Guernica, by Pablo Picasso (1937).

The Political Economy of Hatred
By Edward Glaeser

Presentation by Team Dixit
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1. Introduction

Hatred has typically been a subject of study for sociologists, (social) psychologists, psychiatrists, political scientists, and even evolutionary biologists. Researches in these, and other, disciplines have sought to explain how hatred arises at the individual and societal level, the implications it has on specific social contexts, and how particular types of hatred (such as national, ethnic or religious) play out throughout history as well as in particular cases. In the field of economics, researchers have studied and modeled behaviors such as spitefulness (Levine, 1998) and revenge (Rabin, 1993).

Edward Glaeser acknowledges the contributions of these disciplines to the understanding of the formation of hatred. His intention, however, is to build upon and go beyond the biological and psychological conceptions of hatred as an ‘emotional response’ favored by the evolutionary process of our species. He also goes beyond specific types of hatred that arise in society in his pursuit of a general model of “interaction between the supply of hate-creating stories [...] and the willingness of voters to listen to hatred” (Glaeser, 2005, p.45). It is evident, therefore, that he also goes beyond the exiting models of hatred-induced behavior in economics: he looks at how it forms and spreads as a political tool, how it induces, first, a certain electoral behavior (namely votes inspired by hate-creating stories), and second, the establishment of a set of polices that institutionalize hatred (what he calls the antiminority policies).

To achieve this, Glaeser focuses on three actors within the market for hatred: on the supply side he places the “entrepreneurs of hate,” politicians who use hate-creating stories as a tool to further his or her own objectives; the in-group or majority population, and the out-group or minority make up the demand side. In particular, his model envisions two politicians with fixed policies with rewards to the level of income redistribution to taxation. His model is broken down into 4 periods, in each of which politicians and voters shape supply and demand of hatred through their particular support (or welfare, in the case of voters) maximizing decisions.

Glaeser’s model predicts that politicians will benefit from the use of hatred as a tool “when their policies complement hatred” (Glaeser, 2005, p. 59). In particular, “hatred will be spread against poor minorities by anti-redistribution candidates (as in Woodward [2002]) and spread against rich minorities by pro-redistribution candidates (as in Chua [2003])” (Glaeser, 2005, p.47).

2. The Formation of Hate

“The formation of hatred involves a cognitive process in which “evidence” about hateful actions is processed into beliefs about the “evil” of a person, creating a desire to weaken or avoid that person” (Glaeser, 2005, p. 51). Natural selection drove Homo sapiens to develop hatred as an emotional response critical for self-preservation in moments where an individual (or a group) believes him or herself to be the victim of an attack by a group or another individual. The tendency to interpret social reality in terms of ‘us and them,’ therefore, plays a crucial role in the development of hatred as an emotional response.

For the purpose of the model, Glaeser is interested on the formation of intergroup hatred. Unlike interpersonal hatred, intergroup hatred stems from (often) true stories of a group’s crimes that have been exaggerated with the passage of time and the willful action of ‘entrepreneurs of hate.’
3. The Model

Glaeser’s model describes the conditions under which political entrepreneurs supply hate-creating stories, and the way in which they interact with voters who might lack the incentives or resources to properly investigate the truth behind the stories. The model represents hatred as the belief by the in-group or majority population, that the out-group is dangerous.

3.1 Variables and Parameters of the Model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Meaning</th>
<th>Range of Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>( \theta )</td>
<td>The probability that voters give to the negative signal being correct (i.e. the out-group is harmful with probability ( \theta )).</td>
<td>( 0 \leq \theta \leq 1 )</td>
</tr>
<tr>
<td>( \phi )</td>
<td>The probability that the in-group places on the politicians sending (false) signals about harmless groups. It is endogenous to the model, and reflects the actual probability that politicians send false signals.</td>
<td>( 0 \leq \phi \leq 1 )</td>
</tr>
<tr>
<td>( \delta )</td>
<td>Percentage of effectiveness of the possible damage that can be inflicted upon the in-group by the out-group after the former has implemented self-protection measures.</td>
<td>( 0 &lt; \delta \leq 1 )</td>
</tr>
<tr>
<td>( p )</td>
<td>Proportion of the population that belongs to the out-group.</td>
<td>( 0 &lt; p &lt; 1 )</td>
</tr>
<tr>
<td>( \lambda )</td>
<td>Proportion of the electorate with the out-group represents.</td>
<td>( 0 &lt; \lambda &lt; 1 )</td>
</tr>
<tr>
<td>( \overline{P} )</td>
<td>Proportion of the majority group (in-group) members who believe that the out-group is harmful.</td>
<td>( 0 &lt; \overline{P} &lt; 1 )</td>
</tr>
<tr>
<td>( d )</td>
<td>Perceived threat from the out-group.</td>
<td>( d &gt; 0 )</td>
</tr>
<tr>
<td>( y )</td>
<td>Endowed income. Income distribution in the in- and out-groups is characterized by the density function ( f(y) ), and cumulative distribution ( F_i(y) ), where the subscript is a reference to the group.</td>
<td>( y &gt; 0 )</td>
</tr>
<tr>
<td>( \tilde{y}_o )</td>
<td>Average aftertax income of the out-group.</td>
<td>( \tilde{y}_o &gt; 0 )</td>
</tr>
<tr>
<td>( \Delta_y )</td>
<td>Mean income of the in-group minus the mean income of the out-group.</td>
<td>( \Delta_y &gt; 0 ), ( \Delta_y &lt; 0 )</td>
</tr>
<tr>
<td>( c_i )</td>
<td>Reflects the difficulty of raising funds. It a candidate’s marginal cost of spending.</td>
<td>( c_i &gt; 0 )</td>
</tr>
<tr>
<td>( s )</td>
<td>Cost of searching for the truth behind the politician’s stories. Its distribution is characterized by a density function ( h(s) ) and a cumulative distribution ( H(s) ).</td>
<td>( s &gt; 0 )</td>
</tr>
<tr>
<td>( \hat{s} )</td>
<td>Cost of acquiring information about the out-group that is fixed across all in-group voters.</td>
<td>( \hat{s} &gt; 0 )</td>
</tr>
<tr>
<td>( \eta )</td>
<td>Component of variation of cost of acquiring information, distributed according to a cumulative distribution ( \Gamma(\eta) ).</td>
<td>( \eta &gt; 0 )</td>
</tr>
</tbody>
</table>
### 3.2 Assumptions of the Model

- Political entrepreneurs (politicians) have fixed policies and spread hatred through stories about the out-group when their policies are detrimental to the out-group.
- Politicians maximize their expected popular support minus their electoral spending multiplied by a nonzero scalar, which represents the difficulty of raising funds.
- Voter’s beliefs about the danger of interacting with the out-group are determined by politicians’ hate-creating messages and the degree to which voters scrutinize those messages.
- In-group members vote, search, and self-protect to maximize their expected utility:
- Out-group members vote to maximize their income net of taxes and transfers. They are passive in the model.
- Voting is costless and everyone votes, but individuals also recognize that individual votes have no impact on electoral outcomes.
- The out-group is harmful with probability θ, and if the out-group is harmful, then the in-group will suffer a damage of $\delta dy_o$ (refer to the table for the meaning of the variables).
- If the out-group is, in fact, harmful, then a signal will be sent to all members of the in-group warning them about the danger posed by the out-group.
- The politicians would only send false signals to warn the in-group of the threat of the out-group during the first period. When this is the cause, assume that in-group members cannot easily observe the source or veracity of the signals.
- In-group members can only learn the veracity of the politicians’ signals by paying a cost.

<table>
<thead>
<tr>
<th>$r$</th>
<th>Expenditures (not necessarily only monetary) on self protection.</th>
<th>$r &gt; 0$</th>
</tr>
</thead>
<tbody>
<tr>
<td>$K$</td>
<td>The cost of spreading hate-creating stories among in-group members. $K$ is drawn from a distribution with density $f(K)$ and cumulative distribution $F(K)$.</td>
<td>$K &gt; 0$</td>
</tr>
<tr>
<td>$\hat{K}$</td>
<td>The cost of spreading hate-creating stories that is fixed for all politicians.</td>
<td>$\hat{K} &gt; 0$</td>
</tr>
<tr>
<td>$\psi$</td>
<td>Component of variation of the cost of transmitting negative signals about the outgroup. It is distributed with a cumulative distribution $\Psi(\psi)$.</td>
<td>$\psi &gt; 0$</td>
</tr>
<tr>
<td>$\tau, \tau_R, \tau_A$</td>
<td>Tax level, tax levels proposed by each candidate, where $\tau_R &gt; \tau_A$.</td>
<td>$0 &lt; \tau_i &lt; 1$</td>
</tr>
<tr>
<td>$\psi$</td>
<td>Poll tax proposed by politicians. In the model this is used as a proxy for exclusionary policies against minorities.</td>
<td>$0 \leq \chi \leq 1$</td>
</tr>
<tr>
<td>$A$</td>
<td>Fixed cost faced by a politician to spread hate against the hater (i.e. the politician who uses hate against the out-group as an electoral tool).</td>
<td>$A &gt; 0$</td>
</tr>
<tr>
<td>$\alpha$</td>
<td>Component of variation of the cost of spreading hate against the hater: It is distributed according to a cumulative distribution $\phi(\alpha)$.</td>
<td>$\alpha &gt; 0$</td>
</tr>
<tr>
<td>$\omega$</td>
<td>Cost of having a “bad,” hate-monger leader, as perceived by voters.</td>
<td>$\omega &gt; 0$</td>
</tr>
<tr>
<td>$x$</td>
<td>Variable that represents the other characteristic, besides income, in which individuals differ. It is distributed across both in- and out- groups following cumulative distributions: $F^x_{\delta_i}(\cdot), F^x_{\delta_j}(\cdot)$.</td>
<td>$x &gt; 0$</td>
</tr>
<tr>
<td>$\hat{x}$</td>
<td>The average level of $x$ in society.</td>
<td>$\hat{x} &gt; 0$</td>
</tr>
</tbody>
</table>
3.3 Characterization of the population

a) \( p \) represents the out-group as a share of the population. \((1-p)\) represents the in-group as a share of the population. \( \lambda \) is the proportion of the electorate that the out-group represents. \((1- \lambda)\) represents the proportion of the electorate that the in-group makes up. In general, \( p = \lambda \).

b) The income distribution of the in-group is characterized by density function \( f_i(y) \) and cumulative distribution \( F_i(y) \).

c) The income distribution of the in-group is characterized by density function \( f_o(y) \) and cumulative distribution \( F_o(y) \).

d) There are 2 politicians in competing against each other. Their proposed tax level defines them, as Prorredistribution and Antiredistribution candidates. In notation, an R and A subscripts will distinguish them respectively.

e) If the Out-group is harmful, then:
The share of in-group members who believe that the out-group is harmful with probability one is:

\[
H \left( \frac{\phi(1 - \theta)r}{\theta + \phi(1 - \theta)} \right)
\]

and the remainder believes out-group is harmful with probability

\[
\frac{\theta}{\theta + \phi(1 - \theta)}
\]

This equation comes from Baye’s rule, which tells us that the probability that proposition \( A \) is true given that proposition \( B \) is true is

\[
P(A|B) = \frac{P(B|A)P(A)}{P(B|A)P(A) + P(B|\sim A)P(\sim A)}
\]

In the case of this model,

<table>
<thead>
<tr>
<th>Probability</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>( P(A</td>
<td>B) )</td>
<td>Probability that the out-group is harmful given that in-group members receive a negative signal.</td>
</tr>
<tr>
<td>( P(B</td>
<td>A) )</td>
<td>Probability that the in-group receives a message given that the out-group is harmful.</td>
</tr>
<tr>
<td>( P(B</td>
<td>\sim A) )</td>
<td>Probability that the in-group receives a message given that the out-group is harmless (i.e., probability that the politician will send a false message).</td>
</tr>
<tr>
<td>( P(A) )</td>
<td>Probability that the out-group is harmful.</td>
<td>( \theta )</td>
</tr>
<tr>
<td>( P(\sim A) )</td>
<td>Probability that the out-group is harmless.</td>
<td>( (1 - \theta) )</td>
</tr>
</tbody>
</table>
g) **If the Out-group is harmless, then:**

\[
\bar{P} = 1 - H\left(\frac{\phi(1 - \theta)r}{\theta + \phi(1 - \theta)}\right)
\]

Represents the share of the in-group members who believe the out-group is harmful with probability:

\[
\frac{\theta}{\theta + \phi(1 - \theta)}
\]

The remainder of the in-group has searched and learned that the out-group is harmless:

\[
H\left(\frac{\phi(1 - \theta)r}{\theta + \phi(1 - \theta)}\right)
\]

h) Those who hear the politicians’ message about the out-group and do not learn the truth about the story are defined as the proportion of the in-group who hate.

### 3.4 Four Periods

The model has four periods, which will be analyzed in the following pages. At any point you may refer back to table 1 for the meaning of the variables used.

#### 3.4.1 Period 1 – Politicians decide whether to broadcast a hate-creating message.

The objective of the politician is to maximize their expected popular support minus their electoral spending multiplied by \( c_p \), which represents the difficulty of raising funds.

**If the Out-group is harmful, then:**

There is no need for the politicians to spread their hate-creating stories, since all in-group members will receive a signal about it during the second period.

**If the Out-group is harmless, then:**

Political entrepreneurs (politicians) spread hatred through stories about the out-group when their policies are detrimental to the out-group.

Define \( K \) as the cost of creating and spreading hatred through stories about the out-group. \( K \) is drawn from a distribution with density \( f(K) \) and cumulative distribution \( F(K) \), and its distribution depends on the ability of the politicians, and the existence of material and facts with the potential for distortion. As it will be seen in section \( \) on the supply of hatred, \( K \) will act as the major determinant of the supply of hatred by the politicians to the voters.

#### 3.4.2 Period 2 – In-group members (a) receive signals about the harmfulness of the out-group, (b) decide whether or not to investigate the truth of the message, and (c) decide whether or not to engage in self-protection against the out-group.

**If the Out-group is harmful, then:**

All in-group voters will receive a negative signal about the out-group, and will, therefore, engage in self-protection whether they have searched or not. This means they will support the politician whose policies will damage the out-group.

**If the Out-group is harmless, then:**
In-group members may receive a signal from one of the politician aimed at spreading hate against the out-group (a). Once the message has been received, each voter has to decide (b) whether or not to investigate the truth of the message. An individual’s willingness to search for the truth depends on how well educated she/he is, the degree of interaction she/he has with members from the out-group, and also, the degree of integration between the groups. These are elements that reduce $s$, the cost of searching for the truth, or increase the gains from learning the truth.

$s$ is not equal for all members of the in-group, and will be distributed according to the density function $h(s)$ and the cumulative distribution $H(s)$.

**Proposition 1:** Learning the truth of the hate-creating story is optimal if and only if

$$\frac{\phi(1 - \theta)r}{\theta + \phi(1 - \theta)} > s$$

where the left hand side term stands for the gains from searching.

First of all, by assumption of the model,

$$\frac{\theta(1 - \delta)d\tilde{y}_o}{\theta + \phi(1 - \theta)} > r$$

where $r$ stands for the cost of self-protecting, $\delta$ represents the factor by which the threat of the out-group decreases due to the implementation of the self-protective measures, $d$ is the perceived threat from the out-group, and $\tilde{y}_o$ represents the average after-tax income of the out-group. (c) This inequality implies that “self-protection is always optimal both for in-group members who have learned that the negative signal is true and for in-group members who have not searched to learn the truth of the signal” (p.55).

If the individual decides **not** to search, then the expected cost is:

$$\frac{\theta\delta d\tilde{y}_o}{\theta + \phi(1 - \theta)} + r$$

where the left hand side reflects the expected costs from an attack committed by the out-group, and $r$ reflects self-protecting policies.

If the individual decides to search, then the expected costs is zero if she/he finds out that the story is false, or

$$\delta d\tilde{y}_o + r$$

if the story were true.

In general, the total expected costs to the in-group would be:

$$\frac{\theta(\delta d\tilde{y}_o + r)}{\theta + \phi(1 - \theta)}$$

which include the costs of both searching for the truth and implementing self-protective measures.

**3.4.3 Period 3** – In-group and out-group members vote for their preferred politician, and the winning politician’s policies are implemented.
3.4.3.1 The Supply of Hatred

The two political entrepreneurs propose exogenous tax levels. The pro-redistribution candidate proposes \( \tau_R \) and the anti-redistribution candidate proposes \( \tau_A \), such that:

\[
\tau_R > \tau_A
\]

Taxation is a zero-sum game. People either “receive” or pay taxes, depending on \( y - \hat{y} \). Poorer than average “receive”, richer than average pay. The amount is equal to:

\[
\tau(y - \hat{y})
\]

Individuals gain/lose \( (\tau_R - \tau_A)(y - \hat{y}) \) from supporting the anti-redistribution candidate. Out-group and in-group members who believe out-group is harmless will vote for the pro-redistribution candidate if and only if:

\[
(\hat{y} - y) > 0
\]

In-group members who believe out-group is harmful have an added incentive for voting.

The gap between average income and average out-group income is:

\[
(1 - p) \Delta y
\]

The anti-redistribution candidate reduces out-group income by:

\[
(\tau_R - \tau_A) (1 - p) \Delta y
\]

Haters will support the pro-redistribution candidate if:

\[
(\tau_R - \tau_A) \left( \hat{y} - y - \frac{\theta \delta d (1 - p) \Delta y}{\theta + \phi (1 - \theta)} \right) > 0
\]

Since \( \bar{P} = 1 - H \left( \frac{\phi (1 - \theta) r}{\theta + \phi (1 - \theta)} \right) \) denotes the proportion of majority group members who believe that the out-group is harmful, the share of population that supports the pro-redistribution candidate will be equal to:

\[
p F_O(\hat{y}) + (1 - p) \cdot \left[ (1 - \bar{P}) F_I(\hat{y}) + \bar{P} F_I \left( \hat{y} - \frac{\theta \delta d (1 - p) \Delta y}{\theta + \phi (1 - \theta)} \right) \right]
\]

This complicated formula simply means that the pro-redistribution candidate will get votes from out-group members who have income up to \( \hat{y} \), in-group members who do not hate and who have income up to \( \hat{y} \), as well as those in-group members who hate and who have income up to \( \hat{y} - \text{the expected harm from out-group} \).
The pro-redistribution candidate naturally aims to get as many votes as possible. Hence, differentiating it with respect to $\bar{P}$ yields:

$$F_I \left( \hat{y} - \frac{\theta \delta d (1 - p) \Delta_y}{\theta + \phi (1 - \theta)} \right) - F_I (\hat{y})$$

The marginal return to spreading hate (and hence increasing $\bar{P}$) will be positive if this term will be $> 0$, or alternatively:

$$F_I \left( \hat{y} - \frac{\theta \delta d (1 - p) \Delta_y}{\theta + \phi (1 - \theta)} \right) > F_I (\hat{y})$$

Since all the terms $\delta, \theta, d, p$ and $\phi$ are positive, this will hold iff $\Delta_y$ is negative.

**Proposition 2:** The pro-redistribution candidate benefits from the existence of hatred if and only if $\Delta_y < 0$.

Depending on the wealth of out-group, it will either be pro-redistribution or anti-redistribution candidates who will spread hatred. Following from Proposition 2, pro-redistribution candidates will benefit from hatred if the minority is rich. Thus, anti-redistribution candidates will benefit from hatred if the minority is poor, i.e. $\Delta_y > 0$.

Presence of hatred means that there are instances in which voters who lose economically from politician’s policies may still be inclined to vote for them, as long as these policies will also weaken the out-group.

Hatred affects the voting pattern of middle-income in-group members only. When they hate, only then will they support the anti-redistribution candidate. Very rich will always support anti-redistribution candidate. Very poor will always support pro-redistribution candidate.

Now assume that $\Delta_y > 0$. Only the anti-redistribution candidate will find it beneficial to spread hatred. He does so at a cost $c_A$. 


**Proposition 3:** There exists a value of $K$, denoted $K^*$, at which the anti-redistribution candidate is indifferent between sponsoring hatred and not sponsoring hatred.

For $K > K^*$ : Regular electioneering, no hate  
For $K < K^*$ : Spread hatred

- a) $K^*$ is rising with $\Delta y$, $d$, $\theta$ and $\delta$.  
  $K^*$ is falling with $c_A$ and $p$.

- b) Dichotomy between proportion $p$ of the tax base and proportion $\lambda$ of the electorate.  
  Then $K^*$ falls with $\lambda$, not $p$.

- c) The cost of acquiring information about the out-group, $s$, is equal to $s = \hat{s} + \eta$.  
  $\hat{s}$ is a constant, $\eta$ is distributed with a cdf $\Gamma(\eta)$.  
  $K^*$ is rising with $\hat{s}$.

- d) The cost of sending a negative signal about the out-group is equal to $K = \bar{K} + \nu$.  
  $\bar{K}$ is a constant, $\nu$ is distributed with a cdf $\Psi(\nu)$.  
  The share of anti-redistribution politicians that spread hatred is falling with $\bar{K}$.

Probability that in-group members place on a politician sending a false signal about harmfulness of the out-group is the probability that an anti-redistribution candidate will spread a false negative signal. Hence:

$$\Phi = G(K^*)$$

One could treat an increase in $K^*$ as an increase in the supply of hatred. The value of $c_A$ declines as the candidate is richer. Thus richer candidates may be more likely to spread hatred, as $K^*$ would increase.

**3.4.3.2 Understanding the Model**

Table 3 contains the effects of changes in the variables of the model.
Table 3. Comparative Statics of the Model

<table>
<thead>
<tr>
<th>↑ of</th>
<th>Leads to</th>
<th>Because</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>d</td>
<td>↑ in K*</td>
<td>Increasing belief that impoverishing out-group is needed to keep in-group safe.</td>
<td>Change in level of integration</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Change in size of out-group</td>
</tr>
<tr>
<td>δ</td>
<td>↑ in K*</td>
<td>Lesser ability to self-protect.</td>
<td></td>
</tr>
<tr>
<td>θ</td>
<td>↑ in K*</td>
<td>Higher probability of signal being correct means in-group members are less likely to search for truth.</td>
<td></td>
</tr>
<tr>
<td>Δγ</td>
<td>↑ in K*</td>
<td>Out-group would gain more from redistribution.</td>
<td>More poverty among minorities.</td>
</tr>
<tr>
<td>p</td>
<td>↓ in K*</td>
<td>Decrease of in-group proportion in electorate – less influence.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and ↑ in K*</td>
<td>Reduction in the gap between out-group and avg. income – less transfers from pro-redistribution policies.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase in perceived threat, d.</td>
<td></td>
</tr>
<tr>
<td>λ</td>
<td>↓ in K*</td>
<td>Increase in out-group’s political power.</td>
<td></td>
</tr>
<tr>
<td>r</td>
<td>↓ in K*</td>
<td>The more one spends on self-protection, the less effective is hatred since one fears less.</td>
<td></td>
</tr>
<tr>
<td>cA</td>
<td>↓ in K*</td>
<td>Unit cost of hatred goes up.</td>
<td></td>
</tr>
</tbody>
</table>

Implications

- Candidate who opposes redistribution can appeal even to voters who lose economically from his policies.
- Since education reduces the cost of search (s), less educated people are more likely to accept hate stories as true.
- Foreigners without the right to vote are attractive targets for hatred because they are not included in the λ.
- Integration between out-group and in-group has no obvious effect as it works two ways: reduces search costs but increases perceived threat.
- Increased literacy and the rise of cheap print have made it easier to spread hate, by reducing R.
- However, they also made it cheaper to hate the haters (reduction in α). Overall effect is ambiguous.
- Exclusionary policies can be seen as reducing perceived threat (d).
- The model also applies to dictatorship, so long as they are interested in attracting popular support.
• Actions such as reducing contact with out-group, avoiding commercial and social interactions, moving to a segregated neighborhood may reflect “expenditures” on self-protection (increasing r).
• Ability to spread negative signals reduces trust in negative signals.
• Cost of fighting hatred rises with the share of population that hates.

3.4.3.3 Anti-minority Policies

• **Definition:**
  o Policies that penalize the out-group
    ▪ Jim Crow schools segregating African-Americans from White Americans
    ▪ Nuremberg laws against Jews’ access to public services or certain occupations
  o Captured by $\chi_A$ and $\chi_R$, which are poll taxes proposed by both candidates respectively.

• **Extreme cases**
  o Assuming there are uniform income densities within in-group and out-group:
    ▪ **Without I.G. hatred:** Candidates who supply hatred lose as many votes as he gains
    ▪ **With I.G. hatred:** Candidates gain support when penalizing the out-group.

• **Assumptions**
  o Anti-minority policies are exogenous
  o Out-group are rich enough to pay these taxes
  o Support for the anti-redistribution candidate will rise with the level of hatred if and only if the anti-redistribution candidate is less generous to out-groups, i.e.
    ▪ $\chi_A + (\tau_R - \tau_A)(1 - p)\Delta y > \chi_R$

**Proposition 4.** If

$$f_I(\hat{y} + (p/(1-p))\xi) < \left[ ((1-p)\theta \delta d)/(p(\theta + \phi(1-\theta))) \cdot f_I(\hat{y} + (p/(1-p))\xi - (\theta \delta d((1-p)\Delta y - \xi))/\theta + \phi(1-\theta)) \right]$$

where $\xi = (\chi_R - \chi_A)/(\tau_R - \tau_A)$, then $\xi'$, the max cost that antidistribution candidate is willing to spend to spread hatred, is rising with $\chi_A$ falling with $\chi_R$. 
3.4.3.4 Non-economic Issues, Multiple Issue Elections, and Exclusionary Policies

- Often, policies divides do not concern income, but some other characteristic
  - i.e. religion, right to marry, etc
- Accounted for by assuming that people differ by characteristic $x$
  - Distributed among the out and in-group with cumulative distribution functions $F_{x_0}(\cdot)$ and $F_{x_1}(\cdot)$
  - $\hat{x}$ represents the average level of $x$ in society

- **Simple Case: Candidates base redistribution is based on $x$, not $y$**
  - Net tax payments $= \tau(x - \hat{x})$
  - $X$ treated as

- **Complex Case: Candidates propose differing tax levels, support will depend on both $x$ and $y$**
  - High tax candidate's support $=\frac{p F_O^x(\hat{x}) + (1 - p)((1 - \overline{P}) F_I^x(\hat{x}) + \overline{P} F_I^x(\hat{x}) - ((\delta d(1 - p) \Delta x) / \theta + \phi(1 - \theta)))}{\overline{P}}$

  - $\overline{P}$ = The share of the in-group population that fears the minority
  - High tax candidates will support hatred if the out-group is well-endowed in $x$
  - Low tax candidate will support hatred if the out-group is deficient in $x$

3.4.3.5 Hating the hater

Glæser decides to explore an extension to the model where a politician from the opposition would employ hatred as a political tool against the original 'hate-monger.' For this extension of the model assume that:

a) $\chi_A = \chi_R = 0$, i.e. the proposed poll tax by the politicians is zero.

b) At a cost $A + \alpha$, if the antiredistribution candidate spread hatred, the proredistribution candidate can take advantage of it by suggesting that the former is evil.

c) If the antiredistribution candidate spreads hate and if the proredistribution candidate pays $A + \alpha$, then both out-group members and in-group members who searched and found out the truth will believe that the antiredistribution candidate will impose a cost of $\omega > 0$, which is the cost of having an evil leader in power.
d) The cost $A + \alpha$ is not observable. Only the fixed component, $A$ is observable. $\alpha$ is
distributed according to a cumulative distribution $F(\alpha).

**Proposition 5**: There exists a value of $\alpha$, denoted $\alpha^*$, at which the proredistribution
candidate is indifferent between spreading hate against the hate-monger candidate. 
At values below $\alpha^*$, the proredistribution candidate strictly prefers spreading hate
against the hate-monger candidate. 
At values above $\alpha^*$, the proredistribution candidate prefers not spreading hate against
the hate-monger candidate.

The intuition behind this proposition is rather straightforward. First of all, $\alpha^*$, the
maximum a candidate is willing to spend in order to spread hatred against the hate-monger
candidate, can be interpreted as the level of supply of this sort of hate, following the same
logic employed in our analysis of $K^*$. An opposition politician will be “likely to hate the hater
when the costs of spreading the hate are low or when its costs of funds are low” (Glaeser,
2005, 65). Therefore:

a) For a sufficiently small probability of gains from searching that outweighs the costs of
doing so,

$$h\left(\frac{\phi(1-\theta)r}{\theta+\phi(1-\theta)}\right)$$

then the value of $\alpha^*$ is falling, and the value of $K^*$ rising with $A$ and $c_R$

b) The value of $\alpha^*$ increases as the amount of people who do not hate increases, since
“widespread hate makes it less appealing to spread hate against the hater, because in-
group members who hate do not respond to this appeal” (Glaeser, 2005, p. 65).

Therefore, if the proportion of people who searched and learned the truth about the out-
group (i.e. they know the out-group is not harmful) can be expressed as:

$$H\left(\frac{\phi(1-\theta)r}{\theta+\phi(1-\theta)}\right) = \tilde{H}\left(\frac{\phi(1-\theta)r}{\theta+\phi(1-\theta)}\right) + \overline{H}$$

then the value of $\alpha^*$ will increase with $\overline{H}$.

3.4.4 **Period 4** – In-group members may be harmed by out-group members.

**If the Out-group is harmful, then:**
The damaged produced by the out-group to the in-group will be:

$$\delta d\tilde{y}_0.$$

**If the Out-group is harmless, then:**
No damage will be produced against the in-group.

4. **Historical Examples**

- Anti-Black racism in the United States
  - Rise in hatred against African-Americans after Reconstruction period
  - Reconstruction period was one in which African-Americans were briefly
    allowed the full rights and privileges of full citizens following slavery
- African-Americans, originally perceived as harmless, now perceived as dangerous (rise in d)
- Hate relatively increased until the post-Civil Rights era

- Chinese discrimination in Indonesia
  - Historically the Chinese population in Indonesia were a minority
  - Received citizenship following Indonesia's independence in 1946, but were required by law to present Indonesian Citizenship Certificates (BKSRIs) in order to
    - Conduct business with government officials
    - Received ID cards or passports
    - Register births or deaths
    - Receive business licenses
  - BKSRIs were abolished in 1996 via presidential instruction and reaffirmed in 1999, but reports indicate that local authorities still ask Indonesian citizens of Chinese descent for BKSRIs

5. Criticism and Extensions

Passive out-group

The assumption that the out-group will just passively observe hatred toward them and still vote for the politician as long as their incomes are up to \( F_0(\bar{y}) \) in the case of pro-redistribution politicians and above in the case of anti-redistribution politicians, seems unrealistic. If the in-group members respond to hatred against the out-group, it would seem even more natural for the out-group to respond to hatred against them. Glaeser only allows for politicians to hate the haters, and only if they find it beneficial to do so. If they do not, such is the implication of the model; the out-group will still continue to vote along the same pattern as in the absence of hatred.

Hence, an interesting extension to the model would be to include a term that directly penalizes for the spread of hatred against the out-group, even in the absence of the opposing politician’s decision to hate the haters. This would mean that even if the out-group is richer than in-group, a larger share of them than predicted by the model would choose to vote for the pro-redistribution candidate because the anti-redistribution one would be spreading hatred against them. The converse would hold if the out-group is on average poorer.

In fact, one could generally criticize the assumption that only politicians would spread hatred. Since signals are not directly observable, the out-group might have an incentive to spread hatred against the politician who spreads hatred against them. The model only allows for politicians to hate and does not allow for more complex interactions of politicians with the population, other than the population passively responding to signals.

Lack of political competition dynamics

Another point of criticism is that the model does not account for the dynamics of political competition. There is only one election period and thus it does not matter if a proportion of the in-group discovers the politician to be spreading false signals about the harmfulness of the out-group.

This simplifying assumption seriously alters implications of the model. Repeated interaction with politicians would mean that reputation (for lying) would influence the value
of $\phi$, which would depend on the value of $\phi$ in the previous period and on the proportion of in-group that heard a negative signal, chose to search for truth and learnt the politician’s signal is false. Accounting for that would reduce the predicted political incentive to spread hatred.

The author also assumes that politicians always give false negative signals because if the out-group is truly harmful, voters will have learnt that anyway (“When the out group is harmful, politicians will not broadcast a signal because voters will receive a negative signal anyway” (Glaeser, 2005)). This would never be true in a real setting that allows voters to accumulate experience and verify politicians’ truthfulness. A more effective strategy would be to mix false signals with true signals in order to gain some level of credibility and increase the value of $\phi$.

**Forming of coalitions**

Glaeser briefly acknowledges that it does not have to be income being the source of divide of the population between in-group and out-group. He allows for another factor $x$ to be the source of divide. However, he also states that divides occur along the dimension that represents the most extreme divide.

While it is not entirely unreasonable, relaxing this assumption could lead to interesting applications of the model. For instance, if those “divides” in the society do not overlap, i.e. there is an absence of cross-cutting cleavages, one could expect the forming of coalitions of in-group and out-group members along different dimensions, of course assuming that policies are also taking place along more than one dimension (e.g. income redistribution). Bargaining and trading of favors may then replace hatred because those who are out-group members on one issue may be in-group members on another issue.

**6. Conclusions**

Edward Glaeser develops a model in which opportunistic political entrepreneurs will spread hate and lies when they will find an audience who wants to listen. They do so, because this allows them to get a larger proportion of votes than they would have gotten, should they have not spread hate. Divides in the society allow for two groups that differ along an important characteristic to grow antagonistic to each other as a result of political lies, which will influence their preferences over income redistribution. People’s willingness to listen and believe in those lies depends on how costly it is to find out the truth and what the return to doing so would be. Spreading hate is most beneficial to the politician when minorities are politically relevant but not well integrated.

According to Google Scholar, this article has had over 290 citations since 2005.

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