Bruno Mégret's party's (MNR) performance in the 2002 legislative elections (1.09%), no other far-right party or collection of parties received more than 0.5% of the national vote.

[2] France's parliamentary voting system has two rounds to encourage political pluralism. If one candidate wins more than 50 percent in the first round, no second round is necessary. If not, the two with the highest votes automatically go through to the decider, as do any candidates with the backing of more than 12.5 percent of registered voters (Cross, 2017).

[3] CLEA, in turn, source their data from France's Ministère de l'Intérieur (Ministère de l'Intérieur, 2012a,b).

Figure 5.1 provides an overview of how support for FN changed between 2007 and 2012. Notably, FN's vote share increased across all districts, but support increased significantly more so in some than in others. The increase in vote share ranged from a minimum of 1.9 percentage points in Paris's 11th constituency, to a maximum of 32.8 percentage points in Pas De Calais's 11th constituency (Marine Le Pen's seat), with a standard deviation of 4.2 percentage points.

Figure 5.1: Changing Support for FN



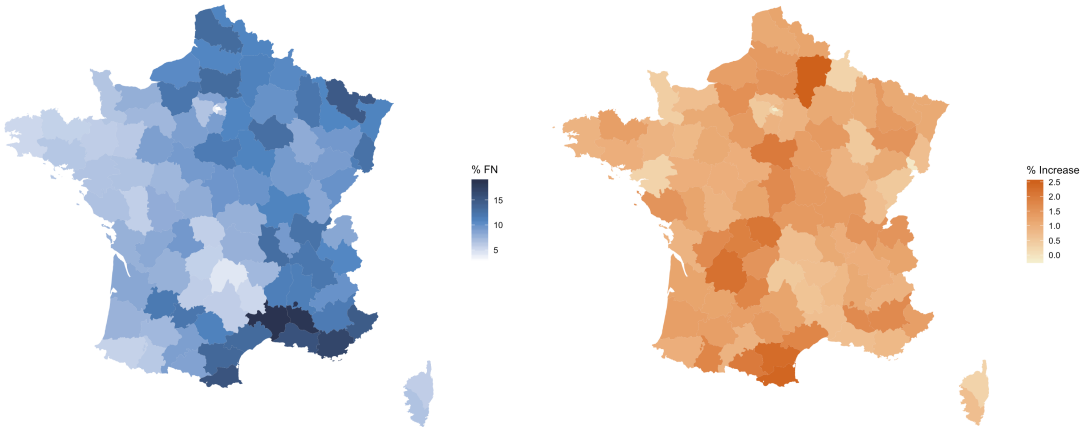
Notes: The panel on the left displays the distribution of the change in FN vote share at the electoral district (constituency) level. The panel on the right displays the distribution of the FN vote share separately in both 2007 and 2012.

The variation in the change in support for FN plays an important role in my analysis acting as my measure of current far-right support (or β_{da} in Chapter 3).

The Global Financial Crisis. To measure the impact of the GFC, I gather data on unemployment at the department level using the OECD Regional Database (OECD, 2019d). I use the change in unemployment between 2007 and 2012 as a proxy for the impact of the GFC over this period. Whilst French unemployment

levels did not peak until 2015,[4] I use the change up to 2012 to capture the impact of increased unemployment on FN support in the 2012 legislative elections. I choose not to look at the effect over the longer period between the 2007 and 2017 legislative elections, to avoid any potentially confounding effects from the European migrant crisis of 2014-2015.

Figure 5.2: Voting for Front National and the GFC



(a) increase in FN vote share 2007-12 **(b)** increase in unemployment 2007-12

Notes: The map on the left displays the distribution of the percentage point change in FN vote share at the department level. The map on the right displays the percentage point change in unemployment at the department level between 2007 and 2012.

Figure 5.2 shows the variation in unemployment across departments between 2007 and 2012. Over this period, France fared relatively well compared to some European nations with an average increase in unemployment of 1.9 percentage points between 2007 and 2012.[5] However, there was substantial regional variance. The maximum increase in unemployment occurred in the department of Aisne (2.5 percentage points) and the minimum occurred in the department of Paris (-0.2 percentage points). The standard deviation in the change in unemployment at the department level was equal to 0.53 percentage points. This variation in unemployment plays an important role

[4] Calculated using data from the OECD Regional database (OECD, 2019d).

[5] *idem.*

in my analysis. It acts as a heterogeneous economic shock across departments (or σ_d in Chapter 3).

Historic far-right support. To capture historic far-right support, I use the location of support for the far-right leagues in the 1930s. During this period, the far-right in France, as in many European nations, arguably enjoyed one of, if not its most significant period of support.[6] I use support for the far-right leagues during the 1930s as my measure of historic far-right support partly due to the mass popularity of the far-right during this period, and partly because I lack a better alternate measure during other periods.

However, measuring the support of the far-right leagues during the 1930s is not straightforward. Their anti-parliamentarian nature meant that no far-right political party existed prior to the dissolution of the leagues in 1936. Following 1936, there were no national elections prior to the fall of France to Nazi Germany in 1940. As a result, there is no national electoral data from which to measure the support of the far-right during the 1930s (Kalman and Kennedy, 2014).

Given the lack of available electoral data, I examine alternate proxies for far-right support. One possible proxy is the location of violent events involving far-right leagues. I argue that the location of violent events proxies for far-right activity, which in turn proxies for where far-right support was greatest. In Chapter 7, I discuss the robustness of my results to potential measurement error arising from flaws in this chain of reasoning.

The main reason I view violence as a viable proxy for activity, and in turn support, is the militant nature of the far-right leagues during the 1930s. The leagues were active through military style public parades, street brawls with left-wing groups and riots

[6]For instance, as previously discussed, by 1936, the largest far-right league, the Criox-de-Feu had some 500,000 members, more than the French Socialist Party (200,000) and Communist Party (284,000) combined (Soucy, 1991).

(Kalman and Kennedy, 2014; Passmore, 1995). I argue that violent events involving the leagues captures the incidence of these last two behaviours, which in turn makes it a decent proxy for activity. I assume for now that the location of activity proxies for the size of local support. I discuss the possibility of measurement error at greater length in Chapter 7.

To measure far-right violence I use data from a nationwide commune-level data set on the incidence of violent events in France during the 1930s.[7] The data set was compiled by Zambrano and Tilly (2006) and includes all violent events involving at least fifty people occurring in public places within continental France. Violent events are defined as those which result in the seizure, injury, or damage to at least one person or object belonging to a person outside the acting groups (Zambrano and Tilly, 2006). Events where only police or troops committed the violence are excluded. For my purposes I focus on events involving far-right groups.[8]

To create a per-capita measure of historic activity, I first map historic communes where events occurred into modern departments. I then create a per-capita measure using census data on department populations in 1968. I use 1968 population data for two reasons. Firstly, in 1968 there was a substantial reordering of the departments within Île-de-France, France's most populous and economically important region. Secondly, the population data I have access to prior to 1968 is only available at the department level, which means I am unable to back out estimates of the historic populations of modern departments in Île-de-France during the 1930s. Thus, rather than dropping the departments within Île-de-France from my analysis, I use population data from 1968 as the best available alternative. I test the sensitivity of my results to using the raw number of events rather than the number of events per-capita in Chapter 7.

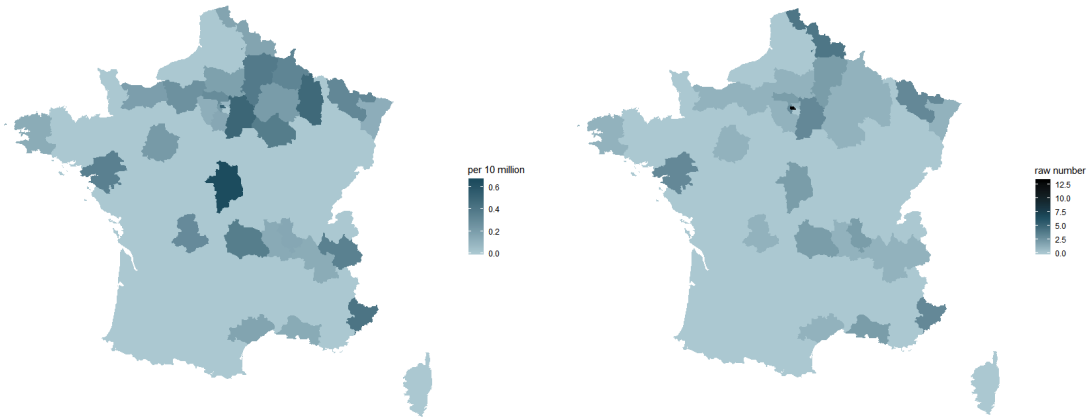
Figure 5.3 below shows the heterogeneity in the number of historic violent events

[7]The data set contains the incidence of violence over other periods, but I only use data during the 1930s.

[8]Far-right groups are those identified by Zambrano and Tilly (2006), as either fascist, Action Française, the Camelots du Roi or under the catch all of ligues d'extrême droite (far-right leagues).

involving far-right groups per-capita and the raw number of violent events per department. The mean number of events per-capita is 0.119 per ten million inhabitants (in 1968), with a standard deviation of 0.154.

Figure 5.3: Far-Right Violence 1930s



(a) far-right violent events per-capita **(b)** far-right violent events

Notes: The map on the left displays the distribution of far-right violent events per-capita at the department level. The map on the right displays the distribution of the raw number of far-right violent events.

Controls. The literature has suggested several factors which may be important correlates for far-right populist support (e.g., Becker et al., 2017; Guiso et al., 2017). To control for these factors, I collect additional data on time varying variables. I obtain immigration, age, and education data from French population censuses, sourced from the Minnesota Population Center's international Integrated Public Use Microdata Series (IPUMS) (Minnesota Population Center, 2019). I source data on department populations from the Institut national de la statistique et des études économiques (INSEE), and electoral turnout data at the constituency level from CLEA (INSEE, 2014; Kollman et al., 2019).

The census data from IPUMS International provides micro data on socio-demographic characteristics. In my main analysis, I control for changes between the 2006 and 2011

censuses.[9] To control for the effect of migration, I use the change in the proportion of non-French natives as a proxy for immigration. Ideally, I would control for different types of immigration, e.g., separately controlling for economic migrants and refugees. However, such precise data does not exist (to the best of my knowledge) at the frequency or geographic level I require. To control for changes in education levels, I use the change in the proportion of residents with an upper secondary or higher level of education. I also include four age bracket dummies to control for changes in the age structure of each department. Finally, population data from INSEE allows me to control for changes in department populations, and CLEA data on electoral turnout allows me to control for changes in support due to voter turnout.

Table 5.1: Descriptive Statistics

	Obs	Mean	Std. Dev.	Min.	Max.
Dependent Variables					
FN vote share	520	0.095	0.041	0.019	0.328
Independent Variables					
Far-right^{1930s}	541	0.119	0.155	0.000	0.657
GFC	541	1.027	0.507	-0.200	2.500
Education	541	3.260	0.524	2.325	4.577
Population	541	0.024	0.020	-0.028	0.070
Turnout % of eligible	520	-0.022	0.023	-0.172	0.054
Migration % non-native	541	0.558	0.406	-0.392	1.262
Age % 0-18	541	-0.398	0.295	-0.945	0.239
Age % 18-35	541	-0.654	0.252	-1.055	-0.048
Age % 35-60	541	-0.822	0.204	-1.361	-0.386
Age % 60+	541	1.875	0.361	1.475	2.745

Notes: All variables, except Far-right^{1930s}, represent the change between 2007 and 2012. For Education, Population, Migration and Age, I use the change between the 2006 and 2011 population Censuses.

[9] When I look at alternate shocks over different periods in Chapter 8, I use population census data from different periods.

Chapter 6

Results

In this Chapter, I outline my empirical specification, present my main results, and discuss how well each of the three theories of culture presented in Chapter 3 are supported by these results.

6.1 Empirical Specification

In my main results, I estimate regressions of the following form:

$$\begin{aligned}\Delta\text{FN}_{dt} \;=\; & \beta_0 \;+\; \beta_1\text{Shock}_{r(d)t} \;+\; \beta_2\text{Far-right}_{r(d)} \\ & +\; \beta_3\text{Shock}_{d(c)t} \times \text{Far-right}_{r(d)} \;+\; \beta_5 X_{r(d)t} \;+\; \beta_6 Z_{r(d)} \;+\; \epsilon_{dt} \qquad (2)\end{aligned}$$

where my outcome variable of interest is ΔFN_{dt}, the change in vote share for FN in electoral district d over time period t. I discuss in Chapter 7 how my results are robust to using different measures of electoral support for FN. The function $r(d)$ maps electoral district d to its corresponding department r. $\text{Shock}_{r(d)t}$ is my proxy for the impact of the GFC, the change in unemployment between 2007 and 2012, measured at the department level. $\text{Far-right}_{r(d)}$ is my proxy for the historic support for far-right groups in department r. A key concern about this specification is that historic far-right support may be either mismeasured or endogenous. I examine both of these possibilities in greater depth in robustness tests in Chapter 7.

I now describe how the terms in my empirical specification match with those presented in my theoretical framework (Chapter 3). ΔFN_{dt} is equivalent to district d exhibiting

the cultural behaviour following a shock, i.e., β_{da}. Shock$_{r(d)t}$ is equivalent to σ_d, such that the sign and significance of the coefficient on Shock$_{r(d)t}$ measures the effectiveness of the *economic norms theory* in explaining support for FN ($\beta_{da} = \sigma_d$). Far-right$_{r(d)}$ is equivalent to β_{dh}, and therefore measures the effectiveness of the *cultural persistence theory* in explaining support for FN ($\beta_{da} = \beta_{dh}$). Finally, the interaction of Shock$_{r(d)}$ $\times$ Far-right$_{r(d)}$ is equivalent to $\beta_{dh}\sigma_d$, meaning it measures the effectiveness of the *dormant values theory* when explaining increased support for FN ($\beta_{da} = \beta_{dh}\sigma_d$).

Whilst the first-differences nature of my specification controls for district-level time-invariant omitted factors which affect support for FN, I also include a vector of time varying controls $X_{r(d)t}$. These controls include the change in education levels (% secondary or higher), migration (% non-native), electoral turnout, four age bracket dummies, and population growth. I also include an interaction between migration and Far-right$_{r(d)}$, to allow the shock caused by migration to vary based on historic far-right support. I test the sensitivity of my results to the inclusion of further interactions between my controls in Chapter 7 (for example a potential interaction between education and migration similar to that suggested by Becker et al. (2017)). In my main specification, I also include a vector, $Z_{r(d)}$, of region fixed effects for the eight NUTS-1 (2013) regions of France.[1] I include region fixed effects to account for any potential unobserved heterogeneity in factors which affect political preferences or differences in socio-economic characteristics across regions. Finally, as the majority of my data is measured at the department level, I cluster standard errors at the department level throughout my analysis. Given that some of my control variables are measured at a level higher than the department level, I test the robustness of my results to clustering at higher levels in Chapter 7.

[1]Note that, as the NUTS-1 coding for France changed between the 2013 and 2016, the eight metropolitan NUTS-1 (2013) regions do not match the current 13 metropolitan NUTS-1 (2016) regions.

6.2 Regression results

Table 6.1 presents the estimation of my main empirical specification outlined in Equation (2). Column (1) includes only the department level increase in unemployment between 2007 and 2012 (GFC) and my proxy for historic far-right support (Far-right^{1930s}) as separate linear terms. Column (2) adds an interaction between the two. In Column (3) I add a vector of time varying controls for changes in migration, education, total population, four age bracket dummies, voter turnout, and an interaction between migration and historic far-right support. Finally, the regression in Column (4), my preferred specification, adds controls for region fixed effects for the 8 NUTS-1 (2013) regions of France. Robust standard errors clustered at the department level are displayed in parenthesis under coefficient values.

Table 6.1: Main Results

	Dept. var.: ΔFN vote share 2007-12			
	(1)	(2)	(3)	(4)
Far-right^{1930s}	0.009	-0.053	-0.101**	-0.098**
	(0.025)	(0.033)	(0.041)	(0.044)
GFC	0.030***	0.017*	0.008	0.006
	(0.008)	(0.010)	(0.006)	(0.006)
Far-right^{1930s} × GFC		0.068**	0.072***	0.065**
		(0.032)	(0.026)	(0.028)
Observations	517	517	517	517
R^2	0.128	0.156	0.478	0.499
Controls	No	No	Yes	Yes
Region FE	No	No	No	Yes

Notes: OLS regressions. All regressions include a constant term. Robust standard errors clustered at the department level in parentheses. Controls include those outlined in Section 6.1. A full table of results with co-variate estimates is available in Table C.9. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

The regression results provide several interesting findings regarding the estimated effect of increased unemployment on voting for FN. In Column (1), the estimated effect is positive and both quantitatively and statistically significant (at the 1 percent

level).[2] This appears to support the *economic norms theory*. Moreover, it is in line with the existing literature which suggests that unemployment and other negative economic shocks increase support for far-right populists (e.g., Colantone and Stanig, 2018b; Dehdari, 2019; Malgouyres, 2017). However, the inclusion of an interaction between increased unemployment and historic far-right support significantly alters the estimated effect of increased unemployment. In Column (2), the point estimate for the effect of increased unemployment falls by 43% for constituencies in departments with no history of far-right activity (Far-right^{1930s} equal to zero). At the same time, the interaction between increased unemployment and historic far-right activity is positive and statistically significant (at the 5 percent level). Furthermore, in Columns (3) and (4), the addition of time varying controls and region fixed effects further reduces the estimated effect of unemployment in departments with no history of far-right activity. The linear term for unemployment (GFC) becomes statistically insignificant and the point estimate falls to one fifth of its original size. At the same time, both the magnitude and statistical significance of the interaction between increased unemployment and historic far-right support are broadly unchanged by the inclusion of region fixed effects and time varying controls.

The size of the interactive effect is quantitatively significant. In my preferred specification, Column (4), the effect of increased unemployment on FN support is $2.6\dot{3}$ times larger in constituencies in the 75th percentile of historic far-right support, compared to constituencies in the 25th percentile of support.[3] For a clearer sense of magnitude, consider a comparison between the effect of unemployment in the departments of Alpes Maritimes and Cotes d'Armor. Both experienced a 1.3 percentage point increase in unemployment between 2007 and 2012. One, Alpes

[2]The estimates imply a 1 percentage point increase in unemployment is associated with a 3 percentage point increase in support for FN, although this is likely exaggerated given the lack controls and region fixed effects.

[3]The 75th percentile of historic support is Far-right^{1930s} = 0.15087 (events per 10 million), the 25th percentile is Far-right^{1930s} = 0. Therefore, the effect of one percentage point increase in unemployment on a district in 75th percentile is $0.15087 \times 0.065 + 0.006 = 0.0158 = 2.6\dot{3} \times 0.006$, where 0.006 is the effect on the 25th percentile.

Maritimes, has a significant history of far-right activity.[4] The other, Cotes d'Armor has no visible history of far-right activity. The results imply that the increase in unemployment in Alpes Maritimes is associated with an increase in FN vote share of just under 4.3 percentage points.[5] In comparison, the same increase in unemployment in Cotes d'Armor is associated with just under a 0.8 percentage point increase in FN vote share.[6] The size of this effect is significant considering the average increase in vote share for FN was 9.5 percentage points, with a standard deviation of 4.1.

The quantitative and statistical significance of the interaction I observe suggests that the *dormant values theory* provides the best explanation for how increased unemployment affects FN support. Unemployment growth is associated with an increase in support for FN, but the effect is significantly greater in areas where far-right groups were more active historically. This pattern of voter behaviour aligns with the mapping implied by the *dormant values theory*. The current change in support (β_{da}) occurs in areas with both a history of far-right support (β_{dh}) and affected by the economic shock (σ_d): $\beta_{da} = V(\beta_{dh}, \sigma_d) = \beta_{dh}\sigma_d$.

Moving away from the effect of unemployment, the results regarding the *cultural persistence theory* are somewhat surprising. In Column (1), the coefficient on historic far-right activity (Far-right^{1930s}) is positive, but statistically insignificant. In Columns (2)-(4), the inclusion of an interaction between historic activity and increased unemployment sees the point estimate for the linear Far-right^{1930s} become negative and statistically significant (at the 5 percent level) in Columns (3) and (4). The estimates imply that higher historic far-right activity is associated with a reduction in support for FN in the absence of an increase in unemployment. This would appear to contradict the *cultural persistence theory*, as well as the findings of Cantoni et al. (2019) who show that the location of Nazi Party support during the

[4] Far-right^{1930s} in the top decile.

[5] Calculating the effect as: $0.042952 = 1.3\,(0.065 \times 0.416 + 0.006)$.

[6] Calculating the effect as: $0.0078 = 1.3 \times 0.006$.

1930s positively predicts the current increase in far-right support in Germany.

However, the likely explanation for this difference is that there is a lack of persistent unfulfilled demand for far-right politics in France. France has had a visible and relatively socially acceptable far-right party ever since FN's rise during the early 1980s.[7] If French voters demand far-right politics, they can support FN.[8] Furthermore, a first round vote for FN does not forgo the ability of the voter to choose between the top two (or three) remaining candidates in the second round runoff in the event that the FN candidate is eliminated. On the other hand, the electoral success of AfD in 2017 is the first time in over fifty years that a far-right party in Germany has won over 5% of the national vote and entered the Bundestag (Tartar, 2017). Supporting the far-right in Germany prior to AfD's success was not only taboo,[9] but also likely resulted in a wasted vote.[10] The arrival of AfD as an electable, somewhat respectable far-right party revealed a latent demand for far-right politics. Thus, the case of AfD in Germany better fits the scenario of previously unobserved support described by the *cultural persistence theory*.

Finally, the negative coefficient on Far-right^{1930s} suggests that absent an activating economic shock, the relationship between current and historic far-right support is weakening. Whilst a potentially interesting result, I do not explore this in greater depth in my thesis.

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[7]FN is socially acceptable enough to have its leaders frequently interviewed in the mainstream French press and appear in nationally televised interviews. Neo-Nazis or other socially unacceptable far-right groups would not be granted the same hospitality.

[8]FN fielded a candidate in each district in both the 2007 and 2012 legislative elections (Ministère de l'Intérieur, 2012a,b).

[9]For example, see Taub (2017).

[10]In German Bundestag elections voters get two votes. The first vote allows the elector to vote for a direct candidate of their district, who applies for a direct mandate in the Bundestag. The candidate who receives the most votes gets the mandate. However, the first vote only determines the candidates for 299 seats. In the second round voters vote for a specific party. Based on the proportion of second round votes, the remaining 299 seats in the Bundestag are distributed to the parties who have achieved at least 5 percent of valid second votes (i.e. reached the electoral threshold), such that there is roughly proportional representation. For both votes, support a small fringe far-right party results in a wasted vote assuming that party does do not receive at least 5% of votes (The Economist, 2013).

Chapter 7

Measurement Error and Robustness Tests

In this Chapter, I discuss several issues which may arise from measurement error in historic far-right support and discuss whether other potential explanations for FN's success may explain my results. I also outline several further robustness tests which are covered in much greater depth in Appendix B and Appendix C.

7.1 Measurement Error in Historic Far-Right Support

A potential concern with my main results is that I may not accurately measure historic far-right support. As I do not observe actual support, but rather the incidence of far-right violence, some measurement error is to be expected. That is, in some departments support was likely higher relative to the amount of violence, and vice versa. However, mismeasurement of this sort should not lead to biased estimates of the interactive effect I observe, unless the error is correlated with how changes in unemployment affect support for FN, conditional on the covariates. A second concern is that historic far-right violence may not proxy for where far-right support was highest, but rather where the far-left was popular, or where political radicalisation in general was greatest, i.e., both the far-right and far-left enjoyed support. If this were true, the relationship I observe may not be due to deep persistent far-right values, but an association with historic political radicalism, or even far-left support.

Under or overestimation. The first potential measurement issue is whether I systematically under or overestimate historic far-right support in a way which biases my results. For example, individuals from smaller departments (less populous, lower density) may travel to regional centres in larger departments to participate in far-right

demonstrations, marches, riots etc. In this scenario, I would underestimate support in smaller departments and (possibly) overestimate support in larger departments. In turn, this could lead to underestimation (overestimation) of the interaction I observe, if historic department size, population density, or the presence of a regional centre is otherwise negatively (positively) related to how current changes in unemployment affect far-right support.

To gauge whether such bias, if present, significantly affects my results, I first consider whether the number of recorded violent events alone drives the positive interaction I observe. I create a new measure of historic far-right support, assigning electoral districts in departments with a non-zero number of historic violent events a value of one, and the remainder a value of zero. Focusing on the extensive margin should mitigate potential bias arising from an exaggeration of support and at least some of the bias arising from an understatement of support.

Table 7.1: Intensive and Extensive Margin

	Intensive		Extensive	
	Dept. var.: ΔFN vote share 2007-12			
	(1)	(2)	(3)	(4)
Far-right^{1930s}	-0.097	-0.150***	-0.032*	-0.029*
	(0.058)	(0.048)	(0.017)	(0.017)
GFC	0.016	0.021	0.007	0.006
	(0.020)	(0.017)	(0.006)	(0.006)
Far-right^{1930s} × GFC	0.047	0.060	0.026**	0.021**
	(0.054)	(0.047)	(0.010)	(0.010)
Observations	255	255	517	517
R^2	0.561	0.611	0.476	0.494
Controls	Yes	Yes	Yes	Yes
Region FE	No	Yes	No	Yes

Notes: OLS regressions. All regressions include a constant term. Robust standard errors clustered at the department level in parentheses.
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

The results of regressions examining the extensive margin of far-right violence, Columns (3) and (4) of Table 7.1, support my main findings. In both regressions the interaction between historic support (Far-right^{1930s}) and the increase in unemployment (GFC) is positive and statistically significant (at the 5 percent level). However, examining the extensive margin alone does not fully address the problem of underestimation. A majority of departments have no recorded historic far-right violent events,[1] but it seems likely that within most far-right support was present to some extent, making underestimation inevitable.

Mismeasurement from underestimation is only problematic (regarding the interaction I observe) if the error is correlated with how increased unemployment affects support for FN, conditional on the covariates. To assess whether such bias, if present, may drive my results, I examine the intensive margin of far-right violence, comparing only electoral districts in departments with a non-zero number of recorded violent events. This should mitigate bias arising from systematic differences between departments with and without a record of historic far-right violence. Columns (1) and (2) in Table 7.1 report the results of these regressions. In both regressions, the interaction between historic far-right activity (Far-right^{1930s}) and the increase in unemployment (GFC) remains positive and quantitatively similar to my main results. However, it is no longer statistically significant (p-value = 0.209). Although this loss of statistical significance is somewhat worrying, it is also not overly surprising given the loss of statistical power: the sample of electoral districts is substantially reduced and the number of departments covered falls to just thirty-one. Despite the insignificance of the intensive margin results, they still suggest that the size of the estimated interactive effect is not driven solely by differences between departments with and without a record of historic far-right violence.

A remaining concern is that far-right leagues may have organised events in certain areas for reasons other than the size of local support. For instance, far-right leagues

[1] Only 31 of 96 departments have a record of far-right violence during the 1930s.

may have focused their attention on high density urban areas to reach larger audiences, or to grab news headlines. If such selective focus were true, then the incidence of far-right violence may not serve as a suitable proxy for far-right support.

Whilst I do not have data to test whether this may be the case, there is descriptive evidence which suggests that far-right leagues attracted support and were involved in violent events in a variety of locations. As I discuss in Chapter 3, the leagues were popular in both rural and urban areas, whilst Figure 5.3 shows that far-right violence was significant in several small rural departments, as well as in large urban departments.[2] In Appendix D.2, I discuss in greater depth the popularity of different far-right leagues in different areas.

Far-right support or political radicalism. Another potential concern is that far-right violence may not reflect where far-right groups were more popular, but rather the location of historic far-left support, or areas more prone to violence and political radicalism in general. For instance, much of the public violence involving far-right groups during the 1930s happened due to clashes with left-wing antifascist groups (Passmore, 1995). Thus, it seems likely that the distribution of far-right violence may to some extent reflect where both the far-right and far-left enjoyed support.

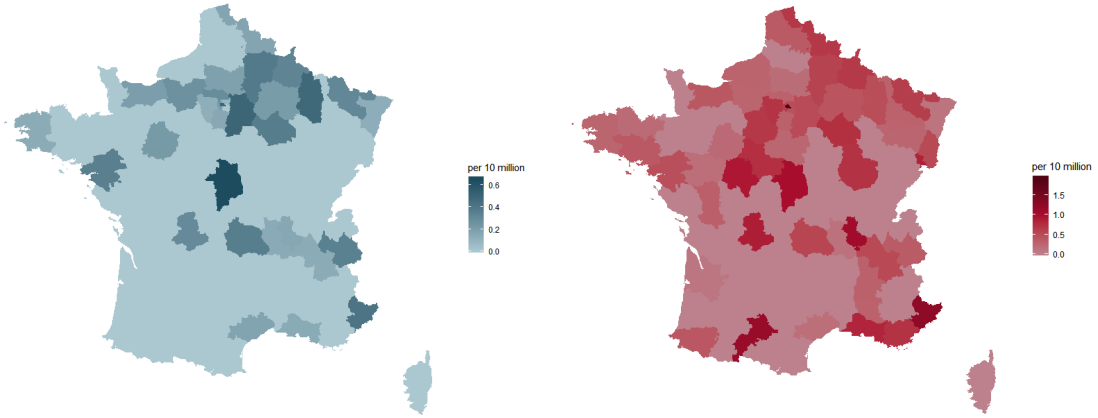
To partially address this concern, I examine the estimated effect of historic far-left violence on support for FN.[3] This effectively acts as a placebo test for the alternate hypothesis that the location of far-left, or political violence in general, may explain the positive and significant interaction I observe in my main results. Table C.2 presents the results of these regressions. When only time varying controls are in-

[2]For instance, the small rural department of Cher, had the highest far-right violent events per-capita, whilst the urban departments such as Paris also saw significant violence.

[3]To measure left-wing violence I use the data set on violent events in France compiled by Zambrano and Tilly (2006). Left-wing groups are those identified by Zambrano and Tilly (2006) as being either Socialists, Communist, Anarchist, or Communard.

cluded there is a positive and statistically significant interaction (at the 10 percent level) between historic far-left violence and increased unemployment. However, when region fixed effects or higher order terms are included, the interaction becomes statistically insignificant and is substantially reduced in magnitude. This result suggests that the incidence of far-left violence does not drive the scale and significance of the interaction I observe in my main results.

Figure 7.1: Far-Right and Far-Left Violence 1930s



(a) far-right violent events per-capita **(b)** far-left violent events per-capita

Notes: The map on the left displays the distribution of far-right violence events per-capita at the department level. The map on the right displays the distribution of far-left violence events per-capita at the department level.

However, it still seems likely that the incidence of far-right violence is related to where both the far-right and far-left were active. This may be problematic even to the extensive margin results if the absence of oppositional far-left support in some areas means I do not observe far-right support at all. Although, as Figure 7.1 shows, far-left violence was far more widespread and frequent than far-right violence during the 1930s. However, there are still a significant number of departments with no record of far-left violence.[4] Thus, it could still be the case that far-right support

[4]Fifty-three departments have a record of historic far-left violence compared to the thirty-one with a record of far-right violence.

was substantial in departments with no record of far-left, or far-right violence, but violent events did not occur due to a lack of far-left to generate conflict.

To partially address this concern, I restrict my analysis to the fifty-three departments with a history of far-left violence during the 1930s. Table C.3 presents the results of these regressions. The interaction between historic far-right support and increased unemployment is positive and similar in magnitude to my main results across each specification. Following the inclusion of time varying controls, it is also statistically significant (at the 10 percent level), both with and without the inclusion of region fixed effects. This finding suggests that the sign and significance of my main results is not driven solely by differences between departments with and without a publicly active far-left during the 1930s.

7.2 Alternate Explanations

Political scientists seeking to explain the reversal of fortunes for FN between 2007 and 2012 have highlighted several contributing factors. In this section, I discuss whether the most important of these may bias my main results.

Marine Le Pen. Following the disappointing results of the 2007 presidential and legislative elections, FN changed leadership for the first time in its almost fifty-year history. Jean-Marie Le Pen stepped down as party president at the end of 2010, and his daughter Marine won the race to replace him. The change in leadership undoubtedly softened the tone of FN's rhetoric (Shields, 2013). For instance, FN moved away from criticising ethic minorities directly and instead focused on a criticism of "cultural differences"; rather than denouncing Muslim immigrants, Marine Le Pen focused on the "islamisation" of France (Shields, 2013). However, despite this change in tone, there was no substantial shift in FN's policy agenda (Shields, 2013).

Whilst Marine Le Pen proved a popular leader and most likely increased overall

support for FN,[5] for the change in leadership to explain my results its positive would have to be correlated with both the location of historic far-right support and the increase in unemployment between 2007 and 2012, conditional on the covariates. This seems unlikely. Furthermore, as I show in Chapter 8, a similar interaction between economic shocks, historic support and FN support exists over different periods when Marine Le Pen was not leader of FN. This suggests that Marine Le Pen's leadership is not solely responsible for the interactive effect I observe.

Return of lost support. In the lead up to the 2007 presidential and legislative elections, Nicolas Sarkozy, then presidential candidate for the centre-right Union pour un mouvement populaire (UMP), launched an anti-immigration campaign promising to halve legal immigration and crack down on illegal immigration—a move seen by some as an attempt to gain support from far-right FN voters (Borrud, 2012). Shields (2010) suggests that Sarkozy's courting of the far-right was one of the major reasons FN's vote share fell to historic lows in 2007. Sarkozy and the UMP presented an electable alternative to FN, proposing similar, although much less drastic, policies on a key issue for many FN voters—immigration (Borrud, 2012). In turn, this theory suggests that Sarkozy's failure to deliver promised cuts to immigration meant much of the support he had gained in 2007 returned to FN in 2012 (Shields, 2013).

There are several reasons why the potential return of lost support does not explain my results. Firstly, for the movement of far-right support to the UMP to explain my main results, the pattern of lost and then returning support would have to be correlated with both the location of historic far-right support and the increase in unemployment between 2007 and 2012, conditional on the covariates. As with the effect of Marine Le Pen's leadership, this seems unlikely. Furthermore, as the results in Table B.1 demonstrate, the interaction between historic far-right support and

[5]In Marine Le Pen's 2012 presidential bid she achieved FN best ever result, finishing third with 17.9% of the first round vote. FN capitalised on the personal popularity of Marine by conducting the parliamentary campaign which followed closely on the heels of the presidential race, not under the party's name but under the personalised label of *Rassemblement bleu Marine*.

increased unemployment does not significantly predict the loss of votes for the UMP between 2007 and 2012.

Secondly, it is also not the case that FN drew increased support only from the UMP and Sarkozy in 2012. An extensive Ipsos poll carried out during the first round of the 2012 presidential election suggested that Marine Le Pen attracted support from a number of political camps: 13% of Sarkozy's electorate in 2007, 9% of Bayrou's centrist support and 6% of the centre-left Royal's electorate (Ipsos, 2012; Shields, 2013). Whilst this poll measured support during the presidential elections, a similar distribution of increased support during the legislative elections seems likely given the proximity and similarity of FN's campaign in the legislative and presidential elections.[6]

Thirdly, there is some evidence that support for FN was already in decline prior to the 2007 elections. In the 2002 legislative elections, FN received 11.34% of the overall vote, down 3.6% from the 1997 legislative elections (Kollman et al., 2019). This suggests that the record low FN vote in 2007 was potentially not solely the result of Sarkozy's policy shift in 2007.

Finally, the fact that a similar interaction is evident between different economic shocks over different periods suggests the UMP's shift to the right in 2007 is not solely responsible for the interactive effect I observe.

Voter abstention. The 2012 legislative elections saw record voter abstention rates, due in part to the elections' close proximity to the previous presidential election.[7] During the first round, voter turnout was 57.22%, a record low for French

[6]As previously mentioned, the parliamentary campaign was brief and for all parties essentially an extension of the presidential campaign (Shields, 2013). FN also capitalised on the personal popularity of Marine by conducting the parliamentary campaign under the personalised label of *Rassemblement bleu Marine*.

[7]The 2012 legislative elections' 1st and 2nd rounds took place on the 10th and 17th of June respectively. The 2012 presidential first round was held on the 22nd of April, with the second round

parliamentary elections and down from 60.42% in the first round of the 2007 legislative elections (Bamat, 2012; Ministère de l'Intérieur, 2012a,b). It is possible that high abstention rates helped FN achieve a greater share of the votes cast. However, as I directly control for the effect of changes in electoral turnout at the electoral district level, any such effect on FN support should not influence my results.

7.3 Robustness Tests

I report here a number of further robustness checks to my results. All tables and further details are in Appendix B and Appendix C.

One concern is that by examining the vote share for FN, I neglect to consider the decision to abstain or participate. In Table C.4, I show that the relationship between historic far-right support and increased unemployment is robust across specifications when the dependant variable is the change in the share of eligible voters, rather than the share of valid votes.

Another concern with my results is that the increase in support for FN in certain areas may be indicative of a general movement of support away from another party, rather than a specific increase in support for FN. To investigate this possibility, I examine how the vote share for four other major parties changed between 2007 and 2012 in Appendix B.2. As Table B.1 shows, the interaction between historic far-right support and the current increase in unemployment does not positively predict the vote share for other parties. I discuss these results further in Appendix B.2.

The spatial structure of my data presents another worry. As emphasised by Kelly (2019), ignoring the spatial structure of data can lead to incorrect standard errors and severely inflated t-statistics if the data is spatially correlated. In Appendix B.1, I discuss the robustness of my results to this possibility in depth. I show in

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run off held on the 5th of May.

Figure B.1 that my historic far-right variable is not significantly spatially correlated,[8] although the increase in unemployment and change in vote share for FN between 2007 and 2012 are. Furthermore, in Figure B.3 I show the results of several thousand regressions where I replace my main variables of interest with simulated spatially correlated noise variables. I find that the sign and significance of the interaction I observe in my results is rarely replicated when I replace my measure of historic far-right support with spatial noise. I also find that the interaction between increased unemployment and historic far-right activity rarely explains spatial noise patterns.

The linearity constraint imposed in my empirical specification may also cause some concern. As my primary interest is an interaction term, my results may be affected by uncontrolled for non-linearities between the interacted variables and support for FN. In Table C.8, I show that the interaction between historic far-right support and increased unemployment remains positive and comparable in magnitude after the inclusion of higher order terms. Without the inclusion of region fixed effects, the interaction remains statistically significant until quartic terms are included, after which it becomes marginally statistically insignificant (p-value = 0.112). When region fixed effects are included the interaction loses significance following the inclusion of cubic, or higher order terms. These results suggest that the interaction I observe is not merely the result of uncontrolled for non-linearities.

A further concern with my analysis is that there may be structural differences between departments where far-right groups were more or less active historically. In turn, this may bias my results if potential differences are correlated with the effect of increased unemployment on support for FN. To partially assess whether such differences may exist, Table B.2 presents a balance of covariates for several demographic and sector of employment variables in 2007. This balancing exercise highlights several significant differences, including the number of agricultural workers per-capita, the number of migrants per-capita, and department population in 2007.

[8]The Moran statistic is not large enough to reject the null hypothesis of spatial randomness.

However, I show in Table B.3 that controlling for these variables, and their interaction with unemployment does not significantly affect my results. Aside from department population and the share of residents aged over 60, none of the imbalanced variables in 2007 has a significant effect on the magnitude, or statistical significance of the interactive effect I observe. Furthermore, after the inclusion of controls for non-linear terms for unemployment and historic far-right activity, the effect of department population and the share of residents aged over 60 is negligible.[9]

Finally, I address a number of smaller issues raised throughout Chapter 5. I first check that my results are robust to using the raw number of historic far-right violent events, rather than relying on the number of events per-capita using 1968 population data (Table C.6). I also check that my results are robust to controlling for further interactions between my controls (Table C.7) and whether my results remain significant when I cluster my standard errors at the regional (NUTS-2 2013), rather than department level (Table C.5). In each case, the interaction between historic far-right support and increased unemployment remains positive and statistically significant across specifications.

[9]The magnitude of interaction decreases marginally and just loses statistical significance (p-value = 0.125 and 0.109 respectively), but this only represents a small fall compared to the previous results controlling for non-linearities in Table C.8.

Chapter 8

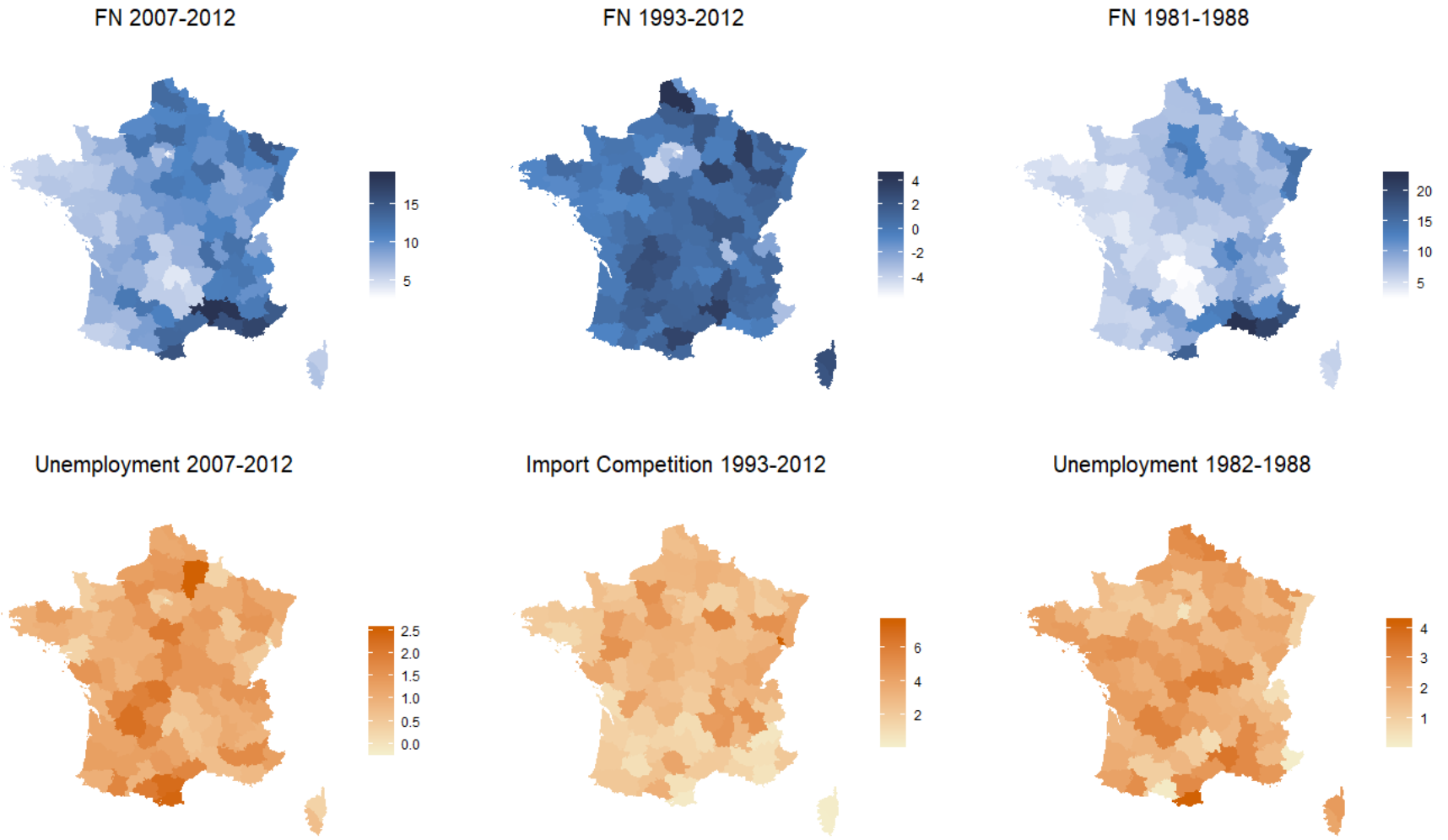
Cycles - Additional Shocks

This Chapter examines whether the interaction I observe between economic shocks and historic far-right support is unique to the period following the GFC, or if it represents a more general association between shocks and historic far-right support. This is an important question. If the interaction I observe is due to deep persistent cultural differences, then I would expect to see a cyclical pattern of behaviour, whereby a similar interaction exists following other economic shocks over different periods.

To investigate this question, I extend my analysis to examine two additional economic shocks. The first, rising import competition from China, has been widely cited as a determinant of populist and far-right support (e.g., Autor et al., 2016; Colantone and Stanig, 2018a; Malgouyres, 2017). The second, unemployment growth during the 1980s, has not been directly studied, but fits into the broader body of work which suggests that the economic insecurity associated with rising unemployment increases far-right and populist support (e.g., Algan et al., 2017; Dehdari, 2019).

These alternate shocks also act as a more general robustness test. As Figure 8.1 shows, the incidence of the three shocks and the corresponding change in support for FN varies significantly. Thus, observing a similar historic link will, in turn, support the interpretation that the interaction between historic support and current economic shocks is due to cultural, rather than structural factors.

Figure 8.1: Alternate Shocks and Support for FN

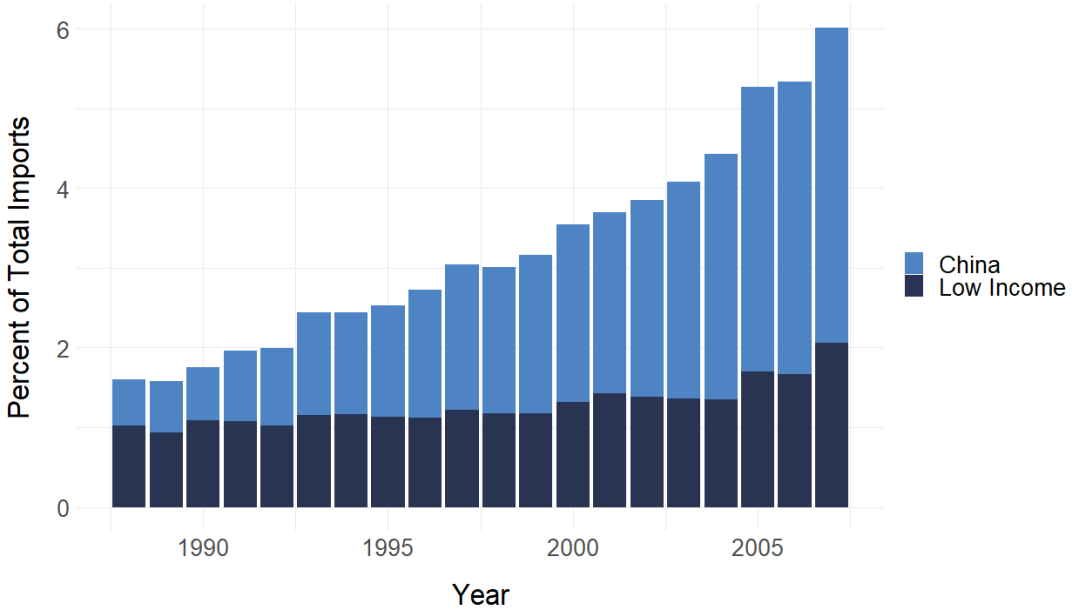


Notes: The two leftmost maps represent the percentage point change in FN support and the percentage point change in unemployment, both at the department level between 2007 and 2012. The central maps represent the import shock from China (described below) in 100's of (real) euros per worker and the percentage point change in FN support, both at the department level and between 1993 and 2012. Finally, the rightmost maps represent the percentage point change in FN support between 1981 and 1988 and the increase in unemployment between 1982 and 1988, both at the department level.

8.1 Import Competition From China

Background. Since the early 1990s, there has been a significant increase in trade between industrialised and low-income countries. China has played a significant role in this change. Its rapid rise as a global manufacturing powerhouse has significantly increased the volume of low cost manufactured goods imported by industrialised nations.

Figure 8.2: Import Growth from China



Notes: This graph shows the proportion of imports to France from China over time. Low-income countries defined in Table C.1 and import data is sourced from Eurostat-Comext (Eurostat, 2019b).

Figure 8.2 shows that while manufacturing imports from other low-income countries have also increased substantially in absolute terms, their share of total imports has remained almost constant between 1990 and 2007.[1] In contrast the share of manufactured imports from China has increased substantially. I discuss in greater depth the background of the import shock from China in Appendix D.1.

[1] A complete list of low income countries can be found in Table C.1.

Measurement. To derive an empirical measure of regional exposure to Chinese import competition, I follow the approach developed by Autor, Dorn, and Hanson (2013) and the implementation of Colantone and Stanig (2018b). Specifically, I measure the import shock for each department over the past t years as follows:

$$\text{ImportShock}_{rt} = \sum_{k} \frac{L_{rk(pre-sample)}}{L_{r(pre-sample)}} \cdot \frac{\Delta\text{IMPChina}_{kt}}{L_{k(pre-sample)}} \tag{8.1}$$

where r indexes departments, k industries in the manufacturing sector, and t years. $\Delta\text{IMPChina}_{kt}$ is the change in (real) imports from China to France over the past t years in industry k.[2] This is normalised by the total number of workers in the same industry in France at the beginning of the sample period, $L_{k(presample)}$. To calculate the department-specific trade shock, I take the weighted sum of the change in imports per worker across industries, where the weights are defined as the ratio of the number of workers in department r and industry k, $L_{rk(presample)}$, over the total number of workers in the department, $L_{r(presample)}$, both measured at the beginning of the sample period.

This measure has a simple and intuitive interpretation. Departments differ in their exposure to Chinese imports depending on their ex-ante industrial specialisation. For a given change in national-level imports per worker $\left(\frac{\Delta\text{IMPChina}_{kt}}{L_{k(pre-sample)}}\right)$, the import shock is stronger in departments where a larger share of workers were initially employed in industries which see larger increases in imports from China.

To address the potential endogeneity of the import shock with respect to support for FN, I also construct an instrument for the shock using the growth of imports from China to the United States in place of the growth of imports from China to France. This results in an instrument for the shock in each department over the past t years constructed as follows:

[2]The base year for deflating is 2015, so all values are in 2015 Euros.

$$\text{InstrumentImportShock}_{rt} = \sum_{k} \frac{L_{rk(pre-sample)}}{L_{r(pre-sample)}} \cdot \frac{\Delta\text{IMPChinaUSA}_{kt}}{L_{k(pre-sample)}} \tag{8.2}$$

The motivation for this instrument comes from the previous literature (e.g., Autor et al., 2013; Bloom et al., 2015; Colantone and Stanig, 2018a). Specifically, this approach is meant to capture the variation in Chinese imports due to exogenous changes in supply side conditions in China, rather than as a result of domestic factors that could be correlated with support for FN.

I discuss in greater detail the data collection required for the construction of the import shock in Appendix D.1.

To examine the effect of the import shock on support for FN, I look at the change in vote share for FN between the 1993 and 2012 legislative elections.[3] Here, I am motivated by Malgouyres (2017) who shows that the effect of import competition on support for FN over the period from 1995 to 2012, is significantly stronger during the late 2000s and early 2010s. Furthermore, between 1993 and 2012 the national vote share for FN was almost constant. FN won 12.58% of the first round vote in 1993 and 13.6% of the first round vote in 2012. However, as Figure 8.1 shows, there was still substantial variation in how support for FN evolved over this period. Thus, I am effectively looking at how import competition influenced the geography of support for FN.

Results. Table 8.1 presents the estimation of my main empirical specification in Equation (2), where the variable $\text{Shock}_{r(d)t}$ is now represented by ImportShock_{rt}. The vector $X_{r(d)t}$ includes the same time varying controls as in my main analysis,[4] but using changes between 1993 and 2012.

[3] I follow Colantone and Stanig (2018b) and measure the import shock from 1990 to 2007 to avoid capturing the effects of the GFC on global trade.

[4] Migration, education, total population, four age bracket dummies, voter turnout and an interaction between migration and historic far-right support. Summary statistics can be found in Appendix A.

The regression in Column (1) includes ImportShock$_{it}$ and Far-right^{1930s} as separate linear terms, as well as a vector of time varying controls $X_{d(c)t}$. Column (2) adds an interaction ImportShock$_{it}$ and Far-right^{1930s}. Column (3) mirrors the regression in Column (2), but examines the effect of the exogenous, supply side component of import competition using InstrumentImportShock$_{it}$ to instrument for ImportShock$_{it}$. Column (4) once again uses OLS, but adds controls for regions fixed effects for the 8 NUTS-1 (2013) regions of France. Finally, Column (5) mirrors the regression in Column (4), but again uses InstrumentImportShock$_{it}$ to instrument for ImportShock$_{it}$. Robust standard errors clustered at the department level are displayed in parenthesis under coefficient values.

Table 8.1: Import Competition

	Dept. var.: ΔFN vote share 1993-12				
	(1) (OLS)	(2) (OLS)	(3) (2SLS)	(4) (OLS)	(5) (2SLS)
Far-right^{1930s}	-0.068**	-0.138***	-0.157***	-0.153***	-0.170**
	(0.027)	(0.043)	(0.041)	(0.037)	(0.037)
Import	0.007**	0.005	0.007*	-0.000	0.001
	(0.003)	(0.003)	(0.004)	(0.004)	(0.004)
Far-right^{1930s} × Import		0.027**	0.033**	0.033***	0.039***
		(0.015)	(0.015)	(0.014)	(0.014)
Observations	516	516	516	516	516
R^2	0.356	0.362	0.360	0.392	0.391
Controls	Yes	Yes	Yes	Yes	Yes
Region FE	No	No	No	Yes	Yes

Notes: All regressions include a constant term. Robust standard errors clustered at the department level in parentheses. Controls match those in Table 6.1. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

The results of the five regressions in Table 8.1 are consistent with my main findings. In Column (1), the estimated effect of the import shock is positive and statistically significant (at the 5 percent level). Initially, this again appears to support the *economic norms theory*. However, the inclusion of an interaction term in Column

(2) changes the estimated effect of import competition. For districts in departments with no visible history of far-right activity (Far-right^{1930s} equal to zero), the effect of import competition on voting for FN is no longer significantly different from zero. At the same time, there is a positive and statistically significant interaction (at the 5 percent level) between import competition (Import) and historic far-right activity (Far-right^{1930s}).

In Columns (3)-(5), both following the inclusion of region fixed effects and using 2SLS, the interaction between import competition and historic far-right support remains positive and statistically significant. Furthermore, the size of the interactive effect is small, but not insignificant. Taking the more conservative estimates in Columns (2) and (3), the results imply that the positive effect of import competition on support for FN is 1.711 times larger in districts in the 75th percentile of historic far-right support, compared to districts in the 25th percentile of support.[5]

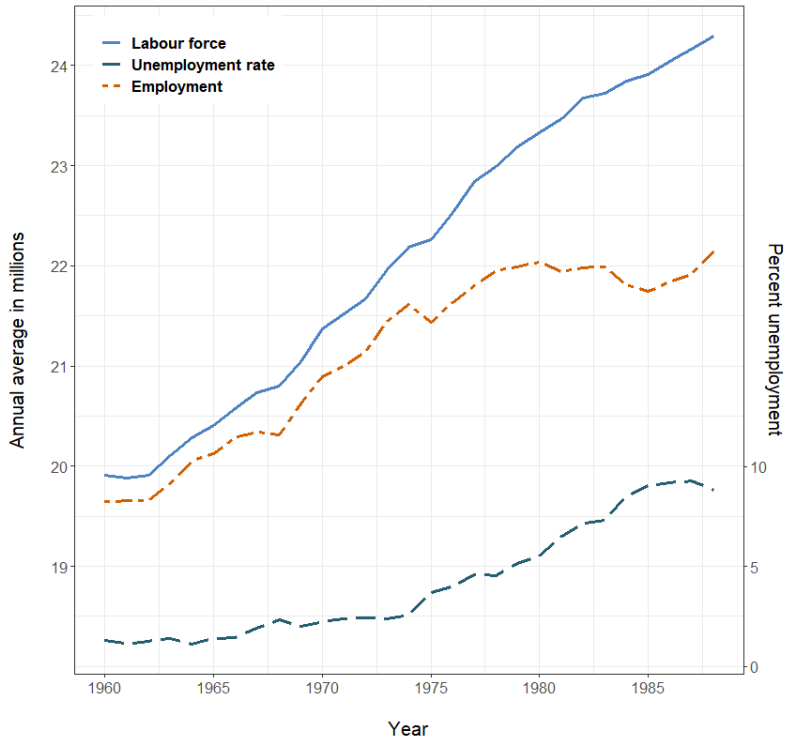
These results suggest that the *dormant values theory* once more provides the best explanation for how an economic shock (import competition) affects FN support. Import competition is associated with an increase in support for FN, but the effect is significantly greater in areas where far-right groups were more active historically. A pattern of voting behaviour which aligns with the mapping implied by the dormant values theory, i.e. the current change in support (β_{da}) occurs in areas with both a history of far-right support (β_{dh}) and affected by the economic shock (σ_d): $\beta_{da} = V(\beta_{dh}, \sigma_d) = \beta_{dh}\sigma_d$.

[5]The 75th percentile of historic support is Far-right^{1930s} = 0.15087 (events per 10 million), the 25th percentile is Far-right^{1930s} = 0. Therefore, the effect of one percentage point increase in unemployment on a district in 75th percentile is $0.15087 \times 0.033 + 0.007 = 0.01198 = 1.711 \times 0.007$, where 0.007 is the effect on the 25th percentile.

8.2 Unemployment Growth During the 1980s

Background. Beginning in the early 1960s, the size of the French labour force grew rapidly. The post-war baby boomers began to reach working age and changing attitudes towards working women saw female labour force participation double between 1968 (30 percent) and 1982 (60 percent) (Malinvaud, 1986).

Figure 8.3: French Labour Force



Notes: This graph shows the evolution of the unemployment rate, the size of the labour force, and the number of people employed in France, between 1960 and 1988. Labour force statistics are sourced from OECD (2019a,b,c).

As Figure 8.3 shows, initially the growth of the labour force was matched by a significant increase in employment, keeping unemployment stable. However, following the first international oil crisis of 1973, employment growth stagnated (Malinvaud, 1986). Despite labour productivity improving, output growth slowed as demand within France fell and the international competitiveness of French firms decreased (Malinvaud, 1986). What followed was almost a decade and a half of unemployment growth, from under 2.5% in 1973 to over 8.5% in 1988.

Over the same period, the far-right political landscape in France changed significantly. In 1972, a new far-right party emerged: Front National (FN). Throughout the 1970s, FN remained on the fringe of French politics, facing a national media boycott and failing to achieve electoral success (Shields, 2007). However, from the early 1980s, FN witnessed a substantial increase in support. In the 1984 European elections, FN won 11.2% of the national vote, whilst between the 1981 and 1988 legislative elections, FN's vote share grew from 0.36% to 9.66% (Kollman et al., 2019). FN's success was aided by the lifting of a national media boycott in January of 1984 and by alliances with centre right parties in some areas (Shields, 2007). Poor economic conditions also created political instability as the Socialist government dramatically changed economic policy direction. In 1983, immediately prior to FN's breakout in the 1984 European elections, President François Mitterrand performed an abrupt about face, moving from Keynesian economic program to a drastic series of austerity measures (Birch, 2015). State expenditures where slashed, taxes increased, and wages de-indexed from prices (Birch, 2015).

Measurement. To examine the effect of increased unemployment on support for FN, I use the change in support for FN between the 1981 and 1988 legislative elections. Between these two elections support for FN increased substantially, from 0.2% to 9.6%.[6] I again source electoral data from the Constituency Level Elections Archive (Kollman et al., 2019).

To measure the impact of increased unemployment during the 1980s on FN support, I use the change in unemployment at the department level between the first quarter of 1982 and second quarter of 1988. I use the change from 1982, rather than 1981 as the data I have access to from INSEE only goes back as far as the first quarter of 1982 at the department level (INSEE, 2019).

[6]Support for FN initially increased in the 1986 legislative elections, but as proportional representation was used in 1986 results are only available at the department level. As there was a similar increase in support between 1981 and 1988, I use it in place.

Results. Table 8.2 presents the estimation of my main specification, Equation (2). $\text{Shock}_{r(d)t}$ is now the increase in unemployment at the department level between 1982 and 1988. $X_{r(d)t}$ includes the same time varying controls as in my main analysis,[7] but using changes between 1981 and 1988.[8]

The regression in Column (1) includes increased unemployment between 1982 and 1988 (Unemploy) and historic far-right activity (Far-right^{1930s}) as separate linear terms. Column (2) adds an interaction between the two. Column (3) adds a vector of time varying controls. Finally, Column (4) includes regions fixed effects for the 8 NUTS-1 (2013) regions of France. Robust standard errors clustered at the department level are displayed in parenthesis under coefficient values.

Table 8.2: Unemployment in the 1980s

	Dept. var.: ΔFN vote share 1981-88			
	(1)	(2)	(3)	(4)
Far-right^{1930s}	0.030	0.194**	-0.105	-0.139**
	(0.029)	(0.075)	(0.067)	(0.054)
Unemploy	0.001	0.010	0.004	0.009**
	(0.009)	(0.009)	(0.005)	(0.004)
Far-right^{1930s} × Unemploy		-0.079**	0.051*	0.061**
		(0.035)	(0.031)	(0.024)
Observations	470	470	470	470
R^2	0.001	0.043	0.553	0.636
Controls	No	No	Yes	Yes
Region FE	No	No	No	Yes

Notes: OLS regressions. All regressions include a constant term. Robust standard errors clustered at the department level in parentheses. Controls include those outlined in Section 6.1. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

[7]Migration, education, total population, four age bracket dummies, voter turnout and an interaction between migration and historic far-right support.

[8]For census data, I use changes between the 1982 and 1990 French censuses. Summary statistics can be found in Appendix A.

The results presented in Table 8.1 initially appear mixed, but with the inclusion of time varying controls and region fixed effects, they too support my main findings. In Column (1), the estimated effect of the unemployment is positive but statistically insignificant. The inclusion of an interaction term in Column (2) once more changes the estimated effect of unemployment, but in contrast to my previous findings, the estimated interactive effect is negative and statistically significant (at the 5 percent level). This would appear to fly in the face of my *dormant values theory*. However, the inclusion of time varying controls and region fixed effects in Columns (3) and (4) changes the estimated sign of interaction between unemployment and historic far-right support. It is once more positive and statistically significant (at the 10 and 5 percent level respectively). The results in my preferred specification, Column (4), imply that the effect of unemployment on support for FN is 2.023 times larger in constituencies in the 75th percentile of historic far-right support, compared to constituencies in the 25th percentile of support.[9]

These results suggest that the *dormant values theory* provides the best explanation of how an economic shock (increased unemployment) affects FN support. Unemployment is associated with an increase in support for FN, but the effect is substantially stronger in areas where far-right groups were more active historically. A pattern of voter behaviour which aligns with the mapping implied by the *dormant values theory*. The current change in support (β_{da}) occurs in areas with both a history of far-right support (β_{dh}) and affected by the economic shock (σ_d): $\beta_{da} = V(\beta_{dh}, \sigma_d) = \beta_{dh}\sigma_d$.

Together with my findings regarding the effect of import competition, these results support a pattern of cyclical behaviour, whereby economic shocks contribute to the resurgence of far-right support in areas where far-right groups were more active historically.

[9]The 75th percentile of historic support is Far-right^{1930s} = 0.15087 (events per 10 million), the 25th percentile is Far-right^{1930s} = 0. Therefore, the effect of one percentage point increase in unemployment on a district in 75th percentile is $0.15087 \times 0.061 + 0.009 = 0.018203 = 2.023 \times 0.009$, where 0.009 is the effect on the 25th percentile.

Chapter 9

Limitations

In this Chapter, I highlight several limitations which should be considered when interpreting my results. First and foremost, the relationship I observe between historic far-right activity, economic shocks, and voting for FN, should be interpreted for what it is: a statistical association conditional on my controls, and not a causal link. As I lack an exogenous source of variation in historic far-right support, it is possible that the relationship I uncover is due to unaccounted for structural factors which are correlated with both historic far-right violence and how increased unemployment impacts support for FN. Future research could significantly improve upon my work by identifying an exogenous source of variation in historic far-right support.

A second limitation of my work is the accuracy and granularity of my data. The most significant issue in this respect comes from my proxy for historic far-right support: violent events involving far-right groups during the 1930s. Whilst I argue that this acts as a suitable proxy for support, it is still possible that it may not accurately reflect actual support. I perform several robustness checks in Chapter 7 to test for the possibility that measurement error in historic support may bias my results. However, I can not test for every potential source of bias, and it is still the case that what I measure is an association with historic far-right violence rather than necessarily support.

A further data limitation arises from the level at which I observe the majority of my variables. My electoral data is sourced at the district level, however, I measure my

primary variables of interest at the department level.[1] I cluster my standard errors at the department level to adjust for this fact, but the higher level of observation means I cannot examine within department variation for these variables. Furthermore, some of the variables I source from IPUMS are measured at the yet higher NUTS-2 (2013) level.[2] I test the robustness of my results to clustering my standard errors at the higher NUTS-2 level in Chapter 7, but the higher level of observation once more reduces the variation I can account for. A future improvement to my work could be made by obtaining lower level census data, and by accessing more granular data on employment to better measure the incidence of economic shocks.[3]

A final significant limitation of my work is my reliance on Ordinary Least Squares (OLS). OLS fails to take into account the spatial structure of my data, which may mean that the standard errors I report are incorrect. In Appendix B.1, I show that my historic measure of far-right support is not significantly spatially correlated and that my results are rarely either outperformed by spatial noise, or significantly predict spatial noise patterns. However, my analysis could be improved by using a spatial model to better account for potential spatial correlation within my data. Yet, whilst I am almost certain a shapefile for the legislative electoral districts in France exists,[4] I have not been able to locate one. This has prevented me from creating a spatial weights matrix, and in turn using a spatial model in my analysis. I leave this extension to future research.

[1]There are 542 electoral districts (constituencies) in metropolitan France compared to 96 departments in 2012.

[2]There are 22 NUTS-2 (2013) regions in metropolitan France, as opposed to 96 departments, which also represent the NUTS-3 (2013) regions.

[3]For instance, Malgouyres (2017) uses detailed municipality level data from the Déclaration annuelle de données sociales (DADS) dataset. DADS is an exhaustive matched employer-employee administrative dataset containing information for all employees of the non-farm private sector in France. However, access to DADS requires authorisation from France's Comité du secret statistique, a non-trivial process.

[4]A shapefile is a vector data storage format for storing the location, shape, and attributes of geographic features. In Appendix B.1 I use a spatial weights matrix for only departments.

Chapter 10

Conclusion

In seeking to explain the resurgence of far-right populism, I find that historic far-right support is an important consideration. Examining the effect of increased unemployment following the GFC on support for the far-right French political party FN, my results align with a theory in which deep persistent cultural values alter how economic shocks affect far-right support. The effect of increased unemployment on support for FN is substantially stronger in areas where far-right groups were more active historically. Moreover, examining alternate economic shocks over different time periods, I find support for a pattern of cyclical behaviour, whereby economic shocks contribute to the repeated resurgence of far-right support in areas with a history of far-right activity.

My research has potentially important implications regarding the literature on the political economy of far-right and populist support. Much of the recent work in this area has focused on the impact that negative economic shocks can have on support for far-right and populist parties (e.g., Algan et al., 2017; Colantone and Stanig, 2018a,b; Dehdari, 2019; Malgouyres, 2017). However, little attention has been paid to the potential interaction between economic and cultural factors. In this respect, my findings suggest that pre-existing deep cultural differences are an important consideration when analysing the effect of economic shocks on far-right support.

More broadly, my research adds to the small but growing body of literature which argues that culture may persist unobserved for long periods of time, until it is "activated" by current events (e.g., Cantoni et al., 2019; Fouka and Voth, 2016;

Ochsner and Rösel, 2017). To date, the existing research in this area has focused on relatively homogenous non-economic shocks. My work add to this literature by suggesting that changes in local economic conditions can "activate" culture.

Finally, my thesis may help to inform a discussion as to how culture is transmitted, how it may resurge, and whether the idea of cycles of behaviour is a valid model through which to view the persistence of certain cultural traits. Here, further research is needed to examine whether a similar deep relationship exists with far-right support in other countries, and whether a similar pattern of behaviour exists between other cultural traits and different "activating" shocks.

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Appendix A

Descriptive Statistics - Alternate Shocks

Table A.1: Descriptive Statistics - 1993-2012

	Obs	Mean	Std. Dev.	Min.	Max.
Dependent Variables					
FN vote share	519	0.011	0.048	-0.201	0.294
Independent Variables					
Far-right^{1930s}	541	0.119	0.155	0.000	0.657
ImportShock$_{rt}$	541	2.671	1.099	0.239	7.544
InstrumentImportShock$_{rt}$	541	31.029	11.276	4.112	66.971
Education	541	20.007	1.933	16.796	24.622
Population	541	0.108	0.083	-0.093	0.318
Turnout % of eligible	519	-0.105	0.035	-0.296	0.012
Migration	541	1.725	1.826	-2.079	4.457
Age % 0-18	541	-3.069	1.423	-5.424	-0.957
Age % 18-35	541	-2.960	0.618	-4.449	-1.828
Age % 35-60	541	2.595	0.876	1.340	4.007
Age % 60+	541	3.434	1.178	0.758	6.305

Notes: All variables, except Far-right^{1930s}, represent the change between 1993 and 2012. For Education, Population, Migration and Age, I use the change between the 1990 and 2011 population Censuses.

Table A.2: Descriptive Statistics - 1981-1988

	Obs	Mean	Std. Dev.	Min.	Max.
Dependent Variables					
FN vote share	470	0.096	0.047	0.007	0.327
Independent Variables					
Far-right^{1930s}	470	0.119	0.155	0.000	0.657
Unemployment	470	2.113	0.742	0.100	4.200
Education	470	0.083	0.006	0.072	0.098
Population	470	0.036	0.046	-0.062	0.215
Turnout % of eligible	470	-0.049	0.040	-0.196	0.095
Migration	470	-0.002	0.009	-0.028	0.009
Age % 0-18	470	-0.022	0.008	-0.033	-0.008
Age % 18-35	470	-0.010	0.004	-0.017	-0.001
Age % 35-60	470	0.017	0.005	0.008	0.026
Age % 60+	470	0.015	0.008	0.001	0.028

Notes: All variables, except Far-right^{1930s}, represent the change between 1981 and 1988. For Education, Population, Migration and Age, I use the change between the 1982 and 1990 population Censuses.

Appendix B

Robustness Tests

B.1 Spatial Correlation

A potential issue with my main results is that they ignore the spatial structure of my data. As recently highlighted by Kelly (2019), ignoring the spatial structure of data may lead to incorrect standard errors and t-statistics which are significantly inflated if data is spatially clustered (positively spatially correlated). In light of this potential issue, I perform two robustness checks. First, I calculate the Moran statistic (Moran's I) to test for spatial autocorrelation in my primary variables of interest.[1] This should highlight whether the spatial structure of my data may be a cause for concern. Second, I run a series of simulations replacing, in turn, my outcome variable (change in vote share for FN between 2007 and 2012) and my main independent variable of interest (historic far-right activity) with spatially correlated noise. Comparing the results of these noise regressions to my main results will help gauge the likelihood that the sign and significance of my results is due to spatial correlation.

Moran statistic. The Moran statistic, or Moran's I statistic, is a measure of spatial autocorrelation. Positive and significant values of Moran's I indicate a variable is spatially clustered (positively spatially correlated), whilst negative and

[1] Spatial autocorrelation refers to whether objects correlate with other nearby objects across a spatial area. Positive autocorrelation occurs when many similar values are located near each other (e.g. high near high, low near low), while negative correlation occurs when very different values are located near each other.

significant values of Moran's I indicate a variables is spatially dispersed (negatively spatially correlated). Moran's I statistic is defined as

$$I = \frac{n}{S_0} \frac{\sum_{i=1}^{n} \sum_{j=1}^{n} w_{i,j} z_i z_j}{\sum_{i=1}^{n} z_i^2}$$

where z_i is the deviation of a variable value for region i from its mean $(x_i - \bar{X})$, $w_{i,j}$ is the spatial weight between regions i and j, and n is equal to the total number of regions. S_0 is the aggregate of the spatial weights, defined as

$$S_0 = \sum_{i=1}^{n} \sum_{j=1}^{n} w_{i,j}$$

The z_I-score for the statistic is computed as

$$z_I = \frac{I - \mathrm{E}[I]}{\sqrt{\mathrm{V}[I]}}$$

where

$$\mathrm{E}[I] = -\frac{1}{n-1}$$
$$\mathrm{V}[I] = \mathrm{E}[I^2] - \mathrm{E}[I]^2$$

To calculate Moran's I, I first construct a spatial weights matrix for the departments of France. For this purpose, I use a simple binary adjacency matrix. Adjacent departments are given a weight of one, whilst others are given a weight of zero. I then use row standardisation to create proportional weights because/as departments have an unequal number of adjacent neighbours. Row-standardisation takes the given weights w_{ij} (e.g, the binary zero-one weights) and divides them by the row sum:

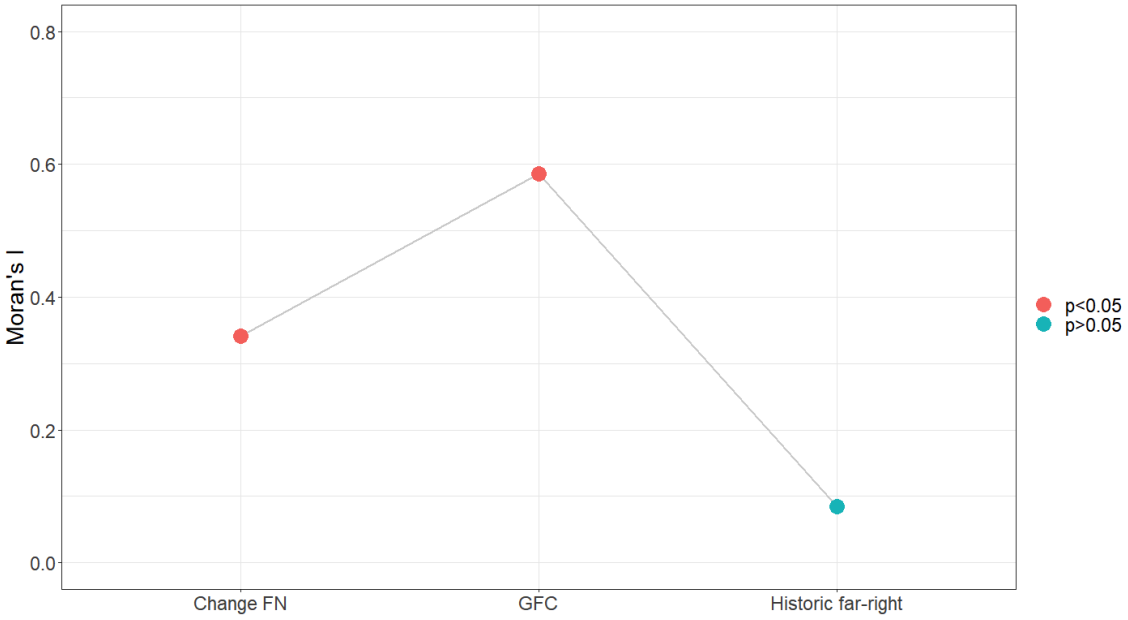
$$w_{ij} = \frac{w_{ij}}{\sum_j w_{ij}}$$

As a result, each row sum of the row-standardised weights equals one and the sum

of all weights, $S_0 = \sum_i \sum_j w_{ij}$, equals n.[2]

Having created the spatial weights matrix, I use it to calculate Moran's I for the change in unemployment between 2007 and 2012 (GFC), my proxy for historic far-right support (Historic far-right) and the change in FN vote share aggregated to the department level (Change FN).[3] These three Moran statistics are reported, along with their significance at the 5 percent level, in Figure B.1 below.

Figure B.1: Moran's I



Notes: Red dots indicate the Moran statistic is statistically significant, whilst turquoise indicates that the Moran statistic is statistically insignificant. As all three statistics are positive, this is effectively a test for whether each variable is positively spatially correlated (clumping).

The results presented in Figure B.1 show that both the change in unemployment following the GFC and the change in vote share for FN are significantly spatially correlated. For both variables, the Moran statistic is positive, indicating positive

[2]This is true if, as in my case, there are no isolated regions, i.e. those without adjacent neighbours.

[3]Note the aggregated vote share for FN is not what I use in my main analysis, but I use it here as a guide.

correlation (clustering) and the size of the associated p-value rejects the null hypothesis of spatial randomness. In contrast, I fail to reject the null hypothesis of spatial randomness for historic far-right support. Despite a positive Moran statistic potentially suggesting some degree of spatial correlation, any correlation present is not significant. The fact historic far-right support is not significantly spatially correlated is a positive sign that my main finding, i.e. the significance of the interaction between historic far-right support and increased unemployment following the GFC, is not simply due to regressing spatially correlated variables on one another.

Spatial noise simulations. As a second robustness check I replace, in turn, my main variables of interest with artificial, spatially correlated noise. I then compare these results to those presented in Table 6.1 to assess how often spatial noise outperforms my results. I do this in two ways. First, I replace my historic explanatory variable (Far-right^{1930s}) with positively spatially correlated noise and compare how the sign and statistical significance of the interaction between spatially correlated noise and increased unemployment compares to the interactive effect I observe in my main results. I then change things around and use noise in place of my dependent variable, the change in vote share for FN between 2007 and 2012, and see how how often I observe a positive and statistically significant interaction between historic far-right support (Far-right^{1930s}) and increased unemployment when trying to explain what these variables should not be able to explain (spatial noise).

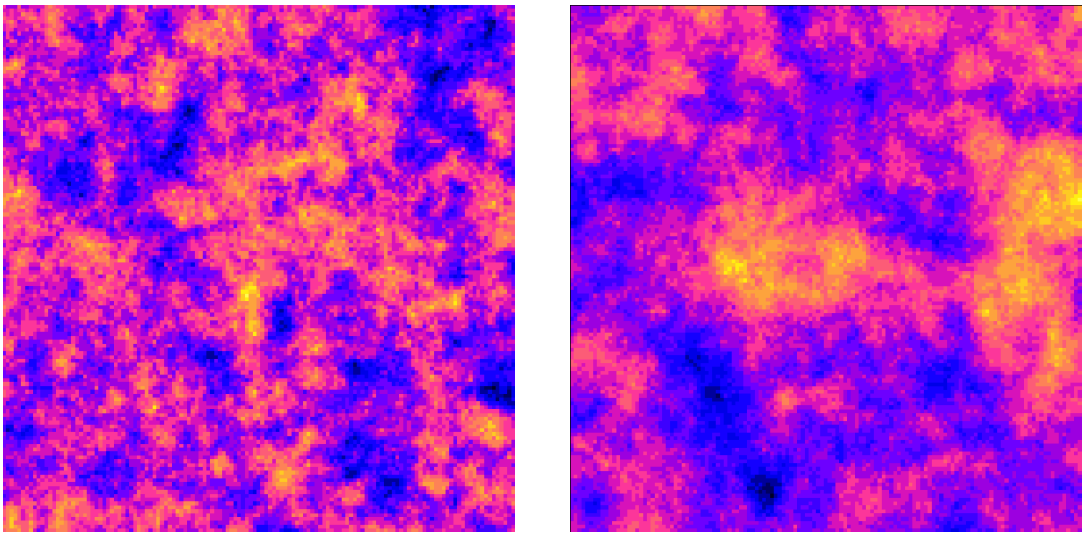
In order to run these regressions, I first generate spatially correlated random fields from which I obtain my spatially correlated variable at the department level. For this purpose I use `R`'s `gstat` package which implements unconditional Gaussian simulation to produce spatially correlated random fields. With Gaussian simulation, the distribution of values at a particular coordinate is Gaussian, with a mean and variance equal to the kriged mean and variance.[4] In each simulation, I set the kriged

[4] `gstat` uses simple kriging to estimate spatial fields with a given mean and variance. For fur-

mean and variance to be equal to the variable mean and variance being replaced by noise. I generate spatially correlated random fields with the range parameter set, in turn, to five and fifteen. Increasing the range parameter in this way generates coarser spatially correlated noise, as shown in Figure B.2.

From these noise simulations, I obtain a department level spatially correlated variable by plotting the departments of France on the same grid on which the noise is generated. I then take the grid location for the centre of mass of each department and assign the department the artificial noise value corresponding with that location. This is a somewhat rough method and an improvement here could be made by assigning departments the average noise value in the area they cover, rather than taking one value at the centre of mass. However, I leave this more complex implementation for future research.

Figure B.2: Examples of Spatially Correlated Noise



Notes: Areas with high values are coloured yellow and those with low values blue. The spatially correlated random field on the left uses a range of five in `gstat` simulation, whilst the image on the right uses a range of fifteen, which obtains a coarser spatial correlation.

ther information see the `gstat` help page: `https://cran.r-project.org/web/packages/gstat/gstat.pdf`

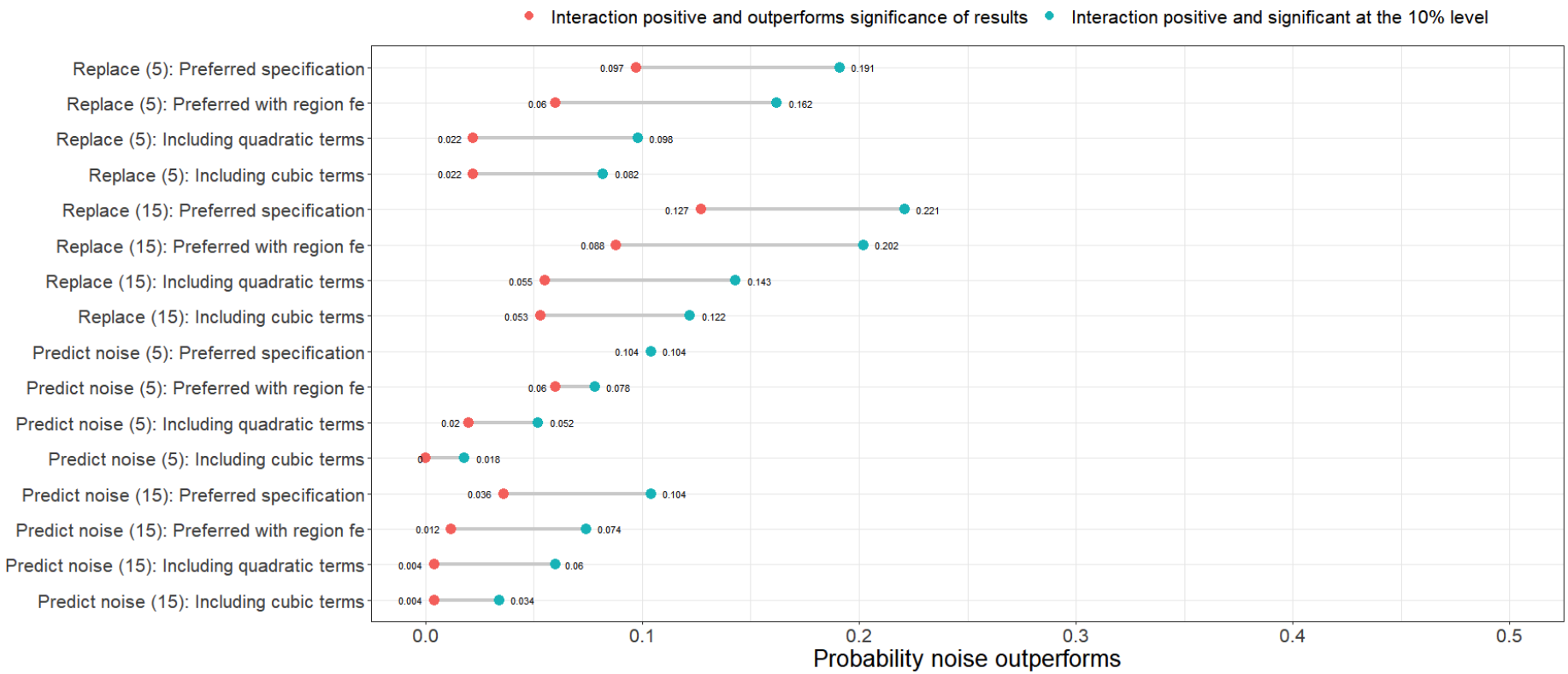
I repeat this simulation process until I have generated two sets of one thousand spatially correlated random fields.[5] One set with the simulated mean and variance approximately equal to that of the variable Far-right^{1930s} and the other with mean and variance approximately equal to that of the change in FN vote share at the department level. I then use these spatially correlated random fields to create one thousand different artificial noise variables to replace historic far-right support and the change in FN vote share at the department level. With these variables, I re-run several regressions in my original analysis replacing, in turn, my proxy for historic far-right support (Far-right^{1930s}), and the change in vote share for FN.

I rerun more than just my preferred specification because I argue that the positive and significant interaction I observe in my main results is not interesting because I observe it in one specification *per se*, but rather because it is robust to several sensible robustness checks. Thus, a comparison of the results of one regression would not accurately capture the likelihood that my results are due to spatial correlation. Instead a comparison of the performance of spatially correlated noise and my results across several regressions is more informative. The regressions I choose to rerun are my preferred specification (Column (4) in Table 6.1), my preferred specification without region fixed effects (Column (3) in Table 6.1) and two robustness regressions controlling for non-linearities in the effect of increased unemployment (GFC) and historic far-right support (Far-right^{1930s}) (or spatial noise in regressions where it is replaced).

Figure B.3 reports the results of these regressions incorporating simulated spatial noise. The first eight rows represent the results of regressions where I replace my measure of historic far-right support (Far-right^{1930s}) with spatially correlated noise: indicated by "Replace" at the beginning of the line. The last eight rows report the

[5]Note I generate one thousand spatially correlated random fields for ranges of both 5 and 15 (coarser spatial correlation). Effectively I generate two sets of two sets of one thousand spatially correlated random fields.

Figure B.3: Spatial Noise Simulations



Notes: The terms "Replace" or "Predict noise" refer to whether the results in a certain row refer to regressions where I *Replace* Far-right^{1930s} with spatially correlated noise, or regressions where I see whether my results *Predict* spatially correlated noise. The number in brackets (either 5 or 15) refers to the coarseness of the artificial spatially correlated variable used in each regression (see Figure B.2).

results of regressions where I replace my dependent variable (the change in vote share for FN) with spatially correlated noise: indicated by "Predict noise". In the following bracket, I indicate the coarseness of the correlation of the spatial noise variables used in each set of regressions: 15 is coarser than 5 (for reference see Figure B.2 above). What results is four sets of regressions, each using a different set of one thousand simulated spatial noise variables: Replace (5), Replace (15), Predict noise (5), and Predict noise (15). Within each set, I run the four regressions described above one thousand times and report the proportion of the time the interaction between historic far-right support (or noise when replaced) and the increase in unemployment is a positive and statistically significant predictor of the change in vote share for FN (or noise when predicting noise).

The results of the regressions reported in Figure B.3 support the validity of my main results. Firstly, when I replace my measure of historic far-right support (Far-right^{1930s}) with spatially correlated noise, the interaction between noise and increased unemployment only outperforms my results across the four regressions between 2.2% and 5.3% of time (dependant on the coarseness of the spatial correlation in the noise variable). Whilst this is not a negligible proportion of the time, it is important to note that in these regressions I am effectively creating a problem which did not previously exist. I am replacing my historic measure of far-right activity, which is not significantly spatially correlated, with a variable which is highly spatially correlated.

Secondly, when I replace my dependant variable, the change in vote share for FN, with spatially correlated noise, the interaction between historic far-right support (Far-right^{1930s}) and increased unemployment only outperforms my results across the four regressions between 0% and 0.4% of the time. Very rarely does the interaction between the two explain something it should not be able to, with the same consistency as in my main results. This test is particularly informative as the change in vote share for FN is positively spatially correlated. Thus, this result suggests that the reason I observe the relationship I do is unlikely to be solely the result of spatial

correlation.

B.2 Placebo Parties

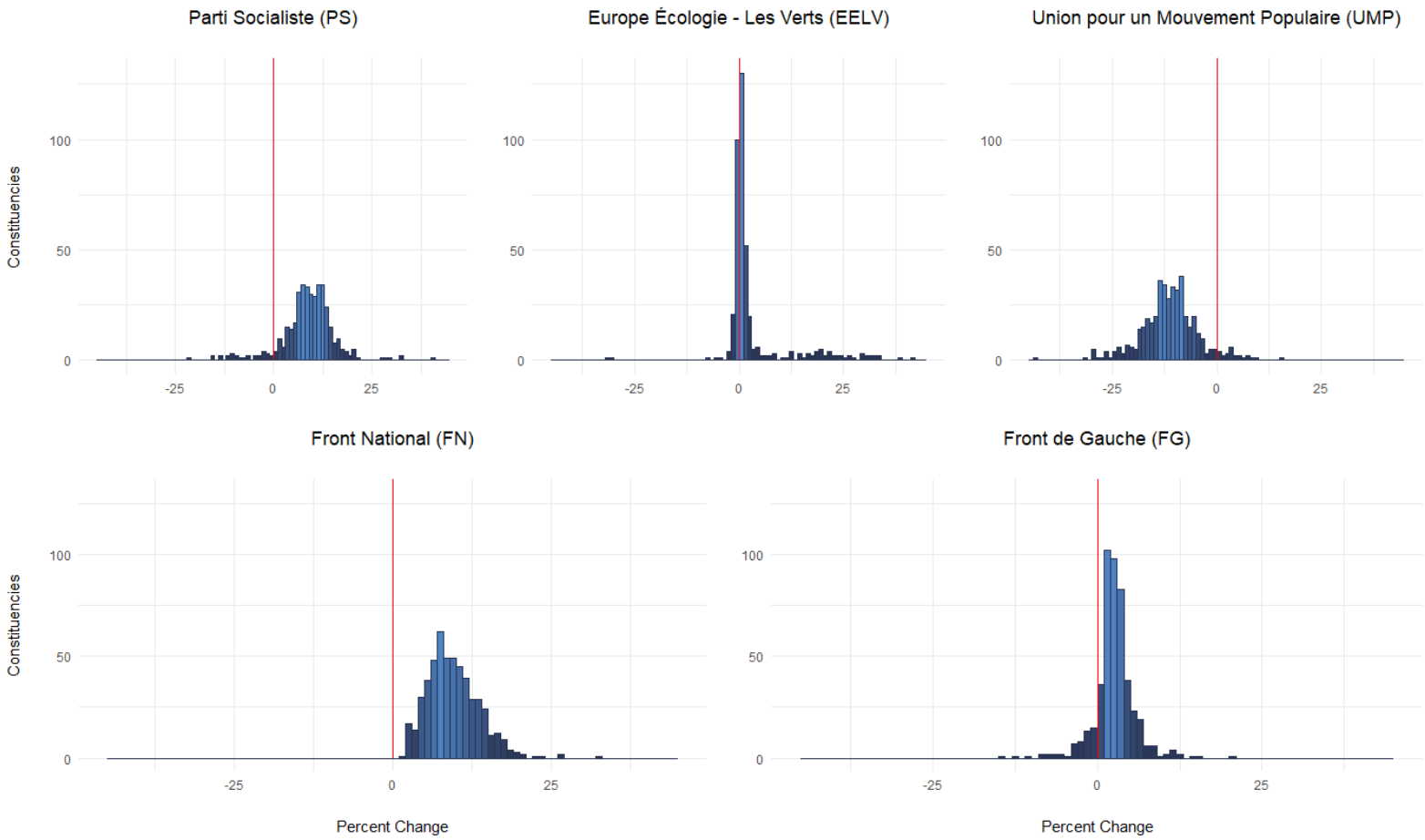
A potential concern with my main results is that support for FN may have changed for reasons other than an increase in the underlying demand for far-right politics. One possibility is that support for FN may have increased due to a general movement of support away from another party in certain areas. For instance, support for the centre-right UMP decreased significantly between 2007 and 2012. It may be that this movement of support away from the UMP to other parties was strongest in areas with a history of far-right activity and where unemployment increased. In turn this could lead to a positive and statistically significant interactive effect similar to the one I observe for a number parties in such areas.

To assess whether this may be the case, I examine how the vote share for four other major parties changed between 2007 and 2012. Doing so adds robustness to my main results if I do not observe a positive and significant interaction between increased unemployment and historic far-right support when predicting how support for other parties changed. In other words, this serves as a placebo test of the alternate hypothesis that the increase in vote share for FN was due to a general movement of support away from another party.

Of the parties I examine, three are left-wing, all of whom saw an overall increase in support between 2007 and 2012: the Parti Socialiste (PS), Europe Écologie - Les Verts (EELV) and the Front de Gauche (FG).[6] The fourth party I examine is the main centre-right party of the time, the Union pour un Mouvement Populaire (UMP), which saw a significant decrease in support. Furthermore, as Figure B.4 shows, aside from the EELV, each of these parties saw predominantly either gains or losses in all electoral constituencies they contested in both elections.

[6]FG was formed in 2009 as a combination of the French Communist Party (PCF) and defectors from PS, under the leadership of former PS left faction leader, Jean-Luc Mélenchon. I use the change in vote share from the PCF in 2007 to FG in 2012 as a measure of the increase in support.

Figure B.4: Change in Vote Share



Notes: This figure displays the distribution of the vote share change (in percentage points) for each of the four placebo parties, as well as FN, between 2007 and 2012. For most, bar EELV, the distribution of the change is either largely positive, e.g., for PS, FN, and FG, or largely negative, UMP.

The results of this placebo exercise are presented in Table B.1. The interaction between historic far-right activity (Far-right^{1930s}) and increased unemployment (GFC) is not statistically significant when predicting the change in support for the PS, EELV or UMP. But there is a negative and statistically significant interaction between the two when predicting the vote share for the left-wing to far-left FG.[7]

Table B.1: Placebo Parties

	Dept. var.: Δ vote share 2007-12			
	(1) (PS)	(2) (EELV)	(3) (FG)	(4) (UMP)
Far-right^{1930s}	0.007	0.179	0.036**	0.063
	(0.072)	(0.115)	(0.018)	(0.049)
GFC	-0.004	0.003	0.002	-0.007
	(0.013)	(0.012)	(0.003)	(0.008)
Far-right^{1930s} $\times$ GFC	-0.006	-0.022	-0.041***	-0.014
	0.032	(0.038)	(0.008)	(0.025)
Observations	400	404	478	445
R^2	0.125	0.050	0.128	0.084
Controls	Yes	Yes	Yes	Yes
Region FE	Yes	Yes	Yes	Yes

Notes: OLS regressions. All regressions include a constant term. Robust standard errors clustered at the department level in parentheses. Controls include those outlined in Section 6.2. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

My interpretation of this negative interactive effect is not as a movement of support away from FG in these areas, but rather a smaller increase in support. As Figure B.4 highlights, support for FG increased in almost all constituencies it contested in both 2007 and 2012.[8] Thus, an interpretation as a smaller increase, rather than a decrease in support better fits this fact. In many ways, this is not an overly surprising result. In areas where the far-right was historically active, unemployment increases far-right support more and far-left support less.

[7]There is some debate as to whether FG was far-left in 2012, but it was certainly the furthest left of the mainstream political parties of the time.

[8]Again note I am using the vote share for the French Communist Party in 2007, which FG was largely formed out of.

Taken together, the results of this placebo exercise support my main results. They suggest that the increase in support for FN was not driven by a general movement of support away from one or more parties to a number of other parties.

B.3 Balance of Covariates

Table B.2: Balance of Covariates 2007

	Obs	Sample mean	Far-right mean	Other mean	Diff in Means	t-stat
Population 10,000's	96	64.3700	99.8920	47.4281	52.4639	4.669***
Education	96	0.4975	0.4971	0.4977	-0.0006	-0.0915
Migrants	96	0.1091	0.1258	0.1011	0.0247	1.8343*
Age 0-18 %	96	0.2443	0.2530	0.2402	0.0128	4.2096***
Age 18-35 %	96	0.1976	0.2059	0.1937	0.0122	3.4395***
Age 35-60 %	96	0.3399	0.3400	0.3399	0.0002	0.16918
Age 60+ %	96	0.2181	0.2010	0.2263	-0.0253	-4.3235***
Increase in unemploy 2007-2012	96	1.1323	1.035	1.1785	-0.1430	-1.2339
NA5:TAZ- Agriculture	96	0.0107	0.0062	0.0129	-0.0067	-2.0945**
NA5:TBE- Industrie	96	0.1534	0.1009	0.1788	-0.0779	-1.5388
NA5:TFZ- Construction	96	0.0625	0.0417	0.0725	-0.0309	-1.5615
NA5:TGU- Tertiaire marchand	96	0.4025	0.2895	0.4572	-0.1677	-1.3061
NA5:TOQ- Tertiaire nonmarchand	96	0.3049	0.2064	0.3527	-0.1462	-1.5341

Notes: Age, Education and Migrant data come from the 2006 population census. I also include controls for the number of workers employed in each NA5 sector of activity per-capita. The far-right mean of each variable comes from the thirty-one departments with visible far-right violence during the 1930s.

Table B.3: Controlling for Pre-Shock Imbalances

	Dept. var.: ΔFN vote share 2007-2012							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Far-right^{1930s}	-0.089**	-0.094**	-0.101**	-0.069	-0.071	-0.054	-0.173*	-0.152
	(0.041)	(0.044)	(0.044)	(0.044)	(0.047)	(0.040)	(0.098)	(0.094)
GFC	-0.010	0.011	0.062	-0.119**	0.078	-0.003	0.047	0.048
	(0.010)	(0.008)	(0.110)	(0.058)	(0.050)	(0.008)	(0.053)	(0.048)
Far-right^{1930s} × GFC	0.061***	0.068**	0.074**	0.048*	0.049	0.034	0.057	0.050
	(0.023)	(0.027)	(0.028)	(0.027)	(0.031)	(0.027)	(0.035)	(0.032)
Migrants	-0.167*							
	(0.094)							
Migrants × GFC	0.166**							
	(0.077)							
Agriculture		0.266*						
		(0.145)						
Agriculture × GFC		-0.192						
		(0.203)						
Age 0-18 %			0.484					
			(0.545)					
Age 0-18 % × GFC			-0.216					
			(0.453)					
Age 18-35 %				-1.453**				
				(0.559)				
Age 18-35 % × GFC				0.654**				
				(0.296)				
Age 60+ %					0.465		0.000	
					(0.383)		(0.399)	
Age 60+ % × GFC					-0.311		-0.015	
					(0.225)		(0.251)	
Population						-0.023**		-0.010
						(0.010)		(0.012)
Population × GFC						0.019**		0.006
						(0.009)		(0.013)
(Far-right^{1930s})^2							0.550*	0.482
							(0.314)	(0.317)
GFC^2							-0.026	-0.020
							(0.033)	(0.033)
(Far-right^{1930s})^3							-0.778**	-0.692*
							(0.386)	(0.382)
GFC^3							0.003	0.001
							(0.009)	(0.008)
Observations	520	518	520	520	520	518	520	518
R^2	0.483	0.475	0.475	0.487	0.478	0.484	0.491	0.492
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Region FE	No	No	No	No	No	No	No	No

Notes: Migrants is the 2007 share of migrants in the population. Agriculture is the number of individuals per-capita employed in agriculture. Population is the population of departments in 2007.

Appendix C

Additional Tables and Figures

Table C.1: Low Income Countries

Afghanistan	Ethiopia	Moldova
Albania	Gambia	Mozambique
Angola	Georgia	Nepal
Armenia	Ghana	Niger
Azerbaijan	Guinea	Pakistan
Bangladesh	Guinea Bissau	Rwanda
Benin	Guyana	Samoa
Bhutan	Haiti	Sao Tome
Burkina Faso	India	Sierra Leone
Burundi	Kenya	Somalia
Cambodia	Lao PDR	Sri Lanka
Central African Rep.	Lesotho	St. Vincent
Chad	Madagascar	Sudan
China	Malawi	Togo
Comoros	Maldives	Uganda
Congo	Mali	Vietnam
Equatorial Guinea	Mauritania	Yemen
Eritrea		

List of low income countries originally from (Colantone and Stanig, 2018b).

Table C.2: Far-left Violence

	Dept. var.: ΔFN vote share 2007-12			
	(1)	(2)	(3)	(4)
Far-left^{1930s}	-0.010	-0.002	0.010	0.040
	(0.021)	(0.020)	(0.034)	(0.038)
GFC	0.011	0.010	0.035*	0.042
	(0.007)	(0.007)	(0.017)	(0.055)
Far-left^{1930s} × GFC	0.020*	0.011	0.008	0.016
	(0.010)	(0.011)	(0.015)	(0.018)
(Far-left^{1930s})^2			-0.009	-0.079
			(0.012)	(0.050)
GFC^2			-0.008	-0.018
			(0.006)	(0.046)
(Far-left^{1930s})^2				0.031
				(0.022)
GFC^3				0.003
				(0.011)
Observations	520	520	520	520
R^2	0.472	0.493	0.477	0.480
Controls	Yes	Yes	Yes	Yes
Region FE	No	Yes	No	No

Notes: See Table 6.1

Table C.3: Main Results - Only Where Left-Wing Violence

	Dept. var.: ΔFN share eligible 2007-2012			
	(1)	(2)	(3)	(4)
Far-right^{1930s}	-0.001	-0.041	-0.115***	-0.120***
	(0.027)	(0.045)	(0.042)	(0.044)
GFC	0.038***	0.026*	0.013	0.007
	(0.009)	(0.016)	(0.011)	(0.010)
Far-right^{1930s} × GFC		0.044	0.061*	0.061*
		(0.043)	(0.033)	(0.034)
Observations	389	389	389	389
R^2	0.186	0.195	0.504	0.533
Controls	No	No	Yes	Yes
Region FE	No	No	No	Yes

Notes: See Table 6.1

Table C.4: Main Results - Share Eligible

	Dept. var.: ΔFN share eligible 2007-2012			
	(1)	(2)	(3)	(4)
Far-right^{1930s}	0.001	-0.029	-0.058**	-0.056**
	(0.013)	(0.019)	(0.024)	(0.025)
GFC	0.018***	0.011**	0.006*	0.005
	(0.004)	(0.006)	(0.003)	(0.003)
Far-right^{1930s} × GFC		0.033*	0.034**	0.031**
		(0.018)	(0.014)	(0.015)
Observations	520	520	520	520
R^2	0.142	0.161	0.488	0.505
Controls	No	No	Yes	Yes
Region FE	No	No	No	Yes

Notes: See Table 6.1

Table C.5: Main Results - SE Clustered at NUTS 2 Level

	Dept. var.: ΔFN vote share 2007-2012			
	(1)	(2)	(3)	(4)
Far-right^{1930s}	0.010	-0.052**	-0.095**	-0.090*
	(0.018)	(0.022)	(0.041)	(0.048)
GFC	0.030***	0.017*	0.009	0.007
	(0.010)	(0.010)	(0.006)	(0.005)
Far-right^{1930s} × GFC		0.068**	0.070**	0.062*
		(0.027)	(0.029)	(0.034)
Observations	520	520	520	520
R^2	0.128	0.156	0.472	0.492
Controls	No	No	Yes	Yes
Region FE	No	No	No	Yes

Notes: See Table 6.1

Table C.6: Main Results - Raw Number of Historic Events

	Dept. var.: ΔFN vote share 2007-2012			
	(1)	(2)	(3)	(4)
Far-right^{1930s}	-0.013	-0.019*	-0.088	-0.087
	(0.016)	(0.010)	(0.059)	(0.062)
GFC	0.026***	0.018**	0.011*	0.008
	(0.007)	(0.008)	(0.006)	(0.006)
Far-right^{1930s} × GFC		0.071***	0.058*	0.056
		(0.022)	(0.033)	(0.037)
Observations	520	520	520	520
R^2	0.132	0.183	0.471	0.493
Controls	No	No	Yes	Yes
Region FE	No	No	No	Yes

Notes: See Table 6.1

Table C.7: Main Results - Added Interactions

	Dept. var.: ΔFN vote share 2007-2012			
	(1)	(2)	(3)	(4)
Far-right^{1930s}	-0.093**	-0.093**	-0.104**	-0.098**
	(0.043)	(0.044)	(0.041)	(0.043)
GFC	0.008	0.008	0.008	0.005
	(0.007)	(0.007)	(0.006)	(0.006)
Far-right^{1930s} × GFC	0.070***	0.062**	0.069***	0.061**
	(0.026)	(0.028)	(0.024)	(0.025)
Migration	-0.091	0.081	-0.057***	-0.042***
	(0.057)	(0.146)	(0.010)	(0.015)
Education	-0.029**	0.002	-0.009	-0.004
	(0.014)	(0.032)	(0.009)	(0.015)
Population	-0.001	0.054	1.590**	2.083**
	(0.125)	(0.135)	(0.640)	(0.876)
Far-right^{1930s} × Migration	0.059	0.069*	0.064*	0.067*
	(0.038)	(0.039)	(0.034)	(0.036)
Education × Migration	0.009	-0.036		
	(0.016)	(0.040)		
Education × Population			-0.468**	-0.615**
			(0.193)	(0.257)
Observations	520	520	520	520
R^2	0.132	0.183	0.471	0.493
Controls	Yes	Yes	Yes	Yes
Region FE	No	Yes	No	Yes

Notes: Variables represent the change of that variable between 2007 and 2012.
See Table 6.1 for full notes.

Table C.8: Main Results - With Higher Order Terms

	Dept. var.: ΔFN vote share 2007-2012					
	(1)	(2)	(3)	(4)	(5)	(6)
Far-right^{1930s} × GFC	0.049**	0.035*	0.055*	0.034	0.055	0.033
	(0.020)	(0.020)	(0.033)	(0.034)	(0.034)	(0.036)
Far-right^{1930s}	-0.054	-0.037	-0.169*	-0.182*	-0.162	-0.189
	(0.052)	(0.058)	(0.097)	(0.107)	(0.156)	(0.155)
GFC	0.047***	0.052***	0.056	0.076**	0.060	0.082**
	(0.014)	(0.013)	(0.036)	(0.036)	(0.041)	(0.041)
(Far-right^{1930s})^2	-0.055	-0.065	0.541*	0.722**	0.456	0.787
	(0.077)	(0.082)	(0.311)	(0.336)	(1.243)	(1.213)
GFC^2	-0.015***	-0.018***	-0.023	-0.040	-0.033	-0.055
	(0.005)	(0.004)	(0.030)	(0.030)	(0.062)	(0.057)
(Far-right^{1930s})^3			-0.769**	-0.996**	-0.509	-1.151
			(0.374)	(0.405)	(3.319)	(3.254)
GFC^3			0.002	0.006	0.009	0.016
			(0.008)	(0.008)	(0.044)	(0.038)
(Far-right^{1930s})^4					-0.229	0.121
					(2.715)	(2.686)
GFC^4					-0.002	-0.002
					(0.010)	(0.009)
Observations	520	520	520	520	520	520
R^2	0.491	0.514	0.496	0.524	0.496	0.524
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Region FE	No	Yes	No	Yes	No	Yes

Notes: See Table 6.1

Table C.9: Main Results - Full

	Dept. var.: ΔFN vote share 2007-12			
	(1)	(2)	(3)	(4)
Far-right^{1930s}	0.009	-0.053	-0.101**	-0.098**
	(0.025)	(0.033)	(0.041)	(0.044)
GFC	0.030***	0.017*	0.008	0.006
	(0.008)	(0.010)	(0.006)	(0.006)
Far-right^{1930s} × GFC		0.068**	0.072***	0.065**
		(0.032)	(0.026)	(0.028)
Education			-0.022***	-0.018
			(0.006)	(0.015)
Population			0.012	0.013
			(0.118)	(0.135)
Turnout			0.129	0.028
			(0.101)	(0.106)
Age < 18			-0.030***	0.008
			(0.010)	(0.024)
Age 18-35			0.019**	0.042*
			(0.010)	(0.021)
Age 35-60			-0.007	0.017
			(0.010)	(0.020)
Migration			-0.058***	-0.052***
			(0.010)	(0.018)
Far-right^{1930s} × Migration			0.060	0.064
			(0.037)	(0.041)
Observations	517	517	517	517
R^2	0.128	0.156	0.478	0.499
Region FE	No	No	No	Yes

Notes: Age > 60 is the base case for the four age dummies. Other notes see Table 6.1

Appendix D

Data Collection and Additional Information

D.1 The Import Shock From China

Variable construction. In constructing the import shock measure, I largely follow the work of Colantone and Stanig (2018a,b). I source yearly import and export data at the product level from Eurostat-Comext (Eurostat, 2019b). Products are identified by 8-digit codes according to the Combined Nomenclature (CN) classification. I aggregate this data to NACE Rev. 2 manufacturing industry subsections using correspondence tables from Eurostat Ramon (Eurostat, 2019a). These correspondence tables also allow me to link the CN classification with the Statistical Classification of Products by Activity (CPA) in the European Economic Community.

For US import data, I source yearly data from the Center for International Data of UC Davis (Feenstra, 2013). Import flows are available at the 5-digit level of the SITC (Rev. 3) classification. These codes are mapped into 2-digit NACE Rev. 2 codes again, which are then aggregated up into subsections. Again, for this purpose I use correspondence tables from Eurostat Ramon.

To deflate trade values for both the US and France, I use Consumer Price Index information from the OECD regional database (OECD, 2019d). The base year for deflating is 2015.

Finally, I gather employment data for each department in each NACE subsection from INSEE (INSEE, 2014). Using both the employment and trade data, I construct the average 5-year import shock between 1990 and 2007 using Equation (8.1), and the instrument for the shock using Equation (8.2).

Additional shock background. Beginning in the early 1990s, there has been a significant increase in trade between industrialised and low-income countries. China has played a significant role in this change. Its rapid rise as a global manufacturing powerhouse has significantly increased the volume of low cost manufactured goods imported by industrialised nations.

The rapid growth in Chinese imports has largely been due to structural changes within the Chinese economy and its accession to the WTO in 2001. In a relatively short time, China evolved from a closed, agriculture-based economy into an open economy with the largest manufacturing sector in the world (Colantone and Stanig, 2018a). This structural change led to a dramatic, and quantitatively significant, supply shock for developed countries. A growing literature has developed around exploiting the China trade shock in an attempt to understand the implications of import competition and globalisation. The evidence from this work suggests import competition has led to a substantial displacement of manufacturing activities, especially in labour-intensive areas (Autor et al., 2013; Bloom, Draca, and Van Reenen, 2015). At the individual level, adjustment costs from import competition, including unemployment and lower earnings, fall disproportionately on workers employed in import competing industries, and especially on low-skill workers (Autor et al., 2013). Thus, while cheap imports from China may have benefited consumers, there are also clear supply-side losers of globalisation. Further, these losers tend to be concentrated in regions that historically specialised in manufacturing industries where Chinese imports have grown rapidly.

D.2 Historic Far-right Support.

Urban and rural activity. There is substantial descriptive evidence that the far-right was active in both urban and rural departments. For instance, in rural areas the far-right Comités de défense paysanne (Peasant Defence Committees) drew significant support. Formed under the leadership of Henry Dorgères during the early 1930s, they were known colloquially as the “Green shirts” for their similarity

in appearance to Mussolini's Black shirts (Paxton, 1997). The Green shirts were militant, anti-parliamentarian and xenophobic. They sought to transform France into an authoritarian, agrarian state (Paxton, 1997). At their peak in the late 1930s, Green shirt militants numbered in the tens of thousands and spread over up to 50 departments (Paxton, 1997). Other significant leagues, including the Solidarité Française, Jeunesses Patriotes, and Croix-de-Feu, appealed to both urban and rural classes for mass support (Soucy, 1981). Combined with the size of major far-right leagues in urban areas,[1] it seems the the far-right was not selectively active in either rural or urban areas.

[1]For example, the Croix-de-Feu, Jeunesses Patriotes, and Solidarité Française.