Migrants' Self-Selection and the Vicious Circle of Right-Wing Populism*

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Abstract

We test whether the level of right-wing populism in a given country influences the size and skill composition of its immigration and emigration flows. To do this, we utilize an instrumental variable method, where we instrument variations in right-wing populism using a combination of collective memory, represented by mean vote shares of far-right parties between 1900 and 1950, and trigger variables, such as economic insecurity shocks. Our results show that the inflow of college-educated migrants decreases with an increase in right-wing populism and is twice as sensitive as the inflow of low-skilled migrants. We also find that right-wing populism leads to an increase in high-skilled emigration, while leaving low-skilled outflows unaffected. As a result, right-wing populism tends to lower the average education level of both immigrants and voters left behind, which can contribute to the flourishing of populism. Our findings help explain the persistence and snowball dynamics of right-wing populism, despite its proven negative impact on the economy.

Keywords: Immigration, Emigration, Right-Wing Populism
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1 Introduction

Populism appears to be at an all-time high, according to several political indicators (Docquier et al., 2023, Funke et al., 2020, Guriev and Papaioannou, 2022, Rodrik, 2018). Of particular concern is the ongoing surge of right-wing populism in Europe, given its intensity and persistence. Previous research has shown that low levels of human capital among voters and large inflows of low-skilled immigrants are key determinants of support for right-wing populist parties (Docquier et al., 2023, Edo et al., 2019, Moriconi et al., 2019, 2022). In this paper, we turn the question around and empirically investigate the impact of right-wing populism on the skill structure of immigration and emigration flows, and its potential dynamic effects on the population. Specifically, we examine whether right-wing populism triggers a brain drain, as natives vote with their feet, and reduces the average education level of immigrants, as college graduates may be more sensitive to attitudes toward immigrants and institutional factors. If this is the case, right-wing populism could lower the average education level of both immigrants and voters, creating conditions under which populist parties flourish.

To address this question, we combine data on right-wing populism with various proxies of dyadic skill-specific migration flows, and test whether the level of right-wing populism in the destination country (and origin) country influences skill-specific immigration (and emigration) flows. We use a standard measure of populism such as the sum of vote shares of parties classified as right-wing populist – referred to as the volume margin – as well as a continuous measure of the overall exposure of voters to right-wing populism in a given election – referred to as the mean margin, and computed as the vote-weighted scores of right-wing populism for all parties running in an election (Docquier et al., 2023). With regard to skill-specific migration flows, they are not directly observable but can be estimated by mixing annual migration flow data with information about the skill level of the stock of the migrant population from each origin country, obtained from the nearest census at destination. Other proxies of skill-specific migration flows are considered in the robustness checks. To deal with endogeneity concerns, we use an instrumental variable method, instrumenting variations in right-wing populism using a combination of collective memory and trigger variables (Cantoni et al., 2021, Fouka and Voth, 2022). Our hypothesis is that economic insecurity leads to dissatisfaction and distrust in democratic institutions, and is more likely to translate into a surge of right-wing populism in countries with a latent level of intolerance or identify-related nationalism. The latter countries are those that experienced far-right episodes in the first half of the 20th century.

The instrument works well and our second-stage results confirm that right-wing populism changes the size and structure of migration flows in the expected direction. A one-standard deviation in the mean margin of populism reduces high-skilled immigration flows by 36 percent, against 16 percent for low-skilled immigration flows. Consistently, a 10-percent increase in the vote shares of right-wing populist parties induces a 3.8 percent decrease in high-skilled immigration, against a 1.7 percent decrease in low-skilled immi-

gration. Right-wing populism thus affects the way immigrants self-select and sort across destinations. Location decisions of high-skilled workers are likely to be influenced by the political climate in the host country; they might be reluctant to move to countries where populist parties have strong nationalistic and anti-immigration views. On the contrary, low-skilled workers and migrants originating from countries with large diasporas have fewer opportunities and are less likely to change their location decision.

Shifting our focus to the reactions of native voters, we find that a one-standard deviation increase in the mean margin of populism leads to a 15-percent rise in high-skilled emigration, while having no significant impact on low-skilled emigration. Likewise, a 10-percent rise in the vote shares of right-wing populist parties results in a 12-percent increase in high-skilled emigration. These results suggest that right-wing populist leaders actively contribute to the formation of echo chambers, as the more individuals who could have expressed higher discontent regarding anti-establishment parties leave, the more unchallenged they remain. These findings provide empirical evidence that supports anecdotal accounts that have been reported in the media.

The age of Donald Trump provides examples of how U.S. travel bans have caused a drop in foreign enrollment in universities;[1] the lack of funding for climate science has led to researchers' emigration;[2] and the general anti-immigration atmosphere may have caused Indian workers to leave big tech companies for Canada and India.[3] Similarly, Hungary's political situation and corruption after 2010 have influenced people's decision to seek work abroad.[4] The brain drain from the United Kingdom after the Brexit vote is also a topic of debate.[5] Last but least, the threat to academic freedom and personal liberty has has driven academics to emigrate in Erdogan's Turkey.[6] By examining these anecdotal facts across a sample of 55 countries, 628 elections, and a span of 60 years, our study reveals a mechanism that contributes to the snowball effect of right-wing populism, despite its proven detrimental effects on local and national economies (as evidenced in Bellodi et al., 2023, Funke et al., 2020).

We contribute to existing literature on populism and migration. Most studies focus on how the presence of immigrants in a given area affects voters' political preferences. They find that migrant inflows tend to increase the vote shares of far-right, nationalistic parties in a given location. Evidence of such an effect has been found in various contexts

[1]See Anne O. Krueger's article "Trump's brain drain" in Project Syndicate (Jan 15, 2019).

[2]See Tod Zwillich's article "Climate Science 'Brain Drain' Speeds Up in Trump Era" in the Takeaway (Dec 14, 2017).

[3]See Suzanne Sataline's article "Trump Has Started a Brain Drain Back to India" in Foreign Policy (Sept 22, 2017).

[4]See Benjamin Novak's article "Hungary's brain drain: young and highly-educated leaving in droves" in the Budapest Beacon (Nov 17, 2015).

[5]See Robin McKie's article "UK scientists fear brain drain as Brexit rows put research at risk" in The Guardian (Feb 27, 2022).

[6]See article on "Brain drain among Turkish academics is at alarming levels" in DuvaR.english (Apr 12, 2023).

such as the United States (Mayda et al., 2022), France (Malgouyres, 2017), the United Kingdom (Becker and Fetzer, 2016, Becker et al., 2017, Colantone and Stanig, 2018), Germany (Dippel et al., 2015), Italy (Barone et al., 2016), Spain (Mendez and Cutillias, 2014), Austria (Halla et al., 2017), Denmark (Dustmann et al., 2019, Harmon, 2018), Switzerland (Brunner and Kuhn, 2018), this city of Hamburg (Otto and Steinhardt, 2014), or Western Europe in general (Guiso et al., 2017). Studies decomposing migration flows along the skill dimension suggest that these effects are driven by low-skilled immigration (Edo et al., 2019, Moriconi et al., 2019, 2022). In particular, Docquier et al. (2023) find that low-skilled immigration shifts votes from left-wing to right-wing populist parties, whereas high-skilled immigration tends to reduce the level of right-wing populism.

More in line with our analysis, two studies focus on the effect of municipal election outcomes on net flows of immigrants. Their identification strategy is to focus on mayoral elections where there was a narrow margin of victory. They rely on a regression discontinuity design that compares municipalities in which a certain type of mayor was closely elected with municipalities that closely elected another type of mayor. Differences between the two capture the local treatment effect of electing a mayor of a certain type. Schmutz and Verdugo (2023) use data from French municipalities over three decades (1982–2014), and test whether variations in the share of immigrants are influenced by the election of a left- instead of right-wing mayor. They find important effects within 6 years (+1.5 pp) and 12 years (+3.0 pp), which are mostly driven by partisan differences in public housing constructions and changes in the composition of the population within existing public housing units. Bracco et al. (2018) examine how the rise of the populist and anti-immigration party Lega Nord in Northern Italy affected immigrant location decisions between 2000 and 2014. They find that the election of a Lega Nord mayor discouraged immigrants from moving into municipalities, especially smaller and less educated ones. The mechanisms at work involved creating an unwelcoming environment for immigrants to settle and integrate. In contrast, our analysis extends beyond these studies by focusing on international migration responses along the skill dimension and comparing the reactions of natives and foreigners to right-wing populism.

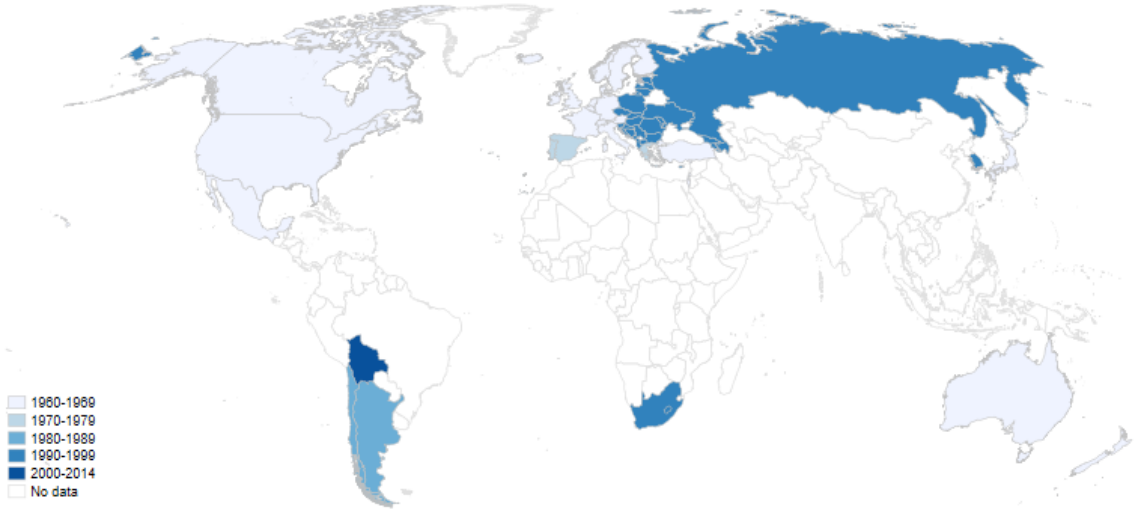
The rest of this paper is organized as follows. Section 2 describes our data sources and provides some stylized facts. Our empirical strategy is explained and illustrated in Section 3. Section 4 presents our results. Section 5 concludes.

2 Data and Stylized Facts

We combine data on the overall exposure of people to right-wing populism and dyadic migration flows involving 55 countries and 628 elections over the period 1960-2018. The composition of our sample is determined based on the data availability in the *Manifesto Project Database* (MPD), which utilizes comparative content analysis of parties' manifestos to examine their policy preferences. Figure 1 displays a map illustrating the

countries included in our study. Our sample encompasses a mix of economically developing and developed countries, although not all of them were accessible for analysis from the outset of our research period.

Figure 1: Countries available in MPD data



Note: The figure plots the countries that have at least one electoral and the different colors show the year of the first election available in the sample. Source: Authors' elaboration on MPD.

Our classification of political parties relies on three characteristics available in the MPD for each election year τ. The *first* characteristic is their position along the left-right political spectrum, built by (Budge and Laver, 2016). This classification is mostly governed by parties' attitudes towards redistribution and political preferences that are related to moral values (e.g. on law and order, traditional morality, importance of military forces, anti-imperialism, etc.). We consider parties as right-wing when their left-right index belongs to the third tercile of the distribution. Hence, we create a dummy $R^p_{i,\tau}$ equal to unity of party p of country i belongs to the third tercile of the distribution in election year τ, and zero otherwise.

The *second* characteristic is a zero-mean populism score built by Docquier et al. (2023) and based on parties' political platform data. This continuous score $s^p_{i,\tau}$ is a weighted combination of several variables capturing the *anti-establishment stance* and the *commitment to protect the people* of each party available in the MPD. Based on a two-stage Principal Component Analysis, this score serves as a reliable predictor of a party's likelihood of being classified as populist in various alternative data sets (Grzymala-Busse and McFaul, 2020, Guiso et al., 2020, Rooduijn et al., 2019, Swank, 2018, Van Kessel, 2015). Additionally, Docquier et al. (2023) demonstrates that designating parties with a populism score exceeding one standard deviation (σ), calculated across all years and countries in the sample, as populist maximizes the partial correlation with existing classifications. We thus define a dummy variable $S^p_{i,\tau} = 1$ if $s^p_{i,\tau} \geq \sigma$ and zero otherwise. It is worth noticing that the populism score of right-wing parties positively and significantly correlates with

negative attitudes towards immigration and multiculturalism, cultural conservatism, and preferences for government intervention and economic planning. Finally, the *third* characteristic is the vote share of each party p obtained in election year τ, denoted by $V_{i,\tau}^{p}$.

We use data on annual migration flows for all years t, including years without election. Hence, we link each annual migration flow to the level of right-wing populism of the closest election year preceding year t (denoted by $\tau(t)$) and assume that the level of right-wing populism is constant over the electoral mandate: $\text{RWP}_{i,t} = \text{RWP}_{i,\tau(t)}$ $\forall t \in [\tau(t), \tau(t+1)[$. Exposure to right-wing populism ($\text{RWP}_{i,t}$ for country i in year t) is measured with two proxies. First, as standard in existing literature, we compute the vote shares of parties classified as "righ-wing populists" (which we refer to as the *volume margin*). We have:

$$\text{RWP}_{i,t}^{\text{Votes}} = \sum_{p} R_{i,t}^{p} S_{i,t}^{p} V_{i,t}^{p}. \tag{1}$$

This concept suffer from two limitations: (i) it requires to classify parties as populist or not, and (ii) populist ideas are not restricted to populist parties but can spillover to traditional (or non-traditional) parties not defined as populist. Assuming that such contagion effect occurs among right-wing parties only, we also compute the vote-weighted scores of right-wing populism for all right-wing parties running in an election (which we refer to as the *mean margin*). We have

$$\text{RWP}_{i,t}^{\text{Index}} = \sum_{p} R_{i,t}^{p} s_{i,t}^{p} V_{i,t}^{p}. \tag{2}$$

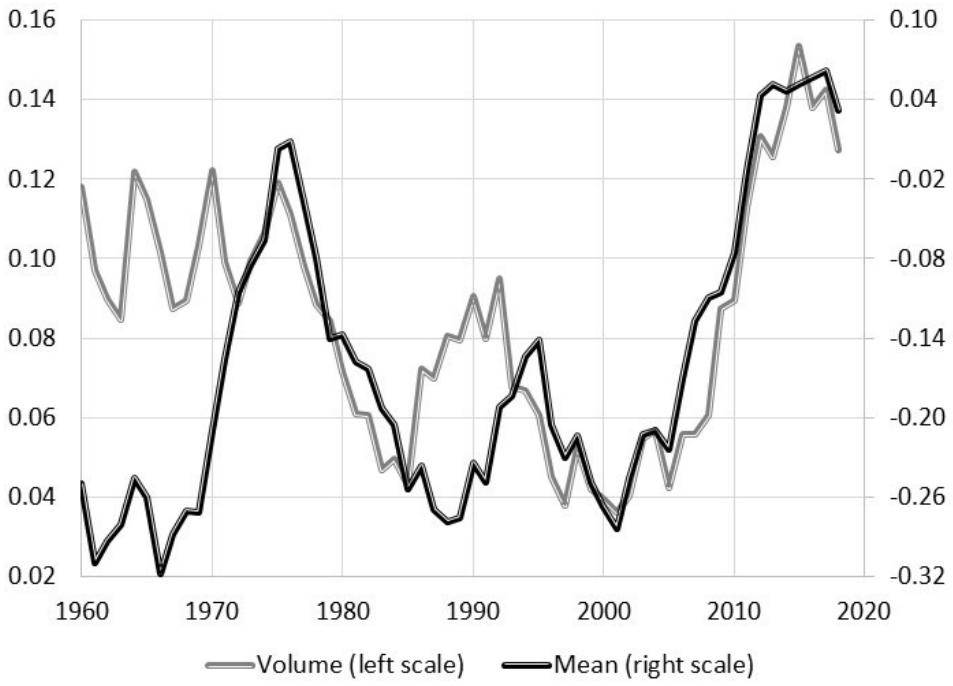
These two measures proxies are the (right-hand-side) variables of interest used in our regressions below.

Focusing on European countries, Figure 2 shows that both margins of populism have been fluctuating since the sixties, with peaks aligned with major economic crises – the oil crisis of the seventies, the deep crises of the nineties, and the years after 2005 (see Figure 2a). We show in Appendix A that variations in the mean and volume margins are correlated. The two indicators show that populism has never been as high as today: the level observed in 2018 is way larger than the level observed in 1960, and slightly greater than the level of the late seventies. On the bottom panel, we see that the share of elections with at least one left-wing or right-wing populist party has increased drastically since the financial crisis of 2007-09. The recent dynamics of right-wing populism is worrisome and without reversal since the mid-eighties. Right-wing populism is at an all-time peak.

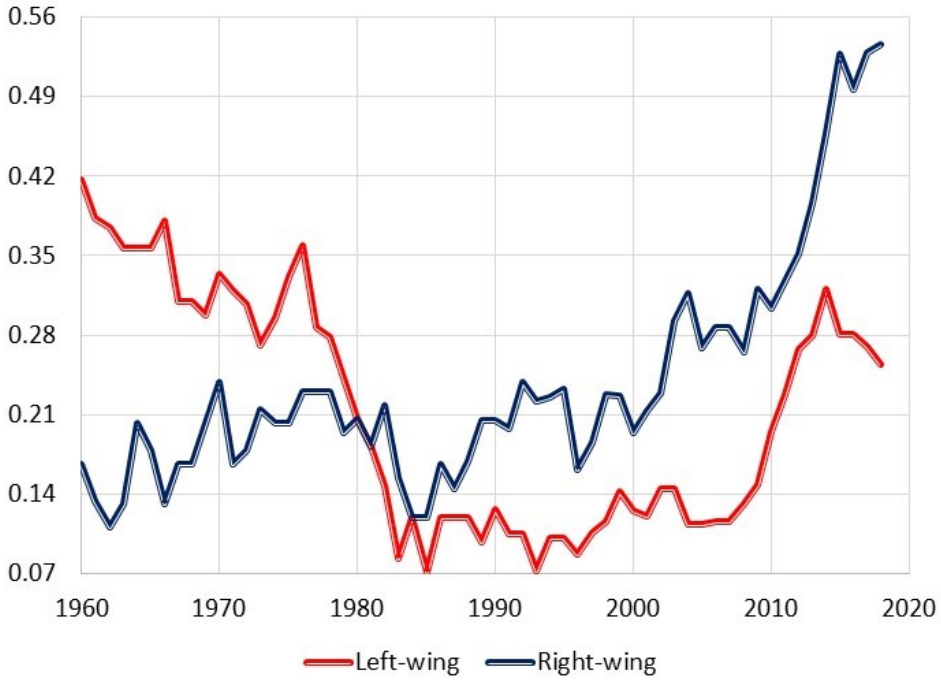
Data on migration inflows by country of destination for the period 1960-2018 are obtained from Abel (2018). Flow data by education level are not directly observable but can imputed by using information about the size and skill level of the stock of migrant population from each origin in each destination country, available for a few census rounds (say, 1990, 2000 and 2010) and gathered by Arslan et al. (2015) for the years 2000 and 2010, and Artuc et al. (2014) for the year 1990. In our benchmark regressions, we compute a dyadic skill-selection index, proxied by the ratio of college graduates in the migration

Figure 2: Volume and Mean Margins of Populism in Europe (1960-2018)

(a) Volume and Mean Margins of Populism



(b) Share of Elections with one Left- or Right-Wing Populist Party



stock to the one in the origin-country population. We use this ratio in the closest available census round to impute a skill level for the dyadic immigration flows, accounting for the evolution of the share of college graduates in the origin country (taken from Barro and

Lee, 2013). This method proved to be relevant as the dyadic levels of skill selection are stable over time (see Burzynski et al., 2018). Alternative data sources on migration flows (DEMIG, 2015, Standaert and Rayp, 2022) and proxies for selective migration are used in our robustness checks.

Figure 3 shows the evolution of skill-specific immigration inflows in four countries where a right-wing populist leader has come to power, Poland (Law and Justice in 2015), Slovakia (?), Italy (Pole of Freedoms inn 1994-96, coalition led by Forza Italia in 2001-06), Hungary (Fidesz in 2010).

Figure 3: Right-Wing Populist Government and Immigration Flows

(a) Poland

(b) Slovakia

(c) Italy

(d) Hungary

Stylized facts on immigration to be improved; stylized facts on emigration to be added

3 Empirical strategy

Our goal is to empirically investigate the effect of right-wing populism in a given country $i = 1, ..., I$ on the inflows and outflows of migrants by education level. Hence, when dealing with the effect on inflows, our model features the number of migrants of type s (HS for

college graduates and LS for the less educated) from all origin countries j to country i in year t as a dependent variable ($M_{ji,t}^{In,s}$); when dealing with the effect on outflows, the dependent is the number of migrant from origin country i to all destination countries j ($M_{ij,t}^{Out,s}$). We use two indicators of right-wing populism ($\text{RWP}_{i,t}$), the average index of right-wing populism ($\text{RWP}_{i,t}^{\text{Index}}$) and the vote share of right-wing populism parties ($\text{RWP}_{i,t}^{\text{Votes}}$).

3.1 Benchmark model

Let us emphasize three characteristics of our benchmark empirical model. First, when modeling migration flows, the high prevalence of zero values for the dependent variable causes some biases in OLS estimation. As in many other dyadic contexts, Santos Silva and Tenreyro (2006, 2010) recommend using the Poisson pseudo maximum likelihood (hereafter PPML) to minimize the estimation bias of the parameters. The PPML estimates are found to perform quite well under various heteroskedasticity patterns and under rounding errors for the dependent variable.

Second, dyadic migration flows are likely to be influenced by a multitude of factors, and many of them are unobserved or observed with errors. Hence, we saturate our model with a full set of fixed effects. When dealing with migration inflows, we use origin-time ($\alpha_{j,t}$) and dyadic fixed effects (α_{ij}). When dealing with migration ouflows, we use destination-time ($\alpha_{j,t}$) and dyadic fixed effects (α_{ij}). These fixed effects greatly reduce the biases driven by omitted variables.

Third, many gravity models of international migration flows account for the fact that there is inertia in migration decisions and possible network effects. This means that the dyadic flow of migrants at time t can be influenced by the dyadic stock of migrants in the previous years. One way to deal with this issue is to include the lagged stock of migrants in the set of dyadic regressors. As the flows add to the existing stock, the specification becomes dynamic and the assumption of uncorrelated fixed effects would be violated. Indeed, the dyadic fixed effect predicts the stock and the flow of migrants jointly. To avoid this problem, we use a static specification with dyadic fixed effects, and abstract for the network term.[7]

Therefore, our baseline empirical model can be written as:

$$\text{Inflows: } M_{ji,t}^{In,s} = \exp\left[\alpha_{j,t}^{In,s} + \alpha_{ij}^{In,s} + \beta^{In,s}\text{RWP}_{i,t} + \varepsilon_{ij,t}^{In,s}\right] \tag{3}$$

$$\text{Outflows: } M_{ij,t}^{Out,s} = \exp\left[\alpha_{j,t}^{Out,s} + \alpha_{ij}^{Out,s} + \beta^{Out,s}\text{RWP}_{i,t} + \varepsilon_{ij,t}^{Out,s}\right] \tag{4}$$

where $\beta = \left(\beta^{In,s}, \beta^{Out,s}\right)$ is our set of parameters of interest, and $\varepsilon_{ij,t}$ is the error term.

[7] It is worth noting that the network effect is negative when added to the dyadic fixed effects in exploratory regressions and has minimal influence on estimating the effect of populism.

3.2 IV strategy

The correlations captured by Eqs. (3-4) are potentially influenced by mismeasurement problems and reverse causality, as the size and skill structure of migration flows tend to affect the votes for radical parties, as discussed in the introduction. Hence, PPML estimates badly capture the causal impact of right-wing populism on migration. Causation is always hard to establish with aggregate data, but endogeneity concerns clearly call for an instrumental approach.

We employ an instrumental variable method, instrumenting variations in right-wing populism using a combination of collective memory and trigger variables. We build on several studies showing that major past events affect the present under specific circumstances (Cantoni et al., 2021, Ochsner and Roesel, 2017, Rozenas and Zhukov, 2019), implying an influence of collective memory and political legacies on current behavior (Simpser et al., 2018, Voigtländer and Voth, 2021). For example, Cantoni et al. (2021) find that across-municipality variations in the vote shares for AfD in the German federal election of 2017 is correlated with support for the Nazi party in 1933. Fouka and Voth (2022) find that regional disparities in backlash against Germany after the Greek debt crisis of 2009 (and the German pressure to implement stringent austerity measures) are linked to the number of victims from massacres perpetrated by the German troops during World War II. This suggests that institutionalized collective memory amplifies the effects of contemporary political conflict between Greece and Germany.

Here, we hypothesize that episodes of economic insecurity generate dissatisfaction and distrust in democratic institutions, and are more likely to translate into a surge of right-wing populism in countries that have experienced far-right episodes between 1900 and 1950. We build on the fact that the success of right-wing extremist parties in the pre-World War II period varied drastically across countries, even when comparing countries facing similar shocks such as the Great Depression. The surge of radical parties was influenced by relatively exogenous factors such as histories of democracy, low hurdles to parliamentary representation, economic losses and boundary changes after World War I, religious divide, and the emergence of a charismatic radical leader (De Bromhead et al., 2013). These factors can be reasonably considered independent from current macroeconomic shocks and utilized as indicators for the latent level of intolerance or identity-related nationalism.

Our first-stage OLS regression can be written as:

$$\text{RWP}_{i,t} = \gamma_i + \gamma_t + \rho \text{REM}_i \times \mathbf{1}_{i,t} + \epsilon_{i,t} \tag{5}$$

where $\text{RWP}_{i,t}$ is our measure of right-wing populism (either $\text{RWP}_{i,t}^{\text{Index}}$ or $\text{RWP}_{i,t}^{\text{Votes}}$), REM_i is the average vote share of nationalist and extreme right parties over the period 1900-1950 (our collective remembrance variable), $\mathbf{1}_{i,t}$ is a dummy equal to unity in episodes of economic insecurity and zero otherwise (our trigger variable). The parameter of interest ρ captures the effect of interactions between these two variables on the surge of right-wing populism. The pure effect of persistence of populist institutions is captured by the country

fixed effect (γ_i),[8] while the time fixed effect (γ_t) captures common trends in populism. Finally, $\epsilon_{i,t}$ is the error term.

3.3 First-stage regressions

Data for REM_i are obtained by identifying nationalist and extreme right parties in the first half of the 20th century. We utilized comprehensive data on vote shares by party obtained from the Constituency-Level Elections Archive (CLEA), which serves as a repository for election results at the constituency level, encompassing lower chamber and upper chamber legislative elections across the globe. Our analysis focuses on the time span between 1900 and 1950, during which we identified the parties in each country that espoused nationalist ideologies. To categorize parties as nationalist or extreme-right, we conducted thorough research using diverse sources, including academic and historical works, as well as Wikipedia, to gather information on parties and party leaders. The list of nationalist parties can be found in Table B.2 in the appendix. Subsequently, we used CLEA data to calculate the average percentage of votes garnered by these parties in national elections throughout the period. Additionally, we collected data on the number of parliamentary seats won. For countries not covered in the CLEA database, we assigned an average vote share of zero for nationalist parties, cross-validated our hypothesis through Wikipedia searches, and ensured data consistency.

To identify episodes of economic insecurity ($\mathbf{1}_{i,t} = 1$), we gather a comprehensive set of data on inflation rates, GDP, employment levels, and corruption episodes for all countries and years within our sample. This data is sourced from various datasets. Firstly, we utilize the BFFS data set on *Global Crises Data by Country*[9], which provides information on different types of crises, including banking crises, exchange rate crises, stock market crises, sovereign debt growth, default, and other relevant data series spanning over 70 countries from 1800 to 2016. Secondly, we incorporate data on employment and GDP from the *Penn World Tables*.[10] Lastly, we utilize corruption data from the *QoG* data set, covering the period from 1960 to 2018[11]. In order to define a crisis, we consider any adverse shock that exceeds one standard deviation from the country-specific trend. This approach allows us to identify significant deviations from the expected economic conditions, enabling us to identify and study instances of economic insecurity effectively.

Table 2 presents the findings from the first-stage regressions analyzing the populism index ($\text{RWP}_{i,t}^{\text{Index}}$). Regardless of the crisis indicator employed, we consistently observe a positive and highly significant linear effect. More importantly, the response of right-wing populism to these crises is intensified in countries with a latent level of intolerance or

[8] The fixed effect γ_i absorbs the part of unobserved heterogeneity captured by the dyadic fixed effect of our second-stage regression.

[9] Available at: https://www.hbs.edu/behavioral-finance-and-financial-stability/data/.

[10] Available at: https://www.rug.nl/ggdc/productivity/pwt/.

[11] Available at: https://www.gu.se/en/quality-government/qog-data/.

identity-related nationalism, with the exception of periods marked by financial crises in Col. (5) (as discussed below). It is important to note that all regressions incorporate time and country fixed effects, ensuring that the potential direct impact of latent intolerance on the level of right-wing populism is adequately accounted for. Particularly noteworthy is the magnitude of the interaction between the collective remembrance variable and inflation and corruption crisis episodes. In countries with a pre-WWII average vote share of nationalist and extreme right parties around 10%, the right-wing populist response to an inflation crisis is three times greater (0.035+0.085) compared to countries without a nationalist history (0.035). Similarly, the right-wing populist response to a political corruption scandal is approximately 50% higher (0.182+0.094 vs. 0.182). Among the different specifications, the highest R-squared value is attained when utilizing inflation crisis indicators, which will be the chosen specification for the subsequent second-stage regressions.

Table 1: First-stage regressions for $\text{RWP}_{i,t}^{\text{Index}}$

	(1)	(2)	(3)	(4)	(5)
Inflation crisis	0.035***				
	(0.002)				
$\text{REM}_i\times$ Inflation crisis	0.847***				
	(0.025)				
GDP crisis		0.047***			
		(0.002)			
$\text{REM}_i\times$ GDP crisis		0.163***			
		(0.008)			
Employment crisis			0.021***		
			(0.002)		
$\text{REM}_i\times$ Employment crisis			0.132***		
			(0.007)		
Corruption crisis				0.182***	
				(0.002)	
$\text{REM}_i\times$ Corruption crisis				0.935***	
				(0.008)	
Financial Crisis					0.030***
					(0.001)
$\text{REM}_i\times$ Financial Crisis					-0.152***
					(0.008)
Constant	0.024***	-0.023***	0.002*	-0.002**	0.037***
	(0.000)	(0.001)	(0.001)	(0.001)	(0.000)
Observations	268,533	275,457	275,457	275,457	275,457
Time and country FE	Yes	Yes	Yes	Yes	Yes
R-squared	0.371	0.350	0.345	0.363	0.344

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels, respectively. Standard errors adjusted for clustering at the country level.

Table 2 presents consistent findings when analyzing fluctuations in the vote share of

populist parties ($RWP_{i,t}^{Vote}$). Notably, the interaction between the collective remembrance variable and episodes of inflation and corruption crises demonstrates considerable significance and magnitude, while the interaction with the financial crisis dummy remains negative. Moreover, noteworthy effects, albeit smaller, are observed when considering employment and GDP crises. Interestingly, the coefficient even exhibits a negative trend in the employment specification.

Table 2: First-stage regressions for $RWP_{i,t}^{Votes}$

	(1)	(2)	(3)	(4)	(5)
Inflation Crises	0.402***				
	(0.012)				
$REM_i \times$ Inflation crisis	3.448***				
	(0.081)				
GDP crisis		-0.067***			
		(0.007)			
$REM_i \times$ GDP crisis		-0.137***			
		(0.034)			
Employment crisis			0.015*		
			(0.008)		
$REM_i \times$ Employment crisis			-0.707***		
			(0.036)		
Corruption crisis				0.451***	
				(0.013)	
$REM_i \times$ Corruption crisis				2.398***	
				(0.045)	
Financial Crisis					0.097***
					(0.006)
$REM_i \times$ Financial Crisis					-1.260***
					(0.039)
Constant	0.605***	0.671***	0.674***	0.679***	0.575***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.007)
Observations	268,533	249,051	274,492	274,492	275,457
R-squared	0.313	0.322	0.278	0.279	0.286
Time and country FE	Yes	Yes	Yes	Yes	Yes

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels, respectively. Standard errors adjusted for clustering at the country level.

3.4 Discussion

Our first-stage regressions confirm that the prevalence of economic uncertainty and corruption fuels discontent and mistrust towards democratic institutions. Right-wing populist leaders capitalize on such sentiments by stoking resentment among disorganized followers, and the more so when the latent level of intolerance and identity-related nationalism is high. This mechanism does not hold in episodes of financial crisis. This contrasts with

Doerr et al. (2022), who relate a banking crisis in 1931 to the electoral rise of the Nazi Party in Germany, or Gyongyosi and Verner (2022), who link regional disparities in the post-2008 borrower fragility in Hungary to the rise of the right-wing Jobbik party. These two studies do not explicitly address the reasons why right-wing populist parties tend to gain disproportionate benefits from financial crises.

In Table B.1 in the Appendix, we estimate our first-stage Eq. (5) using the mean populism score of all populist parties, including the left-wing and centrist ones. We show that financial crises are leading to a populist response in countries with a latent level of nationalism. This suggests that the parties benefiting from financial crises are not those with the lowest attitudes towards redistribution and strongest political preferences for law and order or moral values, located at the top of the left-right political spectrum by Budge and Laver (2016) and classified as right-wing in our context.

To gain deeper insights into the underlying mechanisms of our instrumental approach, we analyze party-level data and break down the variation in our measure of right-wing populism across different dimensions. We then conduct a regression analysis for each dimension, considering the interaction between the inflation crisis dummy and our collective remembrance variable.

First, we examine the probability of a party being classified as right-wing populism, which represents the extensive margin of populism, $\Pr\left(R^p_{i,t}S^p_{i,t}=1\right)\ \forall p$. Next, we focus on the populism score of parties classified as right-wing populist ($s^p_{i,t}$). This score reflects the within-party response, providing insights into the intensive margin of populism at the party level. These two components illustrate the (endogenous) variations in the supply of populism. Lastly, we analyze the (endogenous) variations in the vote shares of parties identified as right-wing populist ($V^p_{i,t}$). This reflects the demand for populism and its contribution to the intensive margin of populism.

The results are displayed in Table 3. Cols. (1-3) present the optimal specification with time and country fixed effects. Our findings indicate that episodes of economic uncertainty lead to an increased likelihood of right-wing populist parties participating in elections, as well as higher populism scores for these parties. This pattern of increased supply of populism is observed across all countries.

Moreover, when country fixed effects are excluded in Cols. (4-6), we observe a noteworthy distinction between countries characterized by latent intolerance/nationalism and others. Specifically, the probability of right-wing populist parties participating in elections is higher in countries with latent intolerance/nationalism. This finding aligns with previous studies such as Halla et al. (2017) and Cantoni et al. (2021), which highlight the strong cultural persistence of right-wing political ideology.

Returning to the fixed effect specification, another notable difference emerges. The demand for populism exhibits greater responsiveness to inflation crises in countries characterized by latent intolerance and nationalism. Again, this finding is consistent with the research conducted by Cantoni et al. (2021), which illustrates the interaction between

changes in the supply of populism, specifically the right-wing populist swing of AfD in the 2017 federal election, and latent demand within the German context. Similarly, in our cross-country setting, we observe a similar mechanism at play. The shifts in the supply of populism driven by economic insecurity interact with a latent demand for far-right ideology. Importantly, this mechanism remains robust even when country fixed effects are excluded and serves as the primary source of variation employed in our first-stage regressions.

Table 3: Party-level responses to inflation crises

	With country FEs			Without country FEs		
	(1)	(2)	(3)	(4)	(5)	(6)
	$\Pr\left(R^p_{i,t}S^p_{i,t}=1\right)$	$s^p_{i,t}$	$V^p_{i,t}$	$\Pr\left(R^p_{i,t}S^p_{i,t}=1\right)$	$s^p_{i,t}$	$V^p_{i,t}$
REM_i	–	–	–	0.071**	0.085	0.010
				(0.032)	(0.053)	(0.006)
Infl. crisis	0.089**	0.145*	0.005	0.076***	0.107**	0.008**
	(0.040)	(0.071)	(0.006)	(0.023)	(0.043)	(0.004)
$\text{REM}_i\times$ Infl. crisis	0.199	0.265	0.072**	0.227	0.401	0.078*
	(0.234)	(0.381)	(0.034)	(0.182)	(0.348)	(0.042)
Constant	0.050***	0.086***	0.007***	0.041***	0.077***	0.006***
	(0.003)	(0.006)	(0.000)	(0.006)	(0.011)	(0.001)
Observations	2,618	2,618	2,618	2,618	2,618	2,618
Time FEs	Yes	Yes	Yes	Yes	Yes	Yes
Country FEs	Yes	Yes	Yes	No	No	No
R-squared	0.108	0.093	0.063	0.017	0.010	0.014

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels respectively. Standard errors adjusted for clustering at the country level.

4 Results

Implementing a standard IV approach can induce an additional bias due to the incidental parameter problem. This arises due to the non-linear nature of the PPML model and the presence of a large number of fixed effects (Lancaster, 2000). To correct for endogeneity, we adopt the control functions approach, as suggested by Wooldridge (2012). This technique, also known as two-stage residual inclusion, involves incorporating the residuals obtained from the first-stage regression (Table 2) into the second-stage PPML model. Furthermore, we adjust the standard errors using a bootstrapping method that accounts for the panel structure of the data.

4.1 Effects on immigration

Results of PPML regressions are presented in Table 4. The upper panel shows the correlation between the mean margin of right-wing populism and skill-specific immigration

flows (HS for college graduates and LS for the less educated), while the lower panel focuses on the vote share of right-wing populist parties. Our specification uses both dyadic and origin-time fixed effects. We estimate the effects using various definitions of the crisis dummy that are both alternative and relevant. While the benchmark model in Cols. (1-2) considers inflation crises, we utilize GDP crises in Cols. (3-4), employment crises in Cols. (5-6), and corruption crises in Cols. (7-8). Notably, the results consistently reveal statistically significant findings across these different definitions.

The results in the upper panel indicate that a one-standard deviation increase in the mean margin of right-wing populism is associated with a decrease in high-skilled immigration flows that varies between 31 and 33 percent. We find smaller albeit significant effects on low-skilled migration. Specifically, a one-standard deviation in the mean margin of populism is associated with a decrease in low-skilled immigration flows that varies between 12 and 16 percent, against 16 percent for low-skilled immigration flows. Similarly, the lower panel shows that these results are qualitatively preserved when using the volume margin of populism. When the vote shares of right-wing populist parties increase by 10 percentage points, it correlates with a decline in high-skilled immigration, ranging from 2.6 to 3.7 percent. Similarly, low-skilled immigration also experiences a decrease ranging from 1.6 to 2.8 percent. It is noteworthy that the correlation with the crisis dummy varies depending on the specifications considered. Immigration flows tend to decrease during times of inflation crisis, but interestingly, they increase during periods of corruption scandals, as well as GDP and employment crises.

In Table 5, we employ the control functions approach, including the residuals from the first-stage regression as additional regressors (Wooldridge, 2012), so as to identify a causation effect of right-wing populism on immigration. The results in the upper panel are almost identical to those of the PPML regressions.

Specifically, a one-standard deviation increase in the mean margin of right-wing populism leads to a decrease in high-skilled immigration flows ranging from 30 to 33 percent. Similarly, this shock induces a decrease in low-skilled immigration flows ranging between 11 and 16 percent. The results in the lower panel are also almost identical to those of the PPML regressions. A 10-percentage-point increase in the vote shares of right-wing populist parties is associated with a decrease in high-skilled immigration that varies between 2.6 and 3.7 percent, against a decrease in low-skilled immigration ranging from 1.5 to 2.8 percent. The same shock is associated with a corresponding decrease in low-skilled immigration, ranging from 1.5 to 2.8 percent. It is worth noting that the crisis dummies exhibit similar effects as observed in PPML. Our robustness checks demonstrate that the results remain consistent and are not sensitive to the specific definition of macroeconomic insecurity episodes or trust in current leaders. Notably, unreported regressions reveal similar outcomes when replacing the pre-WWII vote share of nationalist and far-right parties with their number of seats in the Parliament.

Table 4: PPML regressions with various crisis definitions
Dependent = Annual skill-specific immigration flows

	Inflation crisis		GDP crisis		Empl. crisis		Corruption crisis	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	HS	LS	HS	LS	HS	LS	HS	LS
RWP Index	-0.313***	-0.120***	-0.332***	-0.155***	-0.321***	-0.141***	-0.323***	-0.152***
	(0.024)	(0.025)	(0.024)	(0.025)	(0.024)	(0.024)	(0.024)	(0.025)
Crises	-0.497***	-0.630***	0.122***	0.114***	0.214***	0.206***	0.201***	0.112***
	(0.048)	(0.053)	(0.020)	(0.023)	(0.016)	(0.017)	(0.023)	(0.023)
Constant	10.582***	9.596***	10.538***	9.567***	10.522***	9.555***	10.369***	9.476***
	(0.002)	(0.002)	(0.003)	(0.003)	(0.002)	(0.002)	(0.021)	(0.022)
Observations	249,735	241,602	255,377	247,185	255,377	247,185	256,216	248,004
Origin-Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Origin-Dest FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RWP Votes	-0.026***	-0.016***	-0.036***	-0.027***	-0.034***	-0.025***	-0.037***	-0.028***
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
Crises	-0.536***	-0.637***	0.135***	0.120***	0.223***	0.210***	0.225***	0.126***
0.120***	(0.049)	(0.052)	(0.021)	(0.023)	(0.016)	(0.018)	(0.023)	(0.024)
Constant	10.602***	9.606***	10.560***	9.583***	10.543***	9.570***	10.372***	9.479***
	(0.003)	(0.002)	(0.004)	(0.003)	(0.003)	(0.003)	(0.021)	(0.022)
Observations	249,735	241,602	255,377	247,185	255,377	247,185	256,216	248,004
Origin-Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	yes
Origin-Dest FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels respectively. Standard errors adjusted for clustering at the origin and destination level.Standard errors adjusted for clustering at the origin and destination level. Our benchmark results are reproduced in Cols. (1-2). Cols. (3-4) use GDP crisis episodes in the construction of the instrument. Cols. (5-6) use employment crisis episodes, whereas Cols. (7-8) use political corruption scandals.

Overall, the inflow of college-educated migrants is twice as sensitive to the mean margin of right-wing populism as the inflow of low-skilled migrants, indicating that right-wing populism affects the way immigrants self-select and sort across destinations. Location decisions of high-skilled workers are likely to be influenced by the political climate in the host country. They might be reluctant to move to countries where populist parties have strong nationalistic and anti-immigration views. On the contrary, low-skilled workers and migrants originating from countries with large diasporas have fewer opportunities and are less likely to change their location decision. Using the vote shares of right-wing populist parties, we consistently find that the effect on high-skilled immigration are larger than those for the low skilled.

4.2 Effects on emigration

Results of PPML regressions are presented in Table 6. As in the previous section, the upper panel shows the impact of the mean margin of right-wing populism, while the lower panel focuses on the effect of the vote share of right-wing populist parties. We estimate the

Table 5: IV regressions with various crisis definitions
Dependent = Annual skill-specific immigration flows

	Inflation crisis		GDP crisis		Empl. crisis		Corruption crisis	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	HS	LS	HS	LS	HS	LS	HS	LS
RWP Index	-0.311***	-0.115***	-0.329***	-0.155***	-0.339***	-0.137**	-0.298***	-0.158***
	(0.024)	(0.025)	(0.024)	(0.025)	(0.024)	(0.025)	(0.024)	(0.025)
Crises	-0.686***	-0.919***	0.110***	0.108***	0.496***	0.476**	0.164***	0.125***
	(0.058)	(0.067)	(0.021)	(0.025)	(0.035)	(0.041)	(0.024)	(0.025)
Constant	10.539***	11.437***	9.369***	9.546***	10.585***	9.753***	10.395***	9.469***
	(0.099)	(0.437)	(0.228)	(0.017)	(0.007)	(0.025)	(0.021)	(0.022)
Observations	249,735	241,602	255,377	247,185	255,377	247,185	256,216	248,004
Origin Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Origin-Dest FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RWP Votes	-0.026***	-0.015***	-0.035***	-0.027***	-0.037***	-0.028***	-0.034***	-0.028***
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
Crises	-0.977***	-1.216***	0.116***	0.110***	0.344***	0.357***	0.162***	0.129***
	(0.111)	(0.117)	(0.021)	(0.025)	(0.022)	(0.021)	(0.024)	(0.025)
Constant	11.706***	11.438***	10.752***	9.673***	9.112***	9.898***	9.470***	9.234***
	(0.444)	(0.437)	(0.006)	(0.087)	(0.081)	(0.056)	(0.067)	(0.0366)
Observations	249,735	241,602	255,377	247,185	255,377	247,185	256,216	248,004
Origin Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Origin-Dest FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels respectively. Standard errors adjusted for clustering at the origin and destination level. Our benchmark results are reproduced in Cols. (1-2). Cols. (3-4) use GDP crisis episodes in the construction of the instrument. Cols. (5-6) use employment crisis episodes, whereas Cols. (7-8) use political corruption scandals.

effects using various definitions of the crisis dummy, considering inflation crises in Cols. (1-2), GDP crises in Cols. (3-4), employment crises in Cols. (5-6), and corruption crises in Cols. (7-8). Again, the results consistent findings across these different definitions.

A one-standard deviation increase in the mean margin of right-wing populism is associated with an increase in high-skilled emigration flows that varies between 10 and 14.5 percent, while showing no correlation on low-skilled emigration. By contrast, the lower panel shows that these results are reversed when using the volume margin of populism. When the vote shares of right-wing populist parties increase by 10 percentage points, it correlates with an increase in emigration, ranging from 12 to 20 percent for the high-skilled, and around 40 percent for the low-skilled. The correlation with the crisis dummy varies depending on the specifications considered. Emigration flows are not significantly correlated with inflation crisis, but they increased after a corruption scandal, and decrease during periods GDP and employment crises.

In Table 7, we utilize the control functions approach to establish the causal relationship between right-wing populism and emigration. Again, the results consistently reveal statistically significant findings across the various definitions employed.

Table 6: PPML regressions with various crisis definitions
Dependent = Annual skill-specific emigration flows

	Inflation crisis		GDP crisis		Empl. crisis		Corruption crisis	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	HS	LS	HS	LS	HS	LS	HS	LS
RWP Index	0.145***	0.030	0.143***	0.028	0.144***	0.030	0.101**	-0.004
	(0.046)	(0.044)	(0.042)	(0.039)	(0.041)	(0.039)	(0.044)	(0.044)
Crises	-0.043	0.022	-0.136***	-0.163***	-0.190***	-0.152***	0.369**	0.558***
	(0.076)	(0.065)	(0.031)	(0.034)	(0.027)	(0.027)	(0.158)	(0.108)
Constant	9.065***	10.611***	8.984***	10.477***	8.989***	10.475***	9.034***	10.576***
	(0.006)	(0.010)	(0.004)	(0.005)	(0.003)	(0.004)	(0.005)	(0.004)
Observations	214,632	217,157	284,883	288,239	284,883	288,239	221,061	223,621
Origin-Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	yes
Origin-Dest FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RWP Votes	0.200***	0.400***	0.300***	0.400***	0.422***	0.401***	0.121**	0.402***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Crises	-0.038	-0.002	-0.140***	-0.167***	-0.154***	-0.154***	0.394**	0.568***
	(0.076)	(0.065)	(0.031)	(0.034)	(0.027)	(0.027)	0.160	(0.109)
Constant	9.057***	10.599***	8.973***	10.461***	10.458***	10.458***	9.027***	10.560***
	(0.006)	(0.011)	(0.004)	(0.005)	(0.005)	(0.005)	(0.006)	(0.005)
Observations	214,632	217,157	284,883	288,239	288,239	288,239	221,061	223,621
Origin-Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	yes
Origin-Dest FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels respectively. Standard errors adjusted for clustering at the origin and destination level.Our benchmark results are reproduced in Cols. (1-2). Cols. (3-4) use GDP crisis episodes in the construction of the instrument. Cols. (5-6) use employment crisis episodes, whereas Cols. (7-8) use political corruption scandals

Specifically, a one-standard deviation increase in the mean margin of right-wing populism corresponds to a noteworthy increase in high-skilled emigration flows, ranging from 10 to 14 percent. However, no discernible effect is observed on low-skilled emigration. By contrast, in the lower panel, we find that a 10-percentage-point rise in the vote shares of right-wing populist parties leads to a significant increase in high-skilled emigration, ranging from 12 to 20 percent, while low-skilled emigration experiences an approximate 40 percent increase.

The findings obtained when using the mean margin measurement, which better captures the overall exposure of voters to right-wing populism following an election, lend substantial support to the anecdotal evidence reported in the media regarding the brain drain phenomenon in response to right-wing populism. By emphasizing their differences from traditional parties and introducing identity-based nationalism into the public discourse, right-wing populist leaders actively contribute to the formation of echo chambers. This, in turn, prompts a greater number of dissatisfied high-skilled individuals, who might have otherwise challenged populist ideologies, to choose emigration. This finding helps

shed light on the persistence and snowball dynamics of right-wing populism, despite its well-documented adverse effects on the economy.

Table 7: IV regressions with various crisis definitions
Dependent = Annual skill-specific emigration flows

	Inflation crisis		GDP crisis		Empl. crisis		Corruption crisis	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	HS	LS	HS	LS	HS	LS	HS	LS
RWP Index	0.144***	0.020	0.141***	0.039	0.105***	0.001	0.099***	0.003
	(0.046)	(0.043)	(0.046)	(0.042)	(0.044)	(0.043)	(0.0472)	(0.046)
Crisis	0.162***	0.290***	-0.071*	-0.107***	0.895**	1.400***	0.270***	0.344
	(0.147)	(0.104)	(0.043)	(0.044)	(0.360)	(0.338)	(0.095)	(0.064)
Constant	15.839***	11.978***	9.112***	10.666***	8.057***	9.251***	9.079***	10.785***
	(3.481)	(1.544)	(0.011)	(0.014)	(0.295)	(0.334)	(0.103)	(0.101)
Observations	214,632	217,157	213,902	216,418	220,331	220,331	221,061	223,621
RWP Votes	0.272***	0.055**	0.264***	0.039	0.264***	0.055	0.230***	.052
	(0.076)	(0.007)	(0.007)	(0.042)	(0.007)	(0.007)	(0.007)	(0.007)
Crisis	0.156	0.166	-0.070*	-0.093**	-0.178***	-0.139***	0.248***	0.052
	(0.148)	(0.103)	(0.041)	(0.030)	(0.028)	(0.115)	(0.114)	(0.108)
Constant	15.453***	16.513***	9.106***	10.591***	8.003***	8.830***	8.831***	10.981***
	(3.501)	(2.015)	(0.025)	(0.0250)	(0.325)	(0.308)	(0.383)	(0.327)
Observations	214,632	217,157	213,902	216,418	220,331	220,331	221,061	223,621
Origin Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Origin-Dest FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels respectively. Our benchmark results are reproduced in Cols. (1-2). Cols. (3-4) use GDP crisis episodes in the construction of the instrument. Cols. (5-6) use employment crisis episodes, whereas Cols. (7-8) use political corruption scandals.

4.3 Alternative dependent variables

One significant challenge arises from the unavailability of directly observable skill-specific migration flows, which serve as our dependent variables. To estimate these flows, we adopt a methodology that combines annual migration flow data from Abel (2018) with information on the skill level of the migrant population from each origin country. Abel (2018) estimate dyadic migration flows by combining data on migration stocks by decade, and annual data on births and deaths in all destination countries. The skill level data is obtained from the nearest census conducted at the destination, and obtained from Arslan et al. (2015) and Artuc et al. (2014). As robustness checks, we explore alternative measures of migration flows and other proxies that indicate positively selected migration.

First, we employ the same breakdown by educational level as in the benchmark model. However, we enhance our analysis by incorporating an alternative data set on annual migration flows. Our data sources include the DEMIG C2C database, which provides

comprehensive bilateral migration flow data from 1946 to 2011, encompassing 236 countries and 34 destination countries. The DEMIG C2C database was compiled by collecting and digitizing historical national statistics as well as current electronic sources (DEMIG, 2015). In addition, we incorporate the data set developed by Standaert and Rayp (2022), which employs a Bayesian state-space model to integrate information from multiple data sets on stocks and flows. This approach allows for the creation of a unified estimate. It yields a global, yearly, daydic database on migration flows and stocks, with nearly 2.9 million observations across over 56,000 country pairs, spanning the period from 1960 to 2020.

Table 8 compares the results obtained with alternative data on annual migration flows. [**To be done.**]

Table 8: IV regressions with alternative migration data sources
Dependent = Annual skill-specific migration flows

	(1)	(2)	(3)	(4)	(5)	(6)
	Benchmark		Standaert-Rayp		Demig	
	HS	LS	HS	LS	HS	LS
RWP Index	xx	xx	xx	xx	xx	xx
	xx	xx	xx	xx	xx	xx
Inflation crisis	xx	xx	xx	xx	xx	xx
	xx	xx	xx	xx	xx	xx
Constant	xx	xx	xx	xx	xx	xx
	xx	xx	xx	xx	xx	xx
Observations	xx	xx	xx	xx	xx	xx
Origin-Time FE	xx	xx	xx	xx	xx	xx
Origin-Dest FE	xx	xx	xx	xx	xx	xx
RWP Votes	xx	xx	xx	xx	xx	xx
	xx	xx	xx	xx	xx	xx
Inflation crisis	xx	xx	xx	xx	xx	xx
	xx	xx	xx	xx	xx	xx
Constant	xx	xx	xx	xx	xx	xx
	xx	xx	xx	xx	xx	xx
Observations	xx	xx	xx	xx	xx	xx
Origin-Time FE	xx	xx	xx	xx	xx	xx
Origin-Dest FE	xx	xx	xx	xx	xx	xx

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels respectively. Standard errors adjusted for clustering at the origin and destination level. We use the benchmark specification with inflation crisis dummies.

Second, instead of estimating the yearly shares of college graduates in each migration corridor, we adopt a different approach. We classify migration dyads into various groups based on the proportion of college graduates in the most recent census data, rather than estimating yearly shares. Specifically, we define four dummies, denoted as $\text{Hum}_{X\%}$, which are set to 1 if the share of college graduates in the bilateral migration corridor exceeds X

percent, using census round 2000 as the reference. We consider four education thresholds ($X = 15$, 20, 25, or 30 percent). By employing the benchmark model with inflation crises and focusing on the mean margin of populism, we conduct regression analyses, regressing total annual migration flows on the RWP index and its interaction with the human capital dummies. If significant, this interaction highlights the influence of right-wing populism on the self-selection of individuals in migration..

The results obtained for total immigration and emigration flows are presented in Table 9. Immigration findings are discussed in Cols. (1) to (4) on the left side, while emigration results are presented in Columns (5) to (8) on the right side. In Cols. (1) to (3), it is observed that a one standard deviation increase in right-wing populism leads to a decrease in total immigration inflow ranging from 13 to 17 percent across all countries. However, the effect is more pronounced (i.e., 27 to 39 percent greater) in migration corridors where the proportion of college graduates exceeds 15, 20, or 25 percent. An exception is noted in Col. (4), where corridors with shares of college graduates above 30 percent display a smaller effect of right-wing populism compared to the average. This exception is attributed to a small number of corridors characterized by low migration costs and a long migration history.

Shifting our attention to emigration in the right panel, Cols. (5) to (7) show that right-wing populism only increases the total flow of emigration in migration corridors with high levels of human capital. Specifically, a one standard deviation increase in right-wing populism results in a 16, 13, or 16 percent increase in emigration in corridors where the proportion of college graduates exceeds 15, 20, or 25 percent, respectively. The effect is insignificant in less selective corridors. However, in Col. (8), the emigration response is negative in corridors with more than 30 percent of college graduates.

Table 9: IV regressions with skill-content corridor dummies
Dependent = Annual total migration flows

	(1) Immig	(2) Immig.	(3) Immig.	(4) Immig	(5) Emig.	(6) Emig.	(7) Emig.	(8) Emig.
RWP Index	-0.127***	-0.141***	-0.174***	-0.471***	0.008	0.000	0.008	0.083
	(0.027)	(0.027)	(0.027)	(0.034)	(0.048)	(0.048)	(0.048)	(0.065)
Inflation Crises	-0.793***	-0.795***	-0.794***	-0.810***	0.352**	0.352**	0.352**	0.365**
	(0.060)	(0.060)	(0.060)	(0.060)	(0.156)	(0.156)	(0.156)	(0.158)
RWP Index × $\text{Hum}_{15\%}$	-0.392***				0.158***			
	(0.045)				(0.046)			
RWP Index × $\text{Hum}_{20\%}$		-0.366***				0.130***		
		(0.045)				(0.045)		
RWP Index × $\text{Hum}_{25\%}$			-0.270***				0.158***	
			(0.045)				(0.046)	
RWP Index × $\text{Hum}_{30\%}$				0.392***				-0.289***
				(0.042)				(0.083)
Constant	10.755***	10.757***	10.760***	10.765***	10.852***	10.853***	10.852***	10.864***
	(0.009)	(0.009)	(0.009)	(0.008)	(0.046)	(0.046)	(0.046)	(0.046)
Observations	241,943	241,943	241,943	241,943	210,005	210,005	210,005	210,005
Origin-Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Origin-Dest FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels respectively. Standard errors adjusted for clustering at the origin and destination level. We use the benchmark specification with inflation crisis dummies. The dummy variable $\text{Hum}_{X\%}$ is equql to 1 if the share of college graduates in the bilateral migration corridor exceeds X percent.

4.4 Is Europe special?

Our stylized facts presented in Section 2 highlight the concerning surge of right-wing populism in Europe. In Table 10, we test specifically whether the migration responses to right-wing populism are stronger in the European Union (EU). Cols. (1) to (4) examine the immigration responses on the left side, while Cols. (5) to (8) focus on emigration flows on the right side. We compare the PPML results with the IV results for each skill groups, college graduates (HS) and the less educated (LS).

Regarding immigration, our findings strongly indicate that the situation in EU countries plays a crucial role. We consistently observe a highly significant and negative interaction between the mean margin of right-wing populism and the EU dummy variable. However, we cannot definitively conclude that right-wing populism influences the self-selection of immigrants to Europe based on their skill level. The significance of the mean margin's effect on non-EU countries diminishes, possibly due to collinearity issues. Nonetheless, in the lower panel, we still observe a significant and negative impact of the vote share of right-wing populism on non-EU countries.

The emigration results align with the findings presented in the previous tables and is specific to Europe. We show that the mean margin of right-wing populism increases emigration from EU countries, with the effect being at least twice as large for high-skilled

emigrants compared to low-skilled individuals. Similar to the immigration analysis, the significance of the mean margin's effect on non-EU countries diminishes. However, when focusing on the volume margin, we still observe a significant but small negative effect.

Table 10: PPML and IV regressions with EU interactions
Dependent = Annual skill-specific migration flows

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Immigration flows				Emigration flows			
	PPML		IV		PPML		IV	
	HS	LS	HS	LS	HS	LS	HS	LS
RWP Index	-0.042	0.045	-0.022	0.061*	-0.008	-0.062	-0.011	-0.062
	(0.034)	(0.032)	(0.034)	(0.032)	(0.060)	(0.064)	(0.060)	(0.064)
Inflation Crises	-0.529***	-0.642***	-0.884***	-1.090***	-0.029	0.031	0.093	0.152
	(0.050)	(0.054)	(0.064)	(0.070)	(0.076)	(0.066)	(0.136)	(0.119)
RWP Index × EU	-0.489***	-0.466***	-0.511***	-0.470***	0.331***	0.148*	0.340***	0.156*
	(0.045)	(0.054)	(0.044)	(0.052)	(0.091)	(0.084)	(0.092)	(0.086)
Constant	10.578***	9.592***	10.551***	9.561***	9.063***	10.611***	9.148***	10.680***
	(0.002)	(0.002)	(0.004)	(0.003)	(0.006)	(0.011)	(0.042)	(0.039)
Observations	249,735	241,602	249,735	241,602	214,632	217,157	214,632	217,157
Origin-Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	yes
Origin-Dest FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RWP Votes	-0.016***	-0.017***	-0.012**	-0.013**	0.013*	0.003***	0.001*	0.004***
	(0.006)	(0.005)	(0.006)	(0.005)	(0.010)	(0.001)	(0.091)	(0.001)
Inflation Crises	-0.544***	-0.636***	-0.807***	-1.112***	-0.035	0.004	-0.130	0.101
	(0.050)	(0.052)	(0.106)	(0.102)	(0.077)	(0.067)	(0.103)	(0.089)
RWP Votes × EU	-0.048***	0.009	-0.130***	-0.136***	0.010*	0.001	0.003*	0.006***
	(0.013)	(0.013)	(0.033)	(0.028)	(0.009)	(0.001)	(0.002)	(0.002)
Constant	10.602***	9.606***	10.572***	9.552***	9.057***	10.598***	5.809***	13.846***
	(0.003)	(0.002)	(0.012)	(0.010)	(0.007)	(0.011)	(1.608)	(1.427)
Observations	249,735	241,602	249,735	241,602	214,632	217,157	214,632	217,157
Origin-Time FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	yes
Origin-Dest FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels respectively. Standard errors adjusted for clustering at the origin and destination level. We use the benchmark specification with inflation crisis dummies.

5 Conclusions

The growing surge of right-wing populism in Europe is a matter of grave concern given its proven detrimental effects on local and national economies. Previous research highlights the significance of low levels of human capital among voters and substantial inflows of low-skilled immigrants as factors driving support for right-wing populist parties. However, it is equally important to consider that right-wing populism itself can influence the skill composition of immigration and emigration flows. This influence can manifest as a deterrent to high-skilled immigration while simultaneously encouraging high-skilled emigration. Consequently, right-wing populism may contribute to a decline in the average education level of both immigrants and voters, creating a worrisome vicious cycle of

populism and human capital loss.

Examining this hypothesis is difficult given the paucity of migration flow data. We employ proxies that measure the size and skill level of migratory flows between specific origin and destination countries. We also utilize novel measures of populism that capture the prevailing ideology in either the origin country (for emigration) or the destination country (for immigration). To address concerns regarding endogeneity, we draw upon recent studies showing that significant historical events can shape present circumstances, highlighting the role of collective memory and political legacies in shaping contemporary behavior. We employ an instrumental variable approach, using a combination of historical data, such as mean vote shares of far-right parties between 1900 and 1950, and trigger variables like economic insecurity shocks or corruption scandals.

For the first time, our study provides suggestive evidence that an increase in right-wing populism is associated with a decrease in the influx of college-educated migrants, exhibiting twice the sensitivity compared to the inflow of low-skilled migrants. Additionally, we find that right-wing populism leads to an increase in high-skilled emigration while having no discernible impact on low-skilled outflows. Consequently, right-wing populism tends to reduce the average education level of both immigrants and the remaining voter base, thereby contributing to the sustained growth and snowball effect of populism. These findings are particularly strong and significant in the European Union. They provide valuable insights into the persistent nature of right-wing populism in Europe and its self-reinforcing dynamics, despite its proven detrimental effects on the economy.

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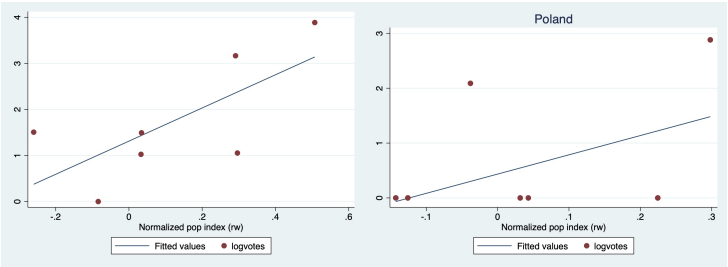
Appendix

A Margins of Right-Wing Populism

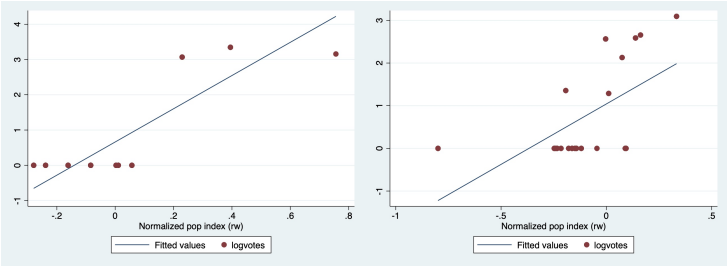
Figure A.1 depicts the correlation between volume and mean margins of right-wing populism in eight prominent European countries. These countries have witnessed substantial support for right-wing populist parties during elections.

Figure A.1: Correlation between the Margins of Right-Wing Populism

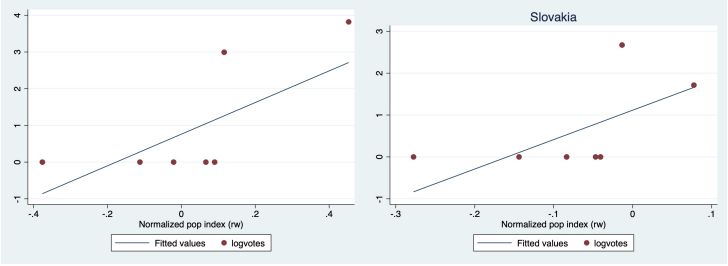
(a) Italy (b) Poland



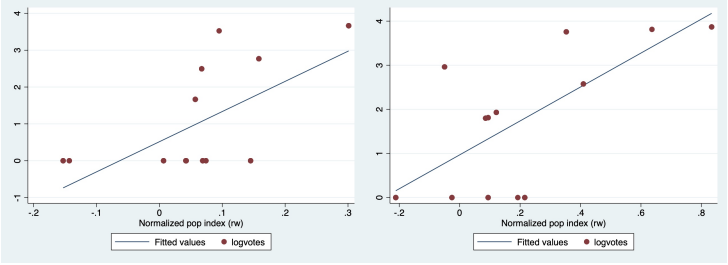
(c) Austria (d) Denmark



(e) Hungary (f) Slovakia



(g) France (h) Greece



B Construction of the instrument

Table B.1 presents the findings from the first-stage regressions analyzing the mean margin of total populism index ($TP^{Index}_{i,t}$), computed as the mean populism score of all populist parties, including the left-wing and centrist ones. We show that financial crises are leading to a populist response in countries with a latent level of nationalism. This suggests that the parties benefiting from financial crises are not those with the lowest attitudes towards redistribution and strongest political preferences for law and order or moral values, located at the top of the left-right political spectrum by Budge and Laver (2016) and classified as right-wing in our context.

Table B.1: First-stage regressions for $TP^{Index}_{i,t}$ (centrist, left- and right-wing)

	(1)	(2)	(3)	(4)	(5)
Inflation crisis	-0.053***				
	(0.001)				
$REM_i \times$ Inflation crisis	0.331***				
	(0.012)				
GDP crisis		-0.031***			
		(0.001)			
$REM_i \times$ GDP crisis		0.105***			
		(0.005)			
Employment crisis			-0.018***		
			(0.001)		
$REM_i \times$ Employment crisis			-0.092***		
			(0.008)		
Corruption crisis				0.015***	
				(0.002)	
$REM_i \times$ Corruption crisis				0.296***	
				(0.006)	
Financial crisis					-0.023***
					(0.001)
$REM_i \times$ Financial crisis					0.244***
					(0.007)
Constant	-0.050***	-0.051***	-0.037***	-0.021***	-0.024***
	(0.000)	(0.000)	(0.001)	(0.001)	(0.001)
Observations	268,533	275,457	275,457	275,457	275,457
R-squared	0.386	0.388	0.386	0.387	0.390

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels respectively. Standard errors adjusted for clustering at the country level.

Table B.2 list the parties classified as extreme-right and nationalist in the period 1900-1950. The vote share of these parties is used to compute our collective remembrance variable, REM_i.

Table B.2: Extreme-right and Nationalist parties in 1900-1950

Ctry	Party	Ctry	Party
GRC	ethnikon rizospastikon komma	NDL	nationaal-soc. beweging
	komma ton eleftherofronon	NZE	independent national
	ethniki politiki enosis		national
	ethnikon komma ellados	NOR	nasjonal samling
	ethniki politiki enosis	SWE	sveriges nationella forbund
AUS	nationalist party	CHE	schw. bauern/gewerbe/burgerpartei
	constitutionalist		schweizerische konservative volkspartei
	protectionist party	TUR	republican nation party
AUT	christlich-soziale partei		national party
	freiheitliche partei Osterreichs	GBR	Anti-Parnell Nationalists
	verband der unabhangigen		British Empire Party
BEL	christelijke vlaamse volksunie		Home Rule Party
	frontpartij		Independent Nationalists
	union catholique belge		Independent Nationals
CAN	protectionist		Mudiad Gweriniaethol Cymru
	united reform		National Party
	united reform movement		Nationalists
	vlamsch nationaal verbond		Nationals
CHL	National Democratic Party		Parnell Nationalists
DAN	danmarks nationalsoc. arbejderparti		Plaid Cymru
FIN	isanmaallinen kansanliike		Scottish National Party
	kansanpuolue	USA	independent populist
	nuorsuomalaienen puolue		national american
	suomen tyovaenpuolue		national democrat
DEU	nat-soz. deutsche arbeiter partei		national party
	nat. freiheitsbewegung		national populist
	wirtschaftliche aufbauvereinigung		national progressive
Iceland	XXX		national recovery
	XXX (i)		national reform
	XXX (ii)		national republican
	XXX		national silver
	borgaraflokkur (i)		national social justice
IRL	monetary reform		national sound money democrat
ISR	unity general-popular movement		national union
	women's international zionist org.		populist independent
ITA	fronte dell'uomo qualunque		christian nationalist
	fronte democratico popolare		NATIONAL PARTY
	mov. per l'indipendenza della sicilia		american national
	partito nazionale fascista		american reform
JAP	kokumin kyodo to		workers party of america
	reconstruction party		
	uha shakai to		
LUX	groupement patriotique et démocratique		
	parti national indépendant		
	parti populaire indépendant		
	parti radical		

C Prelim. tables: robustness to migration data sources

Table C.1: Robustness to migration data source
Dependent = Total immigration flow

	(1) PPML Abel (2018)	(2) PPML Standaert and Rayp (2022)	(3) IV Abel (2018)	(4) IV Standaert and Rayp (2022)
RWP index	-0.240***	-0.135**	-0.247***	-0.121**
	(0.055)	(0.057)	(0.057)	(0.059)
Constant	9.820***	9.792***	9.956***	9.955***
	(0.001)	(0.001)	(0.008)	(0.010)
Observations	374,576	380,839	260,708	265,751
Origin-Dest FE	Yes	Yes	Yes	Yes
Origin-Time FE	Yes	Yes	Yes	Yes

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels respectively. Standard errors adjusted for clustering at the origin and destination level. First and the third Cols. (1) and (3) rely the migration data from Abel (2018) and provide PPML and IV estimates. Second and fourth Cols. (2) and (4) rely on the data set of Standaert and Rayp (2022), estimated with PPML or IV.

Table C.2: Robustness to migration data source
Dependent = Total emigration flow

	(1) PPML Abel (2018)	(2) PPML Standaert and Rayp (2022)	(3) IV Abel (2018)	(4) IV Standaert and Rayp (2022)
RWP Index	0.100**	0.160***	0.075*	0.225***
	(0.041)	(0.046)	(0.042)	(0.050)
Constant	10.526***	8.984***	12.017***	11.986***
	(0.001)	(0.001)	(1.746)	(1.130)
Observations	303,006	339,012	222,700	246,941
Origin-Dest FE	Yes	Yes	Yes	Yes
Origin-Time FE	Yes	Yes	Yes	Yes

Notes: ***, **, and * indicate statistical significance at the 1%, 5% and 10% levels respectively. Standard errors adjusted for clustering at the origin and destination level. First and the third Cols. (1) and (3) rely the migration data from Abel (2018) and provide PPML and IV estimates. Second and fourth Cols. (2) and (4) rely on the data set of Standaert and Rayp (2022), estimated with PPML or IV.