

Contagion effect on political discontent

An analysis of the growth of anti-establishment political options at the local level in Spain, France, Italy, and Germany

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Extended Abstract

Over the last decade, a global rise in support for populist, anti-establishment, and radical political parties has been observed. In Europe, the growth of anti-European political options has been particularly pronounced (see, among others, Algan *et al.*, 2017; Harris & Charlton, 2017), reaching levels above 25% of the vote in many European Union (EU) countries and, in several cases, entering government or exerting significant influence over policy (European Commission, 2015). A growing body of research has begun to quantify the economic impact of this expansion of anti-establishment forces, identifying significant negative effects on output growth, productivity, and territorial innovative capacity (see, among others, Los *et al.*, 2017; McCann, 2018).

To date, most of the economic literature examining the roots of the increase in anti-system political support has focused on the role of spatial income inequalities (see, among others, Abreu & Öner, 2022; Dijkstra *et al.*, 2020; Gutiérrez *et al.*, 2021; Rodríguez-Pose, 2018). The prevailing hypothesis—supported by compelling empirical evidence—is that the existence of local areas that are falling behind their immediate surroundings in economic aspects leads to social and political discontent, which ultimately translates into increased anti-establishment voting (see, among others, Abreu & Jones, 2021; Artelaris & Mavrommatis, 2021; Lenzi & Perucca, 2021; Rodríguez-Pose, 2018). Consequently, relative local economic deprivation is considered a fundamental factor in fostering anti-system support within lagging areas.

However, the local areas with significant income gaps relative to their immediate surroundings constitute a clear minority. For instance, in Spain, only 0.8% of municipalities have incomes 30% below the average of their immediate surroundings; in Germany, these represent a 2.3% of municipalities. As discussed, the literature indicates that relative spatial inequality promotes anti-establishment voting in lagging areas, placing it as a fundamental factor in explaining the broader radical voting phenomenon. However, given the scarcity of these deprived local areas, one would expect radical voting to be also

scarce; nevertheless, it extends throughout the entire European geography, as discussed. Spatial economic inequality can not only incentivize voting in depressed areas but also in neighboring territories whose residents act as "observers" of such inequalities, responding to them through electoral behavior. Some form of contagion must therefore occur, spreading from the most disadvantaged areas to more developed territories (see, among others, Bourdin & Torre, 2022; Cox, 2017; Hangartner *et al.*, 2019).

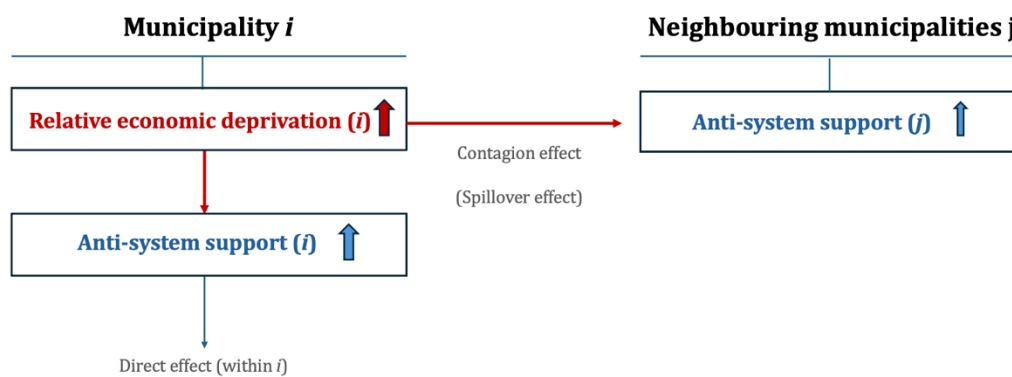
The objective of this paper is to analyse the contagion effect of political discontent arising from spatial income disequilibria. It is hypothesised that discontent generated in the most disadvantaged, left-behind territories is rapidly transmitted, and with considerable intensity, to nearby more prosperous areas. Individuals may react not only to their relative economic circumstances but also to the visible economic disparities in their surroundings. Proximity to unequal places may foster perceptions of environmental territorial decline and a sense of insecurity, which can translate into anti-system electoral support in relatively more prosperous areas located near deprived territories. We conceptualise the contagion effect as operating in two phases. First, exposure to economic decline in nearby areas activates social and political discontent beyond the areas where it is concentrated. Second, this discontent translates into increased anti-system support.

To test the proposed hypothesis, local-level data from Germany, France, Spain, and Italy were compiled. These four countries display varying levels of anti-establishment voting. Local spatial units (municipalities or equivalent) are used to observe contagion processes at a highly disaggregated scale. Given the presence of spatial dependence in voting behavior in the analysed context, a spatial econometric approach is employed. The marginal effects from a spatial durbin model (SDM) allow us to distinguish between direct and indirect impacts. These effects are summarized in Figure 1. The direct effect measures the extent to which relative income deprivation within a municipality affects anti-system voting in that same municipality. The indirect effect (spillover) captures how a change in economic inequality in a certain municipality affects anti-system electoral support in neighbouring municipalities. In this sense, the spillover effect reflects the spatial transmission of inequality-induced political discontent across nearby areas, which we refer to as a contagion effect. The model incorporates the standard socioeconomic control variables used in the literature to explain local areas' radical voting behaviour.

The results obtained so far are highly suggestive. The direct effect of relative economic deprivation is significant and positive, indicating that increases in relative income deprivation promote anti-establishment voting in the very municipality that falls behind. However, the spillover effect of this variable is even greater. Concluding, income inequality does not generate its strongest increase in anti-system voting within the municipality where it emerges, but instead produces a more pronounced electoral response in neighbouring territories. Political unrest may germinate in areas that don't matter, but it is greatly amplified in surrounding areas. The spatial lag of the dependent variable is significant and positive, indicating that electoral behavior in one territory directly influences that of neighboring territories. This finding reinforces the idea of contagion; anti-system voting in one municipality increases the likelihood of similar electoral behaviour in adjacent territories.

These findings suggest that when a territory falls behind and no timely corrective action is taken, discontent can spread to nearby, more prosperous areas. In some European countries, urban areas were escaping the wave of anti-establishment voting (Fernández-García *et al.*, 2025); however, the stark inequalities between urban and peripheral areas highlight the potential risk of contagion. Our results indicate that their exposure to inequality could lead them to vote against the system in the future. The rise of anti-establishment options can only be fully understood in light of these contagion dynamics. The identification of such processes underscores the importance of addressing the problem at its source, before discontent spreads to neighbouring prosperous territories.

Figure 1. Summary of captured direct and indirect effects of relative economic deprivation on anti-system support



Source: own elaboration.

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