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IFN Working Paper No. 1491, 2024

Populist Parties' Popularity Post Power

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Populist Parties' Popularity Post Power

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Abstract

Populist parties have grown rapidly in popularity in most European countries, and are increasingly common in government coalitions. Analyzing 183 populist parties in 33 European countries from 1980 to 2021, we estimate the average effect of being in government on election results. On average, we find a post-power penalty at about 6 percentage points for populist parties lose about in the election after being part of the government. The size of the post-power penalty does not vary with growth, inequality, social spending, globalization, or unemployment during their term. Our results suggest that populist parties thrive when they can channel voters' negative sentiments without having the responsibility of governing.

Keywords: electoral competition, populism, political parties

JEL: P16

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1 Introduction

Since the 1980s, Europe has witnessed a striking surge in populism. These parties typically combine an appeal to the 'ordinary people' with a strong critique of the elite. Politically, the populist movements often capitalize on fears concerning globalization and immigration, framing them as threats to national identity and sovereignty. Right-wing populist parties use nationalism and anti-migration sentiments, whereas their left-wing counterparts often portray neo-liberal economic policies as their main enemy. Both left-wing and right-wing populists often use rhetoric based on a sense of lost cultural identity and disillusionment with the traditional political establishment. Obviously, there is a vivid ongoing discussion both about how to define and how to explain populism (see e.g., [Karlson 2024](#)) but there is no arguing that the landscape of European politics has been reshaped as a result of the growth of populist parties (as illustrated in [Figure 1](#)).

The rise of populist parties, particularly in European democracies, has been the subject of extensive empirical investigation ([Rodrik, 2021](#); [Colantone and Stanig, 2018](#); [Norris and Inglehart, 2019](#); [Autor et al., 2020](#); [Dehdari, 2022](#); [Bergh and Kärnä, 2021, 2022](#); [Guiso et al., 2024](#)). But while there has been a recent surge in research on factors that explain the increasing political support for populist parties, fewer studies examine what happens when populist parties become part of the ruling coalition in a country. As recently confirmed by [Klüver and Spoon \(2020\)](#), parties tend to lose votes when they enter government. [Riera and Pastor \(2022\)](#) studied 21 governments, including junior coalition parties in 28 countries (1972–2017) and showed that the electoral cost of governing is greater for junior coalition parties that are populists; they lose about four percentage points more in subsequent elections after joining coalition governments as junior partners compared to non-populist. Interestingly, the effect size does not depend on GDP growth over the term, despite the pattern recently established by [Funke et al. \(2023\)](#) that populist regimes tend to harm the

economy.¹ In all, previous findings suggest that [Heinisch \(2003\)](#) was correct in arguing that populist parties will do well in opposition, but once in government, their strengths turn into disadvantages.

We contribute by using (updated) data compiled by [Heinö \(2016\)](#) to estimate the electoral costs of ruling for populist parties in 33 European countries between 1980-2021. We differ from [Riera and Pastor \(2022\)](#) not only by using a different data source with different country-year coverage but also by focusing on all populist parties (as opposed to junior coalition parties only). We also examine how the cost of ruling for populist parties in government depends on several indicators of economic development.

Our results indicate a clear negative effect of ruling on populist party popularity, both in absolute and relative terms. The effect is even greater when compared to populist parties in other countries that are not in power. Perhaps most strikingly, the cost of governing is independent of how several indicators develop when they are in power, including economic growth and income inequality.

2 Data and empirical estimation

Our main data source is the Timbro Authoritarian Populism Index developed by [Heinö \(2016\)](#). We use the updated version that contains the election results of right-wing and left-wing populist parties from 1980 to 2021 in democratic European countries based on expert classifications such as the Chapel Hill Expert Survey. As shown by [Bergh and Kärnä \(2021\)](#) it is highly correlated with the Populist 2.0, a similar measure based on expert classifications (initiated by the newspaper The Guardian). Importantly, the index accounts for the fact that parties have changed over time. For example, the Freedom Party of Austria (FPÖ) is included from 1986, when Jörg Haider was appointed, making anti-immigration politically salient.

¹Funke et al. studied populist regimes from 1900 to 2020 and showed that 15 years after the populist takeover, GDP per capita was 10 percent lower compared to a non-populist counterfactual

Figure 1. Growth of populism in Europe (vote shares)

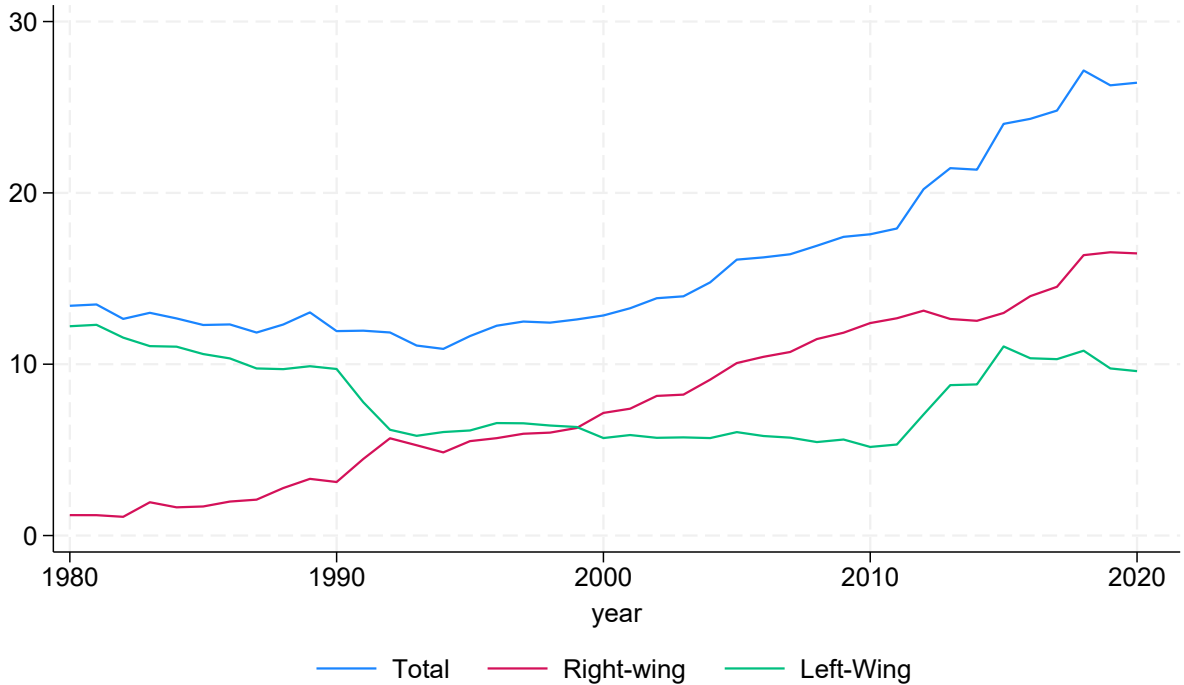


Figure 1 shows the evolution of populism over time in the 33 countries. Right-wing and left-wing populist parties have different trends: right-wing populism has been growing continuously since 1980, whereas left-wing populism follows a U-shaped development.

In total there are 273 populist parties included in the index, but only 26 of them have been in power at least once during the period studied. Figure A1 illustrates their voter support and the periods that they were in power, and Table A4 list the parties. Visual inspection of the data reveals that some parties, such as Haider’s FPÖ, experienced a drastic decrease in political support following their time in government, but other populist parties enjoy relatively stable voter support.

Following Riera and Pastor (2022) we begin our analysis with a parsimonious estimation without any controls. Formally, we estimate the the following equation

$$Y_{it} = \alpha_{it} + PostPower_{it} + \beta \mathbf{X}'_{it} + \tau_t + \gamma_i + \epsilon_{it} \quad (1)$$

where the dummy variable *Postpower* is set to one in the election cycle after a populist party has been in power. For example, in the case of FPÖ in Austria the variable is equal to 1 in 2002, 2006, and 2019. Our dependent variable Y_{it} is either the vote share for the populist party in percentage points or the change in the vote share from the previous election. We then add a vector of control variables,

X'_{it} , to account for economic growth, unemployment, income inequality, social expenditures, and globalization as measured by the KOF-index (Gygli et al., 2019) during the period in which the populist party is in power. Some of these are only available up to 2019, leading to a small loss of observations when we include them. Depending on the specification we also include year fixed effects, τ_t and individual party fixed effects, γ_i . Finally, ϵ_{it} is the error term. Since there typically are only a handful of populist parties in each country, we omit country fixed effects since these would be highly correlated with our party fixed effects.

Because there are a few outliers in the data (notably the increase in relative vote share of 101 00 percent when Samoobrona Rzeczpospolitej Polskiej increased from 0.1 % in 1997 to, 10.2 % in 2002), we winsorize the relative vote share at the top 1% level and use this in our regressions. This does not affect any of the post-power observations. Summary statistics and sources for the control variables are presented in Table 1.

We utilize the panel structure of our data to run a random effects mode in column 1 and 3 in Table 2. In column 2 and 4, we instead use a more punishing fixed effects model, where we take the unique nature of each party into consideration. We find a significant negative effect on the post-election results. On average, populist parties lose about 0,5 percentage points in the election after being part of the government. Comparing vote shares, the penalty is more substantial: Almost six percentage points or 0,75 standard deviations (when estimated with party fixed effects).

Remarkably, as shown in table 3, adding the six control variables described above barely affects the estimates. This corroborates and extends the finding by Riera and Pastor (2022) that the state of the economy does not matter for the cost of governing for populist

Table 1. Summary statistics. Sources: TBA

	Observations	Mean	Median	Std. Dev.	Min	Max
Party vote share	980	4.91	1.5	7.61	0	52.7
Change in election results	712	.0751	0	3.72	-24.9	22.3
Relative change in election results	699	.569	0	5.07	-1	101
Post power	980	.0408	0	.198	0	1
Share of population between 15-64 years old	11193	66.6	66.7	1.89	58.8	72.2
Dummy for EU membership	11466	.628	1	.483	0	1
Total social spending, percent of GDP	7871	21	21.1	4.82	0	34.2
Gini, disposable income	10343	29.2	29.5	4.33	15.4	40.3
Real GDP per capita	10320	29413	27747	15329	4507	112978
Relative change in election results (winsorized)	699	.269	0	1.34	-1	8
KOF Globalisation Index	10396	73.9	77.4	11.8	41	90.9
Unemployment	9838	8.65	7.8	5.03	0	27.5

Notes: Summary statistics for main variables. Observations are country-year.

Table 2. Baseline results

	Dependent var: Vote share and change in vote share			
	(1)	(2)	(3)	(4)
	Vote share	Vote share	Change in vote share	Change in vote share
Post power	-2.02** (0.99)	-5.70*** (1.24)	-0.55*** (0.12)	-0.63*** (0.20)
Constant	0.42 (0.31)	0.85 (0.64)	1.69 (1.09)	0.85** (0.36)
Observations	712	712	699	699
R-squared		0.13		0.09
Number of parties	183	183	183	183
Year FE	✓	✓	✓	✓
Party FE		✓		✓

Robust standard errors in parentheses
 *** p<0.01, ** p<0.05, * p<0.1

parties. They examined separately cases with low and high GDP growth over the term, but we instead control for (Table 3) and interact being in power with (Table 4) the actual growth in GDP per capita as well as the change in Gini inequality, social spending, globalization, unemployment and EU-membership. As shown in the Appendix, using levels rather than changes in the control variables produces very similar results (see Table A1). Apparently, the election results for populist parties in power are uncorrelated with all these factors.

As a robustness test, we use the fact that the TAPI classifies populist parties in sub-categories such as national conservatism and right or left-wing extremism. We include these, using Left-wing and Left-wing extremism as the baseline in separate regressions. Table A3 shows that right-wing populist parties perform better than left-wing populist parties. The main result regarding the cost of governing and the non-significance of control variables remain.

Summing up, we find evidence for a large post-power penalty in both vote shares and changes in vote shares. The OLS coefficient is much larger than the average value of the dependent variable, indicating that while populist parties face a post-power decrease in vote shares, populist parties who have not been in power on average have been growing rapidly.

Table 3. Baseline with control variables

	Dependent var: Absolute and relative change in election results			
	(1)	(2)	(3)	(4)
	Vote share	Vote share	Change in vote share	Change in vote share
Post power	-2.43** (1.12)	-6.15*** (1.06)	-0.57*** (0.15)	-0.68*** (0.24)
Change in log real GDP/capita	-2.01 (2.36)	-2.27 (3.18)	-0.87 (0.88)	-0.97 (1.04)
Change in Gini	-0.01 (0.09)	0.02 (0.10)	-0.01 (0.03)	-0.01 (0.04)
Change in social expenditure	0.06 (0.11)	0.08 (0.11)	-0.01 (0.03)	-0.01 (0.03)
Change in globalization index	0.00 (0.11)	0.10 (0.12)	0.04 (0.04)	0.06 (0.05)
Change in unemployment	0.00 (0.11)	0.02 (0.12)	0.03 (0.04)	0.03 (0.05)
Dummy for EU membership	0.15 (0.30)	-0.40 (0.70)	0.09 (0.14)	-0.21 (0.23)
Constant	-0.18 (0.39)	0.17 (1.00)	1.58 (1.44)	0.63 (0.51)
Observations	567	567	555	555
R-squared		0.19		0.13
Number of parties	150	150	150	150
Year FE	✓	✓	✓	✓
Party FE		✓		✓

Robust standard errors in parentheses

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

Table 4. Baseline with interacted control variables

	(1)	(2)	(3)	(4)	(5)
	Vote share	Vote share	Vote share	Vote share	Vote share
Post power	-5.47*** (1.56)	-5.92*** (1.33)	-6.21*** (1.09)	-6.54*** (1.56)	-5.46*** (1.33)
Post power*Change in log real GDP/capita	-6.59 (7.25)				
Post power*Change in Gini		0.31 (0.38)			
Post power*Change in social expenditure			0.21 (0.17)		
Post power*Change in globalization index				0.35 (0.35)	
Post power*Change in unemployment					0.20 (0.19)
Constant	0.70 (0.62)	0.87 (0.68)	0.73 (0.80)	1.01 (0.72)	0.07 (0.71)
Observations	701	704	577	692	690
R-squared	0.14	0.13	0.18	0.13	0.14
Number of parties	180	182	151	180	180
Party FE	✓	✓	✓	✓	✓
Year FE	✓	✓	✓	✓	✓

Robust standard errors in parentheses

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

3 Conclusions

We have estimated the cost of ruling for populist parties in European democracies from 1980-2021. Our results indicate that populist parties lose votes when they are in power, both when compared within each party and when compared to populist parties in other countries that are not in power since these are typically growing rapidly. Our perhaps most interesting result is that the cost of governing is independent of changes in GDP per capita, Gini inequality, social spending, globalization, and unemployment when they are part of the government.

The fact that the electoral success of populist parties when they are in power is independent of all indicators of economic development that we have tried triggers another question: What, if anything, predicts populist parties coming to power? While numerous studies have investigated which factors influence the growth of populist parties in terms of electoral support, there is less consensus on what factors influence populist parties becoming a part of a ruling coalition.

That question deserves to be studied on its own, but we did a quick check to see if any of the control variables we have examined predict that populist parties will be part of the government. As shown in the appendix [A2](#), populist parties are somewhat more likely to enter government after periods with increasing globalization and high unemployment, but the effects are extremely small, and other control variables are insignificant. Most likely, their chances of becoming a government member are greatly influenced by the attitudes of possible government coalition partners. Our findings in the present study strongly suggest that established parties deal with a difficult decision: they can halt the rise of populism by ruling alongside them. But if populist parties are kept out of power, they will likely grow stronger.

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Appendix

Table A1. Using current time controls

	Dependent var: Absolute and relative change in election results			
	(1)	(2)	(3)	(4)
	Vote share	Vote share	Change in vote share	Change in vote share
Post power	-1.93*	-6.02***	-0.53***	-0.69***
	(1.11)	(1.05)	(0.16)	(0.24)
Real GDP per capita (log)	-0.50	-1.11	-0.23	0.25
	(0.69)	(2.62)	(0.26)	(0.75)
Gini, disposable income	0.08	0.06	0.01	-0.05
	(0.06)	(0.10)	(0.02)	(0.04)
Total social spending, percent of GDP	0.06	-0.03	0.01	-0.00
	(0.04)	(0.08)	(0.02)	(0.04)
KOF Globalisation Index	0.04	0.01	0.01	0.00
	(0.04)	(0.08)	(0.02)	(0.04)
Unemployment	-0.04	0.14	0.01	0.06*
	(0.05)	(0.10)	(0.02)	(0.03)
Dummy for EU membership	-0.21	-0.34	-0.08	-0.38
	(0.38)	(0.66)	(0.15)	(0.25)
Constant	-1.07	8.20	2.46	-0.56
	(7.15)	(25.67)	(2.72)	(6.68)
Observations	586	586	574	574
R-squared		0.19		0.12
Number of partycode	151	151	151	151
Year FE	✓	✓	✓	✓
Party FE		✓		✓

Robust standard errors in parentheses

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

Figure A1. Election results for populist parties in government

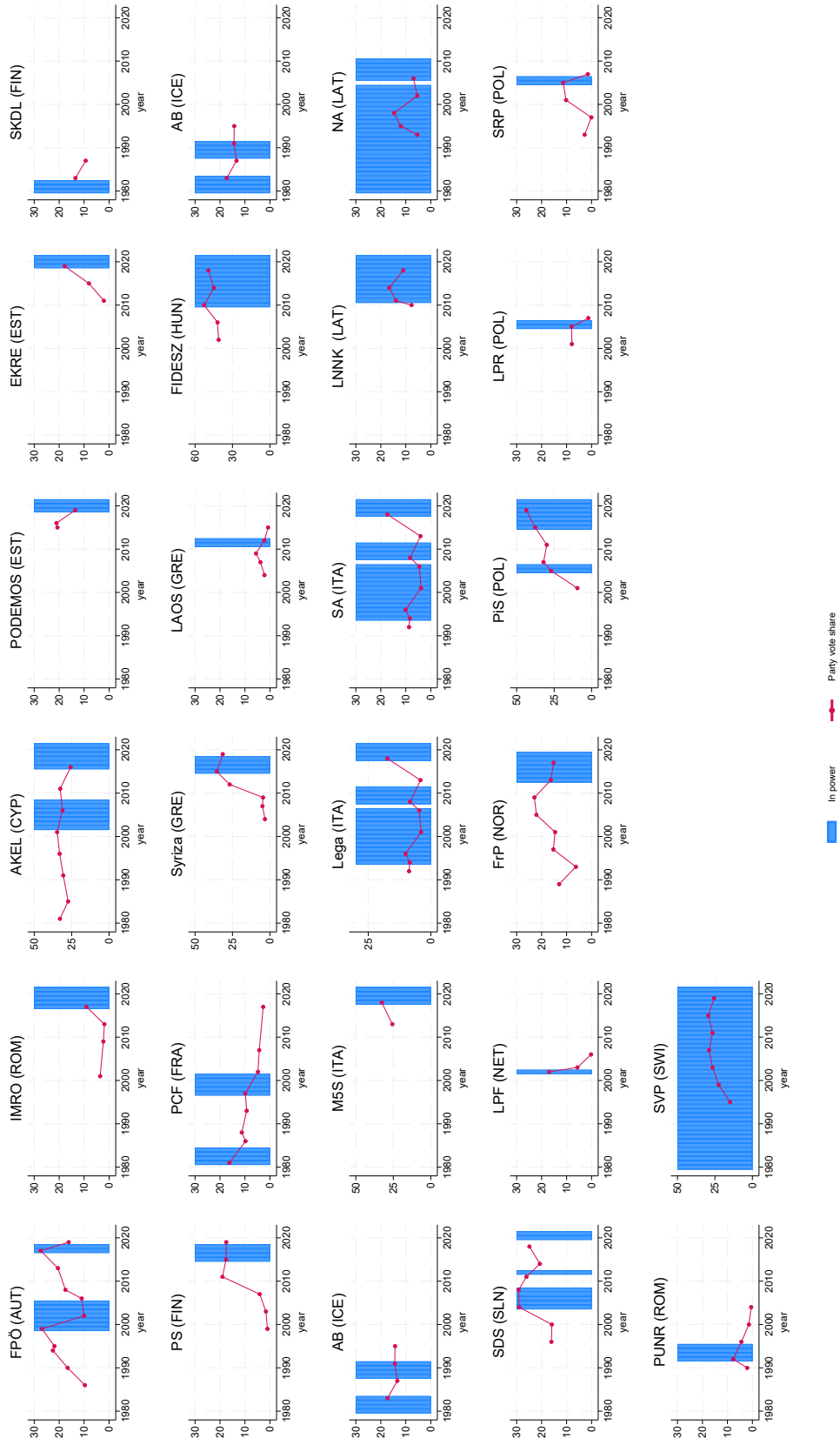


Table A2. With lagged controls

Dependent var: Dummy variable for being in power.

	(1)	(2)
	Total	Total
Change in real GDP per capita (log),	-0.179 (0.125)	
Change in Gini,	-0.002 (0.006)	
Change in social expenditure,	-0.007 (0.006)	
Change in globalization index,	0.010* (0.005)	
Change in unemployment,	0.000 (0.004)	
Dummy for EU membership,	0.035 (0.036)	0.011 (0.010)
Real GDP per capita (log),		0.025 (0.030)
Gini, disposable income,		-0.000 (0.001)
Total social spending, percent of GDP,		-0.001 (0.001)
KOF Globalisation Index,		0.000 (0.001)
Unemployment,		0.001* (0.001)
Constant	0.003 (0.039)	-0.218 (0.334)
Observations	567	7,715
Number of partycode	150	225
Year FE	✓	✓

Robust standard errors in parentheses

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

All control variables lagged one year.

Table A3. Controlling for ideology and type of party

	Dependent var: Absolute and relative change in election results			
	(1)	(2)	(3)	(4)
	Vote share	Vote share	Change in vote share	Change in vote share
Post power	-2.72**	-2.92***	-0.66***	-0.63***
	(1.12)	(1.12)	(0.17)	(0.17)
left-wing populism		0.54		0.27
		(0.54)		(0.18)
national conservatism		0.47		-0.11
		(0.76)		(0.16)
right-wing extremism		0.20		0.39
		(0.29)		(0.24)
right-wing populism		1.15***		0.36**
		(0.34)		(0.17)
Year party founded	0.01	0.00	0.01***	0.01***
	(0.00)	(0.00)	(0.00)	(0.00)
Change in real GDP per capita (log)	-1.27	-0.94	-0.67	-0.70
	(2.36)	(2.35)	(0.85)	(0.86)
Change in Gini	-0.03	-0.04	-0.02	-0.02
	(0.09)	(0.10)	(0.03)	(0.03)
Change in social expenditure	0.08	0.08	-0.00	-0.00
	(0.11)	(0.10)	(0.03)	(0.03)
Change in globalization index	-0.03	-0.02	0.03	0.03
	(0.10)	(0.10)	(0.04)	(0.04)
Change in unemployment	0.02	0.03	0.03	0.03
	(0.11)	(0.11)	(0.04)	(0.04)
Dummy for EU membership	0.20	0.21	0.17	0.18
	(0.32)	(0.32)	(0.14)	(0.14)
Right-wing party	0.62**		0.23	
	(0.30)		(0.15)	
Constant	-15.12	-9.33	-12.75***	-9.57**
	(9.22)	(8.67)	(3.87)	(3.86)
Observations	564	564	552	552
Number of parties	147	147	147	147
Year FE	✓	✓	✓	✓

Robust standard errors in parentheses

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

Table A4. Populist parties with ruling experience

Party name	Abbreviation	Country	Time in power
Freiheitliche Partei Österreichs	FPÖ	Austria	2000-2006, 2017-2019
Balgarsko Natsionalno Dvizhenie	IMRO	Bulgaria	2017-2021
Anorthotikó Kómma Ergazómenou Laouí; Podemos	AKEL	Cyprus	2003-2008, 2016-2021
Eesti Konservatiivne Rahvaerakond	PODEMOS	Spain	2019-2021
Suomen Kansan Demokraattinen Liitto	EKRE	Estonia	2019-2021
Perussuomalaiset	SKDL	Finland	1980-1982
Parti Communiste Français	PS	Finland	2015-2018
Synaspismós Rizospastikís Aristerás – Proodeftikí Simachía	PCF	France	1997-2002
Laikós Orthódoxos Synagermós	SYRZIA	Greece	2015-2019
Fidesz – Magyar Polgári Szövetség	LAOS	Greece	2011-2012
Alpýðubandalagið	Fidesz	Hungary	2010-
Movimento Cinque Stelle	AB	Iceland	1998-1991
La Sinistra – L'Arcobaleno	M5S	Italy	2018-2021
Nacionālā apvienība "Visu Latvijas!"	Lega	Italy	1994-2006, 2008-2011, 2018-2021
Tēvzemei un Brīvībai/LNNK	SA	Italy	2008-2010
Tvarka ir teisingumas	NA	Latvia	2011–
Lijst Pim Fortuyn	TB/LNKK	Latvia	1995-2004, 2006-2010
Fremskrittspartiet	TT	Lithuania	2012-2016
Prawo i Sprawiedliwość	LPF	Netherlands	2002
Liga Polskich Rodzin	FrP	Norway	2013-2019
Samoobrona Rzeczpospolitej Polskiej	PiS	Poland	2005-2007, 2015-
Partidul Uniții Naționale a Românilor	LPR	Poland	2005-2007
Slovenska demokratska stranka	SRP	Poland	2005-2007
Schweizerische Volkspartei	PUNR	Romania	1992-1996
	SDS	Slovenia	2004-2007, 2012-2013, 2020-2022
	SVP	Switzerland	1980-