We develop a model of multi-dimensional policies with three socio-economic groups and a citizen-candidate framework to explore the interaction between redistribution, anti-globalization and identity politics. Borrowing from social identity theory, the model builds on two ideas: first, each individual’s assessment of well-being includes both material and psychosocial components in which the former reflects, as usual, utility derived from consumption. Second, psychosocial component is a combination of self-esteem an individual draws from the relative status of the group with which she identifies and a dissonance cost she bears from the dissimilarity between group members and herself. Focusing on class and national identities, the model yields two main implications: First, social identification tends to shift political equilibrium away from moderation. In particular, prevalence of class identification, while preserving commitment to globalization, changes the equilibrium level of redistribution based on the middle-class perceptions about the class-struggle. National identification, in contrast, not only drives the equilibrium level of redistribution out of the realm of middle-class preferences, but also induces voters to support national economy, and consequently gives rise to extreme-policies. Second, the direction of changes in the redistributive dimension of political equilibrium induced by different patterns of social identification is mainly determined by the relative position of the middle-class in income distribution. Specifically, high/low relative status of the middle-class tends to shift the political equilibrium to the right/left. We show that the framework provides insights into the political-economy developments in the Western World after the End of the Cold-war. In particular, while the political economy regime before the financial crisis can be mainly characterized as a class identity equilibrium, exposure to globalization and/or cultural diversity gradually induced voters to switch social identity, changed the salient issue of the electoral competition from redistribution to anti-globalization, and provided an incentive mechanism for the (populist) politicians to hype Nationalism.