Economic Perspectives on Societal Challenges: Equality of Opportunity, Market Regulation, and Financial Stability - EPoS





## INTERVIEW

June 2022

# "Political Polarisation Has Become Deeply Rooted"

### Interview with Wladislaw Mill

In the U.S., the polarisation of the Democratic and Republican Parties is increasing in current years and is higher than at any other time since the Civil War, recent studies show.

At the same time, a divided America bears costs, as political polarisation leads to destructive behaviour, according to a recently published <u>article</u> of economists Wladislaw Mill from the University of Mannheim and John Morgan from the University of California, Berkeley.

The authors investigated the attitudes of supporters of Donald Trump and of Hillary Clinton towards each other and how these attitudes affect spiteful behaviour.

The key insight is that the participants are more likely to behave spitefully towards people who voted differently, and shows that partisanship spills over into the non-political realm. Interestingly, this result is driven mainly by the behaviour of Clinton voters. The following interview with Wladislaw Mill focuses on the results of the experiment and the societal and economic repercussions for the United States.

### What is the main difference between Clinton and Trump voters?

In terms of attitudes, we find that while both Clinton and Trump voters like the opponent's voters substantially less than fellow voters, Clinton voters dislike Trump voters even more than Trump voters dislike Clinton voters.

In terms of behaviour we find that Clinton voters significantly differentiate between Clinton and Trump voters, while Trump voters do not. Specifically, Clinton voters behave substantially more spitefully towards Trump voters as opposed to fellow Clinton voters. On the other hand, Trump voters are equally spiteful toward Clinton and Trump voters.

## How do you explain that Clinton voters' behaviour differs from the counterparts in the Trump camp?

This is a tricky question to answer. We speculate that moral attitudes might drive this difference in behaviour. It seems as if Trump voters merely disagree with the position of Clinton voters. Clinton voters, on the other hand, seem to treat the support for Donald Trump as a moral issue. For example, looking back at the election of 2016, Donald Trump mostly attacked Hillary Clinton directly and focused less on Clinton's supporters. Hillary Clinton, on the other hand, was both attacking Donald Trump as well as his supporters when she referred to Trump supporters as a "basket of deplorables."

In our paper, we provide some evidence for this hypothesis. The participants' view on how

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moral others are, affect the participants' destructive behaviour, in line with research in psychology. However, future research will need to tackle this question more rigorously.

## Both Trump and Clinton were rather controversial candidates. Do you see a chance that political division in the U.S. will decrease in the future if more moderate candidates compete?

There might be a chance that political division will decrease if candidates become more moderate. However, it seems rather unlikely if no further steps are implemented.

First, recent research shows that polarisation has been increasing for years, even before Trump's candidacy. Second, we also find in our data that the polarisation does not reduce over the years, even with Joe Biden as the presidential candidate back in 2020. Thus, some interventions are most likely needed to reduce polarisation, which current research is already focusing on.

# You conducted your survey in five waves before the presidential election in November 2016, after the inauguration of the president-elect and before and after the midterms in late 2018 as well as after the election in January 2021. Did the timing affect attitudes and behaviour?

Before conducting the first experiment before the election in 2016, we expected there to be some variation -- specifically, we thought that polarisation would decrease after the 2016 election. Surprisingly there was very little change in behaviour and attitudes over the five waves. This result speaks to how deeply rooted political polarisation has become.

### What are possible long-term consequences of rising polarisation in the U.S.?

Our research shows that polarisation leads to animosity even among "typical" Americans. Rising polarisation might amplify this effect, making it increasingly hard to solve societal problems as polarisation hampers the efficient implementation of single policies. We partially have seen this already with the pandemic, and it stands to reason that political polarisation affects the implementation and adherence to policies battling global warming.

### Do you also see economic repercussions?

We provide evidence that polarisation affects economic decision making, however we do so in a controlled experimental setting. Large-scale economic consequences of polarisation are substantially harder to be studied causally. However, there is some recent evidence that polarisation also affects beliefs about the economy. Thus, polarisation most likely will also affect spending and investment decisions and therefore impact the whole economy.

## What can be done to reduce the current division between the two political camps and eventually destructive behaviour?

That is a good question, and I don't have a definite answer. Recent advances in the field are trying to understand the root of increasing polarisation and how to combat it. Some argue that social media and filter bubbles are particularly responsible for increasing polarisation. Fake news lead to growing distrust, and filter bubbles make it less likely to be confronted with opposing views.

Thus, combating fake news, reducing filter bubbles, and potentially changing the tone and atmosphere on social media might be the first steps to reducing division.

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### Is it possible to transfer your findings on European societies?

The main insight from our research is that polarisation can lead to destructive behaviour. We know that there is also a lot of polarisation in European societies. The average level of division might be smaller in the E.U. than in the U.S. (as we have a different political system in most member states), but the negative consequences of polarisation on behaviour have also been pointed out in European countries. Thus, it seems plausible that our results are transferable to European societies.

Wladislaw Mill is a member of the <u>Collaborative Research Center Transregio 224 EPoS</u> and Assistant Professor at the University of Mannheim.

Access the full article here.

Established in 2018, the Collaborative Research Center Transregio 224 EPoS, a cooperation of the universities Bonn and Mannheim, is a long-term research institution funded by the German Research Foundation (Deutsche Forschungsgemeinschaft, DFG). EPoS addresses three key societal challenges: how to promote equality of opportunity; how to regulate markets in light of the internationalization and digitalization of economic activity; and how to safeguard the stability of the financial system.

The interview is a publication of the Collaborative Research Center Transregio 224 EPoS.

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