**A New Winning Formula:
Are Populists in Europe Better at Creating Jobs?**

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## Introduction

Mudde and Kaltwasser (2013) label European populists as “exclusionary” nativists, who oppose immigration and minority groups. In past decades, European populists advanced a “new winning formula” (de Lange 2007) that combined neoliberal austerity with a “welfare chauvinism” that used social spending to reward majority nationals over immigrants and minorities. By contrast, Latin American populists more often have advocated “inclusive” economic policies, such as general budget stimulus and job creation programs that favor workers and disadvantaged groups. This regional differentiation has made it difficult for scholars to say anything at all about populist economic policy in general.

Yet, in recent years, scholars have noted a change in populist economic policies in Europe. As popular support for neoliberal austerity diminished after the 2008 global financial crisis, populist parties adopted a more ambiguous approach to economic policy. And populist governments that rose to power in Eastern Europe started to promote spending programs that followed the Latin American model of expansion and inclusion, while deploying harsh anti-immigrant rhetoric. As a result, scholars have posed questions: Has populist economic policy changed in Europe in recent years? What are its main emphases? Do populist policies reflect a backlash to neoliberal globalization after 2008? And do these trends differ between Eastern and Western Europe?

In contrast to many recent studies of the new political economy of populism in Europe, which rely heavily on case studies of leading countries where populists enjoy a parliamentary majority, such as Poland and Hungary, our study rests on a quantitative analysis of a Europe-wide dataset. We analyze trends in both Western and Eastern Europe, focus on measurable outcomes, and rise above descriptive studies of a small number of country experiences.

Our findings are striking. We find evidence of a marked shift in the economic policies of European populists in government after 2008. We also find evidence that this represents a reaction to economic globalization that may have been particularly significant in the former communist countries of Eastern Europe. But our most striking finding concerns jobs. We find that all European populists, but particularly East European populists, have placed a singular emphasis on creating jobs when in government. *Since 2008, populist economics in Europe has focused on job creation.*

Our findings have powerful implications for European and comparative political economy, placing job creation front and center in debates over globalization and the politics of economic growth. They also raise questions about whether populist parties have displaced social democratic parties as advocates for the working classes and opponents of neoliberal globalization, for which we also find statistical evidence. And whether the success of East European populists can be explained as a reaction to job losses in post-communist transition.

## Defining Populism

We use the term, “populism,” advisedly, recognizing that it may not be the most accurate term, and also that there are a number of competing terms, such as “anti-system parties” (Hopkin 2020), “anti-establishment parties” (Engler et al. 2019), “populist radical right parties” (Fenger 2018; Roth et al. 2018), “conservative” parties (Bluhm and Varga 2019; 2020), “neo-nationalist” parties (Eger and Valdez 2015), or “illiberalism” (Laruelle 2020) that help to describe aspects of the phenomenon we explore. We use “populism” for a number of reasons. First, there is a wide literature on “populist” economics, which has obvious relevance for the subject of populist economic policy. It might be confusing to contribute to this theory without using the concept that defines it. Second, “populism” has become the term of art in political science for the type of politics emerging in Europe, where new parties of the radical right or left challenge traditional parties in favor of the “people.” Third, due to the definitional work of Cas Mudde (2004) and others, we have access to a number of useful measures of populism and lists of populist parties, which we deploy for our cross-national statistical analysis. Thus, while recognizing that few political science terms, especially those in common usage, are fully adequate, populism is the one most likely to be recognized and least likely to be misunderstood.

## Literature Review

Any contribution to the political economy of populism must start with the acknowledgement that scholars have long debated this topic, without much success in reaching common definitions or findings. Initially, populism in Latin American was linked with expansionary fiscal programs, jobs programs, and deficit spending to promote the interests of their parties’ working-class clientele (Dornbusch and Edwards 1991; Kaufman and Stallings 1991). However, Weyland (1999) and Roberts (1995) sharply challenged this perspective, showing that some Latin American populists adopted policies of neoliberalism in the 1990s, in a dramatic departure from the expansionary policies of past decades. A sharp debate began about whether populists had any consistent economic policy at all. Similarly, European populists departed from this political economy of populism by adopting neoliberal policies of austerity while seeking to deny immigrants jobs and welfare support, a combination that became known as the radical right “winning formula” in the 1990s (Betz, 1994; Kitschelt and McGann, 1997; Kitschelt, 1995; McGann and Kitschelt, 2005). Mudde and Kaltwasser (2013, 148) summarized this debate by arguing that while populism does not imply any specific economic program, “European populism is predominantly exclusive, while Latin American populism is chiefly inclusive.” Inclusive, in this context, means promoting economic policies designed to benefit most citizens, regardless of race, class, gender, or ethnicity, while exclusive means policies that seek to include certain groups while excluding others. Overall, Mudde and Kaltwasser (2013) conclude that populism does not imply any particular economic policy but is compatible with a wide range of policies that may vary by country or world region.

Yet some scholars have documented a shift away from the exclusionary economic policies of the past “winning formula” in Europe in recent years. Populist right parties moved toward the center by “blurring” their positions on the economy (De Lange 2007) and adopting “vague, contradictory or ambiguous” economic policy stances (Rovny, 2014; Afonso, 2015; Cavallaro et al, 2018; Rovny and Polk, 2020; Norris 2020), perhaps seeking to downplay their economic policy programs altogether while emphasizing their positions on cultural dimensions (Cole, 2005; Spies and Franzmann, 2011). Studies found that anti-establishment parties occupy a full range of positions across both economic and cultural policy (Engler, Pytlas and Deegan-Krause 2019), and that the uncertainty surrounding these placements continues to be higher for the populist right than any other party family in Europe (Rovny and Polk 2020; Cavallaro, Flacher and Zanetti, 2018). When in office, populists combine liberalizing policies with targeted redistribution for selected groups (Heinisch, 2003: 103; Afonso, 2015), which complicates measurement of inclusion/exclusion.

Scholars remain divided, however, whether populism in Europe has become increasingly inclusive. Some find that populist right parties have begun to adopt more inclusive economic policies, in the sense of broad-based growth-oriented economic stimulus, by supporting welfare spending and opposing economic austerity (Afonso and Rennwald, 2018; de Koster, Achterberg and Van der Waal, 2013; Fenger, 2018; Ivaldi and Mazzoleni 2020). Similarly, a growing number of studies show that populist radical right parties prioritize social policies that promote current consumption, such as old age pensions, unemployment benefits or healthcare, over social investment (Enggist and Pinggera, 2020). Inclusive welfare state spending, however, often contradicts the public statements of exclusive populists who argue that immigrants make excessive use of the welfare state and advocate for higher welfare spending on “deserving” natives. This position has become known as “welfare chauvinism” (Schumacher and van Kersbergen, 2016; De Koster et al, 2013; Van der Waal et al, 2010). Nonetheless, scholars have found that populist parties refrain from welfare state retrenchment and economic deregulation compared with other rightwing governments (Malka at al., 2019; Röth, Afonso and Spies, 2018).

Some scholars suggest that Central and East European populists have boosted welfare state spending in reaction to the acute effects of neoliberal transition after communism. In doing so, these populist parties appear to have eclipsed social democratic parties in appealing to a working class voter base. Since post-communist social democratic parties supported neoliberal transition in a bid to anchor their polities in European and international institutions and demonstrate their parties’ capitalist *bona fides* (Tavits and Letki 2009), they may have lost working class voters in the process. However, this discussion has revolved around two leading cases, Hungary and Poland, whose distinctive policy approach has shaken the European Union (Orenstein and Bugaric 2020, Shields 2019). These governments seek greater national sovereignty in a variety of spheres, including economic policy. They advance financial nationalism (Johnson and Barnes 2015), seek to retain control of their currencies, resist pressures of European integration, and tax certain foreign businesses at a higher rate. Leading East European populists also promote conservative family values, take aim at Europe’s embrace of LGBT rights and gay marriage, and encourage higher fertility among majority nationals, policies that may be perceived as exclusive. They oppose immigration, especially from Muslim countries. Yet they sometimes advance new universal spending programs, such as Poland’s Family 500+ universal child benefit, or jobs programs (Skidelsky and Olah 2021) that are highly inclusive, even of minorities.

Some have hypothesized that these policies represent a post-2008 backlash against neoliberal globalization. Prior to 2008, populist right parties such as Fidesz in Hungary and Law and Justice in Poland supported pro-market parties, but by the end of the decade, both parties incorporated protectionist and heterodox economic policies designed to defend their countries from world market fluctuations (Szanyi, 2016; Miszerak and Rohac, 2017; Toplišek 2020). When they came to power, majority populist governments resisted austerity and combined redistributive spending (in the case of Poland) and market-constraining state interventionism (in both cases) with nationalist appeals (Johnson and Barnes 2015; Krastev and Holmes, 2018; Bluhm and Varga, 2019). In Hungary, the Fidesz government took steps to renationalize strategic sectors of the economy, imposed taxes on certain foreign companies, introduced a tax allowance for working families, and repeatedly raised the minimum wage (Myant et al, 2013: 407; Toplišek, 2020). In Poland, the PiS government that came to power in 2015 took steps to “re-Polonize” the domestic banking sector and increased social spending by implementing the “Family 500+” program, which disbursed monthly benefits to Polish multi-child and low-income families (Patocka and Dubiel, 2017; Toplišek, 2020). To some extent, these anti-austerity, pro-jobs, and pro-spending policies mirrored the inclusive populist economic agenda of Latin America.

With the rise of inclusive left-wing populism in Western Europe as well, some scholars have labeled this a reaction to uncompensated costs of neoliberal austerity (Swank and Betz, 2003; Becker et al, 2016; Rodrik, 2011, 2018; Zaslove, 2008). Some studies have shown that populist governments restrict trade and tighten economic regulation (Rode and Revuelta, 2015).

Since this shift appears to have taken place after 2008, it may reflect a broader “re-politicization” of welfare states in Europe after the global financial crisis (McManus 2019, forthcoming), as traditional center-right parties supported neoliberal policies of austerity, while left parties dropped prior adherence and populist parties sought to incorporate discontented voters (de Koster, Achterberg, and Van der Waal, 2013), including traditional social democratic voters with left-leaning economic preferences (Ivaldi, 2013; Stockemer, 2017; Evans and Mellon, 2016; Ford and Goodwin, 2014).

## Data

While previous scholars have conducted a wide range of studies primarily relying on case study analysis, we subject these hypotheses to cross-national statistical tests that bridge the common divide between studies of Western and Eastern Europe and a marked tendency to focus on a few leading cases. We model our approach on previous research that represents best practices in the field (Tavits and Letki, 2009; Röth et al. 2018) and use an encompassing data source that includes both political and economic measures, the Comparative Political Data Set (CPDS), created by Klaus Armingeon and his collaborators at University of Zurich.[[1]](#footnote-1) CPDS provides an excellent source for cabinet composition data on European governments in each year between 1960 and 2018. We supplement this with data from WhoGov (Nyrup and Bramwell, 2020)[[2]](#footnote-2) to provide biographic information, such as party affiliation, on cabinet members in July of every year in the period 1990-2016 in all countries in our sample. Combining the information from this dataset with our coding of populist parties, we expanded our dataset by adding time periods missing from the CPDS data.

To classify the parties in cabinet under the period of our observation as populist or non-populist, we use the Populist dataset, which is widely used in related research (Rooduijn et al., 2019).[[3]](#footnote-3) The Populist dataset distinguishes between far right, far left and other types of populist parties. For our purposes, we coded our populist variable in two ways: (1) all populist parties in cabinet on a given year were coded as “total populist” while (2) “far right populist” only included those parties categorized as such in the Populist dataset.[[4]](#footnote-4) Both “total” and “right” populist were coded as both (1) a dummy variable where a value of “1” indicated that a party in cabinet was classified as populist, and (2) a ratio variable that reflected percentage of seats occupied by a populist party [or parties] in cabinet in a given year.

CPDS includes most of the economic data we required in order to test, for instance, effects on government spending and deficits, drawn from a number of sources, including the OECD. We complement this data with indicators from other databases, including World Bank’s World Development Indicators and Economic Openness Dataset by Gräbner et al. (2018).

## Hypotheses

Since some literature has found that populist parties increase social spending in an effort to benefit working class constituencies (Dornbush and Edwards 1991), we studied the effect of populist parties on measures of spending, including general government consumption and budget deficits, as well as individual components of government spending such as total social spending, spending on family policies and the like.

***Hypothesis I: Presence of populist parties in cabinets is associated with an increase in social spending, as well as higher government debt and deficits.***

To test this hypothesis, we tested the effect of populists in the cabinet on a number of social spending indicators:

1. Social security transfers as a percentage of GDP, CPDS
2. General government final consumption expenditure (% of GDP), World Development Indicators
3. Primary government expenditures as a proportion of original approved budget (%), World Development Indicators
4. Budget deficit (% GDP), World Development Indicators

Second, since some of previous literature views as a nationalist reaction to globalization (Swank and Betz, 2003; Becker et al, 2016; Rodrik, 2011, 2018; Zaslove, 2008), we evaluated the impact of European populists in government on various indicators globalization, such as total trade and investment. We expected that:

***Hypothesis II: Presence of populist parties in cabinets is associated with a negative impact on various measures of globalization.***

In order to empirically test this hypothesis we used a number of globalization indicators:

1. Freedom to trade international index, sub-index of the Economic Freedom, Economic Openness Dataset
2. Economic Globalization Index, Economic Openness Dataset
3. Financial Globalization Index, Economic Openness Dataset

Third, some recent literature argues that populists may aim to boost employment protection and emphasize job creation (Skidelsky and Olah 2021, Scheiring, 2021; Guglielmo and Guardiancich, 2022). Consistent with economic literature on populism (Dornbush and Edwards 1991), this approach suggests that populists provide employment to win support from lower- and lower-middle-class constituencies, seeking to boost the economy by investing in jobs. We also wondered whether this might be different for women and men, given right populists’ conservative policies on gender (Gwiazda 2020). We, therefore, expected that:

***Hypothesis III: Presence of populist parties in cabinets is associated with an increase in employment, especially male employment.***

In order to empirically test this hypothesis we compiled a number of employment indicators:

1. Total employment to population ratio, 15+, (%) (national estimate), World Development Indicators
2. Total employment to population ratio, 15+, (%) (modeled ILO estimate), World Development Indicators
3. Male employment to population ratio, 15+, (%) (national estimate), World Development Indicators
4. Male employment to population ratio, 15+, (%) (modeled ILO estimate), World Development Indicators
5. Female employment to population ratio, 15+, (%) (national estimate), World Development Indicators
6. Female employment to population ratio, 15+, (%) (modeled ILO estimate), World Development Indicators

We further hypothesized that the 2008 global financial crisis may have changed the economic policy approach of a number of parties, including populists (McManus 2019, forthcoming). Therefore, for all variables, we looked at whether the populist impact on policy changed after 2008, using 2010 as the cutoff year, since for many European countries, the global financial crisis started to hit home only in 2009.

***Hypothesis IV: The impact of populist parties in power on these economic policies is more pronounced after 2008.***

Likewise, given the sharp divide in scholarship between Eastern and Western Europe and the fact that Central and East European populists have set the pace in Europe since 2008 in terms of government representation, we decided to explore whether these differences show up in statistical analysis, testing for differences in the effects of populists in post-communist European countries on each of our prior hypotheses.

***Hypothesis V: The impact of populist parties in power on these economic policies is more pronounced in post-communist region.***

Finally, we included a set of control variables added in similar studies. These included economic (and political) performance measures such as GDP growth, unemployment rate, inflation rate, trade openness, length of democracy and age dependency ratio. Our full dataset covers 31 European countries across 30 years, from 1989-2018.

## Methods

We tested our hypotheses using the time-series models widely used in related scholarship (Tavits and Letki, 2009; Röth et al, 2018). We employ pooled data, combining the data across countries and multiple years, using the following regression equation:

**Model 1:**

*Economic Policy Measureit = Economic Policy Measureit-1 + Populist in Cabinetit + X’itᵝ + uit*

Where Economic Policy Measure refers to a specific policy indicator from the above list. Given that the magnitude of the change in our dependent variables may depend on their previous level, we control for lagged values. Populist in Cabinet refers to a specific measure of presence of a populist party in cabinet. We test the presence of any populist party or only of right-wing populist parties. For each country i and election year t, Xit contains the following: GDP growth, unemployment rate, inflation rate, trade openness, length of democracy and age dependency ratio. The model includes country effects. Standard errors (SE) are clustered at the country level.

To account for our hypotheses IV-V, we also added the following regressions to look at the impact of the financial crisis and the postcommunist variable.

**Model 2:**

*Economic Policy Measureit = Economic Policy Measureit-1 + Populist in Cabinetit\* Post\_2009 + X’itᵝ + uit*

**Model 3:**

*Economic Policy Measureit = Economic Policy Measureit-1 + Populist in Cabinetit\* Postcommunism + X’itᵝ + uit*

Because cross-sectional, time-series setting creates potential problems of serial correlation and heteroscedasticity, we added several ways to eliminate these concerns. First, we addressed the possible non-stationarity of the dependent variable, which can artificially increase correlation and statistical significances. To check for stationarity, we ran a number of panel data unit root tests. All tests could not reject stationarity of the differenced data. Therefore we controlled for non-stationarity by taking the first difference of the dependent variable. Second, for a robustness check, we ran several models to confirm our results. Those included panel-data fixed and random-effects linear models, controlling for year effects, as well as panel-corrected standard errors (Beck and Katz, 1996). The results of our estimations are available below.

## Empirical Findings

This section presents the estimation results. Due to space limitation, we only provide the estimates for statistically significant coefficients in the below tables 1-4. Complete tables are provided in Appendices I-V. Each coefficient in the below tables corresponds to a separate regression in relevant models.

Regarding our first hypothesis, we find no robust results on the impact of populists on social spending. In some specifications (general government final consumption expenditure as % of GDP), populist impact tends to be negative, in others (primary government expenditures as a proportion of original approved budget), it is positive. Only some of our indicators of populist share in government prove to be significant as well.

**Populists and social spending:**

Table

|  |  |
| --- | --- |
|  | **General government final consumption expenditure (% of GDP)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist** |  |  |  |  |
| **Binary Populist** | -0.244\*\* | -0.171\* | -0.244\*\* | -0.171\* |
| **Share Populist Right** | -0.007\*\* |  | -0.007\*\* |  |
| **Binary Populist Right** | -0.379\*\*\* | -0.256\*\* | -0.379\*\*\* | -0.256\*\* |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table

|  |  |
| --- | --- |
|  | **Primary government expenditures as a proportion of original approved budget (%)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist** |  |  |  |  |
| **Binary Populist** |  |  |  |  |
| **Share Populist Right** | 0.062\*\* | 0.073\*\*\* | 0.062\*\* | 0.073\*\*\* |
| **Binary Populist Right** |  | 2.739\*\* |  | 2.739\*\* |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table

|  |  |
| --- | --- |
|  | **Total public and mandatory private social expenditure as a percentage of GDP (socexp\_t\_pmp)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist** |  |  |  |  |
| **Binary Populist** | -0.527\* |  | -0.527\* |  |
| **Share Populist Right** |  |  |  |  |
| **Binary Populist Right** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table

|  |  |
| --- | --- |
|  | **Budget deficit (% GDP)** |
|  | xtreg, FE | xtreg, FE, year | xtreg, RE | **xtreg, RE, year** |
| **Share Total Populist** | 0.007\*\* | 0.005\* | 0.007\*\* | 0.005\* |
| **Binary Populist** |  |  |  |  |
| **Share Populist Right** |  |  |  |  |
| **Binary Populist Right** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Note:

**xtreg, FE** - Fixed-effects linear regression model with standard errors clustered at the country level

**xtreg, FE, year** - Fixed-effects linear regression model with standard errors clustered at the country level and controls for year effects

**xtreg, RE** - Random-effects linear regression model with standard errors clustered at the country level

**xtreg, RE, year** - Random-effects linear regression model with standard errors clustered at the country level and controls for year effects

Second, we look at globalization measures operationalized through several indexes of globalization and “economic freedom” in Tables 5-7. We find that presence of populist parties in cabinets tends to negatively impact the freedom to trade international index (Table 5). This is consistent with Rode and Revuelta (2015). However, we find no impact of populist parties on alternative measures of globalization, such as financial globalization.

**Populist parties and globalization:**

Table

|  |  |
| --- | --- |
|  | **Freedom to trade international index, sub-index of the Economic Freedom Index** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist** | -0.001\*\* | -0.001\*\* | -0.001\*\* | -0.001\*\* |
| **Binary Populist** | -0.038\* |  | -0.038\* |  |
| **Share Populist Right** | -0.002\*\* | -0.001\*\* | -0.002\*\* | -0.001\*\* |
| **Binary Populist Right** | -0.064\*\*\* | -0.048\*\* | -0.064\*\*\* | -0.048\*\* |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table

|  |  |
| --- | --- |
|  | **Economic Globalization Index** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist** |  | -0.008\*\* |  | -0.008\*\* |
| **Binary Populist** |  |  |  |  |
| **Share Populist Right** |  |  |  |  |
| **Binary Populist Right** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table

|  |  |
| --- | --- |
|  | **Financial Globalization Index** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist** |  | -0.011\* |  | -0.011\* |
| **Binary Populist** |  |  |  |  |
| **Share Populist Right** |  |  |  |  |
| **Binary Populist Right** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Note:

**xtreg, FE** - Fixed-effects linear regression model with standard errors clustered at the country level

**xtreg, FE, year** - Fixed-effects linear regression model with standard errors clustered at the country level and controls for year effects

**xtreg, RE** - Random-effects linear regression model with standard errors clustered at the country level

**xtreg, RE, year** - Random-effects linear regression model with standard errors clustered at the country level and controls for year effects

Finally, we look at measures of employment to discover that populists throughout our entire time period had some positive effect on employment in Tables 8-13.

**Populist parties and employment:**

Table

|  |  |
| --- | --- |
|  | **Employment to population ratio, 15+, total (%) (modeled ILO estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist** | 0.007\*\* | 0.006\*\* | 0.007\*\* | 0.006\*\* |
| **Binary Populist** | 0.304\*\* |  | 0.304\*\* |  |
| **Share Populist Right** |  |  |  |  |
| **Binary Populist Right** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table

|  |  |
| --- | --- |
|  | **Employment to population ratio, 15+, total (%) (modeled national estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist** |  |  |  |  |
| **Binary Populist** | 0.308\* |  | 0.308\* |  |
| **Share Populist Right** |  |  |  |  |
| **Binary Populist Right** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table

|  |  |
| --- | --- |
|  | **Male employment to population ratio, 15+ (%) (modeled ILO estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist** | 0.009\* | 0.007\*\* | 0.009\* | 0.007\*\* |
| **Binary Populist** | 0.405\*\* | 0.284\* | 0.405\*\* | 0.284\* |
| **Share Populist Right** | 0.009\* |  | 0.009\* |  |
| **Binary Populist Right** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table

|  |  |
| --- | --- |
|  | **Male employment to population ratio, 15+ (%) (national estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist** |  |  |  |  |
| **Binary Populist** | 0.409\* |  | 0.409\* |  |
| **Share Populist Right** |  |  |  |  |
| **Binary Populist Right** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table

|  |  |
| --- | --- |
|  | **Female employment to population ratio, 15+ (%) (national estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist** | 0.006\*\*\* | 0.005\*\* | 0.006\*\*\* | 0.005\*\* |
| **Binary Populist** | 0.236\*\* |  | 0.236\*\* |  |
| **Share Populist Right** |  |  |  |  |
| **Binary Populist Right** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table

|  |  |
| --- | --- |
|  | **Female employment to population ratio, 15+ (%) (modeled ILO estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist** |  |  |  |  |
| **Binary Populist** |  |  |  |  |
| **Share Populist Right** |  |  |  |  |
| **Binary Populist Right** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Note:

**xtreg, FE** - Fixed-effects linear regression model with standard errors clustered at the country level

**xtreg, FE, year** - Fixed-effects linear regression model with standard errors clustered at the country level and controls for year effects

**xtreg, RE** - Random-effects linear regression model with standard errors clustered at the country level

**xtreg, RE, year** - Random-effects linear regression model with standard errors clustered at the country level and controls for year effects

Surprised by the strength of these findings and curious how they compare with social democratic and left parties, we ran the regressions for left parties as well, finding a modestly negative impact, significant only in post-communist countries.

**Social Democratic Parties and Employment**

Table

|  |  |
| --- | --- |
|  | **Employment to population ratio, 15+, total (%) (modeled ILO estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **gov\_left1 (cabinet posts of social democratic and other left parties in percentage of total cabinet posts)** | -0.001 | -0.002 | -0.001 | -0.002 |
| **gov\_left1##post2009** | -0.002 | -0.003 | -0.002 | -0.003 |
| **gov\_left1##postcommunism** | -0.007\* | -0.008\*\* | -0.007\* | -0.008\*\* |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table 15

|  |  |
| --- | --- |
|  | **Employment to population ratio, 15+, total (%) (modeled national estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **gov\_left1 (cabinet posts of social democratic and other left parties in percentage of total cabinet posts)** | -0.002 | -0.002 | -0.002 | -0.002 |
| **gov\_left1##post2009** | 0.001 | 0.000 | 0.001 | 0.000 |
| **gov\_left1##postcommunism** | -0.008\*\* | -0.008\*\* | -0.008\*\* | -0.008\*\* |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table 16

|  |  |
| --- | --- |
|  | **Male employment to population ratio, 15+ (%) (modeled ILO estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **gov\_left1 (cabinet posts of social democratic and other left parties in percentage of total cabinet posts)** | -0.001 | -0.002 | -0.001 | -0.002 |
| **gov\_left1##post2009** | -0.003 | -0.004 | -0.003 | -0.004 |
| **gov\_left1##postcommunism** | -0.006 | -0.008\* | -0.006 | -0.008\* |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Overall, we find some evidence that populists tend to have a positive impact on employment., while left parties have a negative impact. However, the effect is significant primarily when the employment indicators are measured by ILO, and not robust to alternative specifications.

Overall, for Hypotheses I-III, we find few highly significant and robust results, which corroborates earlier literature about the indeterminacy of populist parties’ economic policies (Kaltwasser and Mudde 2013).

## Temporal Variation

Since McManus (2019; forthcoming) found that European populists parted from the widely shared politics of retrenchment after the global financial crisis and began to support increased spending, we test whether the populist impact on spending changed after 2008 (Tables 14-17).

Table 17

|  |  |
| --- | --- |
|  | **General government final consumption expenditure (% of GDP)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist\*post-2009** | 0.007\*\* | 0.008\*\*\* | 0.007\*\* | 0.008\*\*\* |
| **Binary Populist\*post-2009** | 0.324\*\* | 0.318\*\* | 0.324\*\* | 0.318\*\* |
| **Share Populist Right\*post-2009** | 0.013\*\* | 0.010\* | 0.013\*\* | 0.010\* |
| **Binary Populist Right\*post-2009** | 0.349\*\* | 0.304\*\* | 0.349\*\* | 0.304\*\* |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table 18

|  |  |
| --- | --- |
|  | **Primary government expenditures as a proportion of original approved budget (%)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist\*post-2009** |  |  |  |  |
| **Binary Populist\*post-2009** |  |  |  |  |
| **Share Populist Right\*post-2009** |  | -0.137\* |  | -0.137\* |
| **Binary Populist Right\*post-2009** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table 19

|  |  |
| --- | --- |
|  | **Total public and mandatory private social expenditure as a percentage of GDP (socexp\_t\_pmp)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist\*post-2009** | 0.012\* |  | 0.012\* |  |
| **Binary Populist\*post-2009** |  |  |  |  |
| **Share Populist Right\*post-2009** | 0.026\*\* |  | 0.026\*\* |  |
| **Binary Populist Right\*post-2009** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table 20

|  |  |
| --- | --- |
|  | **Budget deficit (% GDP)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist\*post-2009** |  |  |  |  |
| **Binary Populist\*post-2009** |  |  |  |  |
| **Share Populist Right\*post-2009** | -0.012\* |  | -0.012\* |  |
| **Binary Populist Right\*post-2009** |  |  |  |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Note:

**xtreg, FE** - Fixed-effects linear regression model with standard errors clustered at the country level

**xtreg, FE, year** - Fixed-effects linear regression model with standard errors clustered at the country level and controls for year effects

**xtreg, RE** - Random-effects linear regression model with standard errors clustered at the country level

**xtreg, RE, year** - Random-effects linear regression model with standard errors clustered at the country level and controls for year effects

We find that since 2009, populists had a significant positive impact on one measure of spending: general government final consumption expenditure, but not on others (see Tables 17-20). Overall, this evidence verifies McManus’ (2019; forthcoming) finding that populists start to boost spending after decades of relying on an austere earlier “winning formula” (Betz, 1994; Kitschelt and McGann, 1997; Kitschelt, 1995; McGann and Kitschelt, 2005). It suggests that since 2009, European populists may exhibit more similarities to their more economically “inclusive” counterparts elsewhere in the world, particularly in Latin America. However, these effects are not robust to alternative specifications of the dependent variable.

## Post-Communist Variation

Our most striking findings concern the post-communist region. Populists in Eastern Europe behave very differently in government than their West European counterparts, particularly in employment. Tables 21-26 show a powerful impact of post-communist populists in government on employment, perhaps because of the painful and lasting effects of neoliberal transition, which caused enormous job losses after the end of communism. While we anticipated that populists might favor male over female employment, considering the conservative family policy of right-wing populists, we found strong employment effects for both genders.

Table 21

|  |  |
| --- | --- |
|  | **Employment to population ratio, 15+, total (%) (modeled ILO estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist\*Postcommunism** | 0.013\*\* | 0.013\*\* | 0.013\*\* | 0.013\*\* |
| **Binary Populist\*Postcommunism** | 0.907\*\*\* | 0.988\*\*\* | 0.907\*\*\* | 0.988\*\*\* |
| **Share Populist Right\*Postcommunism** | 0.019\*\*\* | 0.023\*\*\* | 0.019\*\*\* | 0.023\*\*\* |
| **Binary Populist Right\*Postcommunism** | 0.690\*\* | 0.694\*\* | 0.690\*\* | 0.694\*\* |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table 22

|  |  |
| --- | --- |
|  | **Employment to population ratio, 15+, total (%) (modeled national estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist\*Postcommunism** | 0.018\*\* | 0.018\*\* | 0.018\*\* | 0.018\*\* |
| **Binary Populist\*Postcommunism** | 1.077\*\*\* | 1.095\*\*\* | 1.077\*\*\* | 1.095\*\*\* |
| **Share Populist Right\*Postcommunism** | 0.028\*\* | 0.028\* | 0.028\*\* | 0.028\* |
| **Binary Populist Right\*Postcommunism** | 0.819\*\* | 0.797\* | 0.819\*\* | 0.797\* |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table 23

|  |  |
| --- | --- |
|  | **Male employment to population ratio, 15+ (%) (modeled ILO estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist\*Postcommunism** | 0.015\* | 0.015\*\* | 0.015\* | 0.015\*\* |
| **Binary Populist\*Postcommunism** | 0.948\*\*\* | 1.002\*\*\* | 0.948\*\*\* | 1.002\*\*\* |
| **Share Populist Right\*Postcommunism** | 0.020\* | 0.023\*\* | 0.020\* | 0.023\*\* |
| **Binary Populist Right\*Postcommunism** | 0.749\*\* | 0.740\*\* | 0.749\*\* | 0.740\*\* |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table 24

|  |  |
| --- | --- |
|  | **Male employment to population ratio, 15+ (%) (national estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist\*Postcommunism** | 0.019\* | 0.019\* | 0.019\* | 0.019\* |
| **Binary Populist\*Postcommunism** | 1.038\*\* | 1.063\*\* | 1.038\*\* | 1.063\*\* |
| **Share Populist Right\*Postcommunism** |  |  |  |  |
| **Binary Populist Right\*Postcommunism** | 0.842\* |  | 0.842\* |  |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table 25

|  |  |
| --- | --- |
|  | **Female employment to population ratio, 15+ (%) (modeled ILO estimate)**  |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist\*Postcommunism** | 0.011\*\* | 0.011\*\* | 0.011\*\* | 0.011\*\* |
| **Binary Populist\*Postcommunism** | 0.806\*\*\* | 0.884\*\*\* | 0.806\*\*\* | 0.884\*\*\* |
| **Share Populist Right\*Postcommunism** | 0.018\*\*\* | 0.021\*\*\* | 0.018\*\*\* | 0.021\*\*\* |
| **Binary Populist Right\*Postcommunism** | 0.631\*\*\* | 0.652\*\*\* | 0.631\*\*\* | 0.652\*\*\* |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Table 26

|  |  |
| --- | --- |
|  | **Female employment to population ratio, 15+ (%) (national estimate)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **Share Total Populist\*Postcommunism** | 0.016\*\* | 0.016\*\* | 0.016\*\* | 0.016\*\* |
| **Binary Populist\*Postcommunism** | 0.991\*\*\* | 0.983\*\*\* | 0.991\*\*\* | 0.983\*\*\* |
| **Share Populist Right\*Postcommunism** | 0.026\*\* | 0.023\* | 0.026\*\* | 0.023\* |
| **Binary Populist Right\*Postcommunism** | 0.737\*\* | 0.669\* | 0.737\*\* | 0.669\* |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

Note:

**xtreg, FE** - Fixed-effects linear regression model with standard errors clustered at the country level

**xtreg, FE, year** - Fixed-effects linear regression model with standard errors clustered at the country level and controls for year effects

**xtreg, RE** - Random-effects linear regression model with standard errors clustered at the country level

**xtreg, RE, year** - Random-effects linear regression model with standard errors clustered at the country level and controls for year effects

We find a statistically significant interaction between populist measures and the postcommunist dummy that is robust to alternative model specifications in most of our models, producing a very large increase in employment. Table 18 shows that the presence of populists in government (“Binary Populist”=1) leads to an average increase of 0.907-0.988 or approximately (taking an average coefficient of 0.948) to a 2 percent increase in employment. When re-estimating with the interaction respecified to separately evaluate the effect of populist rates for post-communist and non-post-communist countries, we see the same result: a substantive and significant impact of populist parties on employment within postcommunist region.[[5]](#footnote-5) Surprisingly, we do not find evidence that this effect is particularly driven by the emphasis on male employment, as the results are similar for female employment as well.

## Discussion

Overall, we find some evidence that after 2008, European populists have become more inclusive in their economic policies. While across our entire time period, we find modest support for the hypotheses that populists promoted employment and opposed free trade, after 2008, we observe a significant shift in populist support for general government spending. By far the most significant finding, however, concerns Central and East European populists, who have had a major positive impact on employment. Excluding Poland or Hungary, the leading cases, from our models did not significantly affect our findings. Having even one populist in cabinet boosts employment by two percent on average, a very large effect. While we expected that we might observe differentiation between male and female employment, since East European populists generally promote conservative family policies, this was not the case. East European populists support female empowerment through employment. Surprisingly, this strong finding, while previewed by a few recent papers, has not been widely understood or discussed in the literature on East European populism. In this discussion, we explore some possible reasons for post-communist populists’ emphasis on employment.

We advance three related propositions or mechanisms that might explain the emergence of an inclusive populism of employment in post-communist countries. The first is electoral, related to McManus’s (2019, forthcoming) idea of a re-politicization of the welfare state after 2008. As the neoliberal consensus faded in the wake of the global financial crisis, parties of all stripes abandoned the previous consensus on austerity and sought to appeal to voters using unorthodox economic policies. While social democratic parties supported neoliberal economic policies in the post-communist countries, seeking to display their capitalist *bona fides* (Tavits and Letki 2009), populist parties filled the gap they left, appealing to working class constituencies by providing jobs. Since post-communist countries suffered massive job losses during the neoliberal transition (Roaf et al. 2014), together with sharply rising unemployment, informality, and declining work protections, this strategy proved electorally successful and was adopted by populists across the region.

In the leading populist countries, Poland and Hungary, we observe a dramatic impact on employment. OECD data show that Poland and Hungary both suffered from low employment during the 2000s. In 2003, Poland’s employment rate stood at 51.20%, while Hungary’s was 57.02%. Despite dramatic economic growth through 2008, during the decade of the 2000s, employment in these countries remained far below the OECD average and never exceeded 60% of the working age population (data.oecd.org/emp). Yet by 2019, with populists in power, employment rates in both countries nearly equaled or exceeded the OECD average of 68.74%, with Hungary gaining 800,000 jobs between 2010 and 2020 and reaching levels not seen since 1991 (Gyorgy 2019, Appendix; Skidelsky and Olah 2021, 258).

A second proposition centers on populists’ structural concern with out-migration, a particularly damaging legacy of neoliberal transition (see Rodrik 2018 for a discussion of populist reactions to globalization). Employment losses at home and higher wages abroad, as well as the easy availability of work within the European Union, contributed to significant population losses in many post-communist states. On average, EU-11 countries lost seven percent of their 1989 population by 2018, during a period in which the rest of Europe increased its population by thirteen percent (Fihel and Okolski 2019). Some countries like Bulgaria, Latvia, and Lithuania, lost more than twenty percent. We find some evidence that populist parties sought to bolster domestic employment to fight depopulation, for instance with Poland’s revocation of personal income tax for citizens under 26 years old. Populists, more than other parties, may view out-migration as threatening to the nation-state and seek to increase employment in response to this aspect of neoliberal globalization (see Ban et al. 2021, Bohle and Greskovits 2019; Shields 2019 for competing views).

Finally, populist parties may emphasize employment for moral reasons, as part of philosophy of the individual, patriotism, and contributions to the nation. Our research has uncovered a seeming contradiction or tension in populist thought regarding female employment. While populists often advance conservative family rhetoric, populist parties advance female employment more than social democratic parties, for instance. Gwiazda (2020, 12) points out that, “The relationship between right-wing populism and feminist politics is complicated and nuanced.” Likewise, Hungarian populists provided extensive employment opportunities for the Roma minority, leading to a close political affinity between the Roma population to the Orban government (Skidelsky and Olah 2021, 259), despite populist anti-minority rhetoric and discrimination against Roma in other areas, for instance social benefits. In Poland, despite anti-immigrant rhetoric, Law and Justice Poland has led the European Union in welcoming migrants. Poland welcomed some two million workers, primarily from Ukraine and South Asia, who assumed jobs in its booming economy, with a huge spike since 2013, despite its loud opposition to Muslim immigration (Skowronska 2021; Strzelecki et al. 2021). National populists may encourage and accept population groups that seek to work for the good of the nation, as they see it. Viktor Orban has called Hungary a “work-based society” (Szikra 2014) and this may reflect a moral rationale that trumps other values, as well as a practical one.

Future research could provide deeper understanding of the reasons behind our unexpected and striking finding: populists are better at producing jobs than other European parties. It also presents a practical challenge for European progressives and for analysts, who have not put employment at the center of their analysis of the political economy of populism. Populists’ success in employment growth has created a long-term challenge for mainstream parties. The voting base for populists now includes many working- and middle-class voters that buy into their inclusive economic agenda (Berman and Snegovaya 2019). It remains to be seen how far this inclusive economic agenda has penetrated into Western Europe, but our results suggest that populist parties across the continent also may have shifted towards an economics of inclusion in reaction to neoliberal globalization.

## Conclusions

While European populists are known for their exclusionary rhetoric and policies, since 2008, populism in Europe shows signs of becoming more inclusive, with a particular emphasis on employment. This seems to have been driven by a decline in support for neoliberal globalization after 2008 and the millions of jobs lost in post-communist transitions. The global financial crisis changed the context of welfare state policy (Hausermann et al. 2013), leading to a “re-politicization” in which right populists and left social democrats again compete against centrist parties to deliver benefits for their constituencies. This temporal shift needs to be accounted for in future studies. We also find continued evidence of differentiation between West and East European populists. East European populists have more strongly embraced inclusive economic policies, particularly with reference to job creation, because of the context of transition and apparent moral and nation-building strategies of national populists.

While many previous studies have focused either on Western or Eastern Europe alone, this study demonstrates the utility of considering the populist political economy of Europe as a whole. This approach allows us to identify significant differences, as well as commonalities between regions. Our cross-national statistical approach complements case-study analysis of leading cases, enabling us to test various hypotheses with a larger array of data. Our central finding is the importance of employment to populist political and moral economy. It also raises important questions about a broader transition in party systems. Skidelsky and Olah (2021, 272) observe that Eastern Europe’s inclusive populism “is not left or right-wing. It is both and neither.” This paper should cause analysts in future to place employment at the center of populist political economy, better understand the challenges these parties represent to the social-democratic left. And it raises questions of whether the new winning formula of post-communist Europe might cross over to Western Europe as well?

[Note: Could test mechanism whether employment (lagged) correlates with populists increasing employment and whether postcommunist variable remains significant. If so, there is a post-communist effect that goes beyond low employment (and may be expectations of high employment). If not, then it helps to explain populist behavior in other low employment states, like Southern Europe.]

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Appendix Tables on Social Democracy

**SD parties and social spending: [I do not think we need to display this, at least not here, perhaps below; please remove or put in an appendix – MAO]**

|  |  |
| --- | --- |
|  | **General government final consumption expenditure (% of GDP)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **gov\_left1 (cabinet posts of social democratic and other left parties in percentage of total cabinet posts)** | **-0.000** | **-0.000** | **-0.000** | **-0.000** |
| **gov\_left1##post2009** | -0.001 | -0.001 | -0.001 | -0.001 |
| **gov\_left1##postcommunism** | -0.001 | -0.003 | -0.001 | -0.003 |

|  |  |
| --- | --- |
|  | **Primary government expenditures as a proportion of original approved budget (%)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **gov\_left1** | 0.008 | 0.008 | 0.008 | 0.008 |
| **gov\_left1##post2009** | -0.013 | -0.018 | -0.013 | -0.018 |
| **gov\_left1##postcommunism** | 0.019 | 0.029 | 0.019 | 0.029 |

|  |  |
| --- | --- |
|  | **Total public and mandatory private social expenditure as a percentage of GDP (socexp\_t\_pmp)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **gov\_left1** | -0.001 | -0.000 | -0.001 | -0.000 |
| **gov\_left1##post2009** | **0.009\*\*\*** | **0.007\*\*** | **0.009\*\*\*** | **0.007\*\*** |
| **gov\_left1##postcommunism** | 0.001 | 0.001 | 0.001 | 0.001 |

|  |  |
| --- | --- |
|  | **Budget deficit (% GDP)** |
|  | xtreg, FE | xtreg, FE, year | xtreg, RE | **xtreg, RE, year** |
| **gov\_left1** | **-0.024\*** | **-0.045\*\*\*** | **-0.024\*** | **-0.045\*\*\*** |
| **gov\_left1##post2009** | -0.038 | -0.063 | -0.038 | -0.063 |
| **gov\_left1##postcommunism** | -0.026 | -0.035 | -0.026 | -0.035 |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

**SD parties and globalization: similarly, we can put some of these tables down below, when we start to address causal mechanisms.**

|  |  |
| --- | --- |
|  | **Freedom to trade international index, sub-index of the Economic Freedom Index (KOF\_trade)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **gov\_left1** | **0.004\*** | **0.003\*** | **0.004\*** | **0.003\*** |
| **gov\_left1##post2009** | -0.007 | -0.006 | -0.007 | -0.006 |
| **gov\_left1##postcommunism** | **0.006** | **0.007\*** | **0.006** | **0.007\*** |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

|  |  |
| --- | --- |
|  | **Economic Globalization Index (KOF\_econ)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **gov\_left1** | **0.004\*** | **0.003\*** | **0.004\*** | **0.003\*** |
| **gov\_left1##post2009** | **-0.008\*\*\*** | **-0.009\*\*\*** | **-0.008\*\*\*** | **-0.009\*\*\*** |
| **gov\_left1##postcommunism** | 0.007 | 0.008 | 0.007 | 0.008 |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

|  |  |
| --- | --- |
|  | **Financial Globalization Index (KOF\_finance)** |
|  | **xtreg, FE** | **xtreg, FE, year** | **xtreg, RE** | **xtreg, RE, year** |
| **gov\_left1** | 0.004 | 0.003 | 0.004 | 0.003 |
| **gov\_left1##post2009** | -0.010\*\*\* | -0.011\*\*\* | -0.010\*\*\* | -0.011\*\*\* |
| **gov\_left1##postcommunism** | 0.007 | 0.009 | 0.007 | 0.009 |

\* p<0.1, \*\* p<0.05, \*\*\* p<0.01

1. https://klausarmingeon.ch/comparative-political-data-set/#:~:text=The%20%E2%80%9CComparative%20Political%20Data%20Set,University%20of%20Zurich%20(Switzerland).&text=The%20data%20set%20contains%20some,socio%2Deconomic%20and%20demographic%20variables. [↑](#footnote-ref-1)
2. https://politicscentre.nuffield.ox.ac.uk/whogov-dataset/ [↑](#footnote-ref-2)
3. https://popu-list.org/ [↑](#footnote-ref-3)
4. We did not create a separate coding for “far left” parties for the lack of significant number of observations. Few “far left” parties were in ruling cabinets throughout the analyzed period. [↑](#footnote-ref-4)
5. Results available upon request. [↑](#footnote-ref-5)