

Lessons from Populism in Latin America

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Economic Policy Papers on European and Global Issues 2026

Greek and Latin American Politics...



2026 World Cup. Latin American Dream Final



Structure

- 1. Big Picture & Summary**
- 2. On Populism. Definitions**
- 3. Discussion**

Structure

1. **Big Picture & Summary**
 - a) Latin American Political Economy
 - b) This Paper (and other works)
2. On Populism. Definitions
3. Discussion

Latin American Political Economy

1. History of Crises

- Defaults; Hyperinflation
- Balance of Payment (Currency) Crises
- Booms and Busts (often driven by commodity booms)

2. The Latin America Efficiency Gap

- Capital Accumulation, Labor Utilization
- Human Capital
- Productivity; TFP

Latin America Populism

- Deal with crises and inefficiencies
- Populist – Inefficiency Cycles (Edwards, 2024)

Latin America Populism. Deeper Causes?

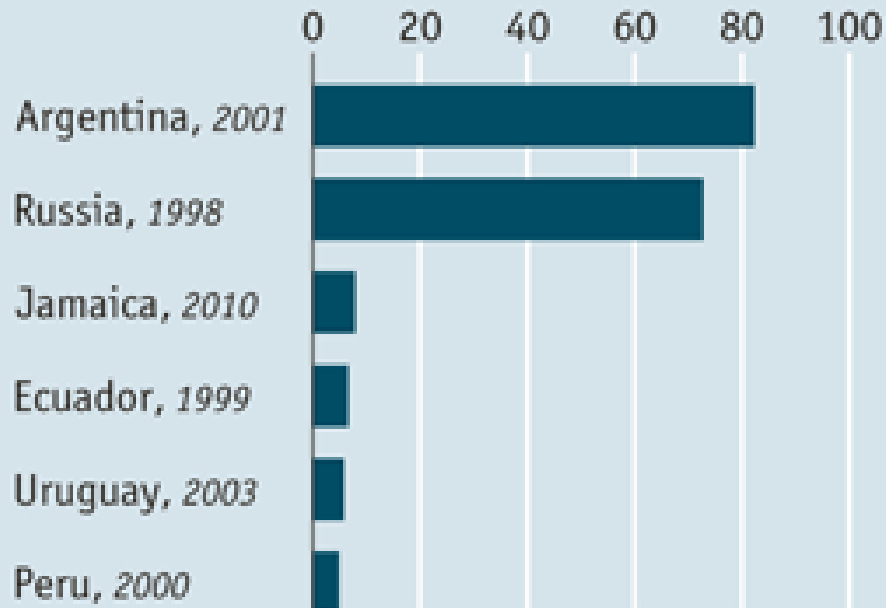
- 1. Colonial economic mode and land inequality. Engerman and Sokoloff (1997, 1999)**
 - Minerals and commodities
 - Plantation agriculture
- 2. At-Independence Institutional Capture. Acemoglu, Johnson, and Robinson (2001, 2005)**
 - De jure and de facto economic power
 - Persistence of elites
 - Institutional inertia
- 3. External Shocks**
 - Protectionism
 - Commodity swings
 - Ideology and policy (Cold War, Washington Consensus)

Latin American Defaults [Greece now the gold medalsit]

Latin lessons

Biggest sovereign bond defaults*

Total defaulted debt, \$bn (nominal terms)



Source: Moody's

*Since 1983

A History of Defaults

The Economist



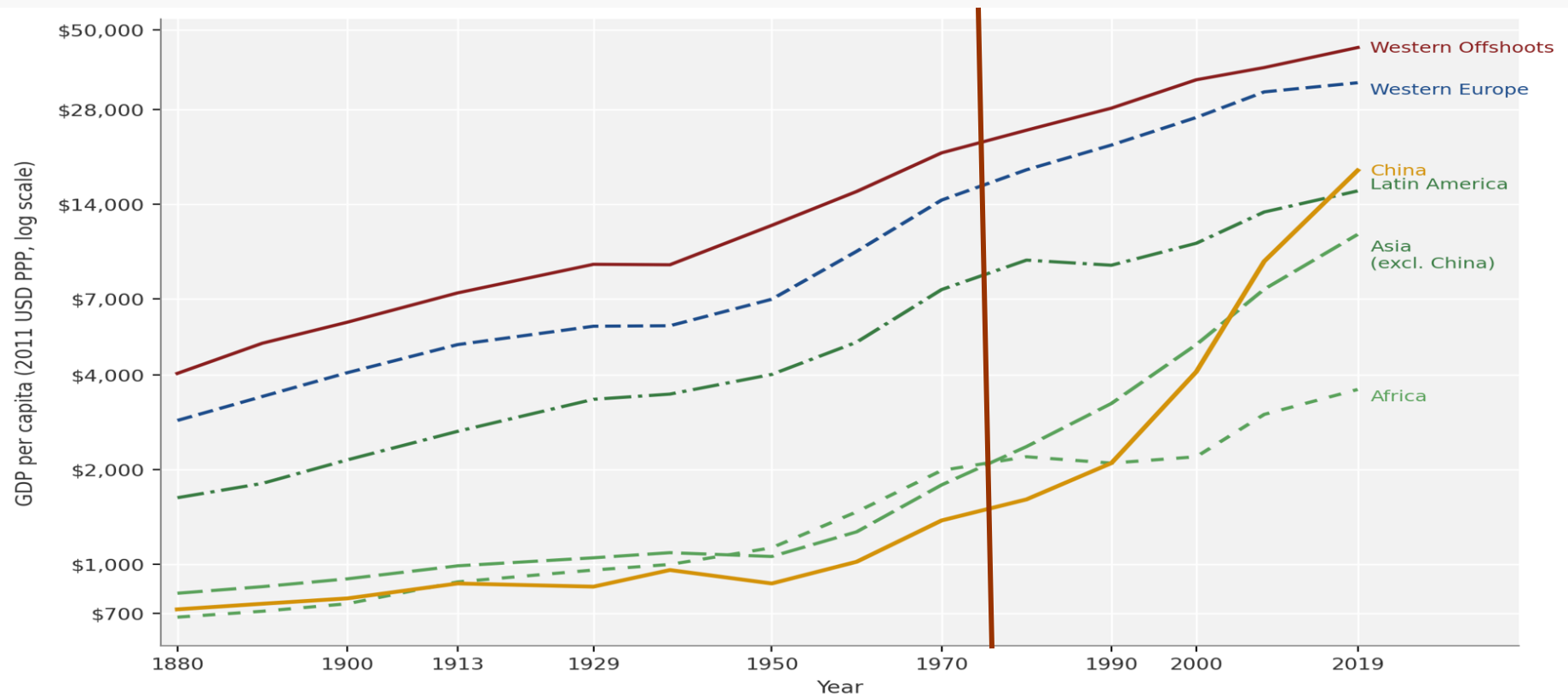
Something of a reputation

Sovereign defaults, top ten countries (*no. of defaults*)



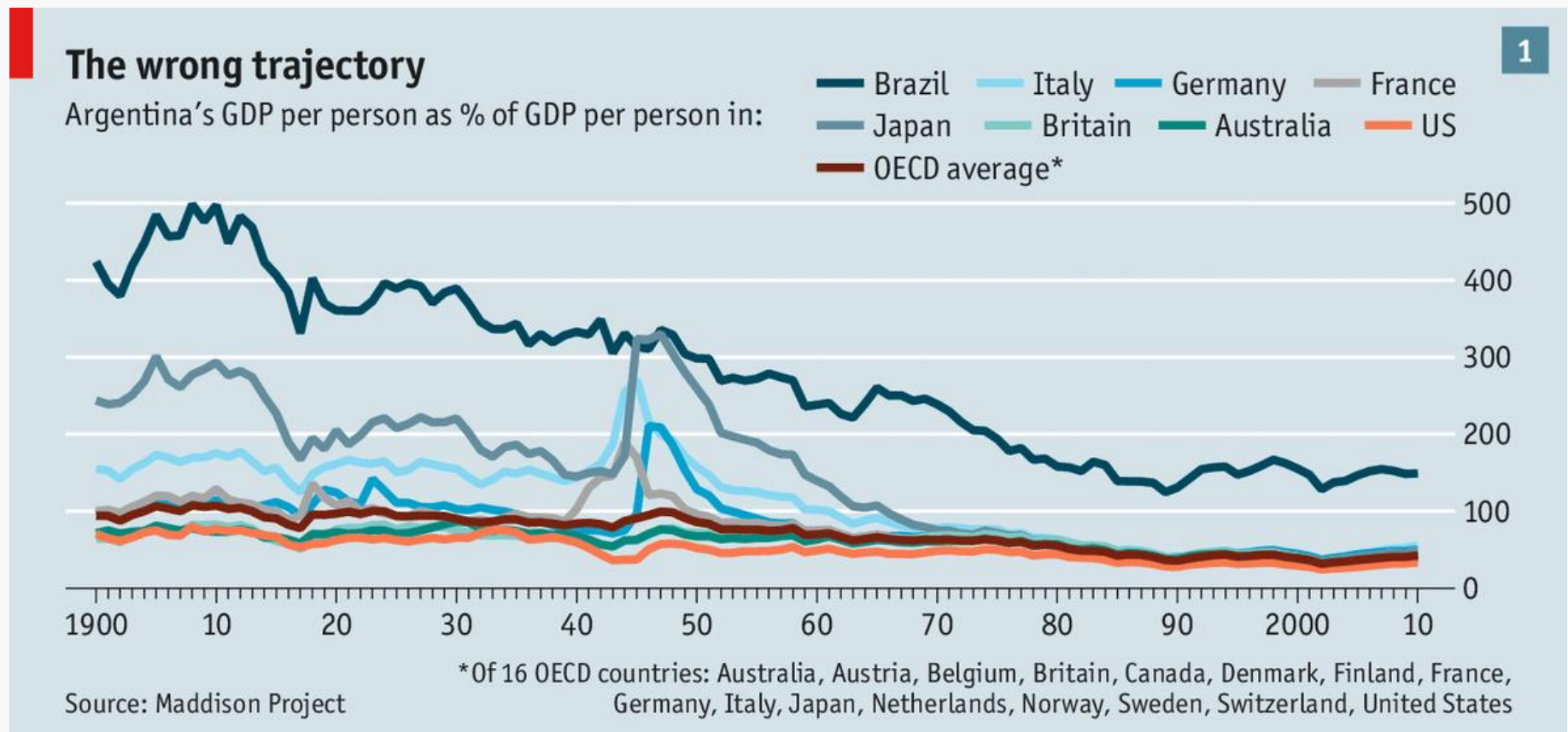
Sources: Carmen Reinhart and Kenneth Rogoff; Moody's

Latin America Economic Performance



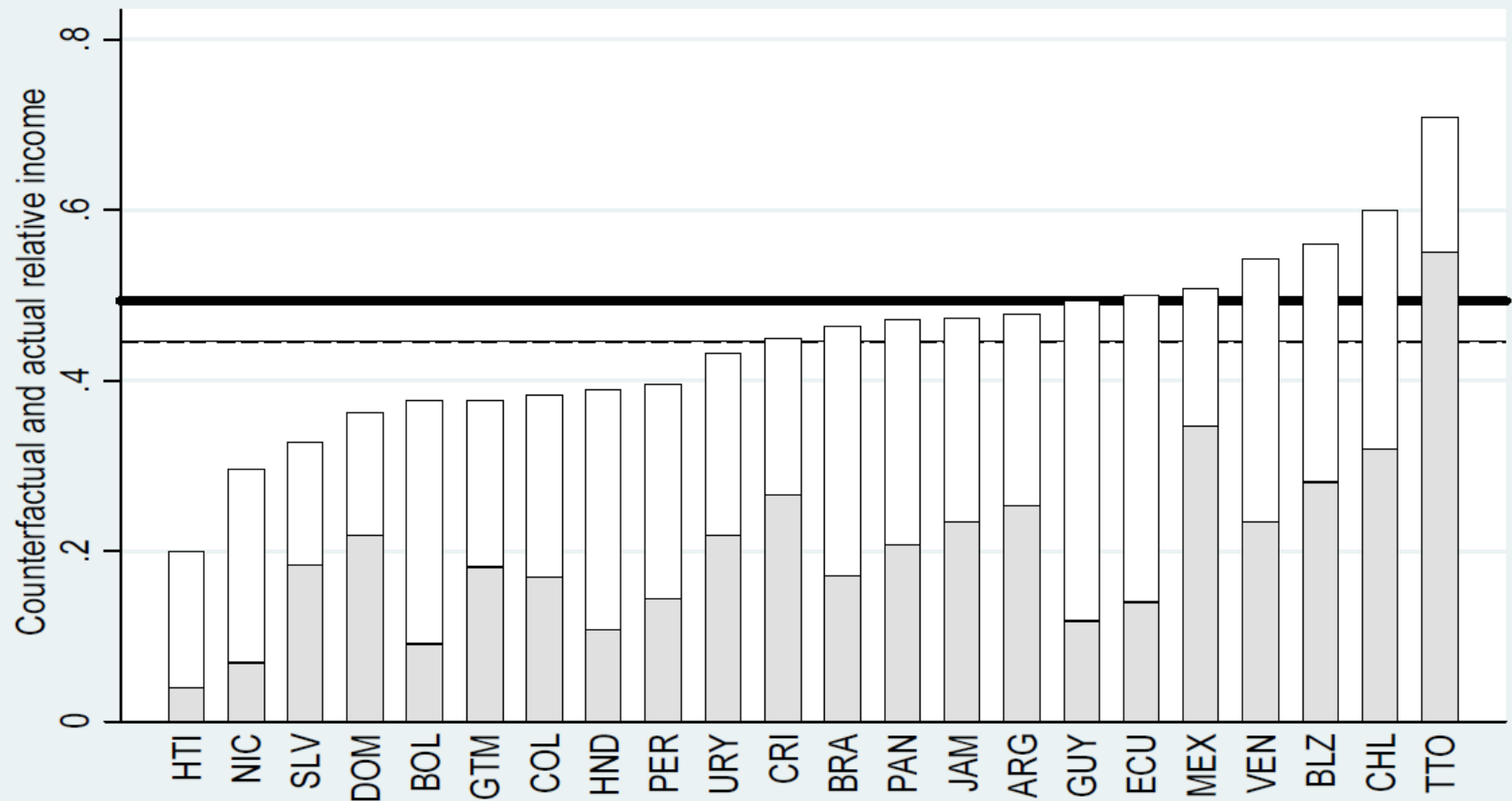
Source: Bolt & van Zanden (2020), Maddison Project Database 2020; Maddison (2001). GDP per capita in 2011 USD PPP. China series spliced from Maddison (1998) pre-1950.

An Example: Argentina. A Century of Decline



The Latin America Efficiency Gap. Caselli (2010)

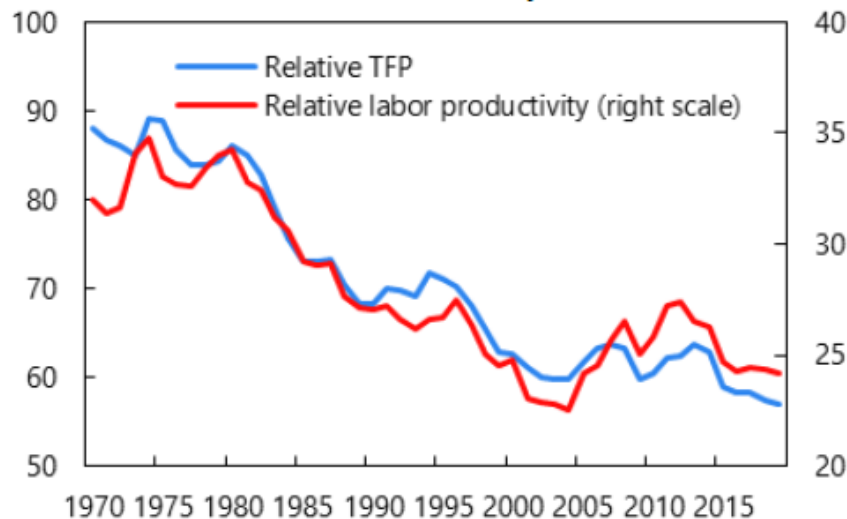
Relative Physical and Human Capital to the US



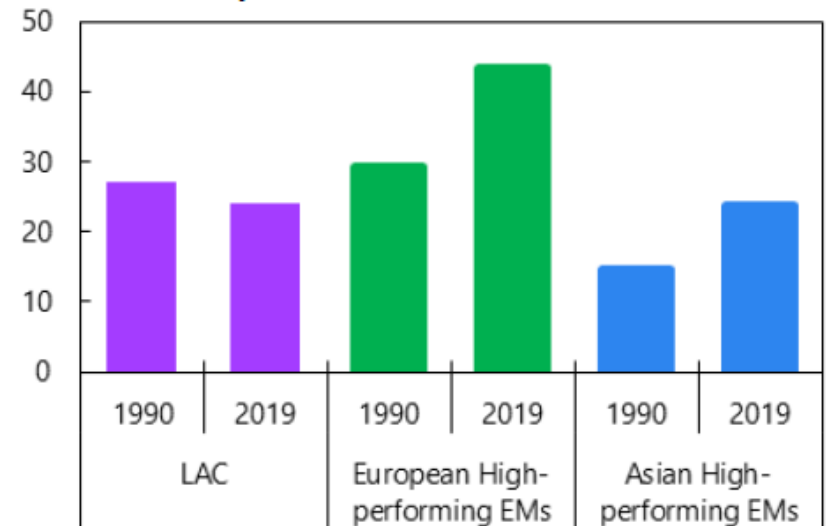
Efficiency Gaps Persistence

Figure 2. In Contrast to Other Emerging Markets, LAC's Productivity Gap Relative to the United States Has Widened (Percent)

1. LAC. Labor and Total Factor Productivity relative to the United States



2. Labor Productivity Relative to the United States: LAC vs. other EMDEs



Sources: Penn World Tables 10.00; and IMF staff calculations.

Note: EMDE = emerging market and developing economies; High performing EMs=Bulgaria, Czech Republic, Estonia, Hungary, Indonesia, Malaysia, Poland, Romania, Serbia, Thailand, and Vietnam; LAC=Latin America and the Caribbean; TFP = total factor productivity.

This Paper. Populism (intentions) → Economics & Institutions

1. Panel Local Projections

- Within-country before-after variation; account for slow-moving features
- Correlational analysis
- Fiscal outcomes; current account; debt; real exchange rate
- Institutions

2. Case Studies

- Argentina, Bolivia, Venezuela, and Ecuador

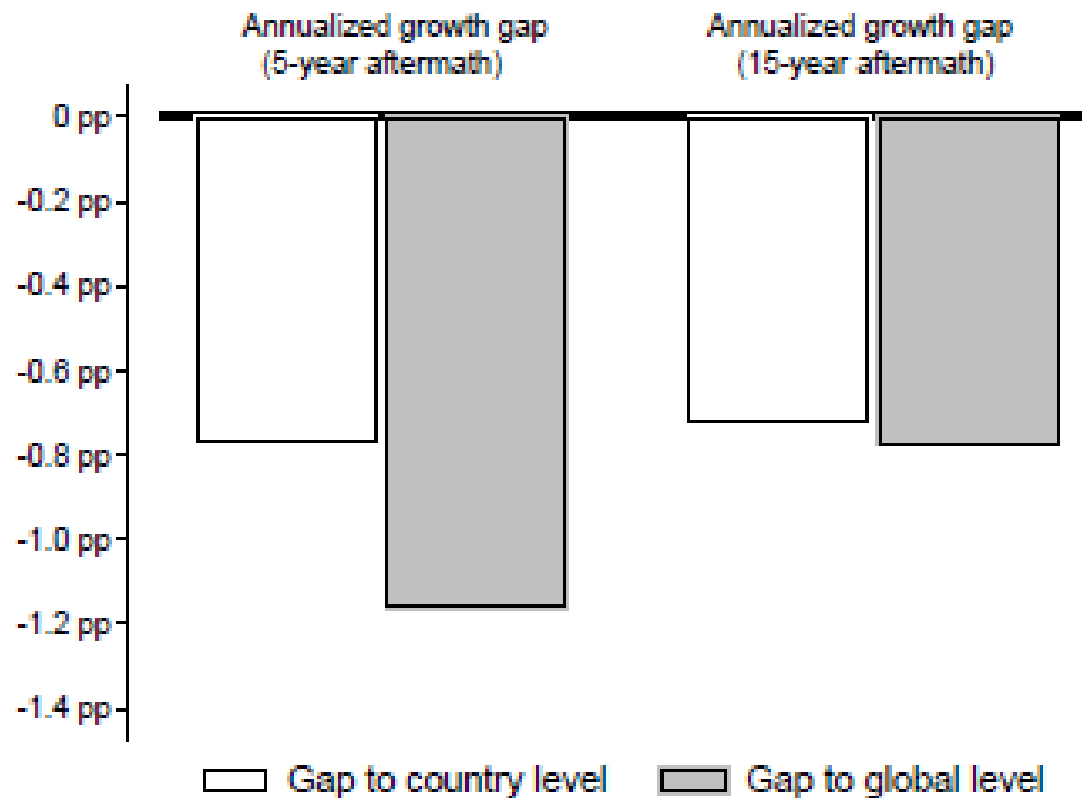
Main Results. Populism → Economic Inefficiencies & Institutional Deterioration

- 1. Fiscal Deficits**
- 2. Current Account Deficits (despite often favorable external commodity driven conditions)**
- 3. Inflation and Real exchange rate appreciation**
- 4. Institutional weakening**
- 5. Populist parties and leaders take office when external terms-of-trade conditions are favorable**
- 6. Populists stay longer in power thanks to good external conditions**

The Populist Legacy. GDP p.c. 1900-2018.

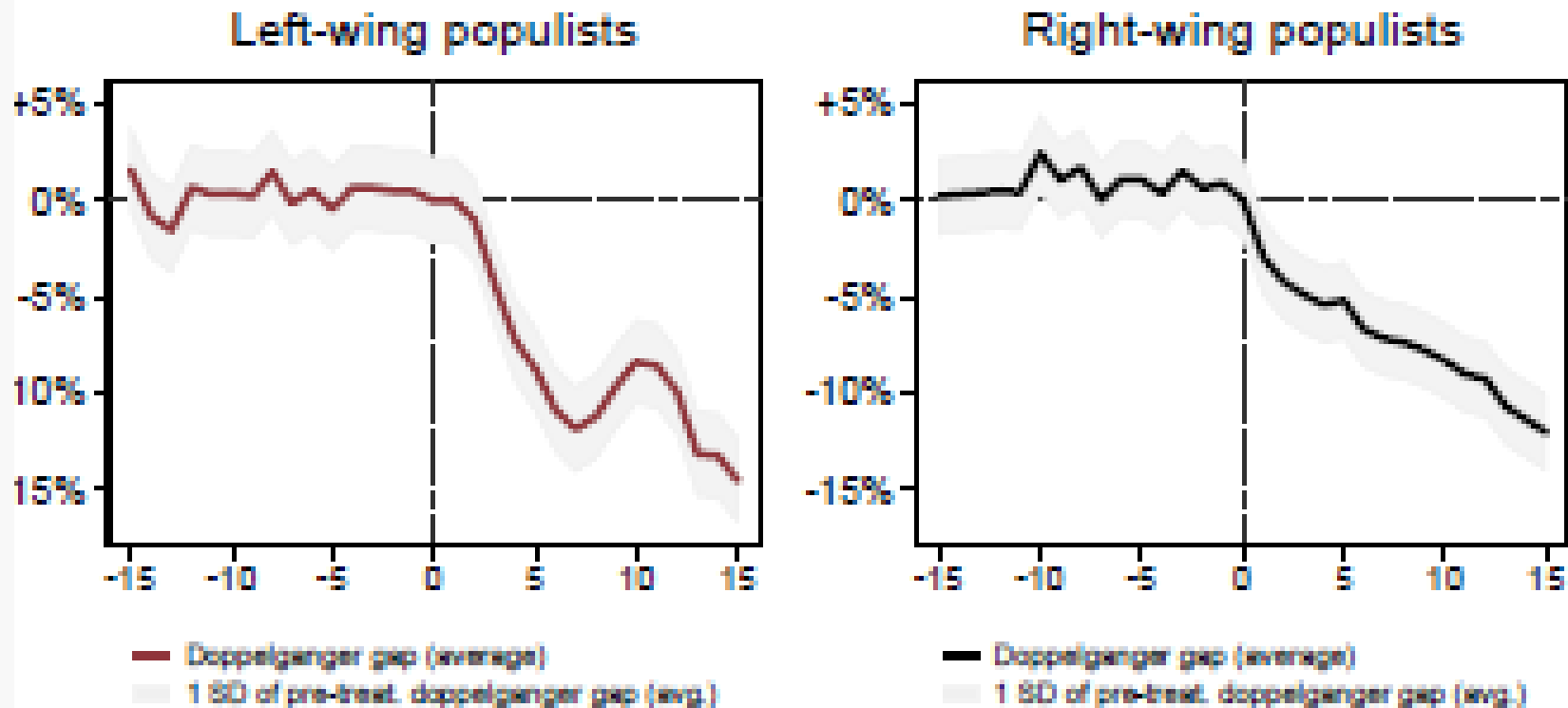
Funke *et al.* (AER 2021)

Figure 3: Average annualized growth gap after populists come to power



The Populist Legacy. GDP p.c. 1900-2018.

Funke *et al.* (AER 2021)

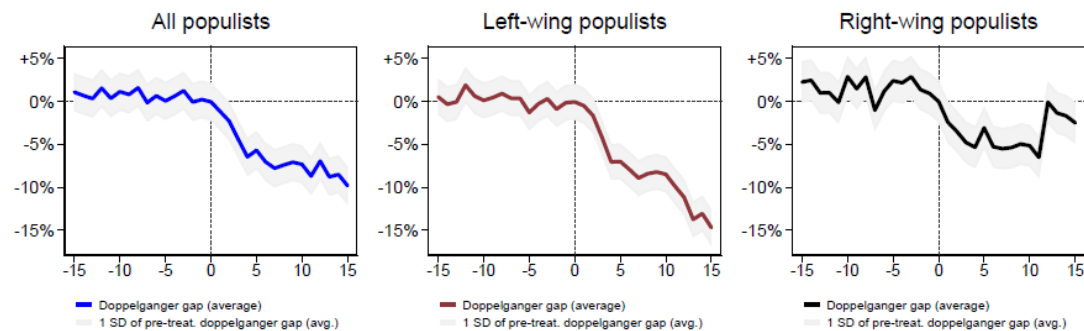


The Populist Legacy. Latin America and Elsewhere

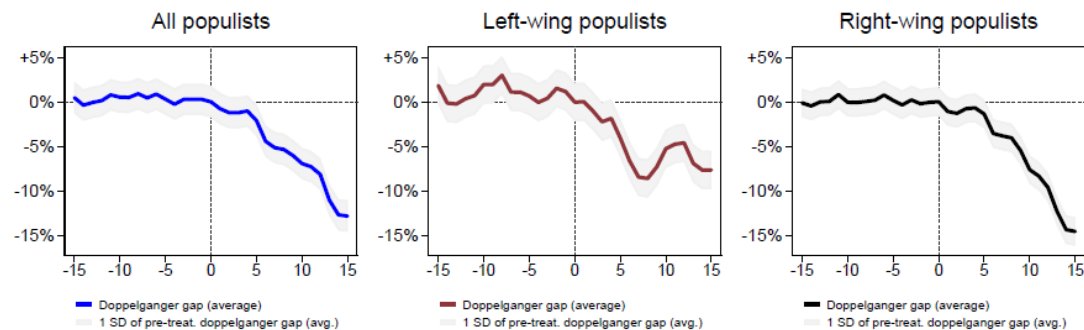
Funke *et al.* (AER 2021)

Figure D3: Extended sample cut: Latin America vs. Rest of the World: Differences in real GDP (doppelganger gap) after populists take power, synthetic control method (+/- 15 years)

A. Latin America (24 episodes)



B. Rest of the World (29 episodes)



Populism. Mechanisms

Funke *et al.* (AER 2021) and Case Studies

- **Inflation** [surge, esp. left wing]
- **Debt** [increase, both left and right wing]
- **Institutional quality** [deterioration on free and fair elections, judicial constraints on the executive, for both left- and right-wing populists]
- **Inequality** [some drop for left-wing]
- **Protectionism** [increase, mostly left wing]

Structure

1. Big Picture & Summary
- 2. On Populism. Definitions**
 - a. Latin American Populism. Then and Now
 - b. Democracy, Autocracy and Populism
3. Discussion

Defining Populism

- *The beginning of wisdom is the definition of terms. Socratic method (dialectic)*
- **This paper: the beginning of wisdom is the examination of terms, names, and meaning.** ἀρχὴ σοφίας ἢ τῶν ὀνομάτων ἐπίσκεψις. Αντισθένης
 - Let us start with names!

Classical and New Populism in Latin America

[Edwards, 2020]

- **Classical.** Juan Domingo Peron (Argentina), Getulio Vargas (Brazil), Alan Garcia (Peru), Jose Lopez Portillo and Luis Echeverria (Mexico), Daniel Ortega (Nicaragua)
- **New.** Evo Morales (Bolivia), Rafael Correa (Ecuador), Nestor and Christina Kirchner, Hugo Chavez/Nicola Maduro (Venezuela)

Peron and Peron (after a Peron and Peron)



Juan Peron's Wisdom

— *I have always thought that in the economic sphere we were going to live without any crisis during the six years of my government. Today, as a result of new studies being carried out, I believe that we will have sixty years without crisis.*

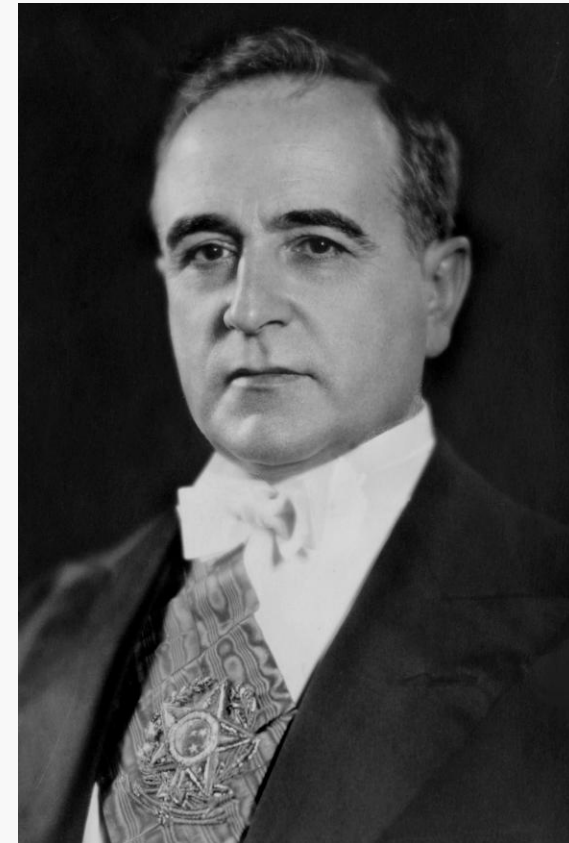
Juan D. Perón (1947)

— *Give the people, especially to the workers, all that is possible. When it seems to you as if you have already given them too much, give them more. You will see the results. Everybody will try to frighten you with the specter of an economic collapse. But it is a lie. There is nothing more elastic than the economy which everyone fears so much because no one understands it* **Juan D. Perón (1952) to newly-elected President of Chile, Carlos Ibáñez del Campo**

Latin American “Classical” Populist Episodes

Table 1: “Classical” Populism and Inflation in Latin America: Selected Episodes, 1945-1990

<u>Country</u>	<u>Leader</u>	<u>Political persuasion</u>	<u>Beginning inflation</u>	<u>Final inflation</u>	<u>IMF Program before arrival</u>
Argentina (1946-1955)	Juan Domingo Perón	Left, nationalist, capitalism of state	3.9%	16.7%	Pre-IMF
Brazil (1931-1945)	Getulio Vargas	Left, nationalist	-12.4%	14.6%	Pre-IMF
Brazil (1951-1954)	Getulio Vargas	Left, nationalist	9.2%	22.6%	1949, 1950, 1951
Chile (1952-1958)	Carlos Ibañez del Campo	Center left, protectionist	23.5%	39.0%	1948
Argentina (1973-1976)	Héctor Cámpora/J.D. Perón/Isabel Perón	Left, nationalist, protectionist	58.4%	176.1%	1971, 1972
Brazil (1961-1963)	Joao Goulart	Left, nationalist	30.0%	91.4%	1960, 1961
Brazil (1969-1973)	Arturo Costa e Silva/Ernesto Geisel	Right, nationalist, protectionist, anticommunist	22.0%	27.6%	1968
Brazil (1985-1990)	Jose Sarney	Center, protectionist	192.0%	432.0%	1983, 1984



Getulio Vargas

Nestor and Christina Kirchner



Latin American “Classical” Populist Episodes, Recent

Table 2: Populism in Latin America: Selected Episodes, 1990-2019

<u>Country</u>	<u>Leader</u>	<u>Political persuasion</u>	<u>Beginning inflation</u>	<u>Final (or current) inflation</u>	<u>IMF Program before arrival</u>
Argentina (2003-2015)	Nestor Kirchner/ Cristina Fernandez de Kirchner	Peronist left; progressive anti-neoliberal	25.9%	36.3%	2003
Bolivia (2006-present)	Evo Morales	Movement for Socialism; anti-neoliberal	5.4%	2.3%	2003, 2004, 2005
Brazil (2019-)	Jair Bolsonaro	Right wing; social conservative; nationalistic	3.6%	3.2%	None
Ecuador (2005-2015)	Rafael Correa	Left nationalist; anti-neoliberal	2.7%	-0.2%	2003
Mexico (2018-)	Andre Manuel López Obrador	Leftist; nationalistic; anti-neoliberal; protectionist	4.8%	3.2%	None
Nicaragua (2007-present)	Daniel Ortega	Left; Frente Sandinista de Liberación Nacional	9.1%	4.9%	2006, 2007
Venezuela (1998-present)	Hugo Chavez/ Nicolas Maduro	Socialism of the XXI Century (Filo Marxist)	35.8%	130,000%	1996

Sources: IMF, World Bank.



Modern Latin American Populism



Eleanor Shakespeare

Modern Latin American Populism



Latin American Populism. Brazil's Last Election [perhaps also the next one!!]



Latin American Populism

Latin American Definition. Economics

“An approach to economics that emphasizes growth and income redistribution and deemphasizes the risks of inflation and deficit finance, external constraints and the reaction of economic agents to aggressive non-market policies” **Dornbusch and Edwards (1991)**

Modern Definition. Political Science

Populism is a “thin-centered ideology” that considers society to be ultimately separated into two homogenous and antagonistic groups: “the pure people“ and “the corrupt elite”. Cas Mudde (2004, 2007)

Another Definition Authoritarian Populism

Authoritarian-Populism is defined as a philosophy and style of governance which blends two sets of ideas. [Norris and Inglehart, 2018]

- *Populists* typically adopt a rhetorical language and governing style which challenges the authority of establishment elites. Legitimacy, in this view, flows from popular sovereignty and vox populi, over-riding minority rights, constitutional checks-and-balances, and decision-making by elected representatives.
- *Authoritarian* parties & leaders adopt positions which endorse the values of tough security against threats from outsiders, xenophobic nationalism rather than cosmopolitanism, strict adherence to conventional moral norms, and intolerance of multiculturalism. This orientation prioritizes the values of tribal conformity, collective security, and loyalty to standard-bearers defending the group.

Summing Up and Additional Aspects

— **Morality**

- Against elites
- Anti-pluralism [minorities, globalization, “other”]

— **Traditional values. Moral Foundations Theory (MFT)**

- *Universalist vs communal* (particularist) values [Enke (2020) based on Haidt]

— **Nationalism-nativism.**

- Anti-globalization. Anti-Europe

— **Anti-immigration.**

— **Anti-establishment (“anti-elite”)**

- often anti-science and anti-scientists; Anti-vaccine

— **Challenge checks and balances**

— **Authoritarian values**

— **Aggressive governance style & communication style**

Classifications and Measurement

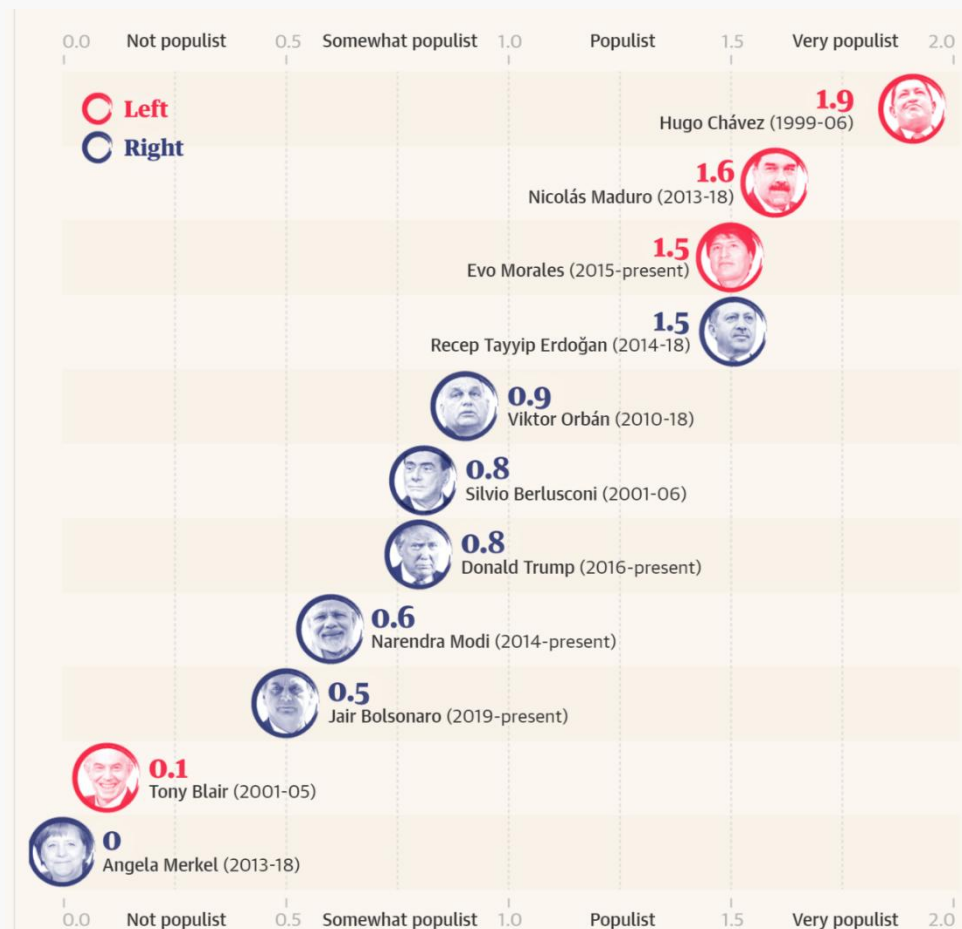
- ***Ad hoc. Country-specific*** [e.g., BREXIT, UKIP, Golden Dawn, Jobbik]
 - Barry Eichengreen quoting Justice Potter Stewart—"I know it when I see it"
- **Political science based on party manifestos** (Algan et al. BPEA 2017)
- **Speeches** [[The Guardian](#)]
 - Mudde and Kaltwasser (2017); Hawkins (2019)
 - Magud, Spilimbergo, and Werner (2026) follows this approach
- **Look at leaders and parties' features (ongoing research)**

Some Issues

- **Leaders, parties, coalitions**
 - **Within-party/coalition heterogeneity**
 - **Disconnect (small, modest, considerable) between words and deeds**
 - Electoral motive
 - Constraints. Institutional
 - Constraints. External
- +++ heterogeneity, heterogeneity, heterogeneity**

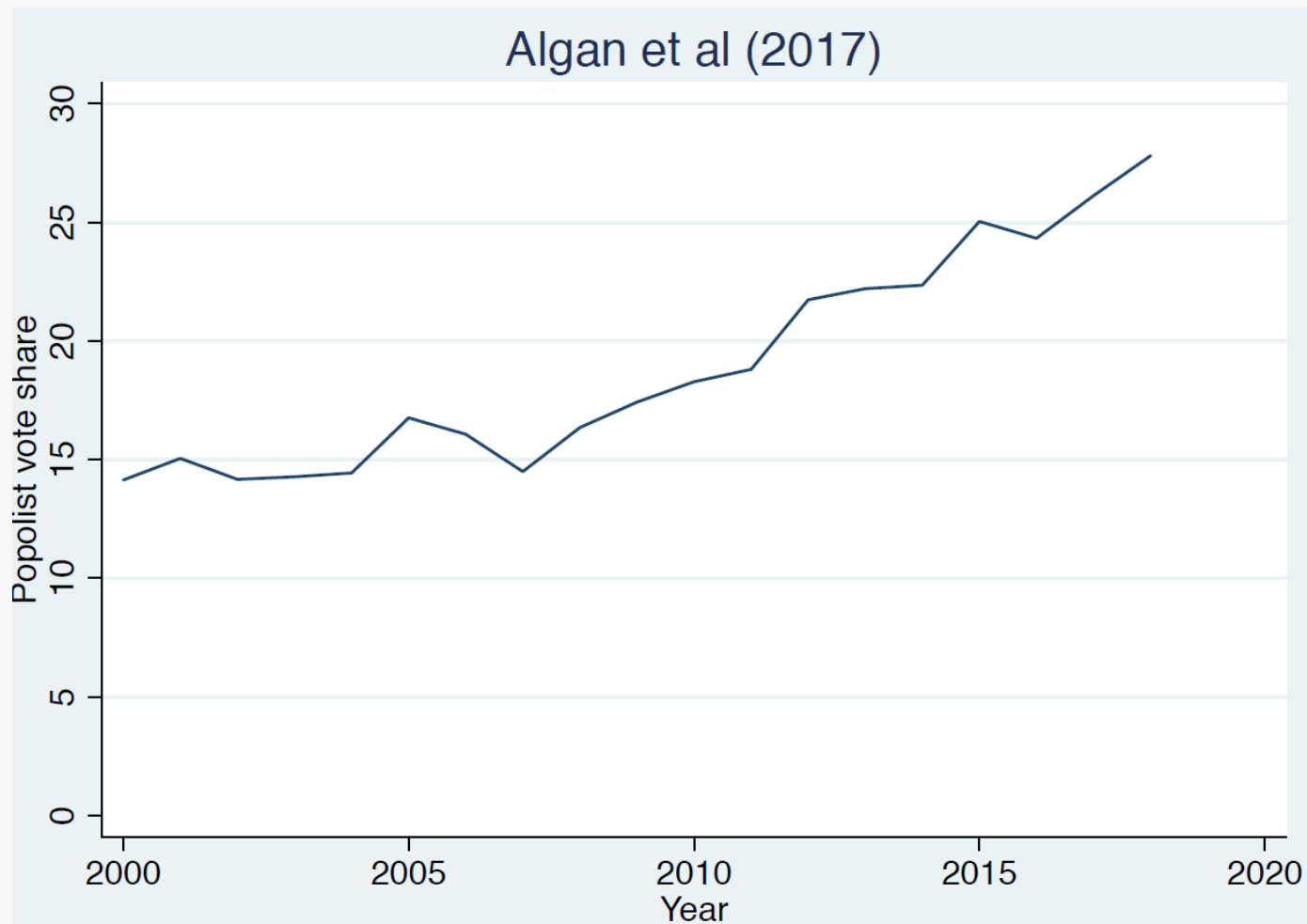
Populism. Speech-Based Classification [The Guardian]

Magud (IMF), Spilimbergo (IMF), and Werner (2026)



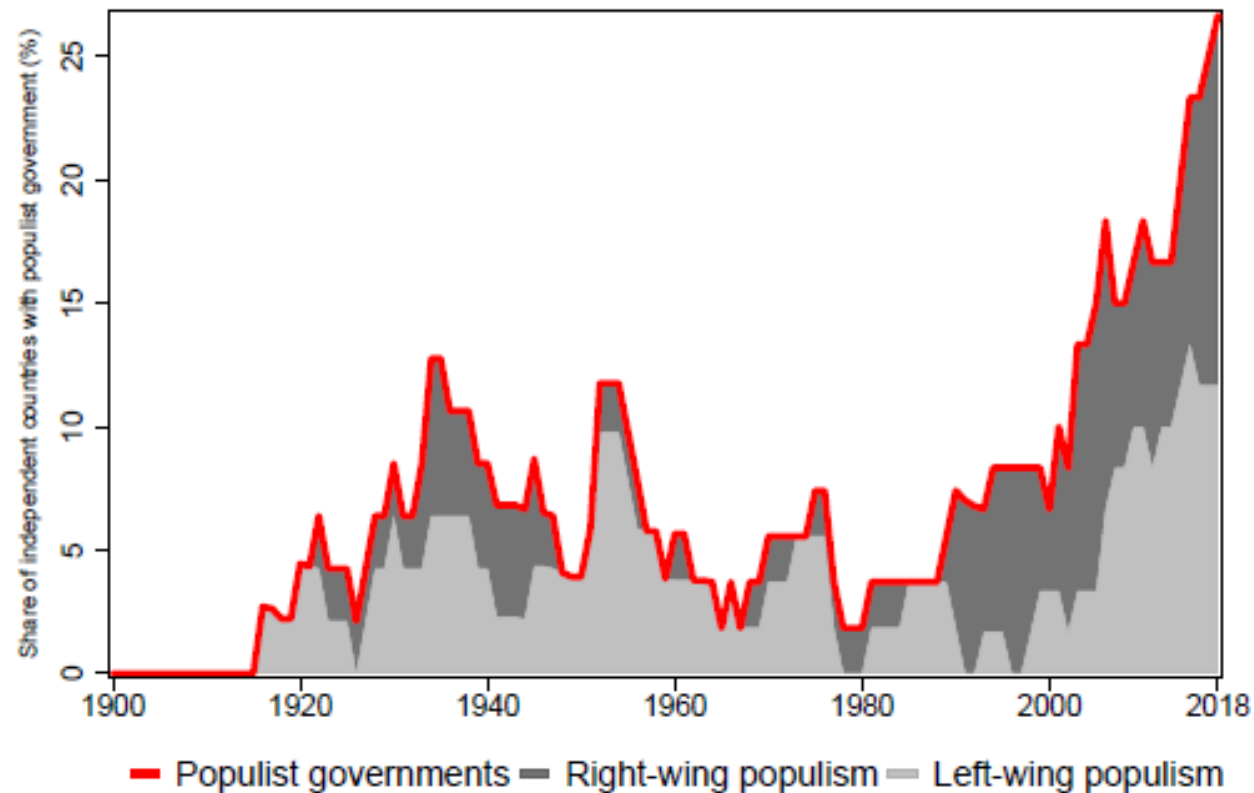
Voting Trends. Europe. Based on Party Manifestos

Algan, Guriev, Papaioannou, and Passari (BPEA 2017)



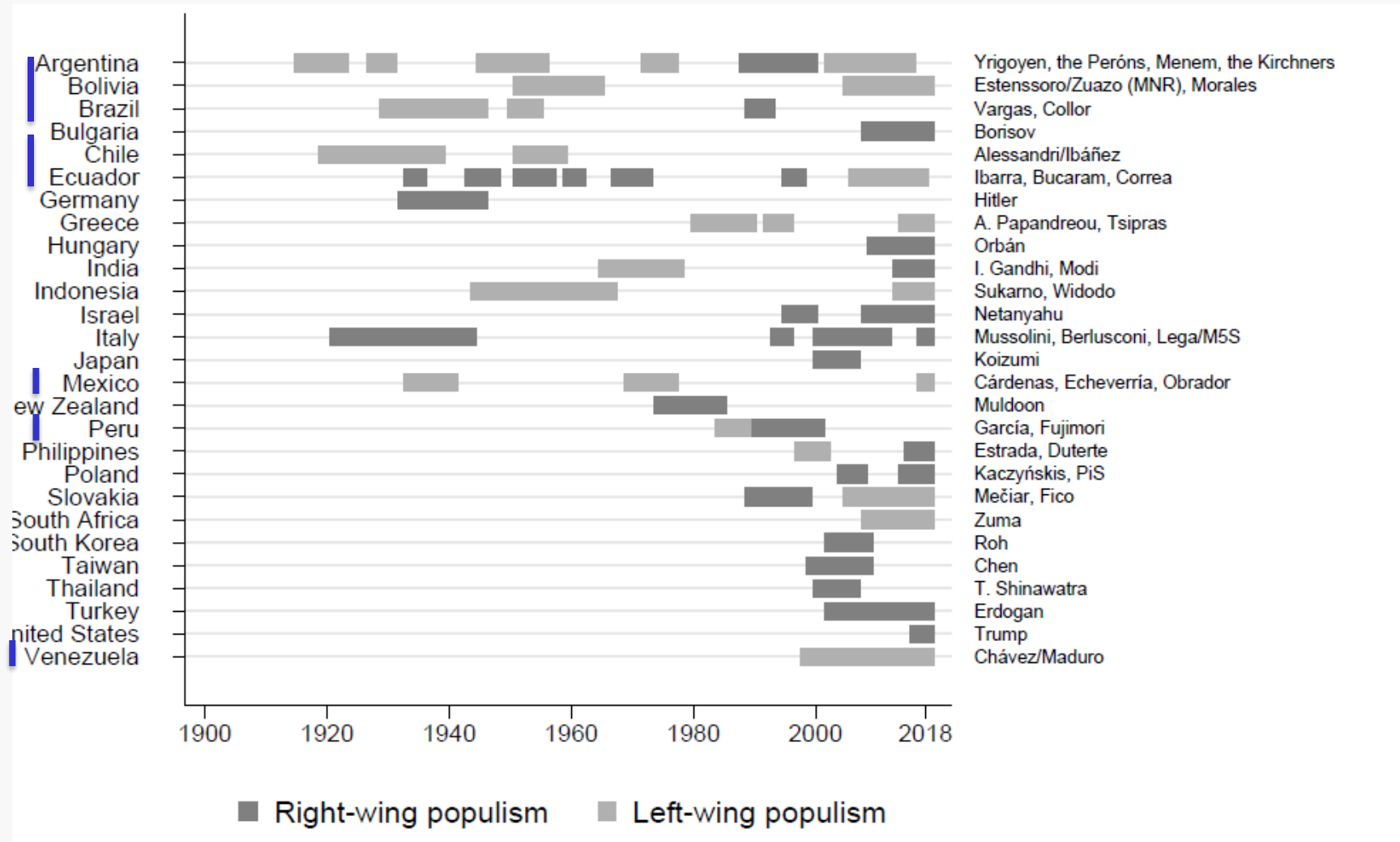
Populists over the 20th Century.

60 Countries. 1900-2018. Funke *et al.* (2021)



Notes: Share of populist governments in all governments in sample of (up to) 60 independent countries, 1900-2018. We consider any country-year in which a populist was the effective ruler (i.e., president, prime minister, or equivalent).

Latin American Populism in Perspective



Some Thoughts

- **Are we making the same mistake as populists (us versus them) using fiscal orthodoxy?**
- **Is fiscal policy not useful for tackling inequality?**
- **Anti West Bias (as in some democracy indicators)**
 - Dependency theory
- **Orthodox and Heterodox Policies?**
 - Washington Consensus Gone Bad (e.g., capital controls, big bang approach)
- **Is populism necessarily bad politics? [D. Rodrik]**
 - United States early populist part; Teddy Rossevelt and progressive movement
 - Anti-trust legislation
- **Examples**
 - ANC in South Africa in 1990s and early 2000s (even today)
 - Socialist Party in Greece in the 1980s.

The Subversion of Democracy (Populism?)

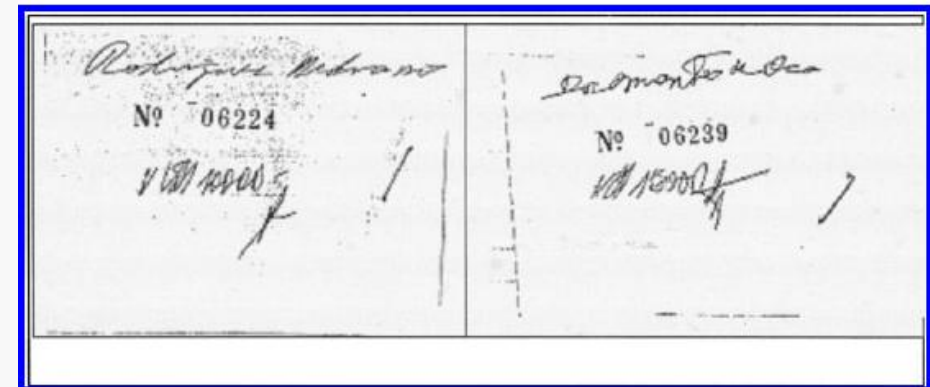
Examples

- **Fujimori. Peru**
- **Daniel Ortega. Nicaragua**
- **Hugo Chavez/Nicolas Maduro. Venezuela** [the authors are very optimistic!]
- **Recep Tayip Erdogan. Turkey**
- **Viktor Orban. Hungary**

The Subversion of Democracy (Populism?)

Example. Peru under Fujimori (and Montesinos)

Name	Party (Presidential candidate)	Bribe (Monthly)	Favors
<i>Those who changed their party for Peru 2000 (Fujimori's party)</i>			
José Luis Cáceres Velásquez	FREPAP (Ataucusi)	US\$20,000	(* +US\$50,000 (one-time) +US\$100,000 (one-time) +Judicial favors
Róger Cáceres Pérez	FREPAP (Ataucusi)	US\$20,000	Judicial favors for her husband Vice President of the Foreign Relations Commission in Congress
Ruby Rodríguez de Aguilar	APRA (Salinas)	US\$50,000	
Jorge Polack Merel	PSN (Castañeda)	**	
Juan Carlos Miguel	PSN (Castañeda)	US\$10,000	
Mendoza del Solar	PP (Toledo)	US\$10,000	US\$15,000 (signing bonus) +US\$20,000 (car) +US\$3,000 (apartment). Land deal in Titicaca Lake that would insure his reelection
Gregorio Ticona Gómez			
José Luis Elías Ávalos	A (Salas)	US\$15,000	+US\$40,000 ("campaign reimbursement") +US\$60,000 (continue campaigning)
Antonio Palomo Orefice	PP (Toledo)	US\$20,000	Judicial favors, Apparently no payment
Mario Gonzáles Inga	PP (Toledo)	US\$20,000	
Alberto Kouri	PP (Toledo)	US\$15,000	
Edilberto Canales Pillaca	PP (Toledo)		
Eduardo Farah	PSN (Castañeda)		
<i>Those who did not change their party (informants or moles)</i>			
Jorjue D'Acunha Cuervas	PP (Toledo)	US\$10,000	US\$10,000 (one time payment) +Judicial help with the National Electoral Board
Waldo Enrique Ríos Salcedo	FIM (Olivera)		
Maria del Milagro Huamán	PP (Toledo)	US\$30,000	(US\$30,000 Pinchi) +US\$20,000 (car)
José León Luna Gálvez	PSN (Castañeda)	US\$7,000	
Guido Pennano Allison	FIM (Olivera)	US\$15,000	
<i>Members of Fujimori's party</i>			
Rolando Reátegui	P00	US\$3,000	
Luz Salgado	P00	US\$20,000	
Carmen Lozada de Gamboa	P00	US\$20,000	
Manuel Vara Ochoa	P00	US\$20,000	
Martha Chavez Cossío de Ocampo	P00	US\$20,000	
Sobero Taira	P00	US\$20,000	
<i>Members of the executive</i>			
Victor Joy Way	Prime Minister	US\$10,000	
Federico Salas	Prime Minister	US\$30,000	
Alberto Bustamante	Minister of Justice	US\$5,000	



Typical receipts demanded by Montesinos. Left: a Supreme Court justice acknowledges being paid US\$10,000. Right: a member of the National Electoral Board acknowledges being paid US\$15,000.

The Subversion of Democracy (Populism?)

Example. Peru under Fujimori (and Montesinos), cont.

Judicial Capture

Position	Name	Bribe data (Bresani)	Bribe receipts
General Manager of the Judicial Power	Ricardo Mendoza Torres (Montesinos' cousin)	US\$55,000	US\$10,000 +US\$5,000 +US\$10,000
Justice in the National Elections Board	Alipio Montes de Oca	US\$50,000	+US\$10,000 US\$15,000
Justice in the National Elections Board	Luis Serpa Segura	US\$45,000	+US\$10,000 US\$10,000
President of the Supreme Court	Victor Raul Castillo Castillo	US\$35,000	+US\$10,000 US\$10,000
Supreme Justice	Luis Ortiz Bernardini	US\$25,000	US\$10,000
President of the Superior Court	Pedro Infantes Mandujano	US\$24,000	US\$5,000 +US\$3,000 +US\$3,000
Superior Justice	Raul Lorenzi Goicochea	US\$25,000	
Justice in the Appeals Court	William Paco Castillo Castillo	US\$16,000	US\$10,000
Supreme Justice, Provisional	Alejandro Rodríguez Medrano	US\$10,000	US\$5,000 +US\$5,000 +US\$10,000
Supreme Justice	Carlos Saponara Miligan	US\$10,000	US\$5,000 +US\$5,000
Superior Justice in a local Court	Daniel Bedrinana Garcia	US\$2,500	
Judge	Percy Escobar Lino	US\$10,000	US\$5,000 +US\$5,000
Judge	Fernando Aguirre Infante	US\$10,000	
Judge	Manuel Ruiz Cueto	US\$6,000	
Judge	William Ardiles Campos	US\$3,000	
Judge	Victor Martínez Candela	US\$3,000	
Judge	Sonia Pineda	US\$2,500	
Judge	Alminda Lopez Pizarro	US\$2,500	
Judge	Willy Herrera Casina	US\$2,500	
Judge	Nicolas Trujillo López (Ivcher case)		US\$5,000
President of the Public Law Court	Sixto Muñoz Sarmiento (Lucchetti and Ivcher cases)		US\$3,000 +US\$3,000

Others involved but without data on bribes:

Supreme Court Justices: Orestes Castellares Camac, Eliana Salinas de Alencastre, Jorge Gonzáles Campos, Arturo Chocano Polanco, Jose Pariona Pastrana, Carlos Alarcon del Portal, Wilber Villafuerte Mogollón, Juan Quespe Alcalá, Luis Castro Reyes, Carlos Henriquez Colfer, Juan Miguel Ramos Lorenzo.

Judges: Segundo Sarriá Carbajo, Carlos Alcántara Peréz, Karina Sánchez Alarcon, Ricardo Nuñez Espinoza, Arturo Vilchez Requejo, Jose Ríos Olson.

Media Capture

TV channels	Bribe estimates
America Television (Channel 4) Jose Francisco Crousillat	US\$9,000,000 in a signed contract for US\$1,500,000 per month from November 1999 to April 2000, possibly more (C) US\$619,000 in October 1998, promised more monthly payments (C) (BH)
Frecuencia Latina (Channel 2) Samuel and Mendel Winter (owners after Baruch Ivcher exiled)	US\$3,000,000 in a signed contract for US\$500,000 per month from November 1999 to April 2000, possibly more (R) US\$3,073,407 on December 1999 for an increase of capital that gave 27 percent of shares to Montesinos (R)
PanamERICAN Television (Channel 5) Manuel Delgado Parker (brother of Genaro) and Ernest Schutz (shareholders)	US\$9,000,000 contract agreed by Shutz and Montesinos on video 1783. In total Montesinos claims he handled \$10,600,000 to Schutz (BH) US\$350,000 handed by Montesinos to Shutz, video screened by congress on October 2, 2001 (BH)
Cable Canal De Noticias CGN (Cable Channel Network) Vicente Silva Checa (Video 1778)	US\$2,000,000 for his shares in the CGN to the Ministry of Defense in November 1999 (C)
Andina de Televisión (ATV) (Channel 9) Julio Vera	US\$50,000 to fire Cecilia Valenzuela and Luis Iberico (C)
Red Global (Channel 13) Genaro Delgado Parker (brother of Manuel)	In exchange business help and judicial favors, Delgado Parker fired popular commentator Cesar Hidelbrandt (C)

Print media	Bribe estimates
Expreso (mainstream newspaper) Eduardo Galmell del Solar (director and stockholder)	US\$1,000,000 in two installments, to buy shares in the newspaper (C) and videos 1492, 1736, 1753
El Tío, (Chicha/popular press) Jose Olaya Correa (owner and director)	US\$1,500,000 between 1998 and 2000 (C) US\$3,000-US\$4,000 per headline, US\$5,000 for full coverage inside, US\$500 for smaller stories (C)
La Chuchi (Chicha/popular press) Oliveri and Estenos (owners)	US\$8,000 weekly, same press house as El Mañanero, Editora Americana (B)
El Chato, Rafael Document (founder) and Ruben Gamarra (director) out	US\$1,000 each time it comes, small circulation, only comes out two to three days a week (B)

Media not captured	Newspapers: <i>La República</i> and <i>El Comercio</i> Magazine: <i>Caretas</i> Cable News TV Channel: <i>Canal N</i> (owned by El Comercio)
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State-owned media	Newspaper: <i>El Peruano</i> TV Channel: <i>Televisión Nacional Peruana</i> Radio Station: <i>Radio Nacional</i>
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Lessons from Montesinos...

— “*Remember why Pinochet had his problems. We will not be so clumsy. And, besides, what’s the purpose of ordering the death of anybody? This is madness.*”

Vladimiro Ilych Lenin Montesinos Torres.

— “*Love is repaid with love.*” **Montesinos** to Newmont Executive VP Lawrence Kurlander

Democracy, Authoritarian Populism, and Autocracy

Institutional Development and Degradation



Journal of Economic Literature 2022, 60(3), 753–832
<https://doi.org/10.1257/jel.20201595>

The Political Economy of Populism[†]

SERGEI GURIEV AND ELIAS PAPAIOANNOU*

We synthesize the literature on the recent rise of populism. First, we discuss definitions and present descriptive evidence on the recent increase in support for populists. Second, we cover the historical evolution of populist regimes since the late nineteenth century. Third, we discuss the role of secular economic factors related to cross-border trade and automation. Fourth, we review studies on the role of the 2008–09 global financial crisis and subsequent austerity, connect them to historical work covering the Great Depression, and discuss likely mechanisms. Fifth, we discuss studies on identity politics, trust, and cultural backlash. Sixth, we discuss economic and cultural consequences of growth in immigration and the recent refugee crisis. We also discuss the gap between perceptions and reality regarding immigration. Seventh, we review studies on the impact of the internet and social media. Eighth, we discuss the literature on the implications of populism's recent rise. We conclude outlining avenues for further research. (JEL D72, E32, G01, J15, N30, N40, Z13)

The Scandinavian
Journal of Economics

Nobel Prize Article |  Open Access |  

Institutions, history, antagonisms, and development: the contributions of Daron Acemoglu, Simon Johnson, and James A. Robinson

[Elias Papaioannou](#) 

First published: 29 June 2025 | <https://doi.org/10.1111/sjoe.12599> | [VIEW METRICS](#)

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Abstract

The Royal Swedish Academy of Sciences awarded the 2024 Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel to Daron Acemoglu, Simon Johnson, and James A. Robinson "for studies of how institutions are formed and affect prosperity". In this paper, I first review the laureates' work, emphasizing how their big-picture approach to long-run development and their broad analytical perspective – blending history, economic theory based on class antagonisms, case studies, and an effort to move beyond correlations towards identifying causal effects – have enriched and transformed the approach of shedding light on the old inquiry into the deep drivers of prosperity. I then discuss in detail the vast subsequent research on the impact and origins of institutions and historical development, which has brought novel insights about the deep drivers of prosperity, testing old influential conjectures and expanding the set of questions. With authoritarianism on the rise and constitutional checks and balances challenged, the lessons from history and the new insights of this research agenda appear more topical than ever.

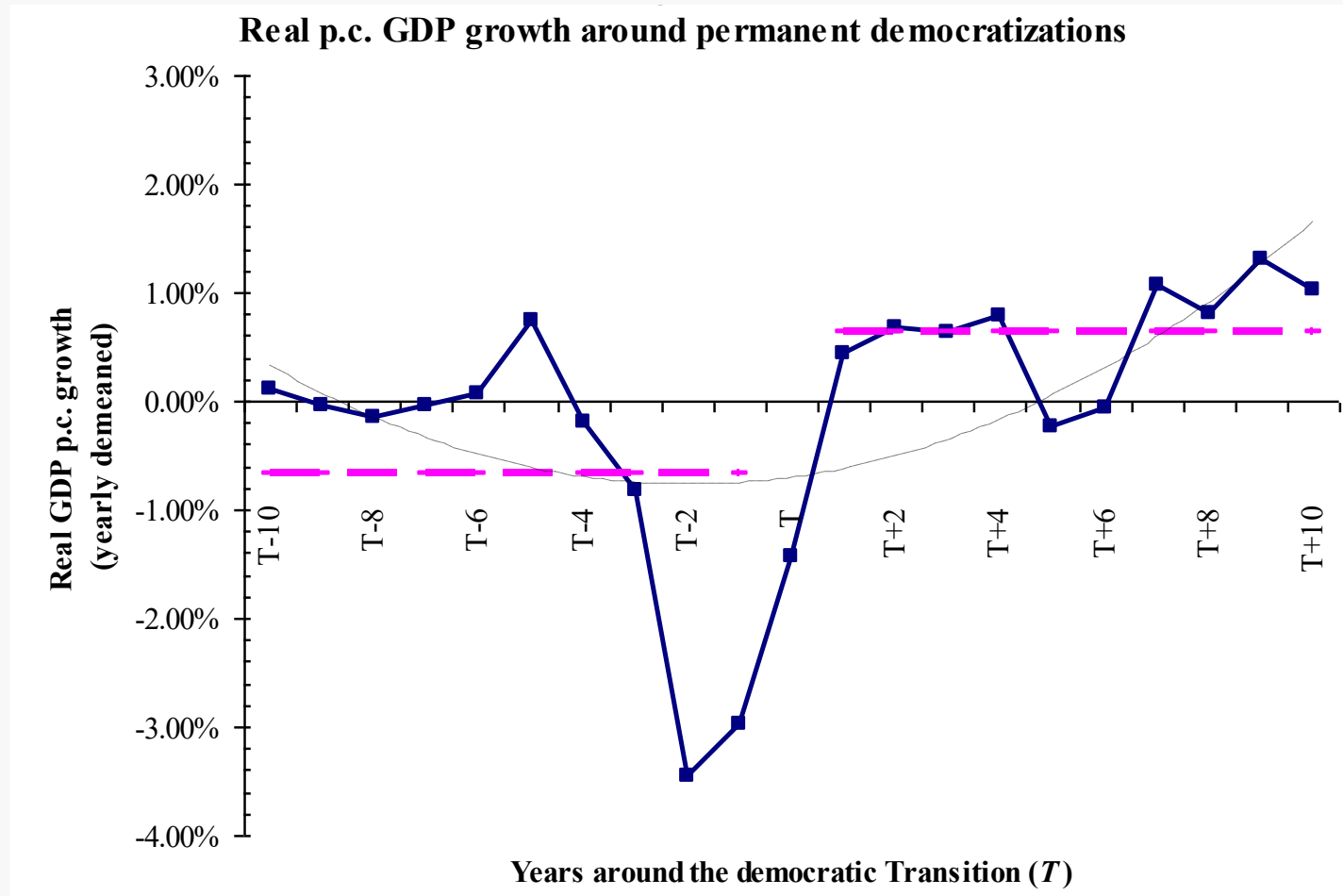
Democracy, Authoritarian Populism, and Autocracy

Aristotle

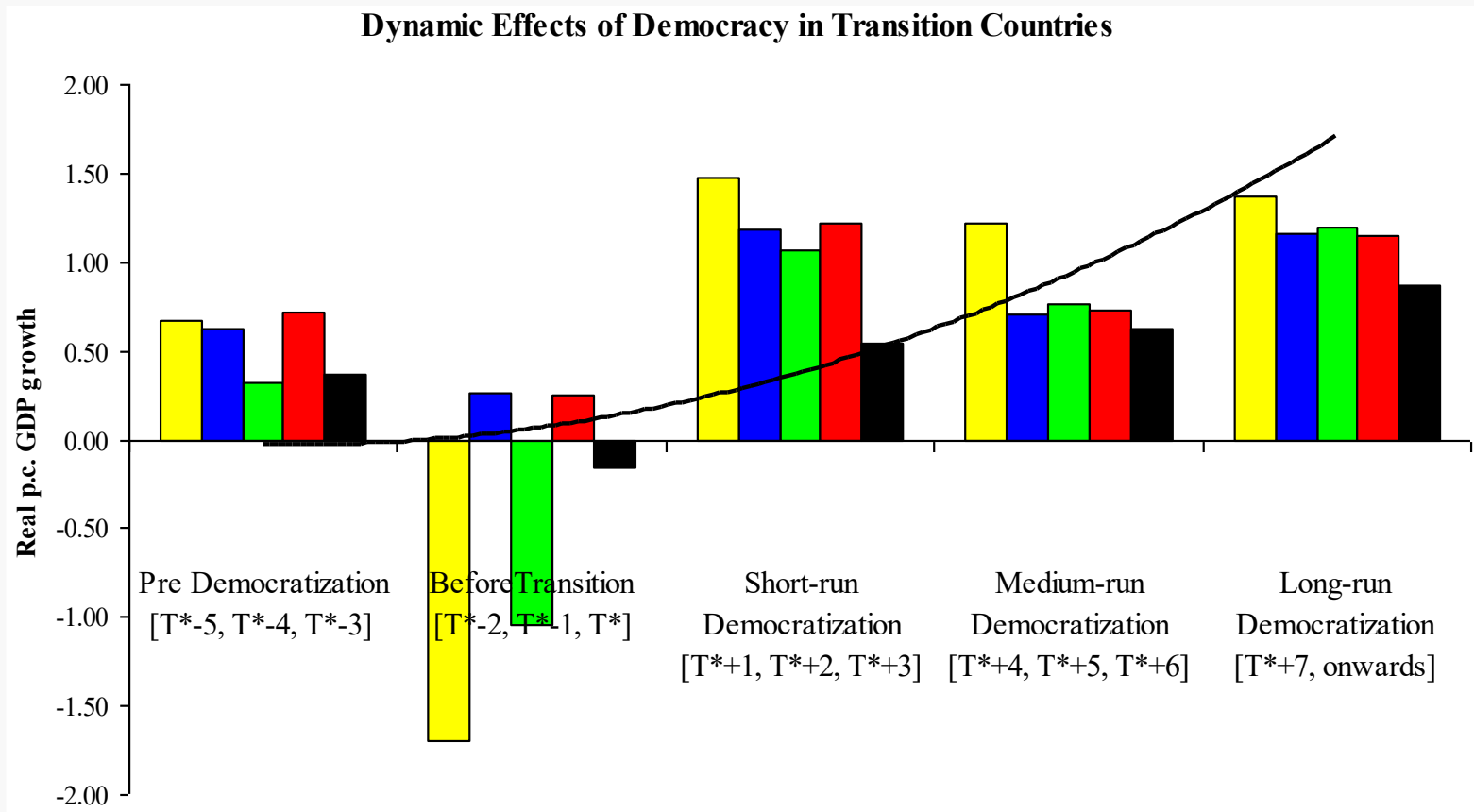
Who Rules?	Good	Bad/Corrupt
One	Monarchy (<i>Βασιλεία</i>)	Tyranny
A Few	Aristocracy	Oligarchy
Many	<i>Politeia</i>	<i>Ochlocracy</i>

Democratization and Growth.

Papaioannou and Siourounis (EJ 2008)



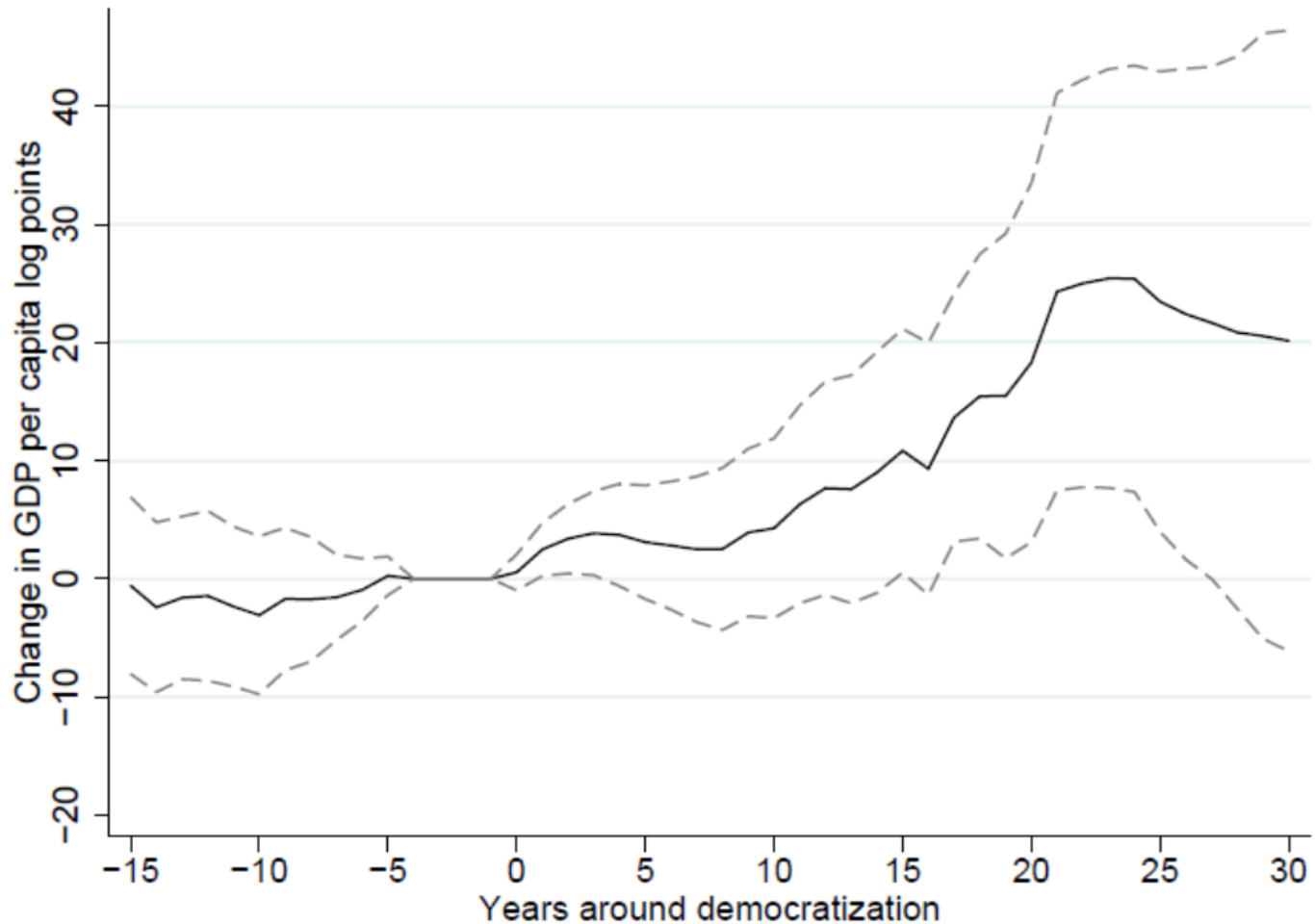
Democratization and Growth. Results. Dynamic Effects



Papaioannou and Siouronis (*Economic Journal*, 2008)

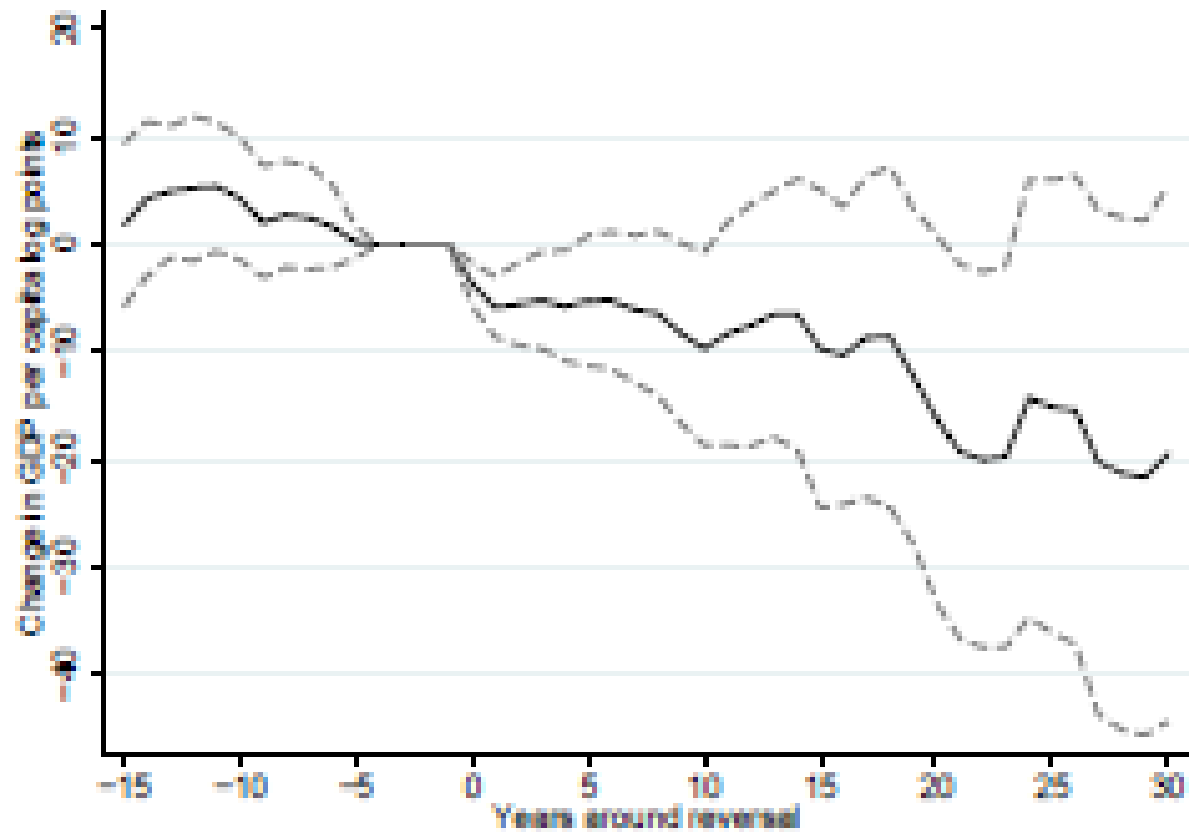
Democratization and Development.

Acemoglu, et al. (JPE 2019)



Democratic Reversals and Development.

Acemoglu, et al. (JPE 2019)



Democracy, Authoritarian Populism, and Autocracy

Institutional Development and Degradation

— **Institutions; checks and balances appear to be the key issue**

- Culture also

— **Unbundling Institutions**

- Legal/contractual and property rights (North, 1990; Acemoglu and Johnson, JPE 2005)
- Economic policy institutions [central bank independence, fiscal councils]

— **Macroeconomic Policies**

Structure

1. Big Picture & Summary
2. On Populism. Definitions
- 3. Discussion**
 - a) Comments-Suggestions
 - b) Refocus

Main Comments/Suggestions

1. Data

- Keep current definition but expand to 1880 (first wave of globalization) using LLMs (training sample is here!)
 - Limitation starting in 1970
- Contrast intent to actions more thoroughly [Menem, Tsipras 2, Boric, Lula 1, etc]

2. Outcomes

- a. Start with GDP p.c.; then **growth accounting** (education-health, infrastructure-capital; TFP)
- b. Macro **policies and reforms** (Giuliano, Mishra, and Spilimbergo, AEJ-Macro 2013)
- c. **Unbundling institutions**; courts independence; central bank autonomy, other
- d. **Inequality**. overall, regional, racial, opportunity (perhaps in later stage)

Main Comments/Suggestions, cont.

3. **Democracy – Autocracy (binary, trichotomous)**; rather than control
 - democracy – authoritarian populism – dictatorship
 - Heterogeneity
 - Distinguish first and second terms in office (Marx, Pons, and Rollet, RESTUD 2025)
4. **Drivers of Populism (short-term)**
 - a. Commodity price swings (Bruckner and Ciccone, ECMA 2010)
 - b. Global financial cycle and liquidity (Rey 2018); external constraints; capital account
 - c. Populism elsewhere in the world or the region (Persson and Tabellini, AEJ-Macro 2010; Acemoglu et al. JPE 2019)
 - d. Geopolitical order: 1930s (fascism and protectionism); 1990s (end of history)

Focus

- **Expand Case Studies** (Dornbusch and Edwards, 1990; Edwards, 2024)
- **Need a Section on Lessons (given also title)**
- **Focus on fewer outcomes; ideally institutions and macroeconomic policies**