



Policy to accommodate populist voters won't work

by John Springford, 28 October 2025

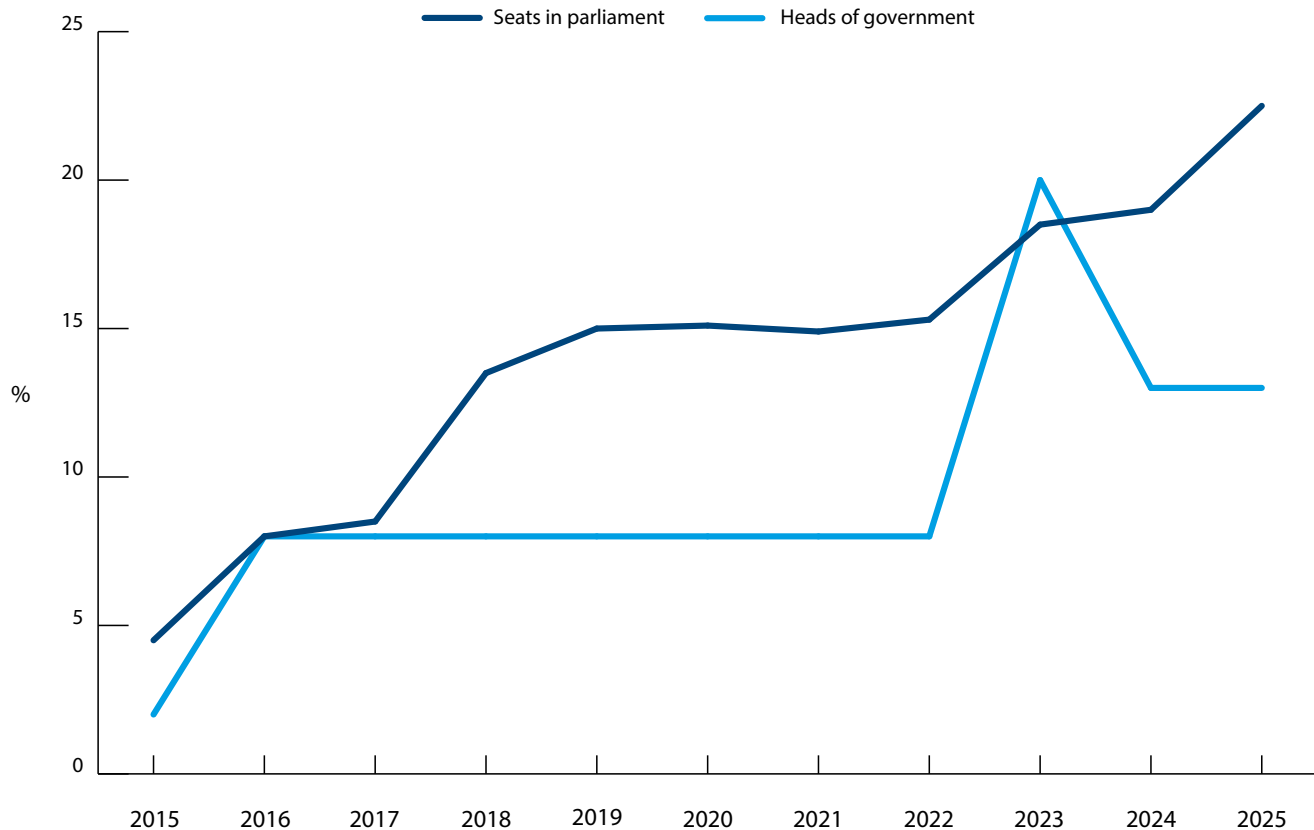
There is an expansive literature on the causes of the rise of populism. Its lesson? Policies designed to appease populism are unlikely to be effective. That battle can only be won through argument.

European governments are trying to stem the rise of populism by closing borders, weakening environment rules and protecting businesses from international competition. Germany is conducting stringent border checks, possibly in violation of the Schengen agreement, and refusing entry to asylum-seekers. In the European Parliament, the centre-right European People's Party is considering siding with the far-right groupings to roll back environment protection rules. In France, left-wing deputies are making their support of the next budget conditional on pausing the rise in the retirement age from 62 to 64. (The Front National has pledged to repeal the law, passed in 2023). Meanwhile, Emmanuel Macron is calling for sector-by-sector tariffs, because the EU is the "only place where we don't protect our domestic players". And Britain's Labour government has proposed stringent curbs on legal migration. None of these attempts to appease the far-right are likely to stem the rise in the populist vote.

There is now an extensive social science literature on the causes of populism, and it suggests that attempts to calibrate policy to appease voters attracted to the far-right will fail, and in some cases, backfire. This insight provides a brief discussion of the literature, drawing particularly on Sergei Guriev and Elias Papaioannou's [superb survey](#) on the political economy of populism, and considers the policy implications.

First, a note on the growing political success of populism in Europe, especially the right-wing variety. It depends on how populism is defined, but using the consensual definition – a party that claims to represent the people against a corrupt, out-of-touch or useless elite – populism's rise has been rapid since the late 1990s. According to data collected [by Matthijs Rooduijn](#) of Amsterdam university, in 1998, populists gained 7 per cent of the vote across democratic European countries. By 2018, that had risen to 28 per cent. The populist right has been much more successful than the left, especially in recent years, gaining a quarter of votes and seats by early 2025, according to an analysis by *The Economist*. Far-right politicians lead governments in 13 of 31 countries (See Chart 1.)

Chart 1: Share of heads of government and parliamentary seats held by populist right parties in Europe



Source: *The Economist*.

Why has the populist right been so successful? There are many causes that researchers have identified on the rise of populism in the 21st century: trade, migration, technological change, economic crises, austerity, cultural backlash and alternative media and so forth. I will focus on trade and immigration – two causes that are tractable to governments, in the sense that they have policy levers to pull to shut out imports and immigrants.

Trade

The rise in trade integration has had big effects on labour markets in rich countries. It accelerated in the period between China's turn towards a market economy, the collapse of European communism, and the global financial crisis of 2008. [David Autor and colleagues](#) have shown that regions in the US with manufacturing plants that were particularly exposed to Chinese competition in the 2000s suffered from persistent unemployment and weak wage growth thereafter. Similar effects have been found [in France](#), and while Germany benefited from a surge in Chinese demand for its capital goods and cars in the 2000s and 2010s, it is now suffering as China builds more of its own machinery and floods global markets with cheap EVs as [Sander Tordoir and Brad Setser](#) demonstrate.

This process has raised the populist vote share in manufacturing regions across rich countries. [Autor](#) found that districts that were hit harder by the China shock were more likely to elect conservative than moderate Republicans, and to vote for Donald Trump in 2016, than regions with similar economies and demographics. People in manufacturing regions in the UK, which tend to have higher trade with the rest of Europe and thus more import competition from European firms, [were more likely to vote](#) to leave the EU. In Germany, voters in regions whose imports grew faster than exports [were more likely](#) to vote for Alternative for Germany (AfD), a far-right party, in elections in the 2010s.

Many populist parties advocate measures to safeguard industrial jobs, and some moderate leaders have enacted industrial and trade policies to stem the flow of voters towards the extremes. There is not much evidence that this strategy is politically successful, although the research is quite limited. Joe Biden's Inflation Reduction Act, CHIPS Act, and Infrastructure Investment and Jobs Act were designed to ensure industrial subsidies disproportionately flowed to Republican districts. [One study](#) found that counties that received more money did tend to turn out more for Kamala Harris than Donald Trump in 2024, but the effect was tiny – a new project subsidised by the industrial policy acts was associated with an increase in Harris's vote share of 0.03 percentage points at the county level.

There are reasons to doubt that Trump's trade war is helping the Republicans electorally, so protectionism is unlikely to help more moderate politicians either. US effective tariff rates are now at the level of 1930s, and the administration's stated aim is to force companies to onshore manufacturing production. [Americans say](#) inflation and the economy are the most important issues facing the country by some margin, with immigration falling in importance. Republican voters are more concerned about the economy than Democrats, and Trump is deeply unpopular on the issue.

While the inflationary effects of Trump's tariffs are muted so far, price rises in imported goods will disproportionately hurt an important part of his base. White people without a degree and with below-median incomes spend more of their wages on goods. There is also a broad consensus among economists that his tariffs will barely increase manufacturing employment – and might even reduce it – because imported components will rise in price, raising the costs of manufacturing companies based in the US, and onshored production is likely to be automated, given high US wages. So the outcome of the trade war will be lower living standards and limited new jobs for the losers from globalisation.

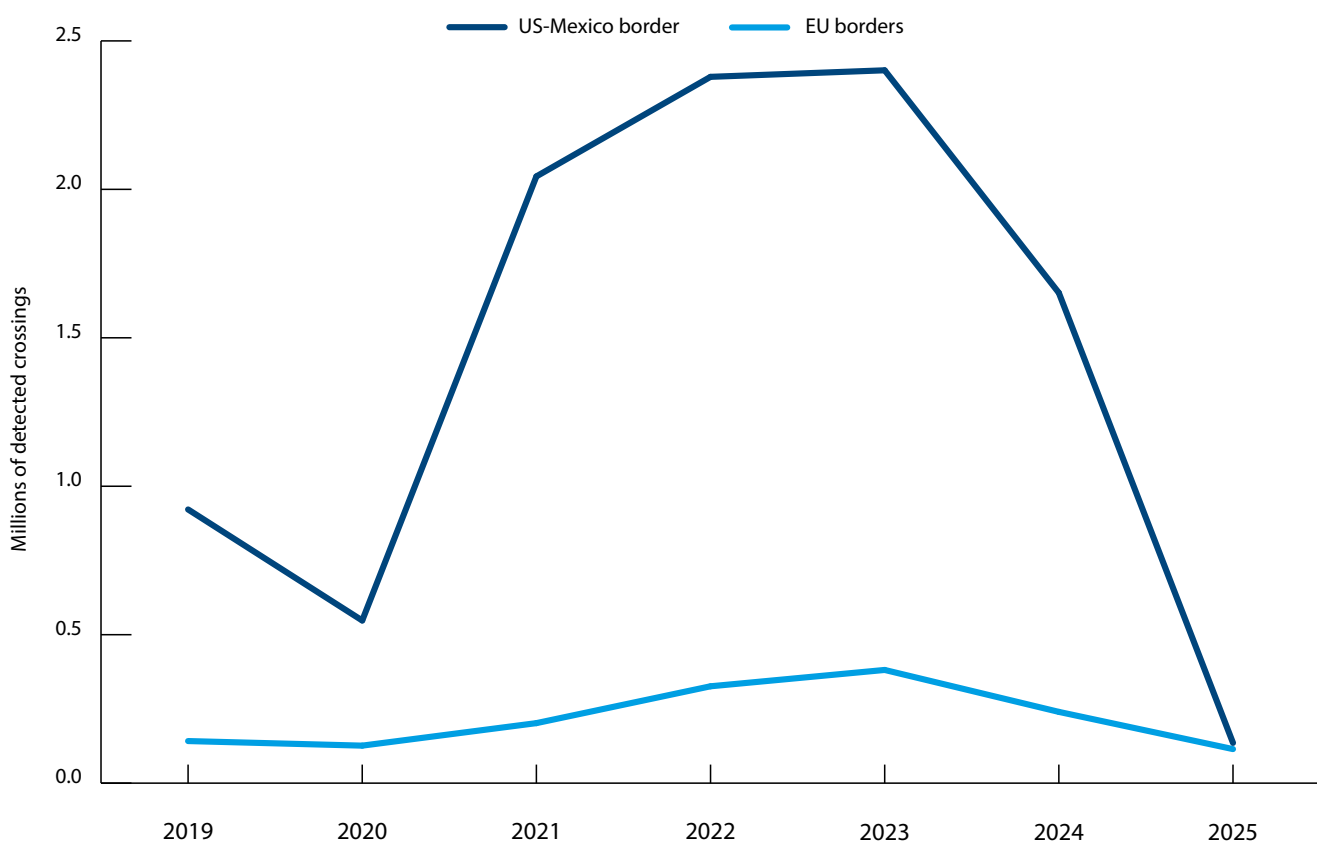
These effects of higher tariffs would be worse in the EU than the US, if the Commission decided to follow (which looks unlikely, outside some protected sectors like steel and the auto sector). The EU is more open to trade outside the bloc than the US, and its manufacturing sector forms a larger share of its economy. It is also comparatively poor in raw materials, especially fossil fuels. That means Trump-style tariffs would hurt living standards and undermine the manufacturing sector more than in America.

Immigration

The area in which Europe has acted similarly to the US is illegal immigration, albeit without the harsh deportation tactics Trump has pursued in his second term. While there have not been ICE-style raids in Europe, the EU has provided funds and training for neighbouring countries to round up irregular migrants, who are often treated inhumanely, with abuse including rape and enslavement perpetrated in Libya.

In 2025 so far, 110,000 people have crossed Europe's borders illegally, down from 380,000 in 2023. In the US, 135,000 people crossed the Mexican border illegally in the year to August 2025, down from 2.4 million in 2023. The recent surge appears to be partly an effect of the pandemic, with illegal crossings rising rapidly in both jurisdictions as lockdowns ended in 2021 and 2022, before falling back again from 2024 (Chart 2.) That may be because rich countries had more resources to protect their economies from the effects of Covid-19.

Chart 2: Illegal border crossings



Source: US Border Control, Frontex.

Still, the rise in illegal border crossings since 2015 has been a big contributor to the success of the radical right on both sides of the Atlantic, as has the rise in legal migration across Europe since the late 1990s. Yet moderate politicians should not assume that they will be rewarded for cutting the numbers.

For one, people are misconceived about the scale of immigration. Survey respondents in the US, UK, France and Germany put the foreign-born share of the population at [around 30 per cent](#), when it is between 10 and 15 per cent in all four countries. They over-estimate the share of immigrants who have no degree, are on a low income, and have children. As a result of these misconceptions, immigration is likely to remain a highly salient political issue, even if governments succeed in reducing it or curb benefits to newcomers.

The evidence on immigration's effects on voting behaviour is mixed, too. There is some evidence that higher rates of immigration to a local area raises support for far-right parties, and some evidence that it lowers it. Denmark's government distributed asylum-seekers fairly randomly to different municipalities in the 1980s and 1990s, and researchers [found](#) that it increased anti-immigrant vote in small settlements and reduced it in bigger ones. The migration of Central and East Europeans after 2004 [raised the vote share of UKIP](#), an anti-immigration party, in Britain. But the share of immigrants in a local area was a poor predictor of whether residents voted to leave the EU in 2016, and the share of immigrants from the EU specifically was associated with a higher vote share for Remain.

How can we account for these apparent contradictions? There appear to be a few things going on. There is some evidence that as immigration rises in a local area, it raises the opposition of the native-born at first, but reduces it later, as residents come into contact with more foreign-born people. Native-born people in areas with high immigrant shares – typically cities – tend to be more in favour of immigration in the first place because they are more cosmopolitan in outlook. When national immigration rises substantially, [it appears](#) to upset people who live in low-immigration areas because politicians and the press talk about it more, and it becomes a more salient issue with these voters.

Superficially, all this might suggest that politicians should bear down on immigration as much as possible to undermine support for the far right. But there are significant economic and political difficulties to doing so.

The economic difficulty is that the quality of public services has an impact on support for populist politicians (this time on both the left and the right) – and cutting immigration can damage public services. As interest rates have risen, many European countries are raising taxes and cutting spending – or in the case of France, engaging in prolonged political brinksmanship over how to do so. When governments last imposed austerity in the early 2010s, conditions were worse, because private spending was depressed too. This time growth has resumed in most European countries since the pandemic and energy crisis, apart from in Germany. But we know that austerity tends to [raise support](#) for populist parties, and that immigration plays a role in that. Many voters appear to believe that immigrants raise demand for public services and benefits, and [associate cuts with higher immigration](#).

However, the opposite is [closer to the truth](#) in many countries, at least for migrants who move for work or university rather than for family unification or asylum. Migrants who come to Europe on work visas tend to be net fiscal contributors over their lifetimes, because other countries have often paid for their education and training, and their employment expands output and tax revenues. They also allow public services, especially health and social care, to be provided more cheaply by being willing to work for lower wages than the native-born. So, by cutting labour immigration, governments will have to undertake more austerity, which will raise support for populism.

The political difficulty is that immigration crack-downs by moderate parties do not appear to reduce support for the far right. [Werner Krause and colleagues](#) found that when moderate parties adopt far-right policies on immigration, they attracted some voters from far-right parties, but, if anything, more moved from moderate parties to the far-right. The net effect was small and statistically insignificant, but the research suggests that accommodating the far-right on immigration can backfire: similar findings have been found in [other studies](#). That might be because voters choose the original over the copycat, and believe their opposition to immigration is more legitimate if moderate politicians agree with them. They then decide to support the most anti-immigration party who in most cases will have been advocating for such policies from their inception.

The battle against populism, especially of the far-right variety, is going to be a long one. The level of manufacturing employment seen in the 20th century will not be coming back in the 21st. Immigration will continue to be higher than it was, because Europe is ageing and as incomes rise in poorer countries, more people can afford to make the journey to the West. Media fragmentation means that misconceptions about the scale and impact of immigration will continue.

Politicians of the centre-right and left cannot pull a few simple policy levers to take us back to the relative consensus of the 1990s. They are more likely to win if they manage the economy well, ensure public services are well funded and effective and hasten the redevelopment of former industrial areas. All of that will be easier when European borders remain open to imports and legal immigration. But none of that is easy, and populist parties will continue to win elections and form governments when things go wrong. There is no quick fix, and the best choice is to tackle their arguments head-on.

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