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Kyriacou, Andreas and Trivin, Pedro

Department of Economics, Universitat de Girona, DEMM, Università degli studi di Milano

1 March 2024

Online at https://mpra.ub.uni-muenchen.de/120343/
MPRA Paper No. 120343, posted 18 Mar 2024 12:06 UTC

Populism and the Rule of Law: The Importance of Institutional Legacies

Andreas Kyriacou
Universitat de Girona*

Pedro Trivin
Università degli studi di Milano†

March 1, 2024

Abstract

We apply synthetic control methods to a cross-country sample that includes up to 51 populist events ranging from 1928 to 2019, to explore the impact of populism on the rule of law. Populist governments are expected to undermine the rule of law because they seek to dismantle institutional constraints on their personalistic plebiscitarian rule. We find that, on aggregate, populist governments do indeed reduce the extent to which laws are impartially and equally enforced and complied with by public officials. However, we also document that their capacity to do so depends on how strong the rule of law is before they assume power. Specifically, populists pose a greater threat to legal impartiality, enforcement, and compliance if they face a weak rule of law legacy. Our results are robust to the consideration of a set of contextual variables that can potentially determine the capacity of populist governments to sweep away institutional constraints, different ways of measuring the rule of law, and variations in the definition of high or low rule of law legacies and samples.

JEL Codes: D72, D73, O57, P48.

Keywords: populism, rule of law, institutional legacies, synthetic control methods.

Acknowledgements and conflict of interest statement: Andreas Kyriacou has received funding from projects PID2020-113452RB-I00 and PID2022-136482OB-I00 (Ministerio de Ciencia e Innovación, Spain) as well as project 2021 SGR 00570 (AGAUR, Generalitat de Catalunya, Spain). We have no conflict of interest to declare.

*Department of Economics, Universitat de Girona. andreas.kyriacou@udg.edu
†DEMM, Università degli studi di Milano. pedro.trivin@unimi.it

1 Introduction

Populism is spreading across the world. Analyzing data from a sample of up to 60 independent countries representing more than 95 per cent of world GDP in 2015, Funke et al. (2023) provide evidence highlighting a significant shift in the geographical distribution of populism over the last four decades. Prior to 1980, populism was predominantly observed within the Latin American region and affected up to 17 per cent of the countries in their sample. However, post-1980 and by 2020, populism had expanded beyond Latin America to become a governing force in 42 per cent of the nations under consideration.[1]

What is populism? One prominent definition sees it as "an ideology that considers society to be ultimately separated into two homogeneous and antagonistic groups, 'the pure people' versus 'the corrupt elite', and which argues that politics should be an expression of the volonté générale (general will) of the people." (Mudde, 2004, p.543). Another strand of work sees populism as "a political strategy through which a personalistic leader seeks or exercises government power based on direct, unmediated, uninstitutionalized support from large numbers of mostly unorganized followers." (Weyland, 2001, p. 14; see also, Weyland, 2017). Regardless of the definition, scholars agree that populism poses a threat to liberal democratic institutions that constrain majority rule and by extension a populist leader's power. Mudde (2004) argues that populism is inherently hostile to the institutions of liberal or constitutional democracy that include an independent judiciary and media and whose function is to guarantee the rule of law, freedom of expression, minority rights and the separation of powers (see also, Mudde and Kaltwasser, 2017, 2018). Populists are impatient with the rule of law because, they argue, this may limit the expression of the will of the "pure" people that they represent (Grzymala-Busse, 2017; Friedman, 2019; Pappas, 2019; Lacey, 2021). Populists strive to remove institutional constraints that stand in the way of their personalistic and unmediated rule (Weyland, 2020; Li and Wright, 2023). They practice "discriminatory legalism" or "rule by the law" by using formal legal authority to promote cronies and supporters and punishing critics and opponents (Weyland, 2013; Müller, 2017, Lacey, 2021).

In this article we consider the extent to which institutional legacies can affect the impact of populist government on democratic institutions. We focus on the legacy of rule of law defined as the extent to which, before the ascent of populists to power, laws are

[1]Post-1980, populist governments have emerged in Argentina (led by, respectively, Menem, Kirchner and Fernández), Bolivia (Morales), Brazil (Collor, Bolsonaro), Bulgaria (Borisov), Ecuador (Bucaram, Correa), Greece (Tsipras), Hungary (Orbán), India (Modi), Indonesia (Widodo), Israel (Netanyahu), Italy (Berlusconi, Lega/M5S), Japan (Koizumi), Mexico (López-Obrador), New Zealand (Muldoon), Peru (García, Fujimori), Philippines (Estrada, Duterte), Poland (Kaczyńskis/PiS), Slovakia (Mečiar, Fico), South Africa (Zuma), South Korea (Roh), Taiwan (Chen), Thailand (Shinawatra), Turkey (Erdoğan), United Kingdom (Johnson), United States (Trump) and Venezuela (Chávez and Maduro).

complied with by public officials and impartially and equally enforced. This means that laws are equally binding on all members of society, regardless of how powerful they are (for example, Fukuyama, 2011, 2014). Moreover, it implies the control of corruption (the misuse of public authority for private gain) and patronage (the misuse of public authority and resources to benefit family, friends, cronies, and supporters) – practices that are antithetical to the impartial and equal enforcement of the law (Rothstein and Teorell, 2008). We argue that the capacity of populists to undermine the rule of law depends on the extent to which the law is respected and is equally and impartially enforced before populists take office. It is our view that the capacity of populists to undermine the rule of law will be lower in countries with a stronger rule of law heritage. Conversely, we would expect populists to be able to undermine the rule of law much more easily in countries where this heritage is relatively weak.

By way of illustration consider the differential experiences of Turkey and Venezuela. These two countries had attained similar levels of economic development at the time when populists gained power – Turkey's real GDP per capita in constant 2011 US Dollars was 12,830 when Erdoğan took over in 2003 while Venezuela's was 12,750 when Chávez did so in 1999. But, according to a measure of rule of law that we will fully describe below, rule of law in Turkey in 2002 was stronger than that in Venezuela in 1998 (0.78 versus 0.524 on an indicator that ranges from zero to one). All other things being equal, we would expect the rule of law to be more resilient in Turkey compared to Venezuela after the ascent of populists in each. Consistent with this, in his comparison of these two countries, Selçuk (2016) explains that after gaining power, Erdoğan's government tried not to antagonize the military and the judiciary, which traditionally provided a strong check on elected Turkish governments. Erdoğan met with resistance from the Constitutional Court at least until 2010. Eventually, Erdoğan's government succeeded in increasing executive power and reducing judicial independence through constitutional amendments, the adoption of new legislation and the appointment of more pliable judges (see also Özbudun, 2015 and Tahiroglu, 2020). In Venezuela on the other hand, in the same year of winning the presidency, Chávez was able to adopt a new constitution that increased executive power. While the constitution enshrined judicial independence de jure, de facto it was undermined in the early years of Chávez's rule by "hectoring judges, calling public demonstrations, threatening non-compliance and replacing judges" (Taylor, 2014, p. 249).

This is not to say that the differential paths that the rule of law took after the entry into office of populists in either country may not be due to other factors. For example, the rule of law may have initially been less affected in Turkey because, between 2002 and 2007, the prospect of EU membership led the Turkish leadership to adopt liberal reforms

that avoided undermining it. Moreover, as argued by Weyland (2020), the existence of large oil revenues and an acute economic crisis upon entering government may have ensured massive public support for Chávez thus allowing him to undermine constraints on executive power. On the other hand, this scholar also suggests that the erosion of institutions by Erdoğan's government should have been facilitated by the combination of the acute economic crisis in Turkey in 2002, and a parliamentary system that, in theory, is less constraining on parliamentary majorities.

The comparison of Turkey and Venezuela underscores the complexity of drawing meaningful comparisons between distinct national experiences. To address this challenge and gauge the causal effect of populism on the rule of law, we rely on synthetic control methods (SCM) as outlined in Abadie et al. (2010). SCM are well-regarded in social sciences as an empirical strategy for estimating treatment effects of policy interventions (Athey and Imbens, 2017).[2] The fundamental principle of SCM lies in constructing a synthetic counterfactual or doppelganger country that emulates the trajectory of our variable of interest under a hypothetical scenario where populists never assume power. This synthetic control is formed by a combination of untreated countries that closely align with the pre-treatment trajectory of the variable of interest in the treated country. A key assumption underlying this approach is that, in the absence of a populist party assuming power, both the treatment and the synthetic control would exhibit similar trajectories concerning the variables of interest. Therefore, by comparing the evolution of the rule of law in the synthetic doppelganger and the treated unit after the populist event, we can assess the effect of populism on the rule of law. To study the influence of institutional legacies on this relationship, we compare the effect of populism on the rule of law across two sets of countries, characterized by different levels in their rule of law index before the populist government assumed power.

Our empirical results reveal that, on aggregate, the rise of populist governments leads to an immediate and substantial decline in the rule of law. The impact is pronounced, resulting in a 6 percentage point reduction within the first 5 years, and an 11 pp. decline after 15 years. Notably, our research underscores the role of the pre-existing rule of law heritage, showing that populism has a more enduring impact when the initial rule of law level is comparatively low. Specifically, in countries with strong rule of law in the year prior to the assent of populists to power, the decline takes longer and is less severe, with a 6 pp. reduction observed 15 years post-event. By contrast, where a legacy of impartial and equal enforcement and compliance with the law is weaker, the rule of law plummets by 18 pp. upon the ascent of populist governments. We show that our results are not driven by alternative factors, are robust to alternative event classifications, and measures related

[2]For a review of SCM see, Abadie et al. (2015) and Abadie (2021).

to the rule of law. Additionally, placebo tests conducted both spatially and temporally support the causal interpretation of our results.

The article is structured as follows. In section 2 we review previous work that has focused on the impact of populism on the rule of law. This allows us to understand why populists are a threat to equality before the law as well as to identify alternative explanations that determine their capacity to undermine the law. In section 3 we present the data employed and our empirical strategy. In section 4 we conduct the empirical analysis first considering the impact of populist governments on the rule of law in aggregate, and then considering the possible differential effect of strong and weak rule of law legacies. In section 5 we pursue the robustness of our main findings in the presence of alternative factors, different definitions of the rule of law, and different groupings and samples. We conclude the article with section 6.

2 Literature

Like the cases of Turkey and Venezuela presented in the Introduction, descriptive accounts of the efforts of populists to dismantle institutional constraints that support the rule of law abound in the literature. In Ecuador, Rafael Correa used constitutional reform to put loyal supporters in the electoral tribunal and the judiciary (Selçuk, 2016; Mudde and Kaltwasser, 2017). Victor Orbán in Hungary and Jarosław Kaczyński in Poland moved against judicial independence by passing laws forcing the retirement of judges and centralizing the appointment of new ones, with the aim of packing the courts with supporters (Müller, 2017; Grzymala-Busse, 2017; Grzymala-Busse et al., 2020). In Brazil, Hungary, Italy, Peru, Poland, and the US populist leaders controlled, moved to control, or attacked the media (McMillan and Zoido, 2002; Manucci, 2017; Kossow, 2019). In Peru, Alberto Fujimori suspended the judiciary and centralized the bureaucracy, and after a period of down-sizing in line with his liberal economic policies, new appointments to the public administration evaded strict hiring requirements making them more susceptible to his government's influence (Echebarría and Cortázar, 2007; Bauer and Becker, 2020). Similarly, Orbán, Kaczyński/PiS, Trump, López-Obrador, Chávez and Maduro undermined the impartiality of the public administration by dismissing or sidelining opposing bureaucrats and/or appointing loyalists (cronies) to key positions (Peters and Pierre, 2019; Bauer and Becker, 2020; Bauer et al., 2021).

The appointment of cronies to electoral bodies, the judiciary and key positions in the public administration weakens institutional constraints that support the rule of law. Another way that populists can harm the rule of law is through mass clientelism or the distribution of state resources to voters. Populists may engage in mass clientelism,

including the mass appointment of loyalists at all levels of the state bureaucracy, to shore up political support (Müller, 2017; Pappas, 2019). In doing so they will again undermine the rule of law which requires the allocation of public resources based on need or merit rather than political affinity. Populist governments may moreover injure the rule of law, insofar as they promote corruption. While populists may mobilize voters through the narrative of a corrupt elite working against the people, their removal of institutional constraints can also facilitate corruption (Kossow, 2019). Moreover, populists may use corruption and cronyism to control individuals who may potentially threaten them (Weyland, 2022). And voters may turn a blind eye to corruption and cronyism by populists who are perceived to protect the people from the "immoral" elite (Müller, 2017).

One group of studies has provided empirical evidence on the impact of populists on the rule of law drawing from specific country examples. Corruption indicators in Hungary (Guriev and Papaioannou, 2022) and the US (Kossow, 2019) worsened after the ascent to power of Victor Orbán and Donald Trump respectively. Fazekas and Tóth (2016) employ public procurement data and formal network analysis to show that the election of Orbán in 2010 benefited companies linked to him and his party Fidesz. Based on data from Italian municipalities from 1998 to 2020, Bellodi et al. (2024) apply a regression discontinuity design and find significant reductions in professional public administrators with the ascent of populist mayors. Szeidl and Szucs (2021) estimate a structural model and provide evidence of media capture in Hungary after 2010. They show that the populist government favored loyal media with large advertising revenues and that this media, in turn, did less to report on government corruption scandals while it was in good terms with Orbán's government.

Four studies have employed cross-country samples. Houle and Kenny (2018) draw from a sample of 19 Latin American countries over the period 1982 to 2012. Based on OLS estimates, and instrumental variables and quasi-experimental evidence to deal with reverse causality, they report that populism undermines the rule of law, executive constraints, and judicial independence. Kenny (2020) exploits a sample of up to ninety-one countries from 1980 to 2014 and, after addressing endogeneity concerns by applying fixed and random effects, panel vector autoregression models and considering Granger-causality, he reports that populist government is negatively associated with the freedom of the press and freedom of expression. Zhang (2023) employs a sample of 155 countries from 1960 to 2020 to consider the impact of populism on corruption. Based on fixed effect estimates he finds that populism increases corruption in the executive, although there are doubts about the extent to which his estimates are biased by reverse causality. A fourth cross-country study is Funke et al. (2023) who apply SCM to a sample of up to 53 populist episodes over the period 1900 to 2020 to consider the impact of populism on a range of

outcomes. While their focus is on macro-economic variables (real GDP, consumption, inequality, openness, debt, and inflation) they also consider the impact on two variables underpinning the rule of law namely, judicial constraints and press freedom. They find that populism reduces these variables by around 9 and 5 percentage points respectively after 15 years.

Previous work has also identified a range of contextual variables potentially influencing the extent to which populism may undermine the rule of law. Mudde and Kaltwasser (2017) suggest that populists' capacity to change institutions is undermined by membership of organizations with liberal democratic values, like the EU. An example of how the EU has acted as a break on populists relates to Poland's populist government's attempt in 2018 to enact a law that would reduce the retirement age of judges (Friedman, 2019). This would have allowed the government to pack the Supreme Court with party loyalists. However, the attempt was neutralized after a ruling of the European Court of Justice that suspended the application of the law. Arguably, populists in countries that aspire to EU membership may face the same restrictions as suggested for the case of Turkey in the Introduction. Indeed, the real prospect of EU membership may increase the EU's leverage over these countries compared to its influence once they become full members.

The most comprehensive discussion of contextual factors is undertaken by Weyland (2020).[3] One factor is a history of institutional instability as reflected for example by constitutional breakdowns and replacements. Such instability weakens constitutional constraints on the executive and facilitates its control of institutions (before the ascent of Chávez, Venezuela had gone through 26 constitutions since 1981). Another factor is the strength of checks and balances that make it more difficult for populist-led majorities to enact change. Weyland (2020) points out that one factor determining checks and balances is the political system. Thus, in the US presidential system, constitutional amendments that could remove obstacles to populist rule require supermajorities in Congress and the Senate as well as the approval of three-quarters of the states. Alternatively, in Hungary, the unicameral parliamentary system in place facilitated Victor Orbán's assault on institutional constraints. This said, presidential systems can facilitate the ascent of populist presidents (Mudde and Kaltwasser, 2017) while parliamentary systems combined with proportional representation rules can lead to multi-party systems and, ultimately, partisan veto players that make it more difficult for populists to effect change (Weyland, 2020).

Beyond institutional instability and the checks and balances in place, Weyland (2020) points to two "conjunctural opportunities" namely, the existence of severe but resolvable crises (for example, economic crisis in Turkey and Peru on the assent of Erdoğan

[3]See Weyland (2024) for a book-length treatment.

and Fujimori respectively) or a resource windfall (in Latin America, Chávez, Morales, and Correa, enjoyed hydrocarbon windfalls). The resolution of acute crises or access to windfall benefits that can be distributed to supporters can increase popular support for populists and facilitate their dismantling of the rule of law. The role of crises is also at the heart of Bellodi et al.'s (2024) theory of populist capture of the public administration. In the face of economic, technological, or cultural shocks, voters demand protection from the state. Populist politicians respond to these demands by committing to policies that are simple and thus easy to monitor by voters, at the same time as they accuse traditional parties of being captured by corrupt elites. To reduce push-back from the public administration when trying to implement their policies, they replace professional bureaucrats with non-professional ones thereby undermining bureaucratic quality.

In this article, we add to these insights the proposition that the capacity of populist governments to undermine the rule of law, also depends on a country's rule of law legacy. Specifically, we posit that in countries with a robust tradition of upholding the rule of law, the capacity of populist leaders to reduce compliance with, and the impartial and equal enforcement of, legal principles is diminished. Previous scholars have raised this possibility in passing. Bauer and Becker (2020) identify the robustness of the US public administration as an important factor limiting Donald Trump's efforts to control the bureaucracy. Di Mascio et al. (2021) suggest that the high level of bureaucratic autonomy in Italy was a contributing factor explaining bureaucratic resilience in the face of populist attacks. Pierre et al. (2021) argue that the professionalism of the public administration can limit push-back against populist attempts for control. Conversely, public administrations with a history of patronage appointments may find it more difficult to resist populist governments. Patronage appointments by populists will be seen as 'business as usual' (see also, Kenny, 2017). Similarly, Taylor (2014) argues that in Venezuela, the Supreme Court did not push back when the National Constituent Assembly issued a decree to appoint a new Supreme Court party because it was not held in high esteem by the general public due to a "history of corruption and politicization" (p.250). Lacey (2021) identifies "the standing and the strength of the professional culture of [the] judiciary" (p.467) as a potential factor explaining the resilience of the rule of law to populist challenges.

Our focus on institutional legacies is similar to the approach taken by Shefter (1994) who identifies the importance of a history of impartial public administrations when explaining the impact of democratization on clientelism. In his account, the presence of an impartial public administration prior to the extension of suffrage to all adult males made it difficult for elected officials to access public resources for clientelistic purposes. Alternatively, when suffrage was extended before the existence of an impartial public administration, the absence of bureaucratic checks facilitated clientelism and led to its

entrenchment as a viable political strategy. Similarly, we propose that the heritage of rule of law is an important determinant of the capacity of populist-led governments to undermine compliance with, and impartial enforcement of, the law. We empirically explore this proposition in the remainder of the paper.

3 Data and empirical strategy

3.1 Data

To measure the rule of law we employ the variable `v2x_rule` from the V-DEM dataset (version 13.0). This reflects "To what extent are laws transparently, independently, predictably, impartially, and equally enforced, and to what extent do the actions of government officials comply with the law?" (Coppedge et al., 2023).[4] Ranging from 0 to 1, higher values indicate a stronger rule of law. This variable is a composite measure, consolidating various sub-components, including assessments of the independence and accountability of the judiciary; the impartiality of the public administration; the executive's adherence to the constitution and compliance with judicial decisions; the transparent and predictable enforcement of laws; the prevalence of corruption in the public sector, including the judiciary; and the extent to which individuals enjoy secure and effective access to justice (refer to A.2 in the Appendix for details).

Populist episodes are obtained from Funke et al. (2023), who compiled a comprehensive new dataset of populist leaders at the level of central governments. Covering a span from 1900 to 2020, the analysis encompassed 60 major countries, collectively representing 95% of world GDP in both 1955 and 2015.[5] Drawing upon the workhorse definition of populism within political science (Mudde, 2004), the authors define a leader as populist if they focus on an alleged conflict between "the people" and "the elites".

The methodology employed comprises two primary steps: firstly, Funke et al. (2023) established a country-specific chronology of government leaders from 1900 to 2020 utilizing the Archigos dataset (Goemans et al., 2009) and web-based resources, leading to the identification of 1,482 heads of state (1,853 leader spells). In a subsequent phase, they discern populist leaders using a "big literature" approach, where they analyze 770 scholarly documents on populism and populist governments. This facilitates the identification of

[4]Table A.1 in the Appendix defines the various variables utilized in this paper.

[5]The selected countries are: Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Cyprus, the Czech Republic, Denmark, Ecuador, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Mexico, the Netherlands, New Zealand, Norway, Paraguay, Peru, the Philippines, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, the United Kingdom, the United States, Uruguay, and Venezuela.

leaders who extensively relied on an anti-elite, people-centric discourse, assessing whether their campaign and tenure were dominated by anti-establishment rhetoric.[6]

They identify 51 populist leaders with 72 government spells in 28 countries. In their econometric analysis, these 72 spells were condensed into a set of 53 discrete populist episodes, amalgamating sequential spells featuring the same populist leader or those affiliated with the same party, allowing for brief interruptions of up to two years. From their classification, we focus on 51 events due to data limitations. Specifically, we exclude two populist occurrences in Slovakia (in 1993 and 2006) due to insufficient observations regarding our variables of interest.[7] Table A.3 in the Appendix displays the 51 events included in our study.

3.2 Empirical strategy

Assessing the impact of populism on the rule of law poses challenges due to endogeneity issues, primarily associated with the complexities of accounting for the influence of time-varying unobserved factors using conventional econometric approaches. SCM, introduced by Abadie and Gardeazabal (2003) and Abadie et al. (2010), offer a promising alternative by enabling the quantification of the impact of a policy intervention by comparing the treated unit with a synthetic doppelganger country. SCM addresses endogeneity concerns by creating synthetic matches for each country in the treatment group (countries affected by populism), utilizing a pool of "donor countries" (countries unaffected by populism during the estimation period), and aiming for similarity in behavior before the populist event.[8]

The method hinges on the presumption that the synthetic doppelganger replicates the trajectory the populist-led country would have followed without the election of a populist government. We formulate the synthetic control by employing a data-driven algorithm to ascertain the best combination of countries from the donor pool, mimicking the pre-intervention values of the outcome variable in the treated country.

Formally, we construct a synthetic match for each country in the treatment group by solving the following optimization problem:

[6]Populism is further categorized into left-wing and right-wing based on the target of the populist rhetoric. When economic elites are the focal point of criticism, it falls under the classification of left populism. Conversely, if the focus shifts towards foreigners and minorities, it is considered right-wing populism.

[7]As we explain below in detail, our empirical analysis uses a 15-year observation window preceding a populist event to identify the populist effect. Given Slovakia's status as an independent country only after 1993, both events are excluded from our analysis.

[8]The donor pool for each populist event is drawn from the same set of 60 countries analyzed in Funke et al. (2023) to study the existence of populist leaders.

$$
\begin{aligned}
&\forall i \in \text{Treatment group}, \\
&W_i^* = \arg\min_{w_j^i} \sum_{t \in \text{Estimation window}} \left(Y_{it} - \sum_{j=1}^{J} w_j^i \cdot Y_{jt} \right)^2, \\
&s.t. \quad \sum_{j}^{J} w_j^i = 1 \quad \text{and} \quad w_j^i \geq 0,
\end{aligned} \tag{1}
$$

where $Y_{i,t}$ denotes the outcome variable for treated unit i at time t, $Y_{j,t}$ represents the same outcome variable for potential control units $j = 1, 2, ..., J$, and w_j^i is the weight of control country j to be determined. The optimal weighting vector W_i^* for country i is calculated using the estimation window, which does not include the period of intervention and it is typically selected as some period before the event. The constraints $\sum_j^J w_j^i = 1, w_j^i \geq 0$ imply that synthetic controls are generated as weighted averages of units within the donor pool.

Following the determination of optimal weights, we define the synthetic country i ($\hat{Y}_{it}$) and the effect of populism (τ_{it}) as:

$$
\begin{aligned}
\hat{Y}_{it} &= \sum_{j=1}^{J} w_j^{*i} \cdot Y_{jt}, \\
\tau_{it} &= Y_{it} - \hat{Y}_{it}
\end{aligned} \tag{2}
$$

In our benchmark exercise, we construct the synthetic counterfactual considering a $+/-15$ years window around the populist event to study the short and medium-run effects of populism on the rule of law. We match on all pre-treatment observations of the outcome variable, except the one exactly before the event in order to decrease concerns about anticipation or reverse causality. From the donor pool associated with each event, we exclusively include countries with observations for the full period (31 years), while explicitly excluding countries that encountered populist events within that timeframe.[9]

Given that we have multiple treated units with partly staggered adoption, we follow Acemoglu et al. (2016) to estimate the average effect. Particularly, we compute the effect of intervention as:

[9]While SCM typically generate a synthetic counterfactual using a unique combination of countries from the donor pool, equation (1) may not always yield a unique or sparse solution. To be on the safe side, we exclude those events from the main analysis. Below, we show that this occurs in a relatively limited number of instances. Additionally, we omit events from the analysis where there is no variation in the variable of interest during the pre-treatment period. This exclusion does not impact the list of events considered when examining the rule of law and only removes a minimal number of events when studying other variables.

$$\hat{\phi}_t = \frac{\sum_{i \in \text{Treatment group}} \frac{Y_{it} - \hat{Y}_{it}}{\hat{\sigma}_i}}{\sum_{i \in \text{Treatment group}} \frac{1}{\hat{\sigma}_i}}, \quad t \in [-15, 15] \tag{3}$$

where:

$$\hat{\sigma}_i = \sqrt{\frac{\sum_{t \in \text{Pre-intervention period}} [Y_{it} - \hat{Y}_{it}]^2}{T}} \tag{4}$$

Here, $\hat{\phi}_t$ denotes the intervention at event time t and it is computed for the $+/-15$ years window.[10] $1/\hat{\sigma}_i$ measures the match quality in the pre-intervention period, which spans a length of T. This computation implies that the average intervention effect is a weighted average across various populist events, with greater weight assigned to better-fitting events in the pre-treatment period. This weighting is advantageous since the discrepancy between the actual rule of law and its synthetic counterpart holds more informative value about the intervention when we can more accurately predict the rule of law of the country during the estimation window.

Table A.3 in the Appendix presents comprehensive details about the events included in our analysis. Initially comprising 51 events, our core sample consists of 34 events that consistently maintain observations across the entire $+/-15$ years window.[11] Within this core sample, we exclude 5 events for which the matrix of weights W is not unique. Consequently, our benchmark analysis on the rule of law focuses on 29 events that feature observations for every year within the $+/-15$ years window around the event and have a unique and sparse matrix of weights. The last column in Table A.3 showcases the 3 countries with the highest weights used in constructing the doppelganger for each event.

4 Populism and the Rule of Law

4.1 Baseline results

Figure 1 illustrates the weighted average gap between the treated and control groups concerning the rule of law. The vertical dashed line at $t = -1$ represents the period just before the populist event. Initially, both groups exhibit no significant differences in their rule of law values, confirming the effectiveness of the matching procedure detailed in equation (1). However, a marked divergence emerges following the ascent of a populist

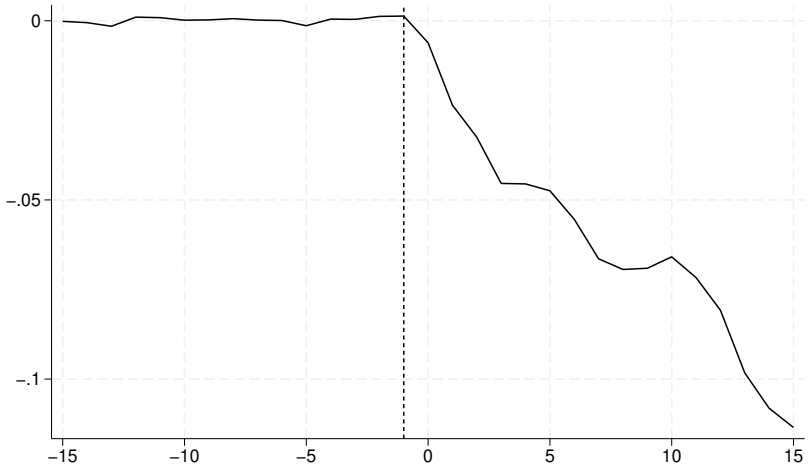
[10] A good match in the pre-intervention period implies that the synthetic doppelganger effectively reproduces the outcomes of the treatment unit. Consequently, $\hat{\phi}_t$ is expected to be close to 0 for $t < 0$.

[11] All but one excluded event do not meet this criterion because the event occurs after 2005. The exception is Germany 1933 that is excluded due to missing values on the rule of law for the period 1945-1948.

party to power, leading to a persistent negative impact on the rule of law, evident even fifteen years after the populist government's inception.

Five years after the populist takeover, the rule of law witnessed a decline of 4.8 pp. compared to what it would have been in the absence of the populist government. This adverse trend intensifies over time, culminating in an 11.5 pp. decrease 15 years post-event. Considering the weighted average value of the rule of law before the populist party assumes power, standing at 0.669 in our analyzed events, this indicates a 7.2% reduction after 5 years and a 17.2% decline after 15 years compared to what it would have been without the influence of the populist faction.

Figure 1: Populism and the Rule of Law



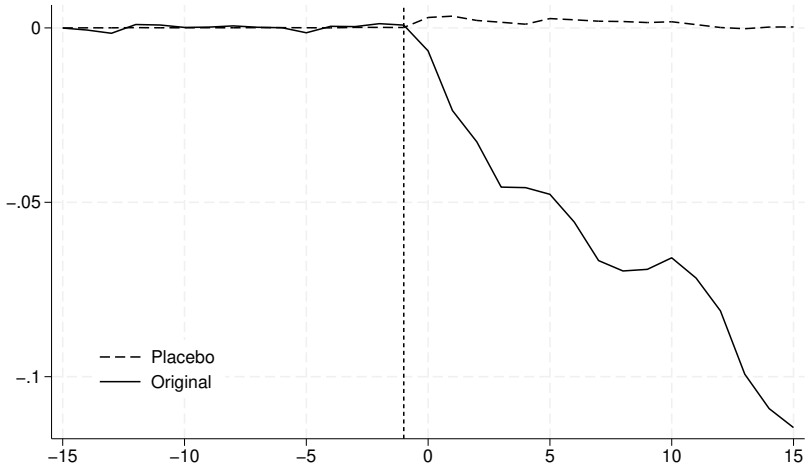
Notes: The figure illustrates the weighted average impact of populism on the rule of law. This weighted average effect is computed by assigning greater weight to events that better fit the pre-treatment period. We consider 29 populist events with data for the $+/-15$ years window and a unique matrix of weights (see Table A.3 in the Appendix). The vertical dashed line at $t = -1$ represents the period just before the populist event.

Inference

To evaluate causal inference, we follow Abadie et al. (2015) and employ "placebo" or "falsification" tests. These tests involve randomly permuting the treatment status across untreated units ("in-space" placebo) or pre-treatment time periods ("in-time" placebo). It is important to note that due to the small-sample nature of the data, lack of randomization, and absence of probabilistic sampling in selecting sample units, standard inferential approaches are generally unsuitable for SCM (Abadie et al., 2015, p.499).

In-space placebo tests involve permuting the treatment status across all untreated units in i's donor pool. The rationale is that if our initial findings genuinely capture the effect of populism on the rule of law, the falsification test should reveal no effect, as we artificially assign a treatment status to countries unaffected by populist governments in that period.

Figure 2: Populism and Rule of Law: Placebo



Notes: The figure illustrates the weighted average impact of populism on the rule of law (solid line) and the weighted average impact of 1,125 in-space placebo events (dashed line). This weighted average effect is computed by assigning greater weight to events that better fit the pre-treatment period. We consider events with data for the $+/-15$ years window and a unique matrix of weights. The vertical dashed line at $t = -1$ represents the period just before the populist event.

The number of placebos, in our case, potentially reaches 1,711 (29*59). However, this number is reduced because from the donor pool of 59 countries: i) we exclude countries that also experienced a populist event during the $+/-15$ years window, ii) we discard events without a unique matrix of weights, and we do not include countries with constant values of the outcome variable for the pre-treatment period. After filtering these cases, we end up with 1,125 placebo events.

In Figure 2, the impact of populism on the rule of law (as seen in Figure 1) is juxtaposed with the weighted average effect derived from our in-space placebo analysis. Notably, both gaps register at 0 during the preintervention period, signaling no discernible differences between treatment and control countries at that stage. However, while the rule of law experiences a decline following the rise of populist regimes, our placebo gap demonstrates no effect. Despite artificially attributing the presence of a populist government, the rule of law between treatment and control countries remains consistent. This reinforces the causal interpretation of our findings.[12]

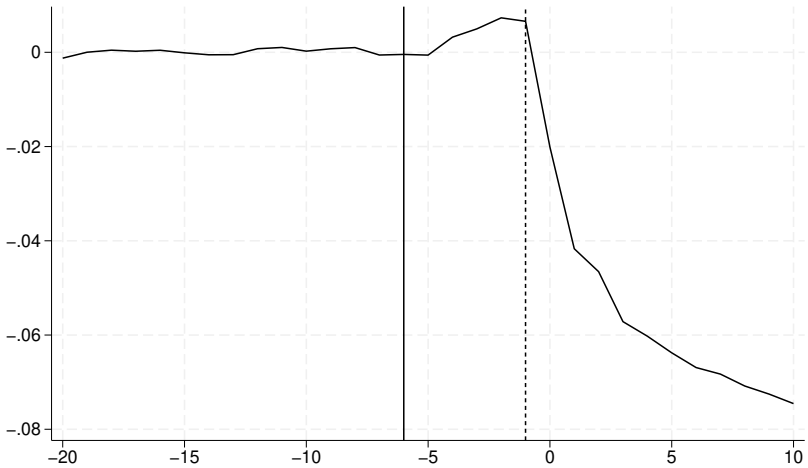
Figure A.3 in the Appendix showcases the percentage of placebo events demonstrating a more negative effect on the rule of law across various post-treatment periods. Overall,

[12]Figures A.1 and A.2 in the Appendix present the more traditional visualizations depicting the original effect contrasted with each in-space placebo response. The distinction between both figures lies in the exclusion of outliers in Figure A.2. A placebo event is considered an outlier if at least one post-treatment gap observation is in the bottom or top 5% of the gap distribution. In each figure, subfigure (a) shows the weighted average effect as in Figure 2. The subsequent subfigures exhibit the original rule of law against the in-space placebos when considering distinct segments based on pre-treatment fit: the top 25% placebos with the best pre-treatment fit (b), the top 50% placebos with the best pre-treatment fit (c), and the entire sample of placebos (d).

after discarding in-space placebos exhibiting significant noise in the pre-treatment fit or extreme values after the intervention, generally less than 5% of the placebos exhibit more negative values than the original effect, regardless of the post-treatment period under scrutiny.

The in-time placebo, our second falsification test, involves artificially manipulating the timing of the populist party's ascent to power. In our case, we anticipate their rise to power by 5 years (i.e., from $t = 0$ to $t = -5$). If our previous findings genuinely reflect the causal impact of populism on the rule of law, we should not observe any effect until the populist government assumes power ($t = 0$).

Figure 3: In-time placebos



Notes: The figure illustrates the weighted average impact of populism on the rule of law. This weighted average effect is computed by assigning greater weight to events that better fit the pre-treatment period. We consider 39 populist events with data for the $+/-15$ years window surrounding the simulated populist event and a unique matrix of weights. The vertical solid line at $t = -6$ represents the period just before the simulated populist event, while the vertical dashed line at $t = -1$ represents the period just before the real populist event.

Figure 3 illustrates the weighted average gap in the rule of law. Notably, the horizontal axis represents the actual timeline of the populist party's access to power, encompassing 20 years before the emergence of populism and 10 years thereafter. The dashed vertical line signifies the year just before the populist party assumes power, while the solid vertical line represents the year before the artificially indicated event, 5 years before the actual event. Our analysis spans a 31-year window, comprising a pre-treatment period from $t = -20$ to $t = -6$ and a post-treatment period extending to $t = 10$. As in our prior analysis, we match the preintervention period path of the outcome variable using every year in the pre-treatment period except the year immediately preceding the intervention.[13]

[13]Compared to our benchmark analysis, by lagging the populist event by 5 years, we can include seven additional events for which data for the $+/-15$ years window surrounding the simulated populist event is available (Bolivia 2006, Bulgaria 2009, Ecuador 2007, Germany 1933, Hungary 2010, and Israel 2009).

Consistently, we observe no difference in the rule of law during the pre-treatment period ($t < -5$). Interestingly, even though we simulate the populist event occurring at $t = -5$, no change in the gap is observed until $t = 0$, when the populist party actually assumes power. From there on, there is a decline in the rule of law that is similar to the path observed in Figure 1.

All in all, our placebo tests reinforce the notion that our analysis captures a genuine causal effect of populism on the rule of law, confirming that it is not merely a spurious outcome resulting from our empirical approach.

4.2 The relevance of rule of law legacies

We argue that the ability of populist governments to undermine the rule of law depends on the strength of the rule of law prior to them gaining office. Specifically, we expect the deleterious effect of populist government to be weaker/stronger where there is a heritage of a strong/weak rule of law. To explore this empirically, we classify events into two categories based on the level of their rule of law index in the year prior to the occurrence of the event. Specifically, an event is designated as "high rule of law" if, the year before the populist party assumed power, its rule of law index exceeded the median value (0.76) across the full sample of 60 countries spanning from 1900 to 2020 used through the paper.[14]

Applying this criterion to the 29 events considered in the preceding section, 9 are identified as high rule of law events, while the remaining 20 events exhibit a rule of law index below 0.76.[15] Figure 4 illustrates the weighted average gap for both groups.[16]

The blue dashed line reflects the rule of law difference between the treated and synthetic doppelganger for events characterized by a relatively high rule of law prior to their occurrence. The graph demonstrates the resilience of the rule of law in the high rule of law legacy grouping, with no decline until approximately 5 years after the populist party assumed power. Subsequently, a slight deterioration occurs compared to the non-populist counterfactual, leading to a rule of law 5.8 pp. points lower 15 years after the populist event. By contrast, the solid red line showcases the rule of law gap for events marked by a relatively low rule of law prior to their occurrence. Here, a significant decline is

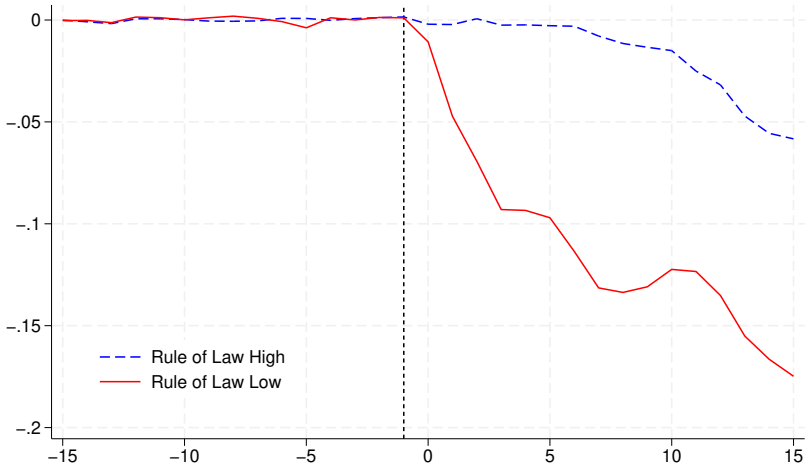
Additionally, we can now incorporate 4 out of the 5 core events for which our benchmark SMC was not obtaining a unique weight matrix W (Chile 1920, India 1966, Israel 1996, and New Zealand 1975). By contrast, Brazil 1930 is excluded from the analysis as the event does not have a unique matrix of weights W in this case.

[14]The robustness of our findings to alternative criteria is presented below.

[15]These events encompass Argentina in 1928 and 1989, Italy in 1994 and 2001, Japan in 2001, Poland in 2005, South Korea in 2003, Taiwan in 2000, and Turkey in 2003. Detailed information is available in column [4] of Table A.4 in the Appendix.

[16]It is worth noting that the impact of the intervention outlined in equation (3) is now contingent upon the group. Consequently, the relative significance of the events differs between Figure 4 and Figure 1, precluding a direct comparison between the two figures.

Figure 4: Populism and Rule of Law: High vs low



Notes: The figure illustrates the weighted average impact of populism on the rule of law, distinguishing between events with relatively high (blue dashed line) and low (red solid line) levels of the rule of law. This weighted average effect is computed by assigning greater weight to events that better fit the pre-treatment period. We define countries as having a relatively high rule of law if their rule of law value the year before the event surpasses the median value of the rule of law across the full sample of 60 countries (0.76). Among the 29 populist events with data for the $+/-15$ years window and a unique matrix of weights, we identified 9 events associated with a relatively high level of the rule of law, while the remaining 20 events exhibited a relatively low level (see column [4] in Table A.4 in the Appendix for details). The vertical dashed line at $t = -1$ represents the period just before the populist event.

observed after the populist government takes office, with the rule of law dropping by 10 pp. compared to the non-populist counterfactual within the initial 5 years. This adverse effect persists, resulting in a 17.5 pp. reduction of the rule of law 15 years after the event. These results indicate that populist governments find it more difficult to subvert the rule of law in countries with a stronger rule of law heritage.

5 Robustness

5.1 Alternative explanations

While our previous findings underscore the significance of institutional legacies as a pivotal determinant of the ability of populist parties to influence institutions from a position of governmental authority, it remains plausible that our results may be influenced by other factors. For example, if it is the case, as Weyland (2020, 2024) argues, that populists find it easier to remove institutional constraints to their power during periods of acute but resolvable economic crises, our results might be inadvertently encompassing this effect, particularly if populist parties assuming power during crisis periods are predominantly concentrated within the low rule of law group in our dataset.

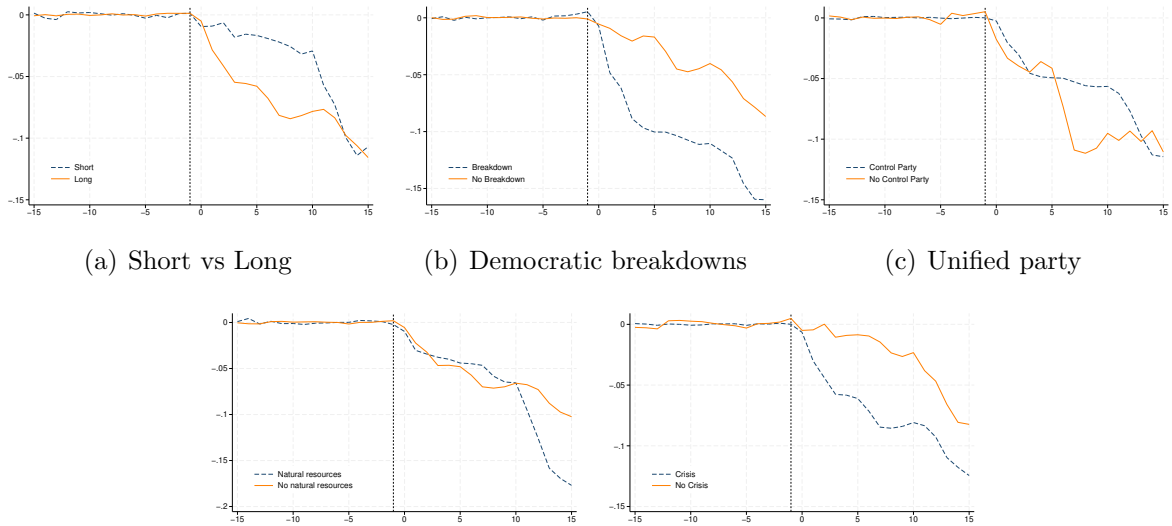
In this section, we consider if this or other factors proposed by previous work could

explain our results. In particular, we consider the length of the tenure, a history of democratic breakdowns, the extent of unified party control, the availability of natural resource income, and the occurrence of economic crisis. We assume that the capacity of populists to undermine the rule of law may increase with the length of their tenure in power since, presumably, this gives them more time to chip away at institutional constraints. Weyland (2020, 2024) informs on the other factors. Democratic instability can make institutions more vulnerable and facilitate the weakening of institutional constraints on the executive. Unified party control reflects the absence of partisan vetoes that can block populist attempts to change institutions. Resource boons or solvable economic crises allow populists to, respectively, distribute windfall gains to supporters or resolve the crises, thus potentially increasing popular support and allowing them to sweep away institutional constraints underpinning the rule of law.

Populist governments are defined as having a long tenure if they exceed 4 years in government. For the rest of the variables, we use information from V-DEM. Democratic breakdowns (`e_democracy_breakdowns`) are linked to an event if there is evidence of at least one documented occurrence in the past (refer to Boix et al., 2013 for details). Unified party control (`v2psnatpar_ord`) occurs when a single multi-party coalition or a single party controls the executive and legislative branches of the national government. This is true almost by definition in a parliamentary system where a single coalition or single party gathers together a majority of seats (Coppedge et al., 2023). We determine the availability of income from natural resources based on a real value of petroleum, coal, and natural gas produced per capita (`e_total_fuel_income_pc`) at the commencement of office above $1,000 (for details on the variable see Haber and Menaldo, 2011). A period is designated as a crisis if there is at least one year of negative economic growth (`e_gdppc`) in the event year or within the preceding 3 years. Table A.5 in the Appendix presents the key attributes of the core events considered in our analysis when focusing on alternative explanations.

Figure 5 shows the effect of populism on the rule of law when countries are classified into different groups according to the indicators mentioned before. The results provide some support for the alternative factors put forward by previous work. Specifically, the rule of law seems to decline further if populists gain power after a history of democratic breakdown supporting the idea that democratic instability makes institutions more vulnerable to the populist threat. Moreover, we find that the negative impact of populist government on the rule of law is greater in the presence of income from natural resources or an economic crisis, in line with the expectation that these circumstances provide opportunities for populists to increase popular support to the ultimate detriment of institutional constraints on their power. On the other hand, we don't find that a longer tenure in gov-

Figure 5: Populism and rule of law: Alternative explanations, aggregate



(a) Short vs Long (b) Democratic breakdowns (c) Unified party

(d) Natural resources (e) Crisis

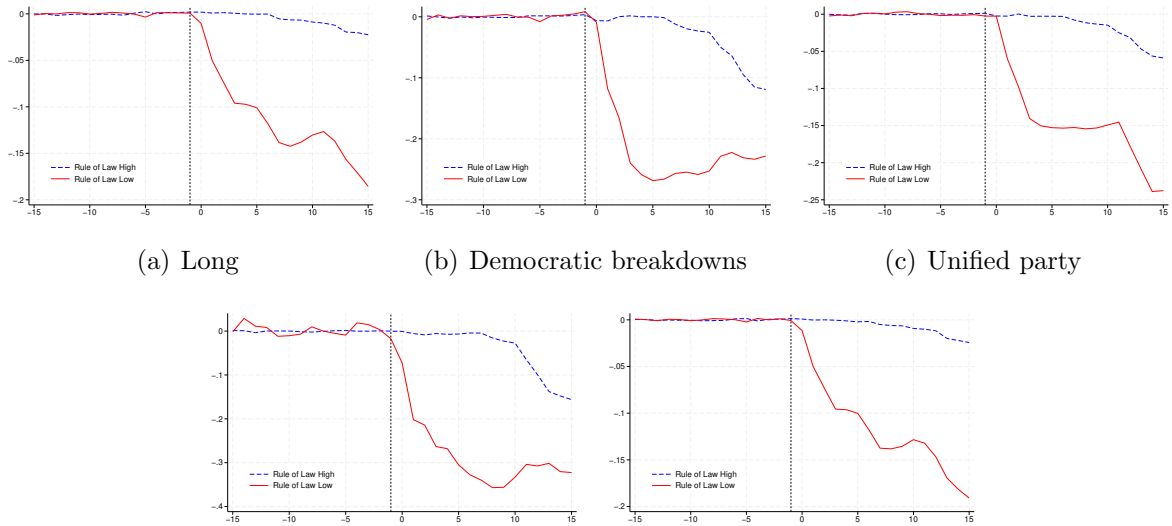
Notes: The figure illustrates the weighted average impact of populism on the rule of law differentiating events based on specific criteria. These include the length of political tenure (Figure 5.a), the presence of historical episodes of democracy breakdowns (Figure 5.b), the degree of unified party control of the national government (Figure 5.c), the existence of substantial natural resources (Figure 5.d), and the occurrence of a preceding period of crisis before the populist party assumes power (Figure 5.e). See Table A.1 in the Appendix for a definition of the different classifications. This weighted average effect is computed by assigning greater weight to events that better fit the pre-treatment period. We consider populist events with data for the $+/-15$ years window and a unique matrix of weights (see Table A.5 in the Appendix). The vertical dashed line at $t = -1$ represents the period just before the populist event.

ernment or the absence of partisan vetoes makes a difference in the capacity of populists to weaken the rule of law.

To consider whether rule of law legacies matter in the presence of these alternative explanations, we further stratify the sample of events categorized under potential alternative factors into high versus low rule of law, as in section 4.2. The rationale behind this stratification is to discern whether the predetermined level of the rule of law plays a pivotal role in shaping outcomes, even amidst the influence of these alternative explanations. Consistent with this, Figure 6 demonstrates a more pronounced fall in the rule of law after the ascent of populists in cases where the rule of legacy was weak in the context of longer tenures, the presence of democratic breakdowns, unified party control, natural resource boons or economic crises. This said, Weyland (2020, 2024) argues that it is the combination of factors, for example, a history of democratic breakdowns coupled with a natural resource boon and economic crisis as in Venezuela, that explains the capacity of populists to undermine liberal democracy. While not negating the potential role of alternative factors, our results emphasize the pivotal significance of the existing rule of law as a determining factor in how populists may impact democratic institutions.[17]

[17]Unfortunately, due to data limitations, we cannot disentangle the relative importance of multiple combinations of factors in comparison with institutional legacies. Something similar arises regarding the influence of supranational institutions, such as the EU. For example, within our core sample, all EU

Figure 6: Populism and rule of law: Alternative explanations, high vs low



(a) Long (b) Democratic breakdowns (c) Unified party

(d) Natural Resources (e) Crisis

Notes: The figure illustrates the weighted average impact of populism on the rule of law distinguishing between events with relatively high (blue dashed line) and low (red solid line) levels of the rule of law across various criteria. These include the length of political tenure (Figure 6.a), a history of democratic breakdowns (Figure 6.b), the degree of unified control party of the national government (Figure 6.c), the existence of substantial natural resources (Figure 6.d), and the occurrence of a preceding period of crisis before the populist party assumes power (Figure 6.e). See Table A.1 in the Appendix for a definition of the different classifications. This weighted average effect is computed by assigning greater weight to events that better fit the pre-treatment period. We consider populist events with data for the $+/-15$ years window and a unique matrix of weights (see Table A.5 in the Appendix). The vertical dashed line at $t = -1$ represents the period just before the populist event.

Notwithstanding these sample restrictions, all in all, there is no evidence that alternative factors can entirely explain our earlier results. The findings underscore the enduring importance of institutional legacies in shaping the impact of populism on the rule of law.

5.2 Disaggregating the rule of law index

To further explore how populism affects the rule of law and the possible importance of rule of law legacies, we disaggregate the rule of law index down to specific sub-components that capture different dimensions.

The rule of law index is derived from a Bayesian factor analysis of 15 indicators, as detailed in Table A.2 in the Appendix.[18] Rather than directly analyzing the 15 V-DEM components in this section, we opt for indices generated by V-DEM that amalgamate these components through various methods. This choice stems from the ordinal nature of V-DEM components.[19] Directly employing these components often fails to yield a unique

countries exhibit a relatively high rule of law, making it not possible to disentangle the distinct roles of institutional legacies and the EU in this context.

[18]For a detailed explanation of the method used to calculate the index see Pemstein et al. (2023).

[19]Ordinal data is transformed to interval by a measurement model. The measurement model aggregates the ratings provided by multiple country experts and, taking disagreement and measurement error into account, produces a probability distribution on a standardized interval scale (usually between -5 and 5).

weight matrix W in our SCM. Thus, utilizing V-DEM indices that combine multiple components helps capture related concepts, enhancing variability, and enabling a better match on the variables of interest during the pre-treatment period. Like the aggregate rule of law index, the indices in this section range between 0 and 1, and as such an index change is interpretable as a percentage point variation.

We thus disaggregate the rule of law index down to the following sub-component indices: judicial constraints on the executive (`v2x_jucon`) that refers to the extent that the executive respects the constitution and complies with court rulings, and the extent to which the judiciary can act independently; access to justice (`v2xcl_acjst`) defined as the extent to which men and women enjoy secure and effective access to justice and; political corruption (`v2x_corr`) that captures the pervasiveness of corruption in the executive, the judiciary, the legislature and the public sector more generally.[20]

Figures (a) to (c) of Figure 7 show the weighted average gap between the treated and the synthetic control group for the different sub-indices. For each variable, the gap is calculated using the same methodology outlined in Section 3.2. Initially, we construct the synthetic control for each populism event by solving equation (1), employing the outcome variable's pre-treatment values as predictors. Subsequently, we calculate the weighted average gap using equation (3), giving more weight to events that show a closer alignment during the pre-treatment period.

The outcomes are noteworthy: irrespective of the dimension or index under scrutiny, the rise of populism appears to detrimentally impact various facets of the rule of law. It results in a diminishing of judicial constraints on the executive, a reduction in access to justice, and a notable increase in political corruption. Specifically, the results suggest that after 15 years of the ascent of populists to power, judicial constraints and access to justice decline by 5.3 and 9.9 pp. respectively, while political corruption increases by almost 3 pp.[21]

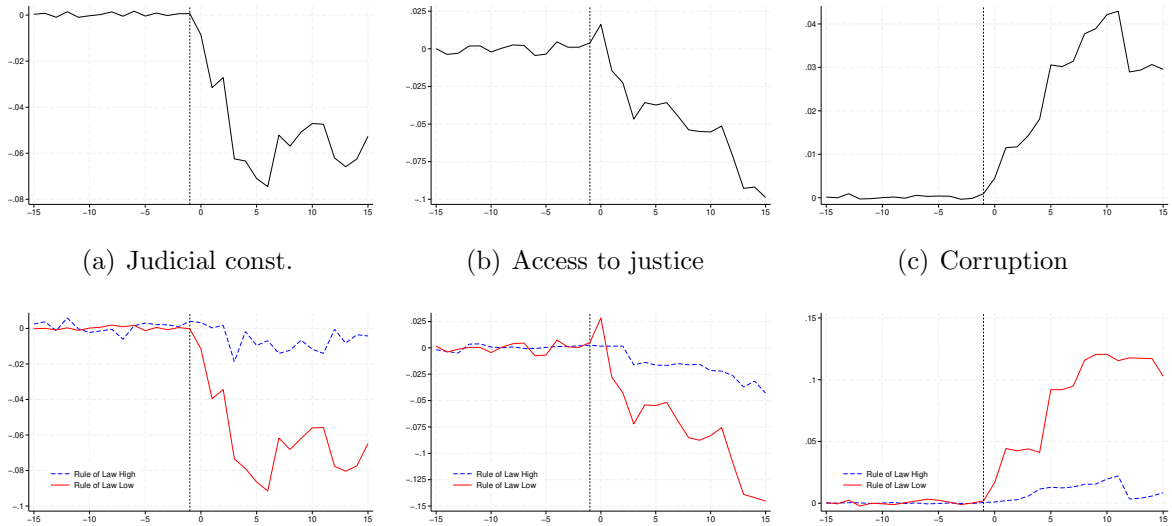
While one might be inclined to infer the relative significance of the mechanisms contributing to the aggregate decline in the rule of law observed earlier, several factors deter us from doing so. Firstly, the goodness of fit for each event during the pre-treatment period ($1/\hat{\sigma}_i$) is specific to each variable, implying that the relative significance of these events may fluctuate based on the particular outcome under examination. Secondly, within our core sample, equation (1) might fail to generate a unique weight matrix for

[20] Tables A.1 and A.6 in the Appendix define each variable and display the specific components encompassed within each index, respectively.

[21] The influence of populism on corruption appears comparatively less pronounced than in other indices. However, it is worth noting that the weighted average of the corruption index at time $t = -1$ is 0.224. Consequently, a decade after the event, the corruption index surged by approximately 19%, underscoring its substantial impact over the specified period. Table A.7 in the Appendix presents the weighted average at event time $t = -1$ of the variables employed in this paper.

certain variables, resulting in potential differences in the event samples across the outcomes scrutinized in this paper.[22]

Figure 7: Rule of law components



(a) Judicial const. (b) Access to justice (c) Corruption

(d) Judicial const. (e) Access to justice (f) Corruption

Notes: The figure illustrates the weighted average impact of populism on judicial constraints (Figure 7.a), access to justice (Figure 7.b), and corruption (Figure 7.c). Figures 7.d-7.e in the second row distinguish between events with relatively high (blue dashed line) and low (red solid line) levels of the rule of law. This weighted average effect is computed by assigning greater weight to events that better fit the pre-treatment period. We employ the variables v2x_jucon, v2xcl_acjst, and v2x_corr from V-DEM to capture, judicial constraints, access to justice, and corruption, respectively (for details, see Table A.6 in the Appendix). We consider populist events with data for the $+/-15$ years window and a unique matrix of weights (see Table A.8 in the Appendix). The vertical dashed line at $t = -1$ represents the period just before the populist event.

In figures (d) to (f) of Figure 7 we turn to the differential effect of populism on each sub-index in high versus low rule of law legacy settings. As highlighted earlier, the predetermined level of the rule of law emerges as a critical factor influencing the extent of impact a populist party can wield over institutions upon assuming governmental responsibilities. This section aims to scrutinize whether this influence extends across all three dimensions of the rule of law outlined earlier or if it is confined to specific aspects.

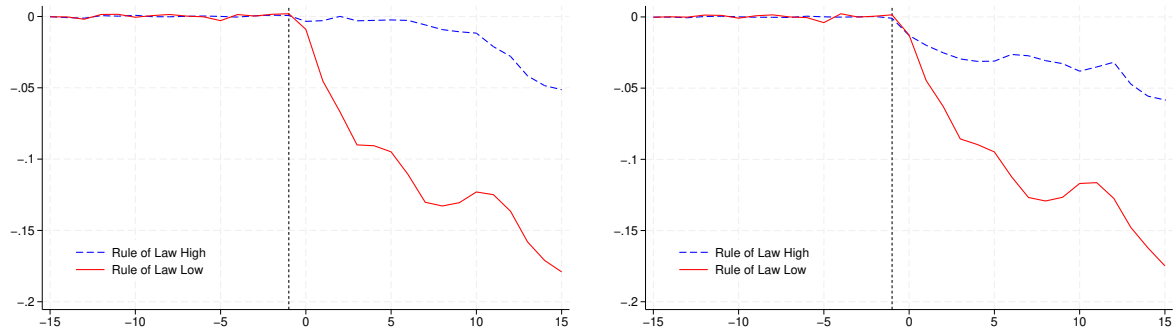
The results show that the patterns observed in figures (a) to (c) are driven by populist events occurring in contexts with a relatively low rule of law. In such cases, the impact on various indices is notably more pronounced compared both to the high rule of law cases shown in the same figures and the aggregate results presented in figures (a) to (c). Fifteen years after the ascent of populist governments, judicial constraints deteriorate by 6.5 pp., access to justice falls by 14.5 pp., and political corruption increases by 10.3 pp. Alternatively, in high rule of law settings, the corresponding numbers are 0.4 (judicial constraints), 4.3 (access to justice), and 0.8 (corruption). All in all, our results indicate that the presence of a robust rule of law at the time of the populist party's ascent to power prevents the deterioration of all the analyzed components.

[22]See Table A.8 in the Appendix for a detailed list of events considered for each variable.

5.3 Varying the high/low rule of law groupings and the sample

Figure 8 further pursues the robustness of our results by testing alternative criteria for classifying events into groups and by considering the inclusion of events lacking complete information within the $+/-15$ year window. Specifically, Figure 8.a considers events based on a 10-year average of the rule of law preceding the intervention and, again, employs the median value of 0.76 to split events into the high and low rule of law groupings. This approach aims to mitigate the impact of rule of law shocks related to populist events and highlight the role of institutional legacies. With this approach, Argentina 1989, Taiwan 2000, and Turkey 2003 are excluded from the high rule of law group that now contains 6 events.[23] Moreover, Figure 8.b includes events for which it is not possible to observe the full 15-year window after the event, but that have a unique matrix W, which implies including 46 out of the 51 events considered in this paper.[24]

Figure 8: Populism and Rule of Law: Robustness



(a) RoL 10 year av. (b) Extended sample

Notes: The figure illustrates the weighted average impact of populism on the rule of law, distinguishing between events with relatively high (blue dashed line) and low (red solid line) levels of the rule of law. This weighted average effect is computed by assigning greater weight to events that better fit the pre-treatment period. In Figure 8.a, countries are classified as having a relatively high rule of law if the 10-year average of the rule of law preceding the event exceeds the median value of the rule of law across the full sample of 60 countries (0.76). Figure 8.b includes events for which it is not possible to observe the full 15-year window after the event but have a unique matrix of weights (see Table A.4 in the Appendix for details). The vertical dashed line at $t = -1$ represents the period just before the populist event.

Regardless of the rule of law classification criteria or the sample employed, a consistent pattern emerges: events occurring in countries with stronger adherence to the rule of law before populist parties assumed power experienced less severe declines in their rule of law index compared to those with a weaker rule of law heritage.

[23] We obtain very similar results when we employ a 30-year pre-treatment average.

[24] The 5 events not considered in the analysis of the rule of law are: Chile 1920, India 1966, Israel 1996, Mexico 1970, and New Zealand 1975. All of them belong to the core sample (i.e., they have observations for the $+/-15$ year window around the event) and are excluded from the analysis because they do not have a unique matrix of weights W.

6 Conclusions

Populists are a threat to the rule of law. They purport to defend the "pure people" against the "corrupt elite" and aim to remove institutional constraints on their personalistic plebiscitarian rule. In this article, we argue that the capacity of populists to sweep away constraints on their power depends on rule of law legacies. Specifically, in countries with a legacy of independent and accountable judiciaries, impartial public administrations, executives that respect the constitution and comply with the courts, limited public sector corruption, and effective access to justice, populist-led governments are less likely to succeed in undermining the rule of law. Conversely, in countries with a legacy of politicized judiciaries and public administrations, little respect by executives of the law, corrupt public sectors, and limited access to justice, the rule of law is likely to suffer with the ascent of populists to power.

We explore this argument empirically based on an international sample of up to 51 populist events starting in 1928 and ending in 2019 and the application of synthetic control methods. We find that, on aggregate, the ascent of populists to power reduces the rule of law measure we employ by up to 11 pp. after 15 years. Consistent with the importance of rule of law legacies, we also find that this reduction is much greater in countries with a weak rule of law heritage: a fall of 18 pp. compared to a fall of 6 pp. for countries where the rule of law is historically stronger. These results are robust to a range of treatments that include the consideration of alternative factors potentially confounding our results, the disaggregation of the main rule of law index employed, and variations of the high/low rule of law heritage groupings and the sample.

The empirical evidence indicates that institutional resilience to populist attacks depends on how strong the rule of law is when populists enter office. Why are some countries endowed with a robust rule of law while others are not? It could be for reasons that are specific to the history of each country. Dallara (2015) for example proposes that the Italian judiciary's strength in response to Berlusconi's attacks stemmed in part from the 1948 Italian Constitution that established strong guarantees of judicial independence. This independence was, moreover, strengthened in the wake of the massive Tangentopoli corruption scandals that led to the use of the media by judges and, especially, prosecutors to legitimize their investigations. In Turkey, the judiciary's capacity to resist Erdoğan for as long as it did was underpinned by the Turkish military that had a history of coups d'état and that saw itself as the guardian of secularism as envisaged by the country's founding father (Weyland, 2024). The strength of the rule of law in the USA may spring from the common law heritage inherited from England (Sellers, 2022). Our empirical findings suggest that the systematic examination of the factors that lead to the consolidation of the rule of law is an important question for the populism research agenda.

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APPENDIX: Supplementary tables and figures

Table A.1: V-DEM variables used through the paper

Variable	Definition	Source
Main variables		
Rule of law	Rule of law index, ranging from 0 to 1. Higher values, better rule of law.	`v2x_rule` (V-DEM)
Populism	Populism events, equal to 1 the year of the event	Funke et al. (2023)
Rule of law components		
Judicial constraints	Judicial constraints on the executive index, ranging from 0 to 1. Higher values, more constraints	`v2x_jucon` (V-DEM)
Access to justice	Access to justice, ranging from 0 to 1. Higher values, better access	`v2xcl_acjst` (V-DEM)
Corruption	Political corruption index, ranging from 0 to 1. Higher values, more corruption	`v2x_corr` (V-DEM)
Alternative mechanisms		
Long	Events with tenures exceeding 4 years in government are classified as long-tenure events	Funke et al. (2023)
Democratic breakdowns	Democratic breakdowns are associated with an event if there is evidence of at least one documented occurrence in the past	`e_democracy_breakdowns` (V-DEM)
Unified party	Occurs when a single multi-party coalition or a single party controls the executive and legislative branches of the national government (i.e., when the variable `v2psnatpar_ord` takes values 0 or 2 in the event year)	`v2psnatpar_ord` (V-DEM)
Natural resources	Events with a real value of petroleum, coal, and natural gas produced per capita above $1,000 in the event year	`e_total_fuel_income_pc` (V-DEM)
Crisis	Events are categorized in the crisis group if there is at least one year of negative economic growth in the event year or within the preceding 3 years	`e_gdppc` (V-DEM)

Table A.2: Rule of law: Components

[1]	[2]
Components	Definition
v2juhccomp	Compliance with high court
v2jucomp	Compliance with judiciary
v2juhcind	High court independence
v2juncind	Lower court independence
v2exrescon	Executive respects constitution
v2clrspct	Rigorous and impartial public administration
v2cltrnslw	Transparent laws with predictable enforcement
v2juaccnt	Judicial accountability
v2jucorrdc	Judicial corruption decision
v2excrptps	Public sector corrupt exchanges
v2exthftps	Public sector theft
v2exbribe	Executive bribery and corrupt exchanges
v2exembez	Executive embezzlement and theft
v2clacjstm	Access to justice for men
v2clacjstw	Access to justice for women

Notes: The table displays the different components of the rule of law index from V-DEM. Column [1] refers to the names of the variables from the V-DEM dataset, while column [2] provides a short definition for each. Further elaboration on these indicators can be found in Coppedge et al. (2023).

Table A.3: List of events included in the analysis

[1]	[2]	[3]	[4]	[5]	[6]	[7]
No.	Country	Event year	Period analyzed	Core sample	Unique W	Main doppelganger countries
1	Argentina	1928	1913-1943	1	1	FIN,TWN,USA
2	Argentina	1946	1931-1961	1	1	THA,HUN,URY
3	Argentina	1973	1958-1988	1	1	GRC,IDN
4	Argentina	1989	1974-2004	1	1	URY,BOL,DNK
5	Argentina	2003	1988-2018	1	1	CHN,BEL
6	Bolivia	1952	1937-1967	1	1	THA,RUS,CHN
7	Bolivia	2006	1991-2020	0	1	EGY,AUT,CHN
8	Brazil	1930	1915-1945	1	1	IDN,VEN,PRT
9	Brazil	1951	1936-1966	1	1	RUS,KOR,ITA
10	Brazil	1990	1975-2005	1	1	PRY,URY,MLT
11	Brazil	2019	2004-2020	0	1	AUT,KOR
12	Bulgaria	2009	1994-2020	0	1	LVA,EGY,SVN
13	Chile	1920	1905-1935	1	0	CHE,ESP,ISL
14	Chile	1952	1937-1967	1	1	CHE,BEL,TWN
15	Ecuador	1934	1919-1949	1	1	IDN,PER,PRT
16	Ecuador	1952	1937-1967	1	1	PRY,KOR,TWN
17	Ecuador	1960	1945-1975	1	1	PRY,KOR,TWN
18	Ecuador	1968	1953-1983	1	1	PRY,RUS,BRA
19	Ecuador	1996	1981-2011	1	1	MYS,CHN,CZE
20	Ecuador	2007	1992-2020	0	1	RUS,CHN,CAN
21	Germany	1933	1918-1944	0	1	LUX,BEL,CYP
22	Greece	2015	2000-2020	0	1	IRL,SVN,COL
23	Hungary	2010	1995-2020	0	1	SVN,SWE,AUT
24	India	1966	1951-1981	1	0	DNK,BEL,PRY
25	India	2014	1999-2020	0	1	ESP,EGY,RUS
26	Indonesia	2014	1999-2020	0	1	MYS,CHN,ESP
27	Israel	1996	1981-2011	1	0	NLD,ESP,BEL
28	Israel	2009	1994-2020	0	1	SWE,ISL,EGY
29	Italy	1922	1907-1937	1	1	BEL,ROU,EGY
30	Italy	1994	1979-2009	1	1	AUT,GRC,PRY
31	Italy	2001	1986-2016	1	1	IRL,ROU,CHN
32	Italy	2018	2003-2020	0	1	URY,CYP,TWN
33	Japan	2001	1986-2016	1	1	BEL,DNK,USA
34	Mexico	1934	1919-1949	1	1	KOR,PRT,THA
35	Mexico	1970	1955-1985	1	0	PRY,BGR,EGY
36	Mexico	2018	2003-2020	0	1	MLT,THA,RUS
37	New Zealand	1975	1960-1990	1	0	DNK,NLD,FIN
38	Peru	1985	1970-2000	1	1	BOL,ESP
39	Peru	1990	1975-2005	1	1	BOL,ESP,CHL
40	Philippines	1998	1983-2013	1	1	URY,IDN,PRY
41	Philippines	2016	2001-2020	0	1	HRV,ROU,VEN
42	Poland	2005	1990-2020	1	1	AUT,IRL,LTU
43	Poland	2015	2000-2020	0	1	AUS,PRT,URY
44	South Africa	2009	1994-2020	0	1	LVA,RUS,CHN
45	South Korea	2003	1988-2018	1	1	IRL,CHL,PRY
46	Taiwan	2000	1985-2015	1	1	MLT,CZE,PRY
47	Thailand	2001	1986-2016	1	1	CHN,MEX,MLT
48	Turkey	2003	1988-2018	1	1	IRL,CHN,PRY
49	United Kingdom	2019	2004-2020	0	1	SWE,ISL,DNK
50	United States	2017	2002-2020	0	1	DNK,IRL,ISL
51	Venezuela	1999	1984-2014	1	1	CHN,CAN,RUS

Notes: "Core sample" is assigned a value of 1 when there is available data for the $+/-15$ years window surrounding the populist event. "Unique W" indicates that the SCM generates a synthetic counterfactual using a unique and sparse combination of countries from the donor pool.

Table A.4: List of events included in the analysis: High vs low rule of law

[1]	[2]	[3]	[4]	[5]	[6]
No.	Country	Event year	High Rule of Law		
			Fig. 4	Fig. 8 a)	Fig. 8 b)
1	Argentina	1928	1	1	1
2	Argentina	1946	0	0	0
3	Argentina	1973	0	0	0
4	Argentina	1989	1	0	1
5	Argentina	2003	0	0	0
7	Bolivia	2006	–	–	0
8	Brazil	1930	0	0	0
9	Brazil	1951	0	0	0
10	Brazil	1990	0	0	0
11	Brazil	2019	–	–	0
12	Bulgaria	2009	–	–	1
13	Chile	1920	–	–	–
14	Chile	1952	0	0	0
15	Ecuador	1934	0	0	0
16	Ecuador	1952	0	0	0
17	Ecuador	1960	0	0	0
18	Ecuador	1968	0	0	0
19	Ecuador	1996	0	0	0
20	Ecuador	2007	–	–	0
21	Germany	1933	–	–	1
22	Greece	2015	–	–	1
23	Hungary	2010	–	–	1
24	India	1966	–	–	–
25	India	2014	–	–	0
26	Indonesia	2014	–	–	0
27	Israel	1996	–	–	–
28	Israel	2009	–	–	1
29	Italy	1922	0	0	0
30	Italy	1994	1	1	1
31	Italy	2001	1	1	1
32	Italy	2018	–	–	1
33	Japan	2001	1	1	1
34	Mexico	1934	0	0	0
35	Mexico	1970	–	–	–
36	Mexico	2018	–	–	0
37	New Zealand	1975	–	–	–
38	Peru	1985	0	0	0
39	Peru	1990	0	0	0
40	Philippines	1998	0	0	0
41	Philippines	2016	–	–	0
42	Poland	2005	1	1	1
43	Poland	2015	–	–	1
44	South Africa	2009	–	–	1
45	South Korea	2003	1	1	1
46	Taiwan	2000	1	0	1
47	Thailand	2001	0	0	0
48	Turkey	2003	1	0	1
49	United Kingdom	2019	–	–	1
50	United States	2017	–	–	1
51	Venezuela	1999	0	0	0

Notes: The table lists the events considered in the analysis, with a binary classification: a value of 1 designates a relatively high level of the rule of law, while a value of 0 indicates a relatively low level; – signifies exclusion from the analysis. In Column [4], events are deemed to have a relatively high rule of law if, in the year before the event, their rule of law index value is larger than the median value (0.76) derived from the complete sample of 60 countries considered in the analysis. In Column [5] events are evaluated based on the 10-year average of the rule of law index pre-event. Column [6] uses the value of the rule of law index the year before the event but includes events where the complete 15-year window post-event is not observable.

Table A.5: List of events included in the core analysis and its characteristics

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
No.	Country	Year	Long	Dem. breakdown	Unified party	Natural resources	Crisis
1	Argentina	1928	0	0	1	0	0
2	Argentina	1946	1	1	0	0	0
3	Argentina	1973	0	1	1	1	0
4	Argentina	1989	1	1	1	1	1
5	Argentina	2003	1	1	0	1	1
6	Bolivia	1952	1	0	1	0	1
8	Brazil	1930	1	0	0	0	1
9	Brazil	1951	0	0	1	0	1
10	Brazil	1990	0	1	0	0	1
14	Chile	1952	1	1	0	0	1
15	Ecuador	1934	0	0	0	0	1
16	Ecuador	1952	1	0	0	0	0
17	Ecuador	1960	0	0	0	0	0
18	Ecuador	1968	1	1	0	0	0
19	Ecuador	1996	0	1	0	1	1
29	Italy	1922	1	1	1	0	1
30	Italy	1994	0	1	1	0	0
31	Italy	2001	1	1	1	0	0
33	Japan	2001	1	0	1	0	1
34	Mexico	1934	1	0	1	0	1
38	Peru	1985	1	1	0	1	1
39	Peru	1990	1	1	1	0	1
40	Philippines	1998	0	1	1	0	1
42	Poland	2005	0	1	1	1	0
45	South Korea	2003	1	1	0	0	0
46	Taiwan	2000	1	0	1	0	0
47	Thailand	2001	1	1	0	0	1
48	Turkey	2003	1	1	1	0	1
51	Venezuela	1999	1	0	0	1	1

Notes: The table lists the 29 core events considered in the analysis of the rule of law along with the different characteristics studied in Section 5.1. Each event is marked with a binary value indicating whether it meets the criteria of the respective characteristics. Events emphasized in grey are those classified as "high" rule of law events.

Table A.6: Mechanisms: Components

[1]	[2]	[3]	[4]
Rule of law	Judicial constraints	Access to justice	Corruption
v2x_rule	v2x_jucon	v2xcl_acjst	v2x_corr
v2juhccomp	v2juhccomp		
v2jucomp	v2jucomp		
v2juhcind	v2juhcind		
v2juncind	v2juncind		
v2exrescon	v2exrescon		
v2clrspct			
v2cltrnslw			
v2juaccnt			
v2jucorrdc			v2jucorrdc
v2excrptps			v2excrptps
v2exthftps			v2exthftps
v2exbribe			v2exbribe
v2exembez			v2exembez
v2clacjstm		v2clacjstm	
v2clacjstw		v2clacjstw	
			v2lgcrrpt

Notes: Rule of law components are defined in Table A.2. an additional indicator included in the indices, v2lgcrrpt, represents corruption in the legislature. Further elaboration on these indicators can be found in Coppedge et al. (2023).

Table A.7: Weigthed averages at $t = -1$

[1]	[2]	[3]	[4]
Index	Figures 1, 7.a, 7.b, and 7.c	Figures 4, 7.d,7.d, and 7.f	
		High RoL	Low RoL
v2x_rule	0.669	0.937	0.372
v2x_jucon	0.522	0.875	0.433
v2xcl_acjst	0.685	0.933	0.479
v2x_corr	0.224	0.144	0.504

Notes: Weighted average of the variables considered along the paper the year before the populism event. Greater weights are assigned to better-fitting events in the pre-treatment period ($1/\hat{\sigma}_i$).

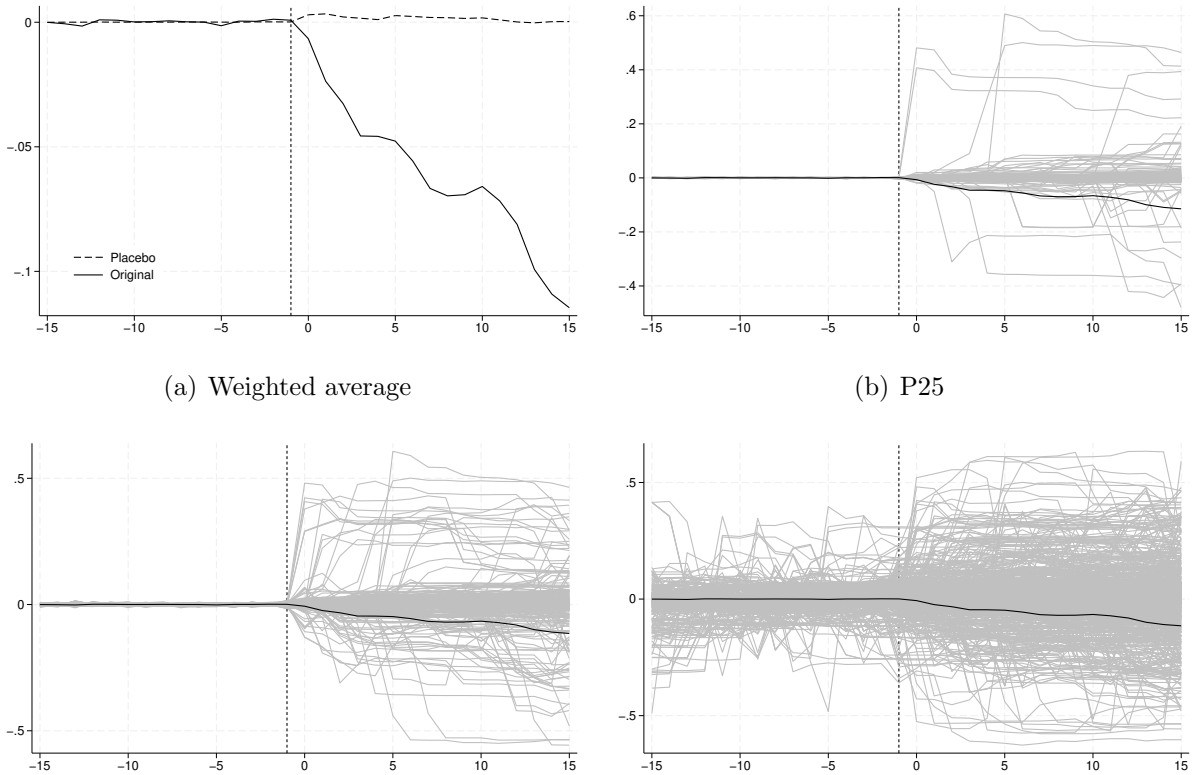
Table A.8: List of events included in the core analysis: Disaggregating the rule of law index

[1]	[2]	[3]	[4]	[5]	[6]
No.	Country	Event year	Fig. 7.a and 7.d	Fig. 7.b and 7.e	Fig. 7.c and 7.f
1	Argentina	1928	1	1	1
2	Argentina	1946	1	1	1
3	Argentina	1973	1	1	1
4	Argentina	1989	1	1	1
5	Argentina	2003	1	1	1
6	Bolivia	1952	0	0	1
8	Brazil	1930	0	1	0
9	Brazil	1951	1	1	1
10	Brazil	1990	1	1	1
13	Chile	1920	0	0	0
14	Chile	1952	1	1	1
15	Ecuador	1934	1	0	1
16	Ecuador	1952	1	1	1
17	Ecuador	1960	1	1	1
18	Ecuador	1968	1	0	1
19	Ecuador	1996	1	0	1
24	India	1966	0	0	0
27	Israel	1996	1	0	1
29	Italy	1922	1	1	0
30	Italy	1994	0	1	1
31	Italy	2001	1	0	1
33	Japan	2001	0	0	1
34	Mexico	1934	1	1	1
35	Mexico	1970	0	0	0
37	New Zealand	1975	0	0	0
38	Peru	1985	1	1	1
39	Peru	1990	1	1	1
40	Philippines	1998	1	1	1
42	Poland	2005	0	1	0
45	South Korea	2003	1	1	1
46	Taiwan	2000	1	1	1
47	Thailand	2001	0	1	1
48	Turkey	2003	1	1	1
51	Venezuela	1999	1	0	1

Notes: The table lists the 34 core events considered in the analysis for the different mechanisms studied in Section 5.2. An event may be excluded from the analysis, denoted by a value of 0 in the table, either because SCM fails to generate a synthetic counterfactual using a unique and sparse combination of countries from the donor pool, or due to a lack of variation in the variable of interest during the pre-treatment period. Events emphasized in grey are those classified as "high" rule of law events.

Inference

Figure A.1: Country placebos I: All the placebos



(a) Weighted average

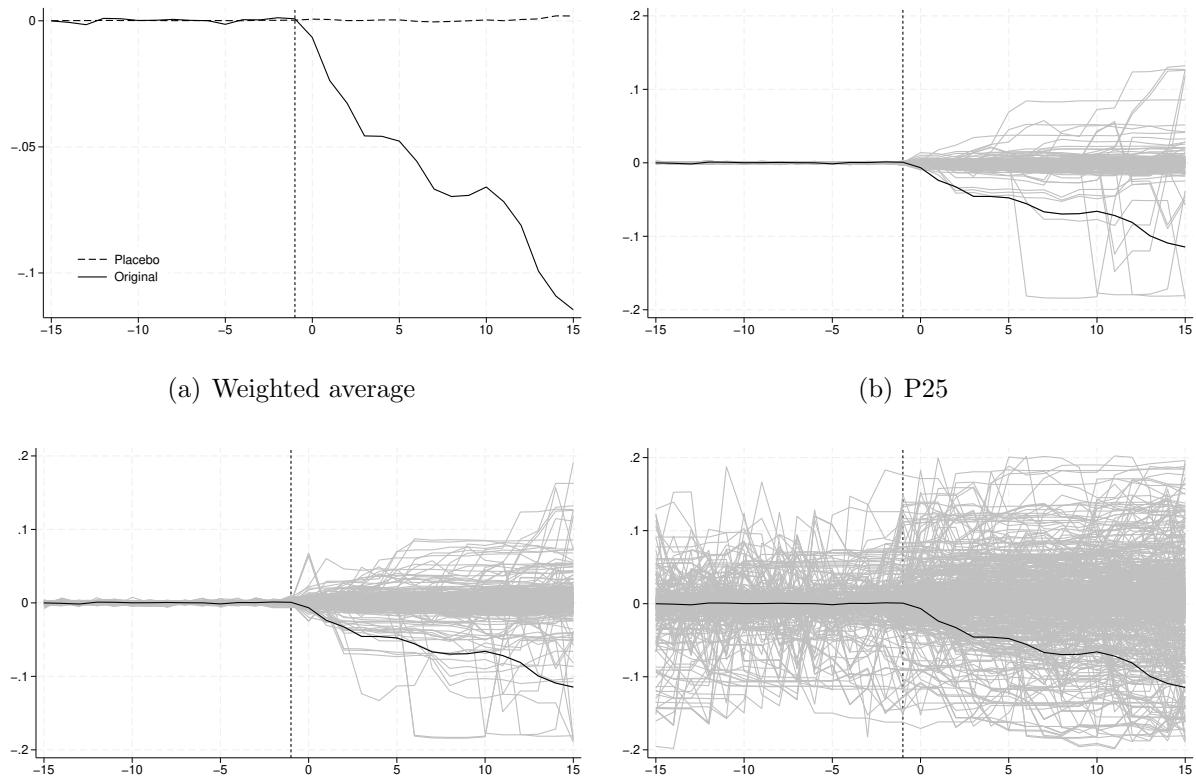
(b) P25

(c) P50

(d) Total sample

Notes: Figure A.1.a shows the weighted average impact of populism on the rule of law (solid line) alongside the weighted average impact of 1,125 in-space placebo events (dashed line). Figures A.1.b-A.1.d present the weighted average impact of populism on the rule of law (black line) alongside the individual effects of each placebo (grey lines) under diverse scenarios based on pre-treatment fitness. Figures A.1.b and A.1.c focus on placebos with pre-treatment fitness above, respectively, the 75th percentile (282 placebos) and the median (563 placebos) of the pre-treatment distribution. Figure A.1.d encompasses the entire sample of placebos (1,125 placebos). The vertical dashed line at $t = -1$ represents the period just before the populist event.

Figure A.2: Country placebos II: Without outliers



(a) Weighted average

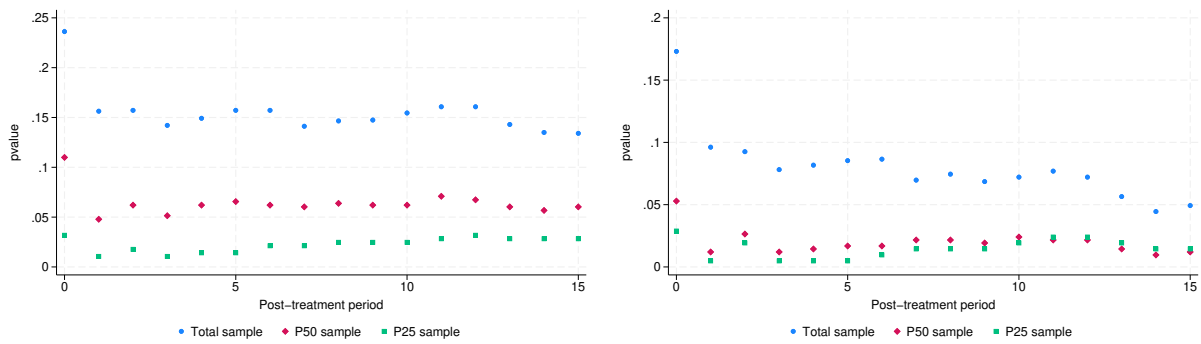
(b) P25

(c) P50

(d) Total sample

Notes: Figure A.2.a shows the weighted average impact of populism on the rule of law (solid line) alongside the weighted average impact of 831 in-space placebo events (dashed line). These placebos are selected by excluding any placebo event with at least one observation in the bottom or top 5% of the post-treatment gap distribution from the original set of 1,125 placebos. Figures A.2.b-A.2.d present the weighted average impact of populism on the rule of law (black line) alongside the individual effects of each placebo (grey lines) under diverse scenarios based on pre-treatment fitness. Figures A.2.b and A.2.c focus on placebos with pre-treatment fitness above, respectively, the 75th percentile (207 placebos) and the median (415 placebos) of the pre-treatment distribution. Figure A.1.d encompasses the entire sample of placebos (831 placebos). The vertical dashed line at $t = -1$ represents the period just before the populist event.

Figure A.3: P-values



(a) Country placebos (Figure A.1)

(b) Country placebos (Figure A.2)

Notes: P-values indicate the proportion of placebo events exhibiting a more negative impact of populism on the rule of law than the one observed in our baseline analysis for each post-treatment period.