National Institute Economic Review

Managing Editors
Jagjit S. Chadha (National Institute of Economic and Social Research)
Prasanna Gai (University of Auckland)
Ana Galvao (University of Warwick)
Sayantan Ghosal (University of Glasgow)
Colin Jennings (King's College London)
Miguel Leon-Ledesma (University of Kent)
Corrado Macchiarelli (National Institute of Economic and Social Research)
Stephen Millard (National Institute of Economic and Social Research)
Adrian Pabst (National Institute of Economic and Social Research)

Council of Management
Sir Paul Tucker (President) Neel Gaskell
Professor Nicholas Crafts (Chair) Professor Sir David Greenaway
Professor Jagjit S. Chadha Stephen King
(Director) Alex Baker Keith Mackrell
Alex Bates Neville Manuel
Professor Phillip Brown Professor Jill Rubery
Romesh Vaitilingam

Editorial Board
Toke Aidt, University of Cambridge
Sumru Altug, American University of Beirut
Richard Barwell, BNP Paribas
David Bell, University of Stirling
Danny Blanchflower, Dartmouth University
James Bullard, St Louis Federal Reserve
Michael Bordo, Rutgers University
Michael Clements, University of Reading
Luisa Corrado, Tor Vergata Rome
Diane Coyle, University of Cambridge
Patricia Dalton, Tilburg University
Alex Dickson, Strathclyde University
Huw Dixon, University of Cardiff
Barry Eichengreen, University of Berkeley
Roger Farmer, University of Warwick
Giuseppe de Feo, Leicester University
Douglas Gale, New York University
Ashima Goyal, IGIIR, Mumbai
Refet Gurkaynak, IHSS, Bilkent University
Andrew Harvey, University of Cambridge
Dawn Holland, National Institute of Economic and Social Research
Michal Horvath, National Bank of Slovakia
Warwick McKibbin, Australian National University
Sandra McNally, CEP, London School of Economics and Political Science
Anton Muscatelli, University of Glasgow
Elisa Newby, Bank of Finland
Hamid Sabourian, University of Cambridge
Catherine Schenker, Oxford
Frank Smets, European Central Bank
Ron Smith, Birkbeck
Alan Sutherland, University of St. Andrews
Byland Thomas, Bank of England
Philip Turner, University of Basel
Martin Weale, King's College London

Aims and Scope
The National Institute Economic Review is the peer-reviewed quarterly publication of the National Institute of Economic and Social Research, one of Britain's oldest and most prestigious independent research organizations. The Institute's objective is to promote, through quantitative research, a deeper understanding of the interaction of economic and social forces that affect peoples' lives so that they may be improved. It has no political affiliation, and receives no core funding from government. Its research programme is organised under the headings of Economic Modelling and Analysis; Productivity; Education and Training and the International Economy. The Review has a long history of publishing leading articles in macroeconomics, forecasting and the impact of events such as Brexit and Covid-19 on households and specific industries. NIESR Forecasts can be found at: https://www.niesr.ac.uk/forecasts

Copyright © National Institute of Economic and Social Research, 2022. Apart from fair dealing for the purposes of research or private study, or criticism or review, and only as permitted under the Copyright, Designs and Patent Act 1988, this publication may only be produced, stored or transmitted, in any form or by any means, with the prior permission in writing of the Publishers, or in the case of reprographic reproduction, in accordance with the terms of licences issued by the Copyright Licensing Agency. US: Authorisation to photocopy journal material may be obtained directly from Cambridge University Press, Journals Fulfillment Dept., One Liberty Plaza, New York, NY 10006-4020, USA. Send address changes elsewhere to National Institute Economic Review, Cambridge University Press, University Printing House, Shaftesbury Road, Cambridge, CB2 8BS, England.

The Review welcomes articles relating to the themes outlined in the aims and scope above. Please visit https://cambridge.org/nie for submission guidelines.

Disclaimer: The authors, editors, and publisher will not accept any legal responsibility for any errors or omissions that may be made in this publication. The publisher makes no warranty, express or implied, with respect to the material contained herein.

Printed by Bell & Bain Ltd
# THE POLITICAL ECONOMY OF POPULISM

## CONTENTS

### Commentary

**Commentary: The great divides**  
*Jagjit S. Chadha*  
1

### Special Issue Articles: The Political Economy of Populism

**Introduction: Populism in question**  
*Sayantan Ghosal and Adrian Pabst*  
7

**The political economy of left and right populism**  
*Jon Cruddas*  
10

**Thinking about social norms**  
*Ken Binmore*  
20

**Populism and the ‘narrow corridor’ of liberty and justice**  
*Marcus Miller and Ben Zissimos*  
31

**Miscoordination, politics and populism**  
*Chanelle Duley and Prasanna Gai*  
51

**The (in)stability of democracy**  
*Sayantan Ghosal and Eugenio Proto*  
62

**Beyond binaries: Technocracy, populism and public policy**  
*Adrian Pabst*  
67