



DEMAND AND SUPPLY OF POPULISM

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Abstract

We define as populist a party that champions short-term protection policies without regard for their long-term costs. First, we study the demand for populism: we analyze the drivers of the populist vote using individual level data from multiple waves of surveys in Europe. Individual voting preferences are influenced directly by different measures of economic insecurity and by the decline in trust in traditional parties.

However, economic shocks that undermine voters' security and trust in parties also discourage voter turnout, thus mitigating the estimated demand of populism when ignoring this turnout selection. Economic insecurity affects intentions to vote for populist parties and turnout incentives also indirectly because it causes trust in parties to fall. Second, we study the supply side: we find that populist parties are more likely to appear when the drivers of demand for populism accumulate, and more so in countries with weak checks and balances and with higher political fragmentation. The non-populist parties' policy response is to reduce the distance of their platform from that of new populist entrants, thereby magnifying the aggregate supply of populist policies.

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