



POLITICS AND THE SOURCES OF POPULISM

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THE PREVAILING NARRATIVE

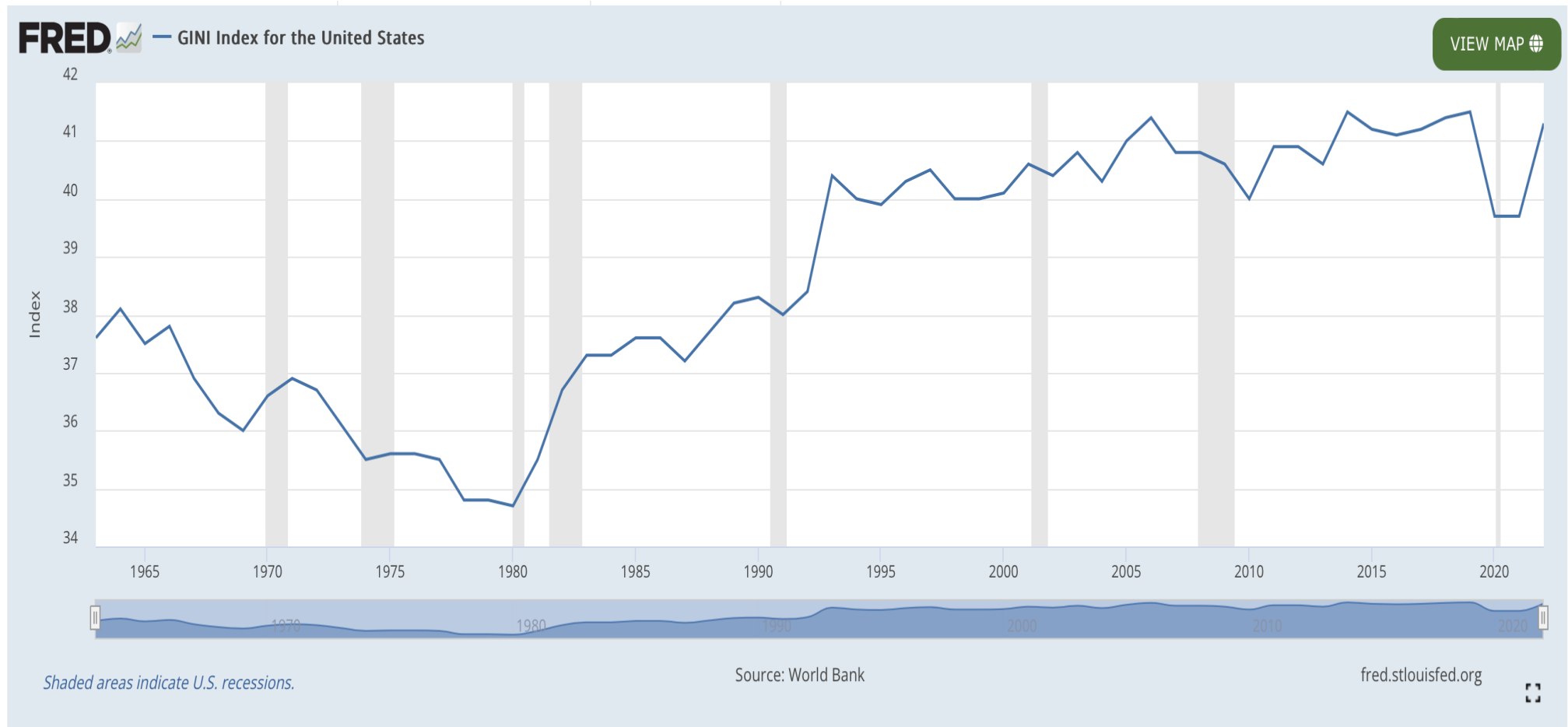
THE NARRATIVE

- CAPITALISM IS FAILING TO DELIVER
 - Deepening inequality
 - Stagnating real wages
 - Hollowing out of the middle class
 - Job losses caused by globalisation
- DEMOCRACY IS FAILING TO DELIVER
 - Falling support for democracy
 - Rising support for alternatives
- ENTER THE POPULIST BACKLASH
 - Populists capitalise the discontent with capitalism and democracy
 - They engage in populist policies: tariffs, deficits, borrowing, etc.



EVIDENCE FOR THE NARRATIVE (1)

RISING INEQUALITY IN THE UNITED STATES



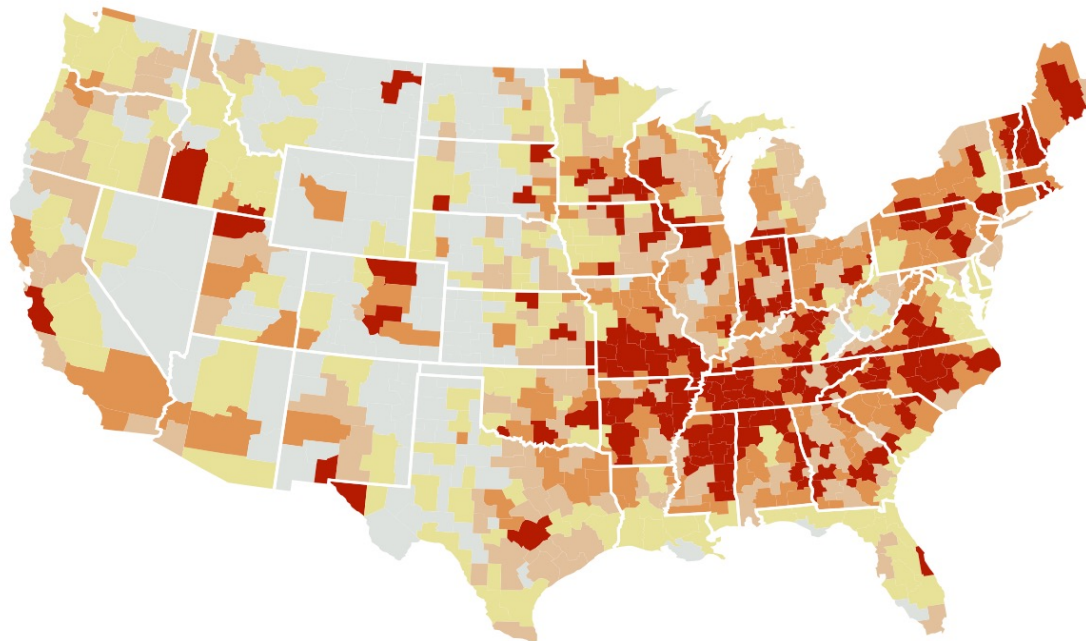
EVIDENCE FOR THE NARRATIVE (2)

CHINA SHOCK: GEOGRAPHY

Most-affected areas of the U.S.

Colors show which areas were most affected by China's rise, based on the increase in Chinese imports per worker in each area from 1990 to 2007. Hovering over each area on the map will show a demographic breakdown of that area, below, and its most-affected industries, at right.

Most-affected 20% Second-highest 20% Middle 20% Second-lowest 20% Least-affected 20%



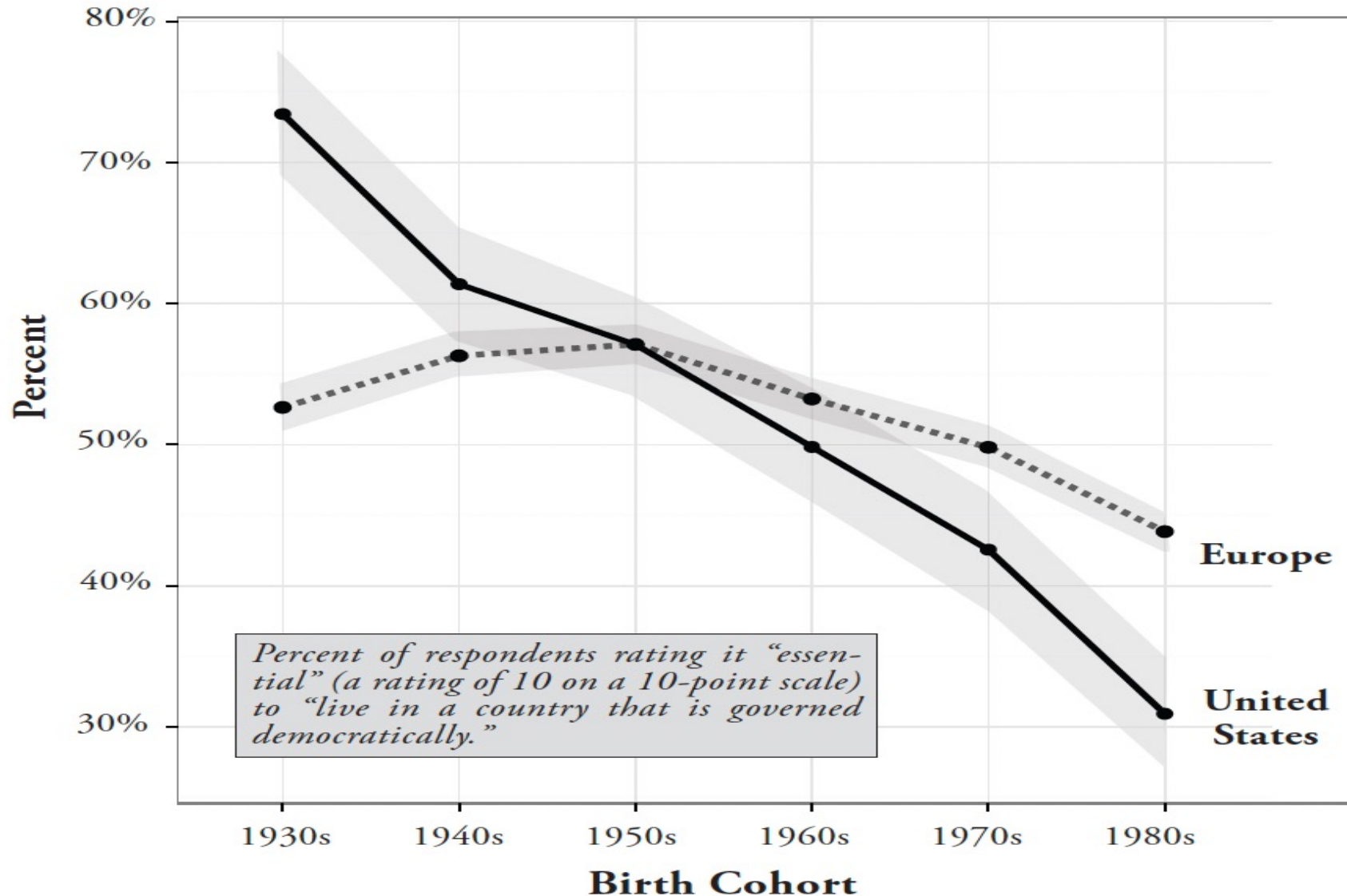
Most-affected industries

Most-affected industries, based on number of areas* Impact per worker†

Furniture and fixtures	196 areas	\$44k
Games, toys, and children's vehicles	114 areas	\$488k
Sporting and athletic goods	106 areas	\$82k
Electronic components	87 areas	\$65k
Plastics products	84 areas	\$11k
Motor-vehicle parts and accessories	79 areas	\$12k
Electronic computers	68 areas	\$207k

EVIDENCE FOR THE NARRATIVE (3)

DECLINING SUPPORT FOR DEMOCRACY (FOA & MOUNK, 2016)



**THE MAIN POINT I WANT
TO MAKE: IT IS FAR FROM
CLEAR THIS NARRATIVE
GENERALIZES TO THE
REST OF THE WORLD**

POPULISTS BEFORE POWER

- POPULISTS COME TO POWER IN COUNTRIES THAT HAVE BEEN GROWING QUICKLY
 - Poland
 - Turkey
 - Philippines
- POPULISTS RISE POLITICALLY IN COUNTRIES WITH LOW INEQUALITY
 - Holland
 - Germany
 - Sweden
 - France
- IF THE CAUSE WERE INEQUALITY
 - You would see left-wing populists (Corbyn, Mélenchon, Sanders) reaching power
 - Instead, we have seen a rise in right-wing populism

POPULISTS IN POWER

- POPULISTS GOVERN POORLY AND DO DAMAGE TO THE ECONOMY

Funke, Schularick and Trebesch (2023)

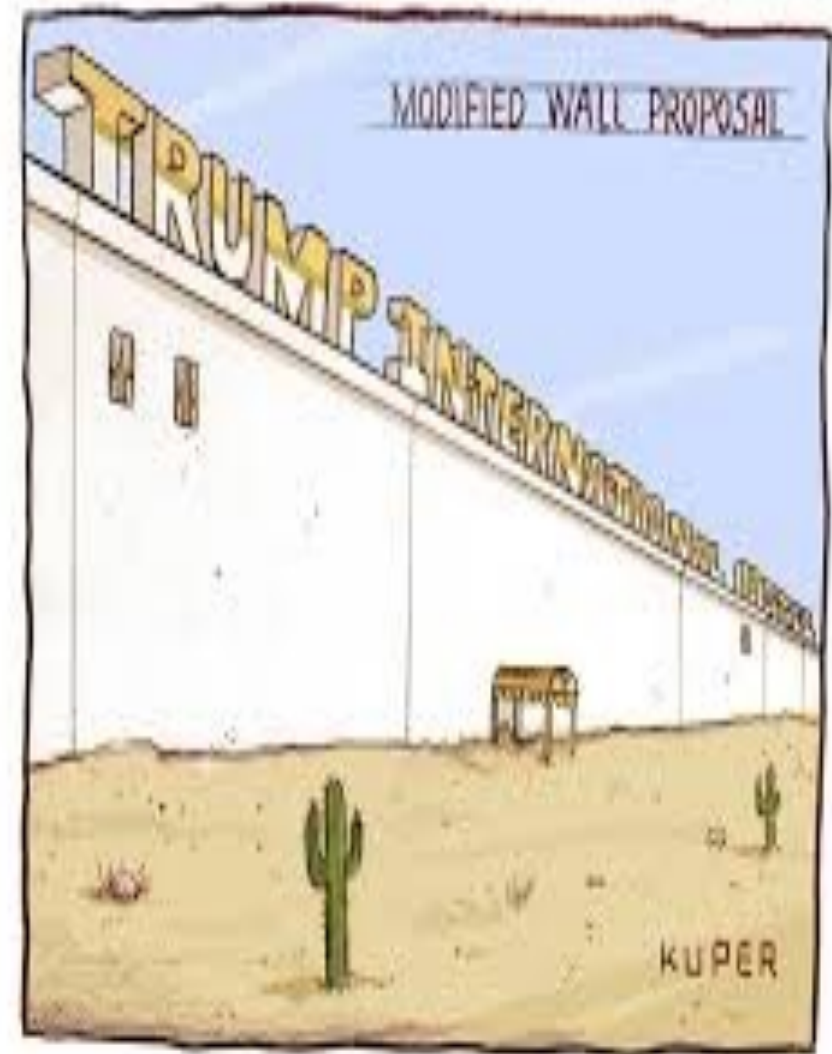
Magud, Spilimbergo and Werner (2026)

- THEY ALSO WEAKEN INSTITUTIONS AND DEMOCRATIC ACCOUNTABILITY
- NONETHELESS, THEY KEEP WINNING ELECTIONS
 - AMLO in Mexico (his party, really...)
 - Erdogan in Turkey
 - Modi in India
 - Correa in Ecuador
 - Morales in Bolivia

RETHINKING POLITICS

THE DELIVERY MODEL OF POLITICS

- **VOTERS HAVE BELIEFS ABOUT WHICH POLICIES ARE MOST LIKELY TO SATISFY THEIR NEEDS**
- **THEY ANALYSE CAMPAIGN PLATFORMS TO IDENTIFY THE CANDIDATE THAT ADVOCATES THOSE POLICIES**
- **THEN THEY VOTE FOR THAT CANDIDATE OR PARTY**
- **AND KEEP VOTING FOR THEM IF THEY “DELIVER”**



THE IDENTITY MODEL OF POLITICS

- “VOTERS, EVEN THE MOST INFORMED OF VOTERS, TYPICALLY MAKE CHOICES ON THE BASIS OF WHO THEY ARE —THEIR SOCIAL IDENTITIES”
- “IN TURN, THOSE SOCIAL IDENTITIES SHAPE HOW THEY THINK, WHAT THEY THINK, AND WHERE THEY BELONG IN THE PARTY SYSTEM”



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C. H. Achen and L. M. Bartels, *Democracy for Realists: Why Elections Do Not Produce Responsive Government*. Princeton and Oxford: Princeton University Press, 2016

IMPLICATIONS OF THE IDENTITY MODEL OF POLITICS

- IDENTIFICATION COMES FIRST
- IDENTIFICATION GENERATES TRUST
- ONCE TRUST HAS BEEN ESTABLISHED, POLICIES ENTER THE CONVERSATION
- KEY: TO TRIGGER IDENTIFICATION AND GENERATE TRUST
- FOR THAT, PERSONAL HISTORIES AND NARRATIVES ARE KEY



**WHO CAN DO THIS ON
THE CENTRE-RIGHT OR
THE CENTRE-LEFT?**

THAT IS THE QUESTION



THANKS!