

# Populists rarely leave office without drama: Lessons from the history of populism

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## 1 Populists rarely go without drama

Populists rarely leave office without drama. We show this in a new study on the history of populist leaders in 60 countries (Funke, Schularick, and Trebesch 2020). Populists are classified as politicians who evoke a conflict between “the people” and “the elites” and then present themselves as the only representatives of the people. In this way we identify 41 populist governments since 1970.

Among the 41 populist governments of the past 50 years, there are only 9 cases in which the populists left office in a regular manner. In the overwhelming majority (32 cases), however, there were irregular departures, i.e., they refused to leave office, despite losing an election or reaching the term limit (8 cases), they died in office (3 cases), they resigned (13 cases) or were forced to resign because of a coup, impeachment or a vote of no confidence (8 cases). Figure 1 provides an overview of the circumstances in which populists have left office.

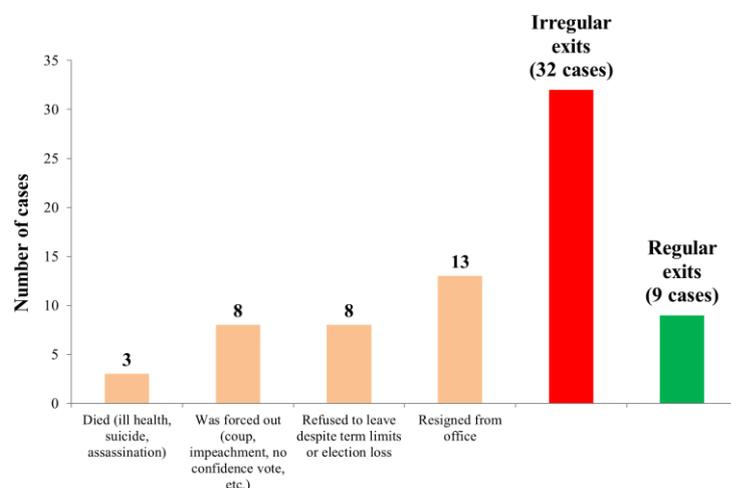


Figure 1: How do populists exit? (41 cases since 1970)

Source: Funke, Schularick, and Trebesch (2020).

## 2 What if Trump doesn't accept defeat? Parallels to earlier populists

A currently much-discussed scenario is that the populist US President Donald Trump loses the election, but refuses to accept his defeat and does not resign. This would be an unprecedented development in the history of American democracy. In other countries, however, this situation has happened before, especially where populists were in power. In the following we summarize three case studies in which populists refused to accept their defeat, and the political and economic consequences this had.

- **Robert Muldoon, New Zealand, 1984: Constitutional crisis and currency crisis after electoral defeat.** Populist Robert Muldoon shaped New Zealand’s politics for nearly a decade after he came to power in 1975 as leader of the National Party. In his third term of office he set an early election for July 15, 1984, which his National Party lost by a wide margin against the Labour Party (36% vs. 43% of the vote). Immediately after his electoral defeat, there was a constitutional crisis, as Muldoon refused to implement the proposals of the new, incoming government, as constitutional tradition mandated. Specifically, Muldoon refused to devalue the New Zealand dollar against the US dollar, despite severe devaluation pressure in the financial markets and against the explicit demand of the central bank and the victorious Labor Party. Due to the gridlock and because Muldoon continued to refuse to devalue, the currency crisis in the country worsened and stock exchange trading had to be temporarily suspended. Muldoon only gave in on July 18, when leading ministers in his cabinet threatened to deprive him of the leadership of the National Party, and with it of his post as prime minister and finance minister. In the end, shortly before the new government was sworn in on July 26, there was a devaluation, which was however was not carried out by Muldoon, but by an unofficial interim committee.
- **Silvio Berlusconi, Italy, 2006: refusal to accept defeat and controversy over vote counting.** In April 2006, Prime Minister Berlusconi refused to accept his narrow electoral defeat against the center-left opposition alliance. He referred to “irregularities”, spoke of “electoral fraud”, and demanded recounts of up to a million ballots (quotes: “Nobody can say who has won”; or “There is so much news, so much machinations. I am confident that the result will have to change.”). In the Italian Senate, in particular, there were tumultuous scenes in the weeks after the election. Berlusconi only announced his departure three weeks after the election, but without admitting his defeat and without congratulating his successor. The counting quarrels led to delayed congratulations from abroad. While Angela Merkel congratulated the election winner Prodi on his victory three days after the election (on April 13th), congratulations from George W. Bush and Vladimir Putin only came on April 21st and 22nd respectively.
- **Cristina Kirchner, Argentina, 2015: refusal to hand over power and last minute decrees and increases in spending.** The Peronist candidate Daniel Scioli, supported by President Cristina Kirchner, narrowly lost to Mario Macri in the November 2015 election. In the 17-day window between Macri’s victory and his swearing in, a political crisis arose. Macri complained that Kirchner refused an orderly transfer of power in order to weaken his government. For example, after the election and despite the high budget deficit, Kirchner spontaneously increased government spending for 2015 and signed a decree for further spending in the 2016 budget. She also passed a series of new laws and hired a large number of her own supporters in the public service and state-owned companies. Many of these Kirchnerite officials later refused to resign. On her last day in office, she appointed 18 new ambassadors. She also sabotaged the handover by insisting that she would determine the location of the ceremony and by ultimately refusing to attend. Macri had to issue a restraining order that forced her to resign at midnight. During this time, her supporters went to the streets and continued to chant the slogan “Cristina won’t go!”