demos

Democratic Efficacy and the Varieties of Populism in Europe

WORKING PAPER

What Kind of Public Policies Trigger Populism?

August, 2020

Author(s)

Bartha, Attila (Centre for Social Sciences, CSS, Budapest)

Bazoti, Pery (ELIAMEP, Athens)

Benedek, Istán (Centre for Social Sciences, CSS, Budapest)

Butkevičienė, Eglė (Kaunas University of Technology, KTU)

Katsikas, Dimitrios (ELIAMEP, Athens)

Morkevičius, Vaidas (Kaunas University of Technology, KTU)

Sahin, Osman (Glasgow Caledonian University, GCU)

Schlett, Bálint (Centre for Social Sciences, CSS, Budapest)

Žvaliauskas, Giedrius (Kaunas University of Technology, KTU)

Editor

Bartha, Attila (Centre for Social Sciences, CSS, Budapest)

Contact Information

contact@demos.tk.mta.hu

Abstract

This working paper investigates public policies that precede the rise of populism. A mixed-method research design is applied: on the one hand, we use data from international surveys and databanks to explore the policy–populism nexus from a comparative European perspective. On the other hand, country case studies have been prepared to understand the country-specific historical and socio-economic features of populism and its potential policy roots. Four countries were selected as national case studies: two EU member states (Greece and Hungary) because of a strong, long-term support of populist parties; one EU member state (Lithuania), where support of populist parties remain moderate, although historical and socio-economic features suggest a likely rise of populism; and one country (Turkey) that exhibits the potential hybridization tendencies of populism and the role of policies in the shift from democratic towards authoritarian regimes. We found that the content of policies were weak predictors of the rise of populism. Country-specific measures were more important predictors than policy ideas. At the same time, our results demonstrate that the lack of activation policies may be a strong predictor of welfare populist attitudes of citizens, and the exclusion of a significant proportion of young people from the labour market clearly feeds populist attitudes. Another important finding is that crisis management policies matter, but not the socio-economic crisis in itself: the management of crisis by non-elected policy experts, through technocratic governance methods, will likely trigger populism. This is particularly true in societies where political polarization is high.

Table of Contents

1. Research Design and Methodology

In Task 2.5 of the DEMOS project, the consortium applied a mixed-method research design. On the one hand, we used data from international surveys and databanks (Eurostat, V-Dem, European Social Survey) to explore the policy–populism nexus from an international comparative perspective. As policies that potentially trigger populism can be analysed at the level of countries and compared between countries, our analysis has a macrolevel focus. Thus in this research we used country-level variables: partly macrolevel data, partly aggregated variables at country levels that were originally collected at individual level. The *Appendix* provides a detailed description of data sources and variables we used as well as the country cases that were included in the comparative macrolevel analysis.

On the other hand, country case studies have been prepared in order to understand the country-specific historical and socio-economic features of populism and its potential policy roots. We selected four countries to investigate the country-specific policy features of populism through national case studies. Two EU member states (Greece and Hungary) were chosen because of the strong support of populist parties. Previous studies have already discussed the significance of populism in Greece and Hungary from the perspective of democracy (Pappas, 2014); in this respect, the contribution of DEMOS Task 2.5 is to elaborate on the policy components related to populism. Lithuania was selected as a control case: though historical as well as socio-economic features of the country could logically contribute to the rise of populism, the support of populist political parties in Lithuania has remained moderate. The fourth country, Turkey, was chosen as it exhibits the potential hybridization tendency of populism. Accordingly, the national case study of Turkey also contributed to understanding the potential role of policies in the shift from democratic towards authoritarian regimes.

For the national case studies, DEMOS national expert teams qualitatively assessed substantive, procedural and discursive features of policies that preceded a populist shift. As these case studies had an explorative ambition and the focus was on the country specific features, national experts had significant flexibility in carrying out the research process. At the same time we elaborated a detailed methodological guideline for identifying policy areas, relevant policy actors, and the appropriate selection of a time frame for the analysis. In addition, we specified the main dimensions of qualitative assessment of the substantive and discursive features of the policies under investigation.

2. Comparative macrolevel analysis

2.1. Conceptual and analytical framework

Populism: support of populist political parties and citizens' attitudes

In the macrolevel comparative analysis populism is the dependent variable. We follow the suggestions elaborated in DEMOS D2.1, thus we understand populism as a political phenomenon. Accordingly, at the level of actors populist political parties are in the centre of analysis (see DEMOS D2.1, pp. 3-5.) and the strength of populism in a society is equivalent to the political support of populist parties.

We incorporated the populist attitudes of citizens, more precisely, the "individual-level behavioural and attitudinal predictors of populism" (DEMOS D2.1, p. 24.) into our analysis as it captures the demand side of populism. As "populist parties increasingly take a welfare chauvinistic position" (Schumacher–Van Kersbergen, 2016, p. 300.) and at the same time populist parties stress on responsiveness in the sense "that politicians act congruently with citizens' preferences" (Caramani, 2017, p. 56.), welfare populist attitudes

of citizens can be considered as a demand-side driver of populism. The two rotated sections about the welfare attitudes of citizens of the European Social Survey (ESS) provided an appropriate source to consider the demand of welfare populism. As the two ESS rounds about welfare attitudes were collected in 2008 (round 4) and 2016 (round 8), they represent well the attitudes of citizens under the crisis contrasted with their post-crisis attitudes.

Policies that may trigger populism: lack of social investment policies

Concerning the policy content that precedes the rise of populism a typical assumption is that neoliberal policies, more precisely the failure of neoliberal policies triggers populism. This assumption is expressed at national and regional level (concerning especially South-European countries, see Stavrakis 2015, p. 274), but also in a pan-European context. Chantal Mouffe, a leading social theorist of today states in her recently published paper that the "populist moment arises from the multiplication of anti-establishment movements that signal the crisis of neoliberal hegemony" (2019, p. 7.). At the same time, an important stream of the populism scholarship underlines that neoliberalism may coexist with populism when étatist policies fail. Inspired by Latin-American and East-European examples, Weyland (1999, p. 379) pointed to this "compatibility of political populism and economic liberalism" already two decades ago. Indeed, the populism scholarship is inconclusive about the relationship between populism and neoliberalism. Thus DEMOS Task 2.5 assumed that (i) not only neoliberal but (ii) any type of policy failure could likely trigger populism (iii) especially when there is no adequate social protection of citizens under socio-economic crisis conditions. Accordingly, we put *social investment policies* (Bouget et al., 2015) into the focus of our analysis and we expected that the lack of social investment policies would trigger populism.

Crisis and national vulnerability profiles

Crisis may play a key role in the rise of contemporary populism (Moffitt, 2015). The crisis-populism relation is obvious in discursive and political communication terms and several tasks and work packages (WPs) of the DEMOS project investigate this issue. At the same time, we assume that the positivist understanding of the crisis-populism nexus is also valid and not only the perception or the narratives of crisis but also the crisis measured by socio-economic indicators matters. Namely, we expect that a tangible deterioration in major socio-economic indicators increases the populist demand. Though recent crises have typically had a global provenance, from a policy perspective, the magnitude (scope and length) of the crisis is dependent upon past national policy outcomes reflected in macroeconomic imbalances. Thus we incorporated the major macroeconomic imbalance procedure (MIP) indicators developed by the European Commission in the framework of the EU economic governance into our analysis. MIP indicators are crisis magnitude proxies that draw the macroeconomic vulnerability profile of the particular countries. We expected that populism was stronger in more vulnerable countries suffering from the weaker policies of the past.

Polarization and technocratic governance

Based on the scholarly literature we identified two additional major factors potentially shaping the policy-populism relation. A first factor is the polarization in social preferences: we expect that the intrinsic Manichean character of populism (Rovira Kaltwasser–Taggart, 2016) has a more fertile ground when policy positions are deeply polarized. A second factor is related to technocratic governance. In this respect, Caramani (2017, p. 61) underlines several commonalities between technocratic and populist governance as they equally tend to circumvent some democratic procedural features of classical democratic party

5

governance. Thus both populist and technocratic governments share a non-pluralistic societal view, they operate in an unmediated way and have weak accountability. Accordingly, we expect that particular connotations when technocratic policy experts have an overwhelming dominance of policy procedures likely operate as a trigger of populism.

2.2. Operationalisation of variables

Populism: voting share of populist parties

We operationalized the strength of populism in countries by using the overall voting share of populist parties, based on the categorization and data collection of the Timbro Authoritarian Populism Index database. We considered 5-years voting averages in two time periods: as crisis potentially plays a key role in contemporary populism (Moffitt, 2015) we distinguished between the crisis period (2006-2010) and the consolidated post-crisis period (2014-2018). We did not include the 2011-2013 period into the analysis as it was fairly inhomogeneous across European countries: while many of them already showed a convincing recovery in this period, another large set of the EU member states still suffered of an enduring crisis between 2011 and 2013. In addition, 2008 and 2016 as central years of the two chosen 5-years periods fits the timing of the European Social Survey data collection about welfare attitudes.

Citizens' attitudes toward welfare populism

The attitudes of citizens towards welfare populism in the ESS 2008 and 2016 rounds were observed by the attitudes towards social services and benefits, the immigrants, the unemployed and welfare entitlements. We assumed that there was a latent factor measuring welfare populist attitudes beyond the observed variables. The reliability test indicated that the internal consistency is relatively high among three of the four observed variables: the attitudes towards social services and benefits, the attitudes towards the unemployed and the attitudes towards welfare entitlements (Cronbach's Alpha was 0.76). At the same time, attitudes towards immigrants showed a low internal consistency with the three other items. Accordingly, attitudes towards immigrants had different roots and hence we did not include this observed variable of ESS into the principal component measuring attitudes toward welfare populism. This certainly does not imply that there is no meaningful relation between attitudes towards immigrants and the demand side of populism. It means, however, that anti-immigrant attitudes and welfare populist attitudes operates through distinct mechanisms and with different correlates.

Social investment policies

As we mentioned above, our expectation was that a major policy trigger of populism was the lack of social investment policies. We operationalized social investment policies along three dimensions (Leoni, 2016, p. 197): (i) social protection, (ii) human capital development and (iii) activation. We used Eurostat country-level data in the 2006-2010 and the 2014-2018 period. For social protection, in addition to the annual government expenditure on social protection as a percentage of gross domestic product (GDP) we also used the indicator of people at risk of poverty or social exclusion (as a percentage of total population) as policy outcome proxy of social protection policies. For human capital development we used the indicators of annual government expenditure on education as well as on health care as a percentage of GDP. For activation, we used the indicator of NEET rates of young people (people neither in employment nor in education and training as a percentage of the overall age cohort from 15 to 34 years).

6

Macroeconomic imbalances, vulnerability and extreme vulnerability

The starting point in operationalisation of national vulnerability profiles was the MIP scoreboard dataset. We used the following variables: unemployment rate (as a percentage of the labour force, 3 years backward average), government debt (as a percentage of the gross national product), private sector debt (consolidated annual data, as a percentage of the GDP), current account balance (as a percentage of the GDP, 3 years backward average), net international investment position (NIIP, as a percentage of the GDP) and the real effective exchange rate (3-year percentage change (t/t-3), compared to the 42 main trading partners). For each of the variables we used the vulnerability thresholds of the MIP scoreboard: we considered a country vulnerable in a macroeconomic dimension if its value exceeded the defined threshold. These *vulnerability thresholds* were unemployment rate higher than 10%, government debt higher than 60% of GDP, private sector debt higher than 135% of GDP, current account deficit higher than 4% of GDP, net international investment position lower than -35% of GDP and a real effective exchange rate change exceeding 5% in case of fixed exchange rate regimes and exceeding 11% in case of flexible exchange rate regimes. We also defined an *extreme vulnerability threshold* for each of these indicators: unemployment rate higher than 15%, government debt higher than 100% of GDP, private sector debt higher than 200% of GDP, current account deficit higher than 8% of GDP, net international investment position lower than -70% of GDP and a real effective exchange rate change exceeding 10% in case of fixed exchange rate regimes and exceeding 22% in case of flexible exchange rate regimes. When a country was vulnerable / extremely vulnerable in a particular dimension, it received a value of 1 (if it was not, it received a value of 0).

Then we calculated a *vulnerability index* as well as an *extreme vulnerability index* for 2008 and 2016. The values of these two indices were equal to the sum of the vulnerability and extreme vulnerability values measured by the threshold indicators.

Polarization

Polarization is operationalized by the Varieties of Democracy (VDem) project "Polarization of society" variable that expresses the perceived level of agreement on the general direction a society should develop based on expert assessments. We calculated 8-year backward averages for 2008 and 2016 modifying the original 0-4 scale to a 1-5 scale (note: higher value means higher level of agreement about desired societal goals, thus lower polarization).

Technocratic governments

We operationalized technocratic governments with a dummy variable that had a value 1 if at least one technocratic government had been established and operated in the country since 2008 (otherwise the value of this variable is 0). We used the data collected by Târlea and Bailer (2018) and Wratil and Pastorella (2018).

The limited number of country cases restrained the scope of applicable methods. Under these conditions, more sophisticated multivariate regression models would not be adequate because of the number of variables versus cases problem. Accordingly, our findings are based on bivariate analysis of the operationalized data discussed above, hence they are rather qualitative in nature. This limitation of our comparative macrolevel

analysis justifies the mixed method research design and the inclusion of the national country studies into our synthesis.

2.3. Main findings

In most of the EU member states support of populist parties have been higher in the post-crisis period than before the crisis. A significant rise was observed in Hungary, Greece, Poland and Italy. At the same time, welfare populist attitudes of citizens remained rather stable if we consider them at an all-European level, though different shifts happened at country level.

Populist attitudes 2008 & 2016
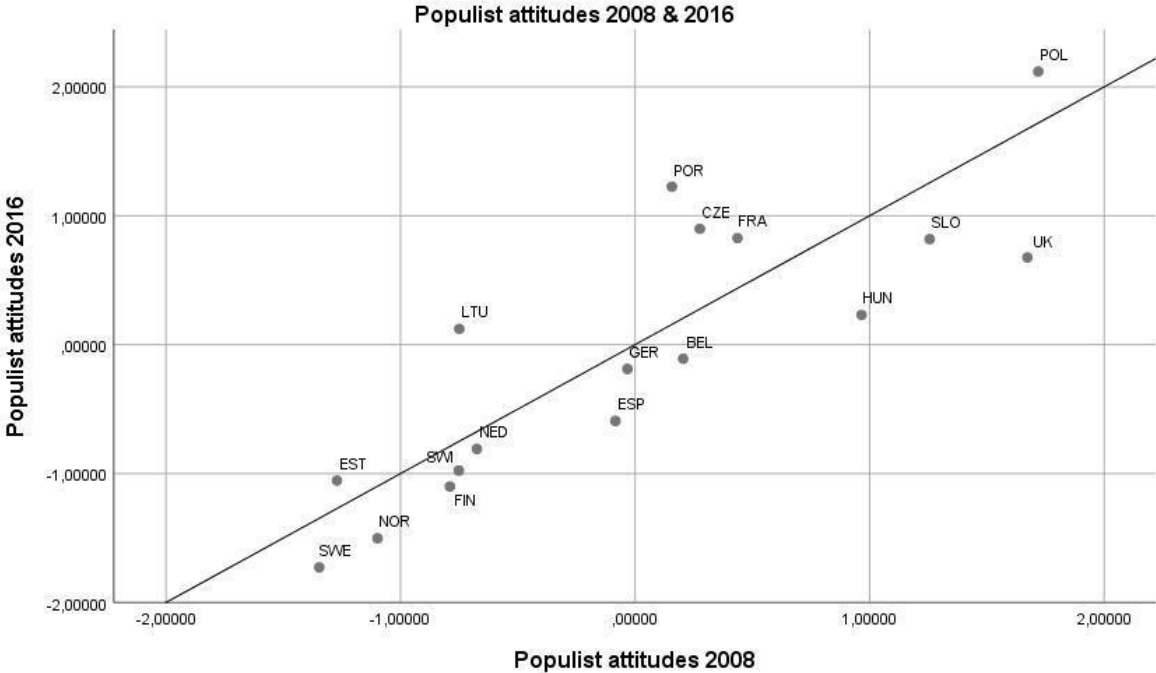
In some of the EU member states where welfare populist attitudes of citizens were strong before the crisis, there has been a significant moderation (for instance in Hungary, Slovenia and the United Kingdom), while in other countries (for instance in Poland, Portugal, France and the Czech Republic) welfare populist attitudes of citizens become more widespread. It is obvious that the attitudes of citizens and the populist party supply do not match: in some countries populist demand is present but the populist party supply is limited (e.g. Portugal), while in other countries there is a strong supply of populist parties compared to attitudes of citizens (for instance this is the case of Hungary).

Most of the policy variables only weakly correlate with the voting share of populist parties. The level of education and health care expenditures are not good predictors of populism; moreover, social protection expenditures do not show a significant relation with populist voting either. There is a lack of such an expected significant relation not only when we compare pre-crisis policies with post-crisis voting outcomes, but also when we check this relation in a simultaneous time dimension. However, two of our policy variables significantly and positively correlate with populist voting. On the one hand, higher level of poverty and social exclusion is a good predictor of higher share of populist voting. On the other hand, there is a significant correlation between activation policy outcome (NEET rates of young people) and the support of

8

populist parties. When the ratio of people neither in employment nor in education and training (as a percentage of the overall age cohort from 15 to 34 years) is higher, populist parties may gain higher voting share.
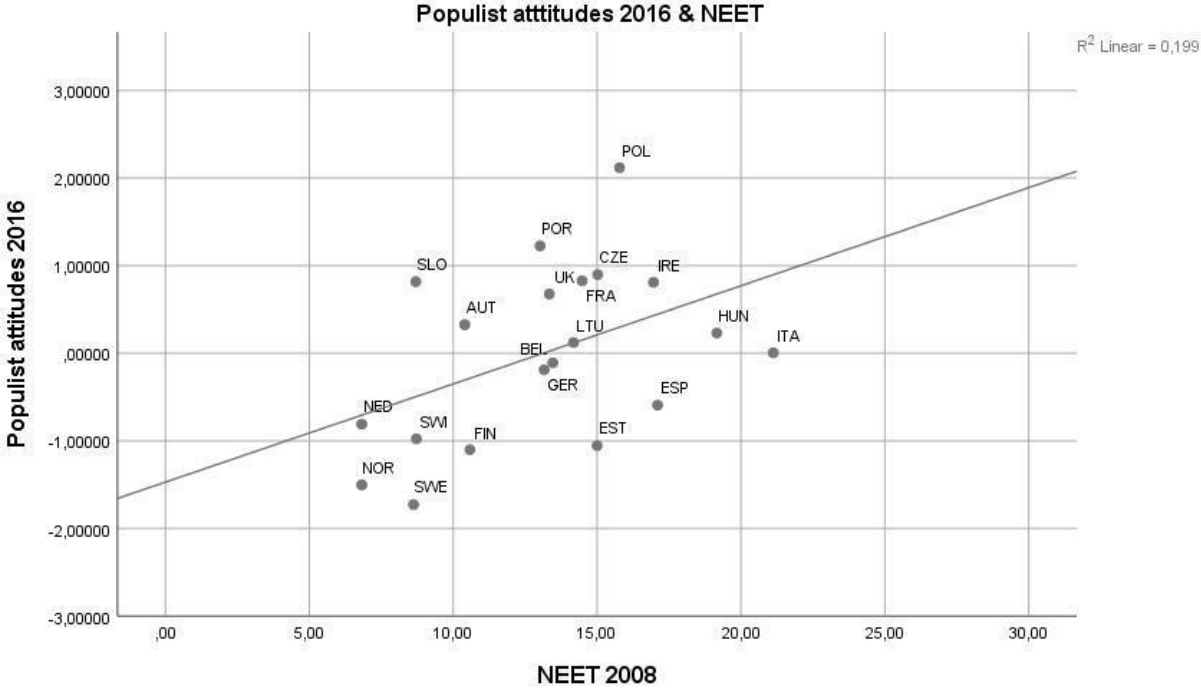

Still, our findings show that ideational content of policies are not meaningful predictors of populism. This underlines the chameleonic and malleable character of populism indicating that populism travels across ideologies and policy ideational approaches.

Pre-crisis vulnerability level of countries is not strong predictor of populist voting in general, but extreme vulnerability is a strong predictor of populist voting in the case of left-wing populism: in more vulnerable countries citizens support significantly more left-wing populist parties in the post-crisis period. In addition, vulnerability profiles in 2008 correlate strongly with welfare populist attitudes of citizens in 2016. Among the vulnerability indicators, level of unemployment is the strongest predictor of welfare populist attitudes.

9

Extreme vulnerability 2008 & Strong left-wing populism 2016
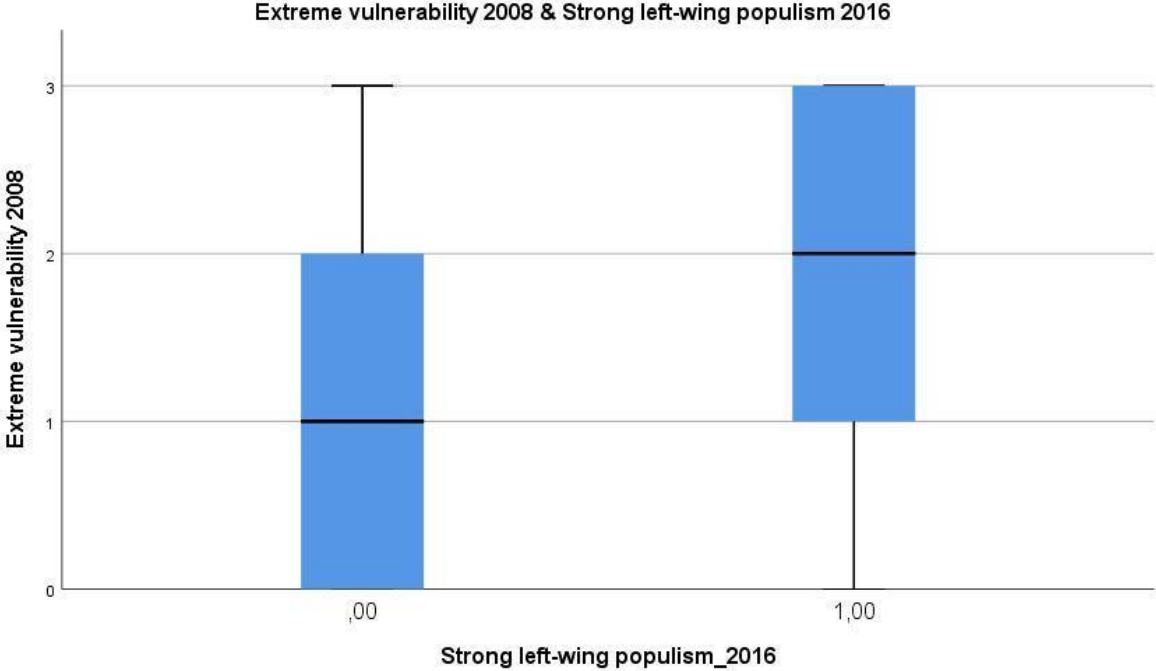
While the policy content variables are generally weak predictors of the support of political parties, both polarization and technocratic governance matters in this respect. Stronger polarization significantly rise the support of populist political parties. As we know that this relation also works in the other direction (i.e. populist parties are not only responsive to existing cleavages among citizens but they are also shaping it through the use of Manichean discourses), increasing polarization has to be considered as a threatening signal preceding the potential rise of populism.

Technocratic governance also operates as a strong predictor of populism. Our findings underline the existing commonalities between technocratic and populist governance as procedurally both of these governance forms represent an unmediated form of governance circumventing the established institutional mechanisms and undermining the accountability procedures of liberal democracies. Indeed, more polarized societies tend to work under technocratic governments more frequently and the toxic polarization-technocracy combination typically emerges in Eastern and Southern European member states where party democracy is weaker.

VDem_Polarization 2009-2016 & Technocratic governance
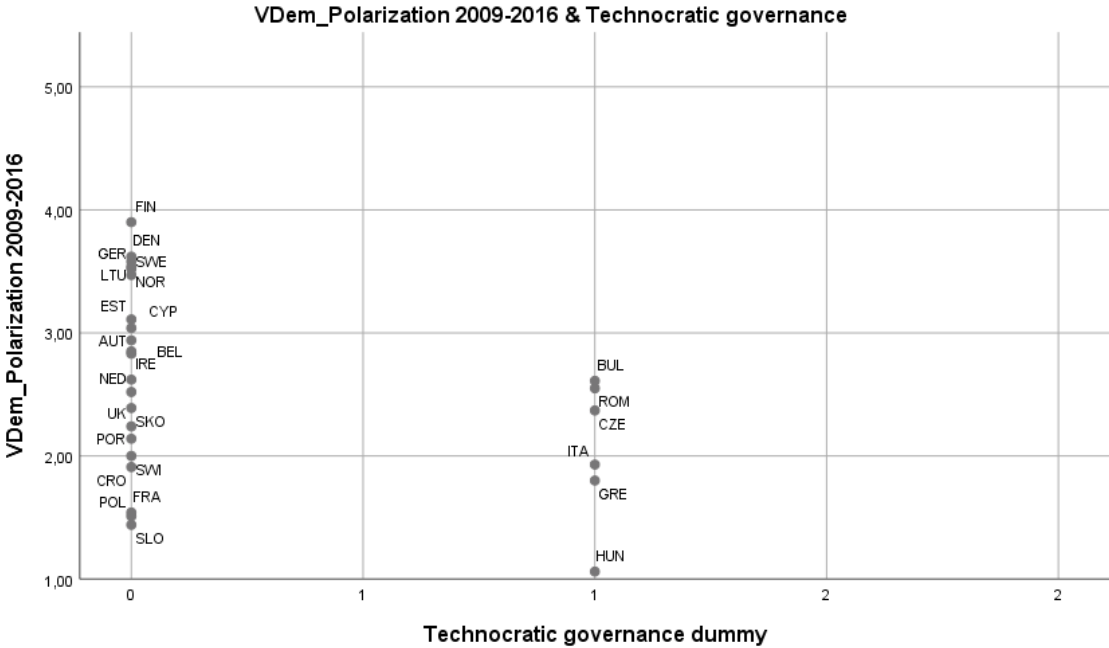
3. Country case studies

In this section we briefly summarize the main findings of the four country case studies (Greece, Hungary, Lithuania and Turkey) in the case of which national expert teams of the DEMOS consortium qualitatively analysed policies that potentially trigger populism. The Greek country case study was prepared by Dimitrios Katsikas and Pery Bazoti (ELIAMEP), the Hungarian case study by István Benedek (CSS), the Lithuanian case study by Eglė Butkevičienė, Giedrius Žvaliauskas and Vaidas Morkevičius (KTU) and the case study about Turkey by Osman Sahin (GCU). All of the four country case studies are available in the DEMOS project cloud.

DEMOS national expert teams analysed two public policy areas. On the one hand, national experts investigated economic policy measures (especially austerity measures) assuming that they could trigger populism through the crisis management policy channel. On the other hand, they scrutinized certain public policy areas where polarizing Manichean policy discourses may also trigger the rising support of populist political parties. For this reason, each national teams studied two public policy areas: (1) economic policy and (2a) social policy or (2b) civil rights policy issues.

Greece

Katsikas and Bazoti (2019) underline a peculiarity of Greek populism, namely that populism was a clear feature of Greek politics already three decades before the recent global financial crisis. Greek populism achieved a government position in 1981 when the PASOK (Panhellenic Socialist Movement) come to power with its charismatic leader Andreas Papandreou. The socialist ideological element in PASOK's populism had a function of societal modernisation with an inclusive policy stance. In this sense, lack of inclusionary social investment policies was a main trigger of the left-wing populism 40 years ago.

This left-wing populism followed the pattern of Latin American type macroeconomic populism and implied a macroeconomic crisis. The PASOK government was constrained to implement major stabilisation policy measures already in the 1980s, but "as soon as the situation improved, the policy was summarily terminated

11

in view of the coming election" (Katsikas and Bazoti, 2019, p. 3.). Though later the modernisation project also encompassed neoliberal policy components such as liberalisation of markets, privatisation and tight fiscal policy, inefficient public administration has remained a main obstacle to achieve long-term macroeconomic stability. Clientelism and the perception of employment in the public sector as a common mean of favouritism undermined not only the tax collection capability of the Greek state, but also the trust in the Greek political establishment in general. These policy features indeed survived under the governance of the main rival party of PASOK, the centre-right New Democracy party.

Moreover, from the 1990s the New Democracy party also joined the left-wing populist stance, especially in social policy discourses. The combination of a clientelist state with generously redistributive welfare policy preferences constituted an almost insurmountable obstacle of social policy reforms. This implied the paradox of high social spending coupled with disproportionally high rate of poverty and social exclusion. While the political climate was extremely polarized and there was no middle ground for a possible consensus regarding future policy reforms, both of the two leading parties concentrated on the suffering of the middle class even at the beginning of the crises period from 2009 and "there were very few references of the 'traditional' poor strata and socially excluded groups" (Katsikas and Bazoti 2019, p. 21.). In this context, together with the distrust in the Greek state and the established political elite, the lack of pro-poor policy served as a main trigger of inclusionary populism.

Hungary

Benedek (2019) found that roots of the rising Hungarian populism were in the policy failure of the previous period dominated by the neoliberal policy perspective. In the 1990s Hungary was a first mover in adopting the SLIP agenda (stabilization, liberalization, market-compatible institutional transformation and privatization) promoted by Western economic and business advisors in the post-socialist region. Then 10 years later the Hungarian macroeconomic environment was apparently favourable, while social cohesion was dramatically weakened in the country. The main economic policy feature of this period was an excessive volatility between austerity measures and compensating welfare provisions' cycles. At the same time, mainstream political parties have become more and more populist in both sides of the Hungarian political spectrum (Pappas, 2014). Still, neoliberal technocratic expertise dominated the economic policy agenda even in the crisis management period ensuing from the global financial crisis and the subsequent European debt crisis.

The landslide victory of the populist Fidesz was preceded by a triple crisis. One of the crisis factors was certainly inherent in the political system itself and was related to delegitimizing political scandals (in particular, the infamous lie speech of the prime minister, Ferenc Gyurcsány in 2006). Two other driving factors of populism, however, rooted in policy failures. Indeed, the neoliberal agenda and the political business cycles oscillating between austerity and welfare compensation periods ultimately failed in both economic and social policy outcomes. Moreover, though the technocratic government of Gordon Bajnai (2009-2010) could successfully manage the most acute economic policy problems in the crisis period, its deliberately apolitical, exclusively evidence-based policy stance and the rejection of 'politicized' policy communication contributed to further expansion of populism. Ironically, the subsequent populist government of Viktor Orbán conserved several economic policy elements of the previous neoliberal agenda in a heterodox economic policy framework. In discursive terms, however, there was a sweeping policy change: an illiberal, anti-elitist and anti-technocratic populist discourse followed the apolitical era of neoliberal technocratic experts.

In addition, the national case study of Hungary reveals a striking feature of Hungarian social policy that could be a main trigger of populism. The high level of labour market inactivity and the worsening ratio of the working versus unemployed and inactive population indirectly served the populist claim 'from a welfare towards a workfare' society. From a broader policy perspective this underlines that universal social policy measures could indirectly trigger populism, especially under fragile labour market conditions when employment rates are low, precarious employment is common and/or particular social and ethnic groups are overrepresented among the unemployed and inactive population.

Lithuania

There is a specific history-related contextual feature of the policy-populism nexus in the case of Lithuania: after the collapse of the Soviet centrally planned economy market building policy reforms happened simultaneously with the restoration of Lithuanian independence (Butkevičienė et al., 2019). Though the reforms related to the stabilization, liberalization, institution building and privatization agenda were quite radical and had huge social costs, the dominance of neoliberal economic policy consensus remained intact and populist policy positions have been delegitimized by referring to their Soviet type highly redistributive policy orientations.

Indeed, in Lithuania the frame of "the need for reforms and austerity" has perpetuated till today. Not only right-wing parties and liberal think-tanks has advocated this policy position, but also governments led by left-wing parties used the same frame when justifying adopted neoliberal economic policies and reforms. In this context, ruling political elite, media and political commentators could still depict populism as a set of economically unsound economic policies, referring to old-fashion macroeconomic populism with unsustainable demands to increase social protection expenditures, ultimately leading to a massive impoverishment. Sustained dominance of the neoliberal policy agenda, however, created some paradoxical channels of populist appeals in Lithuanian economic policy as well: introduction of progressive personal income taxation and increase of minimum wage have become the two most important economic policy appeals of populist political forces in Lithuania.

At the same time, populism in Lithuania has been triggered by some controversial policy issues framed in the context of nation building. The huge population loss of the country (by almost 25 per cent since 1989) implied that population policy has become a major policy area driving populism; dual citizenship and the unsolved problem of massive emigration of youth have become the two main policy issues. These wicked policy problems feed the ideational marriage of nativism and populism, through narratives of the restoration of the nation. Still, Lithuanian populist political parties remained mostly non-xenophobic and rather non-exclusionary with an emphasis on uniting the Lithuanian nation (Butkevičienė et al., 2019).

Turkey

Sahin (2019) exhibited that in certain sense history of modern Turkey could be interpreted as streams of two different kinds of populism. On the one hand, the 'Republican populism' of Mustafa Kemal, founding father of the new Turkish Republic in 1923, applied a policy stance of 'for the people despite the people'. This elitist policy of educating and reforming the people assumed that uneducated people were not capable of understanding what was good for them thus uneducated masses should be taken care of by the educated elite. On the other hand, the elitist 'Republican populism' of the center (educated, secular and Kemalist elite) was altered by right-wing populist reactions of the peripheral (less educated, socially conservative, and pious) Turkey. The DEMOS project conceptual perspective implied that this second type of populism

was in the analytical focus of the Turkish case study. Accordingly, we refer to two populist periods in Turkey: the Democrat Party rule between 1950 and 1960 and the Justice and Development Party rule since 2002.

The case study depicts five major features of Turkish reactionary populism: "[1] Successful populist parties in both periods were right-wing parties; [2] These political parties were neither nativist nor did they follow a strict ideological agenda. They were rather pragmatic actors that implemented public policies, which were likely to garner the people's support for their government; [3] Both populist periods were dominated by liberal economic policies and during the Justice and Development Party (AKP) era, the pendulum pointed in the direction of neoliberal economic policies; [4] Both the Democrat Party (DP) and the AKP implemented radical policies in order to perpetuate the people's support for their government; [5] Both parties demonized the opposition that opposed their policies and argued that these parties and their leaders are going against the interests of the people by challenging the government policies" (Sahin 2019, p. 2.).

A main finding of the Turkish case study is that elitist modernization policy stances inherently feed populism, especially when there are obvious losers of these policies in a highly polarized society. Before the rise of populism in the 1950s, industrialisation efforts were financed at the expense of the impoverishment of the Turkish peasantry. From the 1960s, however Turkish economic policy-makers corrected this societal bias of applied policies. Indeed, the rise of the AKP was preceded by another type of policy failure: in an enduring crisis period neoliberal austerity measures were implied without compensating the welfare losses of lower and middle classes. Then the AKP preserved the neoliberal agenda but combined it with widening welfare regime inclusiveness. In family policy, however, we could not detect such type of policy failure. Changing policy stances rather reflected the thick ideology differences in policy ideas: the Kemalist Republican idea of re-constituting the family in accordance with Western social norms was altered by the AKP's conservative family vision fixing the role of women as mothers.

Policy conclusions and recommendations

The comparative macrolevel analysis of DEMOS Task 2.5. found that the content of applied policies in general are weak predictors of the rise of populism. Country-specific measures are apparently more important than policy ideas at least from a pan-European perspective. Among social investment policy measures only activation is a significant predictor of the subsequent rise of populism; the lack of activation policies has a particularly strong impact on the welfare populist attitudes of citizens. Thus, the exclusion of a significant proportion of young people from the labour market clearly feeds populist attitudes. Indeed, this may be a first step of the populist rise; in this context, when a skillful political entrepreneur embraces populism and an adequate party supply is given, the support of populist political forces will likely increase significantly.

We found that crisis in itself is not a strong predictor of populism, unless societies become *extremely vulnerable* because of macroeconomic imbalances, through excessively high unemployment and a dramatic rise in poverty and social exclusion. At the same time, crisis management policies carried out by non-elected policy experts (i.e. technocratic governance) will likely trigger populism. This is particularly true in more polarized societies of Eastern and Southern Europe.

These findings imply that populism has only limited policy predictor, thus policy recommendations should be formulated considering country-specific contexts. Still, three major suggestions can be done at a more general level. First, active labour market policy measures of keeping the youth on the labour market or in the educational and training system are particularly important to limit the populist temptation. Second,

technocratic crisis management should be avoided as much as possible as technocratic governance typically precedes the rise of populism. Third, democratic political forces must consciously work on the convergence of future visions concerning societal development; otherwise, deeply polarized policy positions will likely trigger populism.

APPENDIX

List of Variables and Data Sources Used for Macrolevel Comparative Analysis

Countries included into the analysis: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom. *Note: several countries are missing from the European Social Survey (ESS) 2008 and 2016 rounds (round 4 /R4/ and round 8 /R8/ respectively), namely Austria, Ireland and Italy (R4); Bulgaria, Croatia, Cyprus, Denmark, Greece, Romania and Slovakia (R8).*

1. Populist parties' voting share variables

Voting share of populist parties, 2006-2010

Share of votes for populist parties, based on the categorization and data collection of the Timbro Authoritarian Populism Index database. Data used for this variable is calculated as an average of voting share values in the period between 2006 and 2010. Source of dataset: https://populismindex.com/data/.

Voting share of populist parties, 2014-2018

Share of votes for populist parties, based on the categorization and data collection of the Timbro Authoritarian Populism Index database. Data used for this variable is calculated as an average of voting share values in the period between 2014 and 2018. Source of dataset: https://populismindex.com/data/.

Voting share of left-wing populist parties, 2006-2010, dummy variable

Share of votes for left-wing populist parties, based on the categorization and data collection of the Timbro Authoritarian Populism Index database. Data used for this variable is calculated as an average of voting share values in the period between 2006 and 2010; dummy variable has the value 1 if the share exceeds 5 percent. Source of dataset: https://populismindex.com/data/.

Voting share of left-wing populist parties, 2014-2018, dummy variable

Share of votes for left-wing populist parties, based on the categorization and data collection of the Timbro Authoritarian Populism Index database. Data used for this variable is calculated as an average of voting share values in the period between 2014 and 2018; dummy variable has the value 1 if the share exceeds 5 percent. Source of dataset: https://populismindex.com/data/.

Strong left-wing populist party support, 2006-2010, dummy variable

Share of votes for left-wing populist parties, based on the categorization and data collection of the Timbro Authoritarian Populism Index database. Data used for this variable is calculated as an average of voting share values in the period between 2006 and 2010; dummy variable has the value 1 if the share exceeds 10 percent. Source of dataset: https://populismindex.com/data/.

Strong left-wing populist party support, 2014-2018, dummy variable

Share of votes for left-wing populist parties, based on the categorization and data collection of the Timbro Authoritarian Populism Index database. Data used for this variable is calculated as an average of voting share values in the period between 2014 and 2018; dummy variable has the value 1 if the share exceeds 10 percent. Source of dataset: https://populismindex.com/data/.

Voting share of right-wing populist parties, 2006-2010, dummy variable

Share of votes for right-wing populist parties, based on the categorization and data collection of the Timbro Authoritarian Populism Index database. Data used for this variable is calculated as an average of voting share values in the period between 2006 and 2010; dummy variable has the value 1 if the share exceeds 5 percent. Source of dataset: https://populismindex.com/data/.

Voting share of right-wing populist parties, 2014-2018, dummy variable

Share of votes for right-wing populist parties, based on the categorization and data collection of the Timbro Authoritarian Populism Index database. Data used for this variable is calculated as an average of voting share values in the period between 2006 and 2010; dummy variable has the value 1 if the share exceeds 5 percent. Source of dataset: https://populismindex.com/data/.

Strong right-wing populist party support, 2006-2010, dummy variable

Share of votes for right-wing populist parties, based on the categorization and data collection of the Timbro Authoritarian Populism Index database. Data used for this variable is calculated as an average of voting share values in the period between 2006 and 2010; dummy variable has the value 1 if the share exceeds 10 percent. Source of dataset: https://populismindex.com/data/.

Strong right-wing populist party support, 2014-2018, dummy variable

Share of votes for right-wing populist parties, based on the categorization and data collection of the Timbro Authoritarian Populism Index database. Data used for this variable is calculated as an average of voting share values in the period between 2006 and 2010; dummy variable has the value 1 if the share exceeds 10 percent. Source of dataset: https://populismindex.com/data/.

2. Citizens' attitudes toward welfare populism

Welfare populist attitudes related to the incentives of social benefits (ESS #sblazy, 2008 & 2016)

Share of *"Agree"* and *"Strongly agree"* answers together out of total responses regarding the statement *"Social benefits/services make people lazy"*. Data for 2008 is based on ESS R4, data for 2016 is based on ESS R8. Source of dataset: https://www.europeansocialsurvey.org/data/ (Round 4 & 8).

Welfare populist attitudes related to immigrants' rights to social benefits (ESS #imscbln, 2008 & 2016)

Share of answers *"They should never get the same rights"* out of total responses for the question *"When should immigrants obtain rights to social benefits/service?"*. Data for 2008 is based on ESS R4, data for 2016 is based on ESS R8. Source of dataset: https://www.europeansocialsurvey.org/data/ (Round 4 & 8).

Welfare populist attitudes related to unemployed (ESS #uentrjb, 2008 & 2016)

Share of *"Agree"* and *"Strongly agree"* answers together out of total responses for the question *"Most unemployed people do not really try to find a job"*. Data for 2008 is based on ESS R4, data for 2016 is based on ESS R8. Source of dataset: https://www.europeansocialsurvey.org/data/ (Round 4 & 8).

Welfare populist attitudes related to social benefits' entitlements (ESS #bennent, 2008 & 2016)

Share of *"Agree"* and *"Strongly agree"* answers together of total responses for the question *"Many manage to obtain benefits/services not entitled to"*. Data for 2008 is based on ESS R4, data for 2016 is based on ESS R8. Source of dataset: https://www.europeansocialsurvey.org/data/ (Round 4 & 8).

3. Social investment policies

Social protection expenditures (Eurostat, 2006-2010 & 2014-2018)

Annual government expenditure on social protection, as a percentage of gross domestic product. Data calculated as an average of values between (i) 2006 and 2010; (ii) 2014 and 2018. Source of dataset: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov_10a_exp&lang=en.

Education expenditures (Eurostat, 2006-2010 & 2014-2018)

Annual government expenditure on education, as a percentage of gross domestic product (GDP). Data calculated as an average of values between (i) 2006 and 2010; (ii) 2014 and 2018. Source of dataset: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov_10a_exp&lang=en.

Health expenditures (Eurostat, 2006-2010 & 2014-2018)

Annual government expenditure on health care, as a percentage of gross domestic product. Data calculated as an average of values between (i) 2006 and 2010; (ii) 2014 and 2018. Source of dataset: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov_10a_exp&lang=en.

Poverty and social exclusion (Eurostat, 2006-2010 & 2014-2018)

People at risk of poverty or social exclusion, annual, as a percentage of total population. Data calculated as an average of values between (i) 2006 and 2010; (ii) 2014 and 2018. Source of dataset: https://ec.europa.eu/eurostat/databrowser/view/t2020_50/default/table?lang=en.

NEET (Eurostat, 2006-2010 & 2014-2018)

Young people neither in employment nor in education and training by sex, age and labour status (NEET rates), annual, percentage of total population. Data calculated as an average of values between (i) 2006 and 2010; (ii) 2014 and 2018. Source of dataset: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=edat_lfse_20&lang=en.

4. Macroeconomic imbalances, vulnerability, extreme vulnerability

Unemployment rate and vulnerability dummies (Eurostat, 2008 & 2016)

Unemployment rate as a percentage of the labour force (total number of people employed and unemployed), 3 years backward average. Vulnerability dummy threshold according to MIP scoreboard: value is 1 if unemployment rate is higher than 10%. Extreme vulnerability index: value is 1 if unemployment rate is higher than 15%. Source of dataset: https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=0&language=en&pcode=tipsun10

Government debt and vulnerability dummies (Eurostat, 2008 & 2016)

Government debt as a percentage of the gross national product (GDP), annual data. Vulnerability dummy threshold according to MIP scoreboard: value is 1 if government debt is higher than 60%. Extreme vulnerability index: value is 1 if government debt is higher than 100%. Source of dataset: https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=0&language=en&pcode=tipsgo10

Inflation rate and vulnerability dummies (Eurostat, 2008 & 2016)

Inflation rate, 2 years backward average, HICP (harmonized indices of consumer prices). Vulnerability dummy threshold according to MIP scoreboard: value is 1 if inflation rate is higher than 60%. Extreme vulnerability index: value is 1 if inflation rate is higher than 100%. Source of dataset: https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00118

Private sector debt, consolidated, and vulnerability dummies (Eurostat, 2008 & 2016)

Private sector debt as a percentage of the gross national product (GDP), annual, consolidated data. Vulnerability dummy threshold according to MIP scoreboard: value is 1 if private sector debt is higher than 135%. Extreme vulnerability index: value is 1 if private sector debt is higher than 200%. Source of dataset: https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=0&language=en&pcode=tipspd20

Current account of balance, vales and vulnerability dummies (Eurostat, 2008 & 2016)

Current account of balance as a percentage of gross domestic product (GDP), 3 years backward average (calculated), rest of the world, unadjusted. Vulnerability dummy threshold according to MIP scoreboard: value is 1 if current account of balance is lower than -4% of GDP. Extreme vulnerability index: value is 1 if current account of balance is lower than -8% of GDP. Source of dataset: https://ec.europa.eu/eurostat/databrowser/view/TIPSBP20/default/table.

Net international investment position (NIIP), values and vulnerability dummies (Eurostat, 2008 & 2016)

Net international investment position (NIIP) as a percentage of gross domestic product (GDP), annual, rest of the world. Vulnerability dummy threshold according to the MIP scoreboard: value is 1 if NIIP is lower than -35% of GDP. Extreme vulnerability index: value is 1 if NIIP is lower than -70% of GDP. Source of dataset:
https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=0&language=en&pcode=tipsii10

Real effective exchange rate, values and vulnerability dummies (Eurostat, 2008 & 2016)

Real effective exchange rate, 3-year percentage change (t/t-3), 42 trading partners. Vulnerability dummy threshold according to the MIP scoreboard: value is 1 if exchange rate is between -5% and +5% in case of fixed exchange rate regimes; between -11% and +11% in case of flexible exchange rate regimes. Extreme vulnerability index: value is 1 if exchange rate is between -10% and +10% in case of fixed exchange rate regimes; between -22% and +22% in case of flexible exchange rate regimes. Source of dataset: https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=0&language=en&pcode=tipsii10

Exchange rate regime dummy

Exchange rate regimes are classified according to central bank declarations on individual cases. Exchange rate regime is classified as *"Flexible"* and given dummy value 1 in case of managed float and floating; classified as *"Non-Flexible"* and given dummy value 0 in case of currency union and currency board.

Vulnerability index (2008 & 2016)

Vulnerability index is calculated as a sum of macroeconomic dummy values according to vulnerability threshold (see above the individual variables). Higher score indicates higher vulnerability profile. Time periods calculated according to individual values.

Extreme vulnerability index (2008 & 2016)

Vulnerability index is calculated as a sum of macroeconomic dummy values according to extreme vulnerability threshold (see above the individual variables). Higher score indicates higher vulnerability profile. Time periods calculated according to individual values.

5. Polarization

Polarization of society is measured according to the *Varieties of Democracy (VDem)* database Version 9 expert assessments, calculated as average values of 2000-2008 and 2009-2016 scores. Original variable used: *v2smpolsoc_mean*. Source of dataset: https://www.v-dem.net/en/data/data-version-9/

6. Technocratic governance

Data based on *Bailer and Târlea (2018) and Wratil and Pastorella (2018)* data collection and classification. Dummy variable has value 1 if at least one technocratic government was established and operated in the country since the beginning of the economic crisis.

References

Benedek, I. (2019). *Economic Policy, Population and Family Policies in Hungary*. Country Report Prepared for the DEMOS Project. Center for Social Sciences, Hungarian Academy of Sciences Centre of Excellence, Budapest

Bouget, D., Frazer, H., Marlier, E., Sabato, S., & Vanhercke, B. (2015). *Social investment in Europe. A study of national policies*. European Commission, Brussels

Butkevičienė, E., Žvaliauskas, G. & Morkevičius, V. (2019). *Triggering Populism: Evidence from Lithuania*. Country Report Prepared for the DEMOS Project. Kaunas University of Technology, Kaunas

Caramani, D. (2017). Will vs. reason: the populist and technocratic forms of political representation and their critique to party government. *American Political Science Review*, 111(1), 54-67.

Katsikas, D. & Bazoti, P. (2019). *Economic Policy, Social Policy and Populism in Greece*. Country Report Prepared for the DEMOS Project. Hellenic Foundation for European and Foreign Policy (ELIAMEP), Athens

Leoni, T. (2016). Social investment as a perspective on welfare state transformation in Europe. *Intereconomics*, 51(4), 194-200.

Moffitt, B. (2015). How to perform crisis: A model for understanding the key role of crisis in contemporary populism. *Government and Opposition*, 50(2), 189-217.

Mouffe, C. (2019). The populist moment. *Simbiótica. Revista Eletrônica*, 6(1), 6-11.

Pappas, T. S. (2014). Populist democracies: Post-authoritarian Greece and post-communist Hungary. *Government and Opposition*, 49(1), 1-23.

Rovira Kaltwasser, C., & Taggart, P. (2016). Dealing with populists in government: a framework for analysis. *Democratization*, 23(2), 201-220.

Sahin, O. (2019). *Economic Policy, Social Policy and Populism in Turkey*. Country Report Prepared for the DEMOS Project. Glasgow Caledonian University (GCU), Glasgow

Schumacher, G., & Van Kersbergen, K. (2016). Do mainstream parties adapt to the welfare chauvinism of populist parties? *Party Politics*, 22(3), 300-312.

Stavrakakis, Y. (2015). Populism in power: Syriza's challenge to Europe. *Juncture*, 21(4), 273-280.

Târlea, S. & Bailer, S. (2018). Technocratic Governments in European-wide Policy Negotiations. *EMU Choices Working Paper*. Paper prepared for the EMU Choices project meeting at the University of Stockholm, 24-25th of September 2018

Weyland, K. (1999). Neoliberal Populism in Latin America and Eastern Europe. *Comparative Politics*, 31(4), 379-401.

Wratil, C., & Pastorella, G. (2018). Dodging the bullet: How crises trigger technocrat-led governments. *European Journal of Political Research*, 57(2), 450-472