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Abdur-Rahman Butler

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Can bad economic governance explain the global rise in populism?

Abdur-Rahman Butler*

Abstract

Over the last 40 years, populist leaders have been elected, as heads of government, to at least 27 of the world's 105 electoral democracies. With most of these successful election bids occurring in the last two decades, researchers have had to expeditiously update their intuitions of the political phenomena, retrofitting new concepts and assumptions to a literature once ill-prepared for non-Latin American manifestations of populist governance. Leveraging this new, generalised understanding of populism, my paper aims to analyse the economic causes of populism through a globalised, rather than regionalist, description of the phenomena. In particular, I attempt to draw parallels between our updated understanding of populism and Brazil's 2018 election of right-wing populist Jair Bolsonaro. Grounding my analysis in this recent example, I introduce a two-way fixed effects logistic model to estimate the relationship between macroeconomic variables and the successful election of populist heads of government more broadly. This is performed on a panel of 105 countries between the years 1980-2020. Finding limited evidence for a relationship between variables typically associated with populist success – namely, austerity, unemployment and globalisation – my research casts some doubt towards the generalisability of past European and Latin American explanations of the causes of populism. Nonetheless, my model does find a statistically significant relationship between annual GDP growth and the likelihood of a populist being elected, with a 1% increase in GDP reducing the odds of a populist being elected by 12.5%, within the next zero to five years.

Keywords: Political Economy, Fiscal Policy, Populism, Brazil

JEL Classifications: P000, E620, P520

* Contact Email: abdurrahmanbutler@gmail.com

1 Introduction

1.1 Populism On the Rise

The study of populism has experienced somewhat of a renaissance over the last decade, as interest in and incidence of the political phenomena has simultaneously risen. Characterised by an antipathy for elitism in all its manifestations, populist candidates have found unprecedented success, across the globe, in developed and underdeveloped democracies alike. What makes the rise in populism somewhat puzzling, however, is the pace at which populist electoral successes have managed to outmanoeuvre our ability to meaningfully predict them. The most recent examples of the now routine "surprise populist election" are Geert Wilder's PVV plurality victory in the Dutch 2023 election, and Libertarian candidate Javier Milei's successful 2023 Argentine presidential bid (Al Jazeera, 2023; Kirby & Holligan, 2023). With several elections yet to commence this year, the two largest democracies in the world, India and the United States, are, according to polls, more likely than not to elect populist candidates (Jain, 2024; Race to WH, 2024).[1]

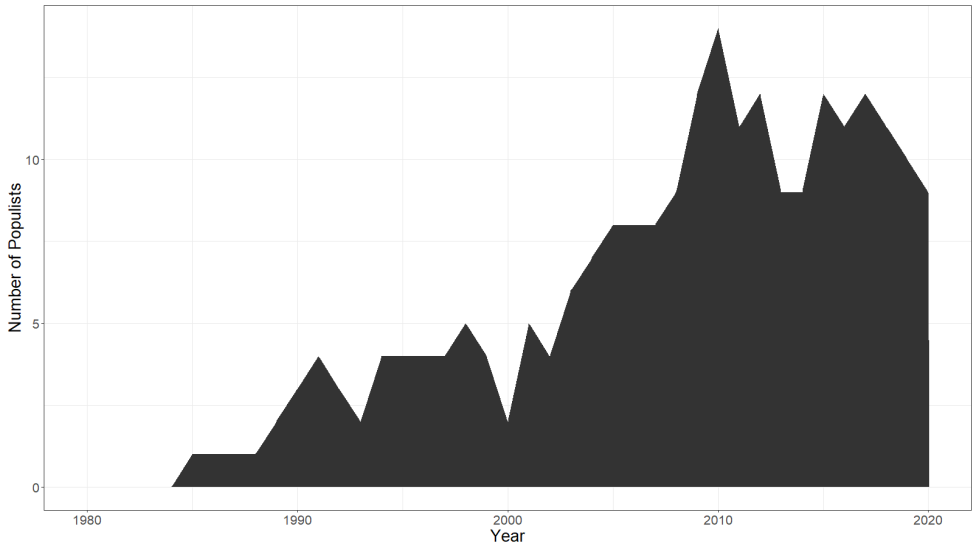

Figure 1: Number of populist heads of government in electoral democracies (1980-2020)

Notes: Figure 1 was generated using data from my list of populist heads of government. The main difference between my list of populists and other databases of populist leaders is that my list only considers populists who can feasibly be removed through democratic means. Hence, the graph above merely represents the 'lower bound' of populists around the world. If we included autocratic populists such as Daniel Ortega, Aleksandr Lukashenko, Nicolás Maduro.

The aim of this study, therefore, is to provide a novel approach for estimating the economic environments in which populist electoral success is most likely to occur. In particular, I will explore the role incumbent governments play in potentially creating the economic preconditions for populist success. Namely, how incumbent governments may lose

[1] As of November 2023, Donald Trump has been expected to win both the popular vote and electoral college majority for the 2024 American President Election, according to political modelling by Race to the White House.

to populists by pursuing electorally unpopular policies, such as austerity and a reduction of trade barriers, which, when coupled with economic adversity, make populist candidates attractive.

Constructing a two-way fixed effect logistic model that analyses data from N=27 countries and the T=40 years between 1980 and 2020, my results find limited evidence for the assertion that bad economic governance, austerity, and globalisation can explain the rise in populism, globally. Indeed, excluding GDP growth, no other macroeconomic variable indicates a statistically significant difference between the baseline governance of an economy and the condition of an economy experienced in the five years preceding the successful election of a populist candidate. For economic growth, however, a 1% increase in the annual GDP growth rate is estimated to reduce the odds of a populist being elected by 12.5%, within the next zero to five years.

Despite a lack of evidence for the association between a changing macroeconomy and populist electoral success, my research does indicate systematic time-invariant differences between countries that elect populists and those that do not. For instance, countries that ultimately elect populists, experience, on average, 30% more political corruption and two times the inflation rate when compared to countries that have never elected populists. Additionally, as we explore the example of Jair's Bolsonaro rise to power in Brazil, we can infer that bad macroeconomic governance does play an internally valid role in explaining some countries' experience with populism.

2 Literature Review

2.1 A Working Definition of Populism

The study of populism as an economic phenomenon predates the 'consensus' definition of populism by at least ten years. Typified by the works of Sachs (1989) and Dornbusch & Edwards (1990), early research into the phenomena fixated on the understanding of populism as a purely macroeconomic ideology, usually attached to the personages of left-wing Latin American leaders such as Salvador Allende, Juan Peron, and Allan Garcia. Describing the tendency of left-wing populists to use increased government spending as a tool to bring employment and wages above the natural level, macroeconomic populism was characterised by a cycle of short-term prosperity followed by spiralling inflation and economic collapse.

Although this description of populist governance has received some recent support from authors Acemoglu, Egorov, & Sonin (2013), most modern authors stray away from a strictly left leaning or regionalist construction of populism (Benczes & Szabó, 2022; Kaltwasser, 2019). Instead, the definition that forms the bedrock of virtually all economic

studies today is the one proposed by Mudde (2004), who defines populism to be characterised by the promotion of two key beliefs:

1. Populists promote the belief that society is "separated into two homogeneous and antagonistic groups, 'the pure people' versus 'the corrupt elite'". (Mudde, 2004, p. 562)
2. Populists promote the belief that "politics should be an expression of the [general will] of the people" (Mudde, 2004, p. 562)

Elaborating a distinction between populism as a "thin-centred" ideology, and socialism, fascism, or liberalism as "thick-centred" or "full ideologies", Mudde's definition of populism describes both left-wing and right-wing populists by their shared 'people vs. elite' normative worldview (Mudde & Kaltwasser, 2017, pp. 19-20). This approach is in stark contrast to Dornbusch's "macroeconomic populism", which presupposes a shared economic philosophy between populists. As such, Mudde's 'ideational approach' to populism enjoys much popularity among political economists for its implied discreetness and universality. As authors Yilmaz and Morrieson (2021) note in their literature review on the topic, ideational populism is "conceived as a binary: either a political leader or party is populist, or they are not" (p. 3).

2.2 Populism and Ideology

If one concedes that populism is, as an ideology, orthogonal to the left-right political dimension, how do we then approach the issue of the profound heterogeneity that is implied by the populist label? That is to say, do populists from either end of the political spectrum share enough in common to justify their single grouping? If we base our judgment on recent economic studies that have analysed the behaviour of populists in power, then the short answer is yes. Notably, the mammoth work performed by authors Funke, Schularick, and Trebesch (2022) on the causes and consequences of populist leadership finds virtually identical trends for the performance of left-wing and right-wing populists across several macroeconomic metrics (for GDP, the impact was -10% after 15 years when compared to a non-populist synthetic control) (p. i). Rachel Kleinfield (2023), whose working paper deals primarily with this question of the similarities between left-wing and right-wing populism finds a similar result, challenging the assumption that "pro-business" right-wing populists are meaningfully different, both in economic outcomes and practical aims, to left-wing populists. This is exemplified by the tendency of left-wing and right-wing populists to introduce trade barriers, likely in reaction to the perceived economic and cultural threats of globalisation.

On the causal front, globalisation, austerity, declining standards of living, economic insecurity, and more, have all been linked to populist successes, irrespective of ideology. For

instance, Giray Gozgor (2022) notes that economic uncertainty is positively associated with support for both leftist and rightist populist parties. However, Gozgor finds that "the relationship is stronger for right-wing populism" (p. 239). Dani Rodrik (2018), on the other hand, acknowledges the regional differences in the predominately European right-wing manifestations of populism and the Latin American left-wing kind. Nonetheless, Rodrik emphasises that both are essentially regionally idiosyncratic reactions to the common grievance of unrestrained globalisation. In particular, the rise of populism in Europe has been linked, by numerous studies, to the Global Financial Crisis, an inevitable consequence of the increased economic interdependence characterised by globalisation (Algan, Guriev, Papaioannou, & Passari, 2016; Gyöngyösi & Verner, 2022). In addition to economic insecurity, austerity has been persuasively linked to populist electoral success, namely for right-wing European parties (Baccini & Sattler, 2023). Notwithstanding, left-wing populists typically have anti-austerity platforms by default, and the tendency of leftist populists to expand social programs is not a new addition to the literature (see the aforementioned Dornbusch & Edwards (1990) paper).

2.3 Demand-side and Supply-side Narratives

The causes of populism can be further subdivided into "demand-side" and "supply-side" explanations. According to Berman (2021) in their analysis of the *Causes of Populism in The West*, demand-side explanations involve a "bottom-up" analysis wherein populism is understood as a reaction to changing voter preferences or socio-economic grievances (p. 73). A supply-side explanation, by contrast, is "top-down", fixating on the failures of establishment politicians and parties to meaningfully represent their constituencies (Berman, 2021, p. 78). Within this framework, the totality of papers thus referenced provide "demand-side" insights into the phenomena of populism, exploring how voters have looked to populists for ideological representation of anti-austerity and anti-globalisation policies. A supply explanation, by contrast, would involve analysing how democratic institutions fail to aggregate the preferences of voters into the outcomes or representations voters are hoping for. In the United States, for instance, incumbents are able to create barriers to entry for non-incumbent and non-establishment political parties or candidates, leading to limited political representation for significant portions of the population. In the American context, this is typically performed through the "supply-side" strategies of gerrymandering, voter suppression, and lobbying (Berman, 2021, pp. 78-79). Remembering that populism is characterised by anti-establishment attitudes ("the people vs. elite" framing), supply-side explanations work to explain how "establishments" can form in otherwise representative democracies. Indeed, an anti-establishment narrative cannot be persuasive without an out-of-touch establishment.

3 Case Study: Brazil and the Prelude to Populism

In studying the role incumbents play in potentially creating an economic environment wherein populism can thrive, the focus of my research will be on assessing the credibility of supply-side economic narrativizations of populism. In particular, I wish to question whether the economic failings of the technocratic political establishment are really to blame for the appeal of populist candidates. To do so, we will need to consider how bad economic governance has, in the positive case, verifiably caused populists to enter power. Once we have a prototypical example of this phenomenon, we can create an economic model to test whether this is generally the case or whether our example is an idiosyncratic one-off event. Globally, there are many examples to choose from to inform our approach. However, I believe the election of Jair Bolsonaro in Brazil is the most appropriate case study to explore how an otherwise beloved non-populist political establishment can fail at economic and political governance so profoundly, that populism becomes an attractive inevitability.

3.1 The Brazilian Political System

Brazil, much like the United States, is a federal presidential republic with a constitution guaranteeing civil rights and legal protections for its citizens (Sabatini & Wallace, 2023). As the role of president is non-ceremonial, the individual holding the title of President of Brazil is often listed in political databases as the "head of government".[2] Nonetheless, the president's power is restricted by several political realities, namely a deeply divided bicameral legislature that struggles to form majorities. Indeed, in 2018, 28 parties held at least one seat in the lower house, with the largest party (the PSL) only receiving 11% of the vote.[3]

As Brazilian representations are diverse, decentralized, and largely dominated by regionalist parties, the prospect of a populist leader appealing to some common ideological or social sensibility seems unlikely from the outset. Nevertheless, in 2018, the far-right populist leader Jair Bolsonaro was elected president, ending the effective 4-term spell (2003-2016) of Brazil's left-wing "Workers' Party" (PT) (Phillips & Phillips, 2018).[4]

A demand-oriented explanation would focus primarily on how Bolsonaro was able to appeal to Brazil's seemingly untapped pool of anti-refugee, pro-military, pro-authoritarian, anti-abortion, pro-torture voters; however, when researcher Mark Setzler (2021) tested this assumption, the author found little congruence between Bolsonaro's controversial views and

[2] Not all Presidential Republics will have their president as the head of government. For instance, Israel has a President that is not considered the head of government. Other countries, such as the United Kingdom may have a non-elected head of state that is not the effective head of government.
[3] Vote margins are collected from the online resource "Election Resources on the Internet" (Election Resources on the Internet, 2018).
[4] Following the Impeachment of Dilma Rousseff, the PT no longer held the position of President. Nonetheless, Vice President Michel Temer's MBD was in coalition with the PT at the time.

the motives animating his supporters.[5] Rather, Setzler found hostility towards the PT to be the driving force behind Bolsonaro's success, at least in terms of galvanising Bolsonaro's base (Setzler, 2021, p. 15). In this regard, Brazil presents a fascinating case study for Mudde's understanding of the ideational view of populism, as well as supply-side interpretations of populist success. Considering that political parties and coalitions in Brazil tend to be "big tent" and largely syncretic, Bolsonaro's success is more aptly interpreted as a collective chastisement of the PT's performance as the de-facto political establishment, rather than an endorsement of Bolsonaro's extremist worldview. Nonetheless, the PT's performance cannot be evaluated in terms of its entire record, as the PT and its leftist leader, Lula da Silva, have enjoyed unprecedented popularity in Brazilian democratic history.

3.2 The Rise and Fall of the Workers' Party

Consecrated with the title of the "most popular politician on Earth" by President Obama, Brazilian President Lula da Silva left office in 2010 with an enviable 90% approval rating (Phillips D., 2016; Phillips T., 2011). Lula's approval was largely driven by extraordinary policy successes. Overseeing an export boom in Brazil and the transfer of 20 million Brazilians out of poverty, Lula's first two years in office saw credible improvements to the well-being of most Brazilians, generally through the implementation of welfare programs, public investment projects, and direct transfers (Ansell, 2011). The momentum the PT enjoyed earned Lula's successor, Dilma Rousseff, two terms of her own; but early on into Rousseff's second term, Brazil was rocked by a confluence of political and economic crises.

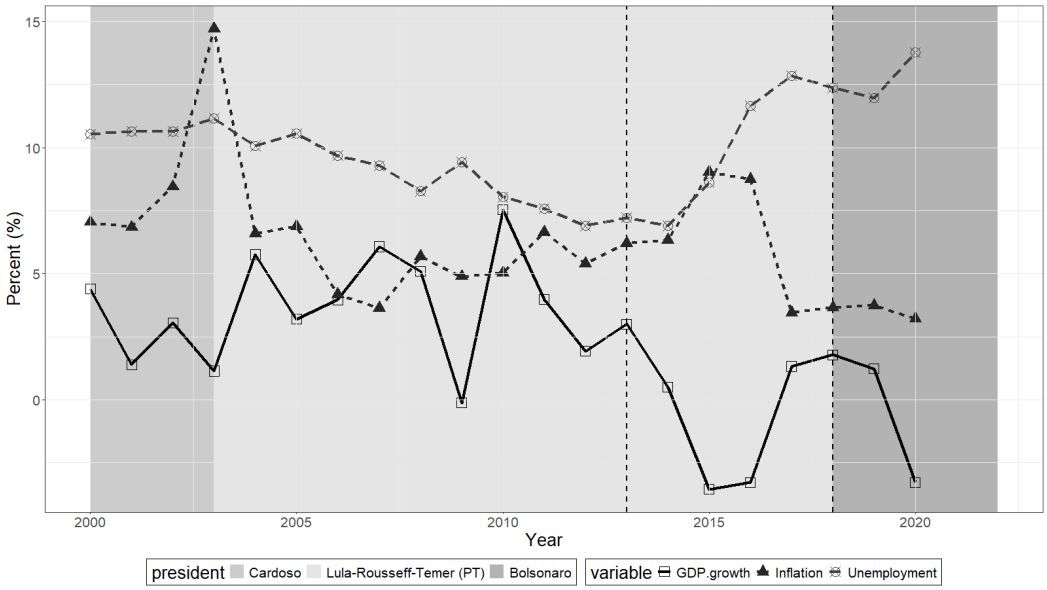

Figure 2: GDP Growth, Inflation and Unemployment during in the 21st century

[5] Jair Bolsonaro's attitudes towards issues such as migration, militarism, sexism, abortion, etc… are well documented (Greenwald & Fishman, 2014; Kirby, 2019; The Guardian, 2018).

Notes: The area between the two vertical dashed lines represent the 5-years preceding Bolsonaro's election. As we will be using lags of five years in our regression model, it is useful to consider whether this bandwidth is long enough to capture the macroeconomic conditions preceding the successful election of a populist. In this case, our 5-year period very conveniently overlaps with the worst of Brazil's economic crisis, strongly implying that the crisis had some effect on the unprecedented election of populist Jair Bolsonaro.

While the Brazilian economy began stagnating as early as 2010 – falling from 4% annual GDP growth to 2.4% between the years 2010 to 2014 – it was only until the second quarter of 2014 that Brazil entered a bona fide recession (Marquetti, Hoff, & Miebach, 2020, p. 117). Caused by a combination of bad policy and global downturns, the ensuing 2014-2017 recession is remembered as one of the worst in modern history (Vartanian & Garbe, 2019). Dubbed "the lost decade" by authors da Silva and Fishlow (2021), the 2010s saw GDP growth fall to -3.55% annually, while monthly inflation, interest rates, and unemployment all rose to double digits (pg. 146). Complicating matters further, a series of leaks, arrests, and legal proceedings exposed a culture of corruption in the PT and its coalition members. Known as Operation Car Wash or the Petrobras Scandal, evidence emerged that Lula and Rousseff had misappropriated the funds from the publicly owned petrochemical company, Petrobras, to bribe coalition members into supporting the PT with their votes (Sotero, 2022). As referenced earlier, party majorities are rare in the Brazilian legislature, so coalitions are typically formed by offering financial favours or cushy government positions. Indeed, ten years earlier Lula was implicated in a similar vote-buying scandal, known as the Mensalão scandal (Watts, 2012).

No longer protected by popularity or by a booming economy, the legislature and judiciary turned on the PT, impeaching President Rousseff in 2016 and disqualifying Lula from running for president in 2018. Additionally, despite the recession having little to do with the corruption scandal, in the minds of voters they were invariably linked (Marquetti, Hoff, & Miebach, 2020, p. 127). Dilma Rousseff's approval rating fell to 8% (Fenton, 2015). Similarly, her temporary replacement, Michel Temer, had a meagre 3% approval rating, and 0% approval rating for under-24s (Phillips D. , 2017). The lack of political support also meant action on the economic crisis was delayed.

3.3 The Rise of Bolsonaro

The Social Liberal Party (PSL) in Brazil – a relatively obscure centrist party that at the time had only ever won one seat – presented itself as the unlikely challenger to the PT going into the 2018 elections. Now led by Jair Bolsonaro, an inflammatory PSL newcomer, the former deputy quickly rebranded the party as one characterised by a far-right populist ideology (Langevin & Ruge, 2019). Leveraging the profound unpopularity of the political establishment in Brazil, Bolsonaro was able to use his distance from the PT as an asset, conveniently facing and defeating PT Presidential candidate Fernando Haddad in the second round of voting. In addition to winning the Presidency, the PSL would sweep the two houses of Parliament, going

from 1 to 52 deputy seats and 0 to 4 seats in the Senate (Election Resources on the Internet, 2018).

Ordinarily, a party going from one seat to a plurality, on top of winning the presidency, is unheard of in mature democracies. And yet, this very trend describes the frequent dynamic of populist parties and candidates. When a political establishment so profoundly fails at governance, as the PT coalition did during the 2010s, all establishment parties are hurt, irrespective of if they were in government. This makes populist candidates attractive, as if we accept an ideational view of populism, populist leaders are more ideologically attractive to anti-establishment voters than otherwise extremist, but mainstreamed, political parties.

According to Amaral (2020), the 2018 election presents as a watershed moment for the Brazilian system, as Bolsonaro had successfully "broken the competitive logic that had set the Workers' Party (PT) against the Brazilian Social Democracy Party (PSDB) in the presidential deputies since 1994)" (p. 2). Indeed, Amaral (2020) finds that "those who rejected the PT were ten times more likely to vote for Bolsonaro than a voter who did not reject any party" (p. 6). In this regard and supported by research conducted by Setzler (2021), Brazil's shift to populism is better understood through the context of supply side explanations. Namely, it was the PT's failures and not necessarily Bolsonaro's political acumen that shifted Brazil's ideological outlook in the populist, anti-establishment direction.

3.4 The Lessons of Brazilian Populism

When taken at face value, the collapse of PT and the ascendancy of Jair Bolsonaro presents affirming evidence for the notion that populism is a reactionary phenomenon. That is to say, whether, through ideological radicalization (demand-side) or declining political representation (supply-side), populism is a reaction to dramatic changes in the political-economic climate. Indeed, Brazil's flirtation with populism might as well function as the featureless, platonic form for populism itself, given how well the example conforms to populist theory. From the mix of political and economic crises to a political system governed less by ideology and more by proximity to the establishment, to the whiplash caused by a populist outsider, Jair Bolsonaro's rise to the presidency contains all of the features of the prototypical populist origin story. Nevertheless, generalisations of the populist cycle have historically been created through only a handful of powerful examples. Whether it be the rise of Syriza in Greece, the 2016 Brexit Referendum or even the historical example of Hitler's rise to power, the connection between economic crises and populism is primarily rooted in European examples. Similarly, the connection between socialism or economic inequality and populism is generally rooted in Latin American examples. But what can be said about the nature of populism as it manifests globally?

4 Data

4.1 Data and Populists

To answer the question of the external validity of populist determinants, it is necessary to capture not only all of the instances of populist electoral successes, but also instances of non-populist democratic governance (at least preceding the successful election of a populist). It is this empirical design that makes my dataset novel, as other available datasets include observations from populists who entered power in a non-democratic way.

My list of populists was composed by combining and updating two recent databases of populist leaders around the world, namely *Populists in Power* (Kyle & Meyer, 2020) and *Populist Leaders and the Economy* (Funke, Schularick, & Trebesch, 2023). A leader will appear on the list if they fit Mudde's definition of an ideological populist and if they are the heads of government of a democratic state.

For the list of populists ranging from 1990-2019, I used the database commissioned by the Tony Blair Institute for Global Change called *Populists in Power* (henceforth, I will refer to this source as TBI). This source was chosen over alternatives such as *The Global Populism Database* (Hawkins, et al., 2019) because it uses a binary scale and is specifically designed with Mudde's ideational understanding of populism in mind.

For the dates 1980-1990, I used the database *Populist Leaders and the Economy* (henceforth, I will refer to this source as PLE). This database only adds Robert Muldoon of New Zealand (1975-1984) and Alan García of Peru (1985-1990). Once again, Funke et al. (2023) explicitly apply Mudde's definition of ideational populism to classify their populists.

The date ranges for populists in power were updated depending on if they exited or regained power between the years 2019-2024. New populist heads of government, such as Javier Milei or Georgia Meloni, are not included to avoid the potential for misclassification. To filter out autocracies/one-party rule, periods, when non-populist leaders were unelected, are removed (based on indicators from V-Dem).[6] Some dates/names are changed to reflect leadership rather than partisan rule. Additionally, observations from Venezuela, Belarus, and New Zealand are removed due to a lack of data regarding their transitions to power. This does not mean that these countries were not governed by populists, but rather that, for the applications of my regression models, no observations for these countries were used.

With all of these conditions met, we are left with 39 leaders who are identified as populists, representing 27 countries across 40 years. The names, date ranges and sources for these leaders are listed below:

[6] Periods of electoral autocracies or full autocracies were removed from the sample.

Table 1: Populist heads of government in electoral democracies (1980-2020)

Country	Populist Leaders	Period of Free Elections	Source
Argentina	Menem (1989-1999) Kirchner-Fernandez (2003-2015)	1984-2020	TBI
Bolivia	Evo Morales (2006-2019)	1986-2018	TBI
Brazil	de Mello (1990-1992) Bolsonaro (2019-2022)	1987-2020	TBI
Bulgaria	Borisov (2009-2021)	1990-2020	TBI
Czech Republic	Zeman (1998-2002)	1991-2020	TBI
Ecuador	Bucaram (1996-1997) Guttierez (2003-2005)	1980-2020	TBI
Georgia	Saakashvili (2004-2013)	2004-2020	TBI
Greece	Alexis Tsipras (2015-2019)	1980-2020	TBI
Hungary	Viktor Orban (2010-2024)	1990-2017	TBI
India	Modi (2014-2024)	1980-2016	TBI
Israel	Netanyahu (1996-1999,2009-2021, 2022-2024)	1980-2020	TBI
Italy	Berlusconi (1994-1995, 2001-2005, 2008-2010) Conte (2018-2021)	1980-2020	TBI
Japan	Koizumi (2001-2006)	1980-2020	TBI
Mexico	Obrador (2018-2024)	1996-2020	TBI
Nicaragua	Ortega (2007-2024)	1990-2006	TBI
North Macedonia	Gruevski (2006-2016)	1998-2020	TBI
Paraguay	Lugo (2008-2012)	1993-2020	TBI
Peru	García (1985-1990) Fujimori (1990-2000)	1981-2020	PLE, TBI
Philippines	Estrada (1998-2001) Duterte (2016-2022)	1988-2017	TBI
Poland	Walesa (1990-1995) Kaczynski/PiS (2005-2010) Duda/PiS (2015-2023)	1990-2020	TBI
Slovak Republic	Meciar (2006-2010) Fico (2006-2010, 2012-2018)	1999-2020	TBI
South Africa	Zuma (2009-2018)	1995-2020	TBI
Sri Lanka	M. Rajapaksa (2005-2015) G. Rajapaksa (2019-2022)	1980-2020	TBI
Thailand	T. Shinawatra (2001-2006) Y. Shinawatra (2011-2014)	1998-2005	TBI
Türkiye	Erdogan (2003-2024)	1990-2012	TBI
United States	Trump (2017-2021)	1980-2020	TBI
Zambia	Sata (2011-2014)	2006-2012	TBI

For each country-year observation included in the dataset, economic and institutional indicators were collected. These variables come from the 2023 IMF *World Economic Outlook Database*, the World Bank *World Development Indicators* and the V-Dem *Varieties of Democracy* database. In addition to collecting data for the "core sample" of 27 nation-states that have experienced a transition to populism at least once between 1980-2020, we will also collect data for all countries in the world characterised as electoral democracies. We will refer to this as the "population sample".[7] See Table 2 below:

Table 2: Summary statistics for the population sample, representing 105 countries.

Population Sample					
	Observations	Mean	St. Dev.	Min	Max
Outcome Variables					
POP5	2,718	0.071	0.257	0	1
Economic and Political Variables					
GINI	2,656	38.364	9.594	20.700	65.800
Inflation	2,560	20.638	176.915	-44.359	5,273.450
Log GDP per capita	2,593	9.183	1.158	6.460	11.678
GDP growth	2,570	3.162	6.520	-41.008	147.973
Unemployment	1,464	9.004	5.891	0.313	70.000
Trade openness	2,539	82.846	46.966	12.219	382.348
Government expenditure	2,198	31.115	18.996	2.489	509.844
Electoral democracy index	2,718	0.751	0.129	0.500	0.922
Party exclusion index	649	0.426	0.175	0.000	0.917
Life expectancy	2,718	72.601	7.807	43.900	84.800
Education15	2,249	8.747	2.972	0.792	13.300
Debt to GDP	2,050	57.253	48.464	0.000	600.117
Political corruption index	2,718	0.304	0.269	0.002	0.949

Note: The "population sample" includes observations from all 105 countries that have, at one point, been considered electoral democracies between the years 1980-2020. Observations during a populist government's rule are removed from the sample.

In addition to the sample of all democratic nations, we will also run regressions exclusively on countries that have experienced populism (referred to as the "core sample"). As is indicated by the large standard deviations of our variables, there is a great deal of variation within our data (see Table 2). Hence, a core sample will be used to introduce country-level fixed effects, which, when applied through a logit regression, leads to the dropping of observations from countries that have not experienced populism. Summary statistics for the core sample is given by Table 3:

[7] By "population sample" I mean the sample represents all of the countries that satisfy our filter, not all possible observations at the year-country level as is typically implied by the "population" term.

Table 3: Summary statistics for the core sample, representing 27 countries.

Core Sample					
	Observations	Mean	St. Dev.	Min	Max
Outcome Variables					
POP5	586	0.329	0.470	0	1
INC5	386	0.399	0.490	0	1
POP1	195	0.179	0.385	0	1
Economic and Political Variables					
GINI	586	41.874	9.919	20.700	64.800
Inflation	574	38.913	227.608	-1.394	3,004.100
Log GDP per capita	578	9.563	0.846	7.102	11.000
GDP growth	580	2.648	3.801	-14.115	12.162
Unemployment	509	9.464	5.880	2.017	37.250
Trade openness	568	56.791	33.538	12.219	183.493
Government expenditure	446	32.984	11.105	12.758	60.053
Electoral democracy index	586	0.749	0.118	0.500	0.908
Party exclusion index	175	0.500	0.112	0.221	0.777
Life expectancy	586	73.184	6.264	50.000	84.800
Education15	537	8.519	2.176	2.690	13.150
Debt to GDP	423	68.184	43.088	11.577	258.612
Political corruption index	586	0.401	0.230	0.054	0.896

Note: The "core sample" includes only the 27 countries that have experienced populism. Observations during a populist government's rule are removed from the sample.

4.2 *The Dependent Variable*

Our research question involves investigating the relationship between macroeconomic variables and the emergence of populist heads of government. As this question, to my knowledge, has not been tested yet, we will need to borrow identification strategies from other fields of economics to estimate this relationship.

For one, our dependent variable is necessarily binary. Unlike other studies that look at the vote margins of mostly non-governing parties, in our exploration of successful populist elections, populist parties are either governing or they are not. Likewise, according to Mudde's ideational understanding of populism, a political party/candidate either promotes a populist ideology or it does not. Hence, there are only two states of governance: one where a populist is in power and one where a non-populist is in power.[8]

[8] Correspondingly, when a non-populist is in power, it is assumed that there *could potentially be a* populist alternative that voters could vote for. This is why it is important to remove periods of autocracy or one-party rule, as otherwise unpopular economic managers have no opportunity to be voted out by the electorate. Additionally, whether or not a populist party exists in the political system is generally irrelevant, as if a populist party had the potential of winning an election, then the populist platform would have enough supporters for such a party to exist in the first place.

Secondly, it is important to capture transitions to power and not fluctuations in voter preferences. As the aim of our study is to primarily assess the role supply-side factors play in dictating populist successes, macroeconomic fluctuations that occur during the term of a non-populist, that nonetheless results in a non-populist being elected for another term, should not count towards the likelihood of a populist being elected irrespective of how many votes a populist opposition may have collected. In other words, elections are decided based on the most recent performance of incumbents and not historical trends.

Finally, observations during the governance and re-election period of populist candidates need to be removed to avoid the issue of reverse causality. As populists often pursue policies that erode democratic institutions, the likelihood of populists being re-elected is much higher than with non-populist incumbents, irrespective of economic conditions. For instance, Funke et al. (2022) find that 31% of populists are re-elected for a second term, whereas just 16% of non-populists remain in office for more than one term (despite their on-average poorer economic performance) (p. 17).

Alesina & Roubini (1992) present a political indicator that estimates a similar phenomenon to the one we are interested in. In particular, the authors attempt to test Nordhaus' (1975) *Political Business Cycle Theory* by constructing a political dummy that equals one in the N quarters before an election and zero otherwise (p. 676). The aim of this dummy is to measure how different the quarters preceding an election are to the state of the economy generally. In much the same way, our political dummy POP5 aims to measure how different the economy is in the 5-years preceding and inclusive of the successful election of a populist when compared to the economy more broadly (excluding periods when populists are in power).[9] For the variable POP5 the only observations we will be dropping will be during periods of populist rule to avoid the issue of reverse causality. All other observations are included, and are coded according to the definition below:

$$\text{POP5}_{it} = \begin{cases} 1, & \text{during the 5 years preceding and inclusive of the election of a populist over a non populist incumbent} \\ 0, & \text{during any other period of non populist governance} \end{cases}$$

In addition, an alternative outcome variable will be estimated to control for "incumbency advantage". This is the idea that incumbents are generally more likely to be re-

[9] By using the phrase "preceding and inclusive" I am referring to the 4 years preceding an election plus the year in which the election takes place. This is a similar construction to Alesina and Roubini's (1992) political dummy.

elected, irrespective of the state of the economy. Thus, this dummy will only compare situations where a non-populist incumbent loses to a populist with situations where a non-populist incumbent loses to another non-populist. This means that we will be dropping all observations where an incumbent wins against another party in addition to the observations dropped in $\mathrm{POP5}_{it}$. Hence, what remains will be observations from when the incumbency advantage is not a factor in the final outcome, since in both binary scenarios, the incumbent loses:

$$\mathrm{INC5}_{it} = \begin{cases} 1, & \text{during the 5 years preceding and inclusive of the election of a populist over a non populist incumbent} \\ 0, & \text{during the 5 years preceding and inclusive of the election of a non populist opposition over a non populist incumbent} \end{cases}$$

The choice of a 5-year period is informed by the fact that most political systems around the world generally have elections no less frequently than every 5 years. Additionally, 5 years gives us enough observations to accurately calculate year and country fixed effects, which we will be doing later. For completeness' sake, I will include a final dummy variable comparing election years.

$$\mathrm{POP1}_{it} = \begin{cases} 1, & \text{during the election of a populist over a non populist incumbent} \\ 0, & \text{during any other election} \end{cases}$$

4.3 Empirical Strategy

Logistic (or "logit") regressions are used when the outcome variable is dichotomous (aka. binary) and the regressors are categorical or continuous (Peng, Lee, & Ingersoll, 2002). The specification for a multivariate logit regression looks like the following, where the coefficients to the regressors are interpreted as the change in the "logit" or log odds of event Y occurring given a one-unit increase in the regressor:

$$\ln\left[\frac{Y}{1-Y}\right] = \alpha + \beta_1 X_1 + \beta_2 X_2 + \cdots + \beta_k X_k \tag{1}$$

As we are dealing with panel data containing a great deal of variation between countries, controlling for individual fixed effects would be ideal (Huntington-Klein, 2022). However, if our sample includes countries that have no variation in Y, then observations from this group of countries will be dropped when computing individual fixed effects. This may lead to sampling bias as the only remaining countries will be ones that have had at least one populist elected (in essence, our core 27 country list). To address this limitation, I will be reporting two sets of regressions. One will be performing a logit regression on the population data using group dummies and time fixed effects, akin to Collier & Hoeffler's (2004) model to study the causes of civil wars.[10] The other will use two-way fixed effects, similar to Sakurai & Menezes-Filho's (2008) study of Brazilian municipal elections. As we are primarily concerned with understanding the dynamics that govern countries that have experienced populism, I will give particular precedent to the latter model. Indeed, as we will come to see, performing a logit regression on the population data, even with time fixed effects, explains very little of the variation in the data.

5 Results:

Table 4: Difference in non-populist and populist averages across samples (1980-2020)

	Core Sample Averages			Population Averages	
	(1)	(2)	(3)	(4)	(5)
	$E[X\|POP5=1]$	$E[X\|POP5=0]$	$\Delta E[X\|POP5]$	$E[X\|POP5^P=0]$	$\Delta E[X\|POP5^P]$
GINI	42.01	41.81	0.20	38.08	3.93
Inflation	41.85	37.50	4.35	18.98	22.88
Log GDP per capita	9.63	9.53	0.09	9.15	0.48
GDP growth	2.54	2.70	-0.16	3.21	-0.67
Unemployment	10.45	8.95	1.50	8.81	1.64
Trade openness	67.39	51.55	15.85	84.08	-16.69
Government expenditure	34.06	32.34	1.72	30.87	3.19
Debt-to-GDP	67.54	68.59	-1.04	56.36	11.18
Electoral democracy index	0.74	0.75	-0.02	0.75	-0.01
Party exclusion index	0.50	0.50	0.00	0.42	0.08
Political corruption index	0.41	0.39	0.02	0.30	0.12
Education (15+)	8.79	8.38	0.41	8.74	0.05
Life expectancy	73.72	72.92	0.80	72.52	1.20
N. Countries	27	27	27	105	105

Notes: The "core sample" represents the 27 countries that have experienced at least one populist electoral success in the past 40 years, whereas the "population" sample includes these 27 countries in addition to the 78 other electoral democracies that have not experienced a single populist.

[10] Collier & Hoeffler (2004) include time dummies in their pooled logit estimation.

Table 4 provides us with the conditional means of a range of economic and institutional variables. Congruent with the conventional economic theories of populist success, across both the core and population samples of our dataset, the 5-years preceding a populist election almost universally correspond to a deterioration of macroeconomic outcomes. For instance, the average level of economic inequality (GINI), inflation, and unemployment all rise between the two time periods, across both samples. The magnitudes of these increases in inflation and unemployment are generally large enough to be perceived as unusual and socially disruptive (+4% inflation, +1.50% unemployment for column 3). This difference becomes especially exaggerated when one compares the differences between countries that have experienced populism (2) and those that have not (4).

For countries that have not experienced populism (4), variables associated with adverse voter perceptions (such as unemployment, inflation, GINI, etc…) are all systematically lower than in the sample of countries that have experienced populism, even during long-term non-populist rule (2). For instance, the average inflation rate for the core sample is more than twice that of the population sample (37.5% vs. 18.98%). Similarly, the debt-to-GDP ratio is about 10% lower, while GDP growth is 0.51% higher for the population sample.

On the institutional side, there are similarly pronounced group differences when it comes to political corruption. This is somewhat surprising since both samples were filtered using the V-Dem regime indicator, as implied by the fairly constant level of the electoral democracy indices between and within samples. Indeed, while political corruption does not vary much within our core sample, when compared across samples corruption is about 10 points higher or the equivalent of a 30% increase from the population average. All in all, these preliminary results emphasize the need to control for group and individual fixed effects in our preceding regression models.

Table 5: Logit estimates for the dependent variable POP5 using the population sample.

	(1) Main Model	(2) Main Model (Group Dummy)	(3) Extended Model	(4) Extended Model (Group Dummy)
GINI	0.032***	0.020	0.008	-0.030
	(0.007)	(0.017)	(0.010)	(0.029)
Inflation	0.001+	0.001	-0.006	0.010
	(0.000)	(0.001)	(0.011)	(0.020)
Log GDP per capita	0.472***	0.003	0.097	-0.077
	(0.053)	(0.232)	(0.128)	(0.366)

	(1) Main Model	(2) Main Model (Group Dummy)	(3) Extended Model	(4) Extended Model (Group Dummy)
GDP Growth	-0.035*	-0.060*	-0.058*	-0.067
	(0.016)	(0.029)	(0.024)	(0.045)
Trade openness	-0.007**	0.013**	-0.004	0.006
	(0.002)	(0.005)	(0.003)	(0.007)
Political corruption index	1.232***	0.048	2.011***	2.127**
	(0.151)	(0.808)	(0.223)	(0.794)
Never Populist		-21.788***		-20.529***
		(0.740)		(0.301)
Unemployment			0.064***	0.073**
			(0.013)	(0.025)
Debt-to-GDP			0.007***	0.006*
			(0.001)	(0.003)
Government Expenditure			0.019**	0.014
			(0.006)	(0.016)
Observations	2171	2171	1044	1044
Adj. Pseudo R^2	0.041	0.456	0.019	0.418
Log Likelihood	-554.6	-294.8	-381.8	-210.1
Std. Errors	by: year	by: year	by: year	by: year
FE: year	X	X	X	X

Notes: Standard errors are in brackets. Significance levels are given by + p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001. The variable "Never Populist" indicates whether the observation comes from a country that has not experienced populism. If Never Populist = 1 then the country is one of the 78 countries in our dataset that has never experienced populism in the time frame.

Table 5 presents the results of our regression model on the population data using time fixed effects. Columns 1 and 3 are estimated by excluding the group dummy "Never Populist". As is expected by the results of Table 4, very little of the variation in the population data can be explained if we do not control for the systematic differences between countries that ultimately experience populism and those that do not. Indeed, models (1) and (3) have a fairly abysmal pseudo R^2 of 0.041 and 0.019 respectively.

When group effects are introduced in models (2) and (4), the pseudo R^2 and log-likelihoods of the models improve, while GINI, log GDP per capita, and Inflation lose their statistical significance. In the main model, GDP growth and trade openness remain statistically significant and are equivalent to an odds ratio of 0.94 and 1.01 respectively. This means that a 1% increase in GDP growth reduces the odds of a populist being elected within the next zero to five years by roughly 6%. Of course, these results are only interesting in the case when Never $\text{Populist}_i = 0$. Because the coefficient for this group dummy is roughly -21 across the samples, GDP growth would need to be around -361 for there to be just even odds of a populist being elected in a country with no past populist elections. This scenario is especially unlikely given that the lowest GDP growth rate observed in our sample was -41%, representing Latvia's GDP growth rate in 1991. Consequently, I believe there is ample justification to introduce individual fixed effects to our model. By doing so, we will be dropping observations from countries where POP5_{it} does not vary. Functionally, this means that N reduces from 105 to 27, representing the "core" sample of our study. Although this means that we have fewer observations to work with, this procedure comes with the advantage of controlling for country-level heterogeneity. This is intuitively desirable, as it means our regression estimates will be robust to observations from countries with dramatically different economies. Additionally, in the case of the remaining 78 countries, our model in Table 5 has little to no predictive power anyway.

Table 6: Two-way logit estimates for the dependent variables POP5, INC5 and POP1

Dep. Variable:	(1) POP5_{it} (Main)	(2) POP5_{it} (Extended)	(3) INC5_{it} (Main)	(4) INC5_{it} (Extended)	(5) POP1_{it} (Core)
GINI	0.322+	0.047	0.421+	-0.916*	0.429+
	(0.171)	(0.234)	(0.242)	(0.369)	(0.231)
Inflation	0.001	-0.032	0.000	-0.267**	0.047
	(0.000)	(0.053)	(0.001)	(0.090)	(0.033)
Log GDP per capita	2.548	-1.142	2.907	-4.428	-11.047+
	(3.523)	(7.507)	(4.868)	(6.539)	(6.074)
GDP Growth	-0.134*	-0.228+	-0.226*	-0.402	-0.065
	(0.060)	(0.121)	(0.090)	(0.355)	(0.264)
Trade openness	0.021	0.010	0.058	0.095*	0.012
	(0.019)	(0.020)	(0.036)	(0.045)	(0.037)

Dep. Variable:	(1) $POP5_{it}$ (Main)	(2) $POP5_{it}$ (Extended)	(3) $INC5_{it}$ (Main)	(4) $INC5_{it}$ (Extended)	(5) $POP1_{it}$ (Core)
Political corruption index	8.814	21.226*	9.664	45.956*	46.818+
	(9.757)	(8.844)	(12.814)	(21.607)	(25.109)
Unemployment		0.281+		0.424	
		(0.169)		(0.282)	
Debt-to-GDP		-0.018		0.024	
		(0.022)		(0.057)	
Government Expenditure		-0.191		-0.503*	
		(0.121)		(0.211)	
N	26	22	21	16	21
Observations	523	327	330	192	101
Adj. Pseudo R^2	0.131	0.135	0.140	0.235	-0.290
Log Likelihood	-222.7	-135.0	-129.3	-48.8	-34.3
Std. Errors	by: country & year	by: country & year	by: country & year	by: country & year	by: country & year
FE: country	X	X	X	X	X
FE: year	X	X	X	X	X

Notes: Standard errors are in brackets. Significance levels are given by + p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001. All regressions were performed with the core sample of 27 countries. Some countries were dropped due to an inability to calculate individual fixed effects because of missing data. Additionally, there was not enough data to calculate POP1 with extended variables.

Table 6 presents the results of a two-way fixed effects logit regression model on the dependent variables $POP5_{it}$, $INC5_{it}$ and $POP1_{it}$. As explained earlier, the two-way fixed effects model only includes the 27 countries that have experienced a transition from non-populism to populism to during the years 1980-2020. Importantly, this model indicates improvements in the pseudo-R^2 and log-likelihood goodness of fit estimates over the population model. For instance, columns (1) in Table 5 and Table 6 are identical in terms of regressor specification, but the two-way fixed effects model (Table 6) outperforms the time fixed effects model (Table 5) by a pseudo-R^2 of 0.131 to 0.04, respectively.

In terms of coefficients, the results are not easily comparable between dependent variables. With individual fixed effects, each country will have its intercept or baseline logit.

Within each model, each country will have a unique intercept. Hence, assessing the statistical significance and direction of our coefficients, rather than their magnitude, should be our primary goal. In the case of the dependent variable $POP5_{it}$, GDP growth and political corruption are the only two regressors with statistically significant coefficients at the 5% significance level. Reassuringly, these variables broadly align, in direction, to the conventional demand and supply side narrativizations of populist elections: namely that populists thrive during periods of economic downturns and when corruption is rife. The coefficient of -0.134 for GDP growth in column (1), indicates that when GDP growth is one percent higher, the odds of a populist being elected within the next zero to five years is reduced by 12.5%.

Importantly, the GDP growth coefficient remains statistically significant in the main $INC5_{it}$ model. This means that, even when we only restrict our analysis to comparing elections where incumbents lose, GDP growth is uniquely low in the years before an incumbent loses to a populist. Hence, the negative coefficient for model (1) cannot be exclusively explained by the potential presence of political business cycles.[11]

Additionally, other than GDP growth and political corruption, no other variable remains statistically significant between the $POP5_{it}$ and $INC5_{it}$ models. Political corruption is also not significant in the main models, suggesting its significance in the extended model is either due to the presence of better controls or observations dropping.

6 Discussion

6.1 *Analysis*

Considering the attention that austerity and globalisation get as explanations for populist successes, my model provides very little evidence for the implication that reductions in government expenditure or expansions in trade openness are associated with populist electoral successes. As Table 4 indicates, government expenditure is marginally higher in countries that experience populism, whereas trade openness is significantly higher in countries that do not experience populism. These results cast some doubt, therefore, on the external validity of the claim that austerity and globalisation animate voters to elect populists. As this claim is typically motivated by evidence from the European context, it is likely that austerity and globalisation do indeed agitate voters to elect populists in Europe, but not

[11] By political business cycle, I mean the tendency of incumbents to stimulate the economy before an election. In the incumbent model, we can control for political business cycles by only comparing situations whereby an incumbent fails to be re-elected (including the case when an incumbent loses to a populist). In such cases, we are comparing failures to failures, implying that no amount of artificially stimulated GDP growth that may be present did affect the final outcome of the election.

globally. Indeed, according to my model, no other macroeconomic variable besides GDP growth seems to predict populist elections globally.

It is also worth emphasizing that there is a material difference between an election that elects a populist and an election that increases a populist party's vote margin. Authors such as Guiso, Herrera, Morelli, & Sonno (2017) and Algan et al. (The European Trust Crisis and the Rise of Populism) have credibly linked economic crises and globalisation to an increase in vote margins for populist parties in Europe. However, establishing a relationship between macroeconomic variables and vote margins is a very different exercise to linking macroeconomic variables and discrete electoral outcomes. Voting is non-linear, and establishment parties can always adopt the policies of populist minority parties without themselves adopting a populist ideological worldview. This means that, before any given election, a non-populist party could "course correct", especially if it receives signals that a populist minority party is growing in popularity. For instance, Guiso et al. find that "increasing the share of votes to the populist party by one standard deviation (16 percentage points) reduces the distance between the non-populist and populist overall platforms by 33% of the sample mean" (2017, p. 39). Indeed, as my model focuses primarily on the role incumbents play in potentially helping populists get elected, I interpret the stunted explanatory power of my model to be an indication that incumbents play a minimal role in electing populists, despite salient examples of the contrary, such with Bolsonaro in Brazil. In the five years that precede the election of a populist, there is little indication that the macroeconomic environment of a country is meaningfully different, other than in GDP growth, from the usual performance of that economy.

6.2 *Limitations*

Some of the limitations of my approach have been discussed throughout this paper. The lack of availability of data for relevant variables, such as the ones included in the "extended model", is one major limitation. As is the aforementioned issue of countries dropping due to the inclusion of individual fixed effects. Furthermore, as we do not control for economic ideology or regional differences, our model presents a rather generalized understanding of how populists emerge. It may be the case that if we ran the model exclusively in Europe or Asia, our results may be different. Similarly, if we consider left-wing or right-wing populists separately, their respective economic ideologies may be idiosyncratically linked to certain economic variables.

A comparison of regional and ideological differences, in the context of a global sample, would be a valuable contribution to the literature surrounding the economics of populism. Much has been written about the macroeconomics of Latin American and European forms of populism, including their relative differences. And yet, very little is known about how Israeli,

Turkish, Filipino, or Sri Lankan forms of populism (for example) compare with each other internally as Asian countries or compare externally with other regions. Additionally, how culture and religion may interact with the economy is a serious blind spot of my research, as many of the populists included in my sample are ostensibly economic centrists with otherwise radical views on race, religion, and sexuality. While this idea has been explored in the context of voter choice, these results cannot be easily extrapolated to predict discrete results for reasons explained earlier. Finally, methods of better classifying the ideology of politicians and parties, ought to be advanced. It may be useful to employ machine learning techniques, such as unsupervised learning algorithms, to impartially classify the speeches, manifestos, and political advertising of politicians and parties. Recently, researchers Orellana & Bisgin (2023) were able to use natural language processing to analyse the manifestos of major political parties in New Zealand. This method provided insights into the ideological similarities of the language used in each party's manifesto. Likewise, researcher Umar Butler (2024) used a similar technique to analyse "almost every law, regulation and case in Australia", creating a multi-dimensional map of almost every legal document in the country. These data science techniques present unique opportunities for political economists in particular, as the classification of political variables is often subjective and time-consuming.

7 Conclusion

Constructing a logit model to explore the relationship between macroeconomic variables and electoral outcomes, I find limited evidence to suggest that bad economic governance is responsible for the global rise in populism. While in certain countries, such as Brazil, there is a clear association between deteriorating economic outcomes and the election of populist candidates, this trend is not universal across countries for most of the variables commonly associated with economic adversity. For instance, unemployment, inflation, GDP per capita, debt, and the GINI index did not indicate statistically significant associations with electoral outcomes, one way or another. Similarly, variables associated with the common ideological grievances of austerity and globalisation, as estimated by government expenditure and trade openness, yield insignificant results. The only variable to indicate any sort of meaningful relationship is economic growth, with a 1% increase in annual GDP growth reducing the odds of a populist being elected by 12.5% within the next zero to five years.[12]

In conclusion, more research is required to properly discern why populism has grown across regions, simultaneously. Whether this is coincidental, linked to regionally idiosyncratic factors, or linked to some global trend remains an unanswered question. In my efforts, I have

[12] My results also indicate that the relationship between GDP growth and populism is robust to controls for incumbency advantage and political business cycles.

attempted to show that, even with the most rudimentary of models, macroeconomic governance cannot satisfactorily explain the global rise in populism. Instead, an analysis of more granular variables is likely required, in addition to other factors such as religion, culture, and political institutions.

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9 Appendix

9.1 Data Sources

	Description	*Database Code*	*Transformations*	*Source*
GINI	The GINI Index	SI.POV.GINI	Imputation: backwards propagation	(The World Bank, 2024)
Inflation	Inflation, average consumer prices (annual % change)	PCPIPCH	None	(International Monetary Fund, 2023)
Log GDP per capita	Log of Gross domestic product per capita, constant prices (2017 international dollar)	NGDPRPPPPC	Natural Log	(International Monetary Fund, 2023)
GDP growth	Gross domestic product, constant prices (annual % change)	NGDP_RPCH	None	(International Monetary Fund, 2023)
Unemployment	Unemployment rate (% of total labour force)	LUR	None	(International Monetary Fund, 2023)
Trade openness	Trade (% of GDP)	NE.TRD.GNFS.ZS	None	(The World Bank, 2024)
Government expenditure	General government total expenditure (% of GDP)	GGX_NGDP	None	(International Monetary Fund, 2023)
Debt-to-GDP	General government gross debt (% of GDP)	GGXWDG_NGDP	None	(International Monetary Fund, 2023)
Electoral democracy index	V-Dem's measure of electoral democracy [0-1]	v2x_polyarchy	None	(Pemstein, et al., 2024)
Party exclusion index	V-Dem's measure of the extent to which the party system is exclusionary of migrants and minorities [0-1]	v2xpas_exclusion	None	(Pemstein, et al., 2024)
Political corruption index	V-Dem's measure of political corruption [0-1]	v2x_corr	None	(Pemstein, et al., 2024)

	Description	*Database Code*	*Transformations*	*Source*
Education (15+)	Average years of education for citizens aged 15+	e_peaveduc	None	(Pemstein, et al., 2024)
Life expectancy	Life expectancy based on current mortality patterns	e_pelifeex	None	(Pemstein, et al., 2024)

9.2 Country Summaries

Appendix. 9.2 Difference in means between the 5-years preceding a populist election and

Equation: $\mathrm{E}[X_i|\mathrm{POP5}=1] - \mathrm{E}[X_i|\mathrm{POP5}=0]$

	GINI	Inflation	Log GDP per capita	GDP growth	Unemployment	Openness	Expenditure	Life expectancy
Argentina	6.273	-31.651	-0.25	0.287	3.783	-3.063	-16.065	-2.047
Bolivia	-1.45	-23.22	0.128	0.548	0.413	12.934	5.76	5.214
Brazil	0.165	394.106	0.019	-3.214	2.64	-1.275	5.55	-0.58
Bulgaria	-0.72	-120.094	0.312	6.836	-5.229	28.59	-1.743	1.613
Czech Republic	0.212	1.742	-0.076	-0.508	-1.955	4.306	-0.54	0.378
Ecuador	2.323	-1.629	0.013	1.152	1.549	11.584	-13.32	2.64
Georgia	-0.286	1.668	-0.712	3.182	-6.6	-23.908	-10.018	-2.457
Greece	0.375	-10.481	0.036	-5.237	15.182	16.776	11.683	2.921
Hungary	-2.18	-10.91	0.3	-1.517	0.788	55.962	0.005	3.056
India	1.62	0.963	0.84	1.16	NaN	28.414	0.709	6.977
Israel	2.498	-82.962	0.205	1.734	0.83	2.31	-4.189	2.441
Italy	1.143	-6.379	0.186	-0.19	0.568	4.644	0.092	2.972
Japan	0.787	-1.17	0.07	-1.472	1.339	-6.644	1.611	0.214
Mexico	-2.594	-4.515	0.071	-0.497	0.057	20.554	3.4	0.91
Nicaragua	-5.746	-241.001	0.105	0.942	-7.492	12.777	1.575	1.244
North Macedonia	7.4	-0.021	-0.298	2.337	13.57	-39.778	2.052	-1.3
Paraguay	-0.173	-0.374	-0.111	1.933	-0.164	-2.228	-4.132	-0.225
Peru	4.655	102.328	-0.329	-3.749	-0.937	-5.351	NaN	-12.38
Philippines	-0.9	-3.103	0.18	1.487	-1.481	6.155	0.422	1.07
Poland	-2.358	43.719	0.257	-4.075	0.688	24.765	-1.388	2.095
Slovak Republic	1.41	-2.929	0.059	3.425	1.388	13.358	-5.436	0.01
South Africa	2.44	0.7	0.153	1.47	-1.15	8.52	0.201	-4.63
Sri Lanka	1.167	-5.766	0.812	-2.329	-4.207	-18.127	-2.876	4.257
Türkiye	0.216	-29.65	0.101	-2.815	0.806	5.164	NaN	4.102
United States	1.922	-2.259	0.276	-0.554	-0.831	5.957	-0.396	2.511
Zambia	-2.6	1.714	0.137	0.338	NaN	7.236	-0.736	5.14
Percent of Countries with Negative Coefficients	38%	69%	23%	46%	42%	31%	50%	27%
Sample Avg.	0.205	4.35	0.095	-0.161	1.499	15.849	1.725	0.799

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