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Is populism still a threat to liberal democracy?

Abstract

This paper seeks to explore the latest trends of populism and its threats to liberal democracy in Europe. Although liberal democracy was destined to thrive since 1991 and managed to offer a better life to millions of people until the late 00s, during the last decade, the threats of the economic crises, the rise of populism and the Covid-19 emergency seem to have challenged its survival. Populist parties managed to make electoral gains and erode the liberal component of modern Democracies. However, recent election results showed that some populist tides were reversed, while empirical research demonstrated that liberal democracy is linked to better policy outcomes and its resilience to populist threats seems to be strong in the long run.



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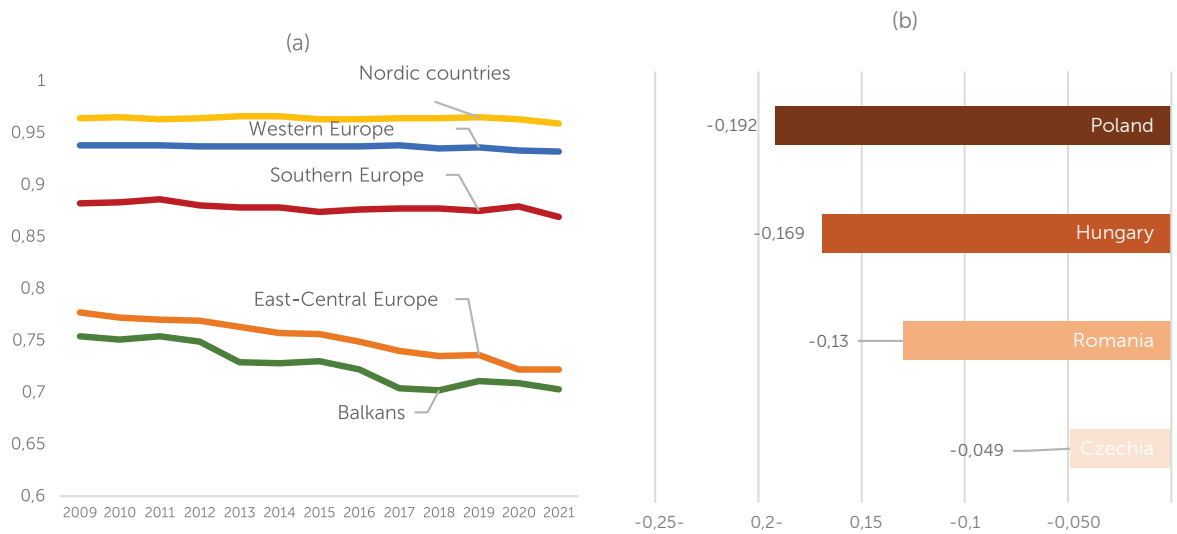


Introduction: Liberal democracy in retreat

According to the most prominent indices that measure institutional health, liberal democracy has been under retreat since the beginning of the previous decade. The Liberal Democracy Index for European Union, which measures “to what extent is the ideal of liberal democracy achieved”, has declined from 0.78 (out of 1) in 2009 (the onset of the economic crisis in Europe), to 0.72 in 2021.¹ The Global State of Democracy has documented a slight decline in the indicator of *free political parties* over the same period (from 0.77/1 in 2009 to 0.74/1 in 2021), and the International IDEA claimed that “democracy is ill”.² In addition, 41% of EU citizens state that they are not satisfied with the way democracy in EU works (January 2022); the respective percentage in 2007 was 32% and in 2010 it was 35%.³ Scholars claim that we live in an “era of populist democracy”, in which parties in office and major opposition parties are populist;⁴ moreover, it has also been well documented that dictatorships are on the rise again. In 2021, the level of democracy enjoyed by the average global citizen has declined to 1989 levels, while the share of the world population living in autocracies has increased from 49% in 2011 to 70% in 2021.⁵ Figure 1a shows that in Europe in 2021, the East-Central European and Balkan countries experienced deterioration in terms of the liberal component⁶ of their democracies, compared to 2009. Even though this declining trend might seem insignificant in overall European scores, in certain EU countries the quality of liberal democratic institutions severely deteriorated. Four European Union member states, Poland, Hungary, Romania and Czech Republic demonstrate significant losses in this measurement, a fact that does not align with the EU *acquis*, according to which member states should respect fundamental liberal principles (Figure 1b).

- 1 According to the [V-Dem Institute](#), the Liberal Democracy index “emphasizes the importance of protecting individual and minority rights against the tyranny of the state and the tyranny of the majority. The liberal model takes a ~negative~ view of political power insofar as it judges the quality of democracy by the limits placed on government. This is achieved by constitutionally protected civil liberties, strong rule of law, an independent judiciary, and effective checks and balances that, together, limit the exercise of executive power. To make this a measure of liberal democracy, the index also takes the level of electoral democracy into account.”
- 2 International IDEA (2019). [The Global State of Democracy 2019 Addressing the Ills, Reviving the Promise](#). International Institute for Democracy and Electoral Assistance.
- 3 [Eurobarometer Autumn 2021, EB 96.2](#), p. 23.
- 4 Pappas, T. (2014). Populist Democracies: Post-Authoritarian Greece and Post-Communist Hungary. *Government and Opposition*, 49(1), 1-23. doi:10.1017/gov.2013.21. See also [here](#).
- 5 Boese V., A., Alizada N., Lundstedt M., Morrison K., Natsika N., Sato Y., Tai H., & Lindberg., S., I. (2022). [Autocratization Changing Nature?](#) Democracy Report 2022. Varieties of Democracy Institute (V-Dem).
- 6 According to the [V-Dem Institute](#), the Liberal component index “emphasizes the importance of protecting individual and minority rights against the tyranny of the state and the tyranny of the majority. The liberal model takes a ~negative~ view of political power insofar as it judges the quality of democracy by the limits placed on government. This is achieved by constitutionally protected civil liberties, strong rule of law, an independent judiciary, and effective checks and balances that, together, limit the exercise of executive power”.

Figure 1. Liberal component index in European areas 2009-2011 (a) and Liberal component index change (out of 1) 2009 vs 2021 in selected EU countries (b).



Source: Varieties of Democracy Institute

Populism on the rise

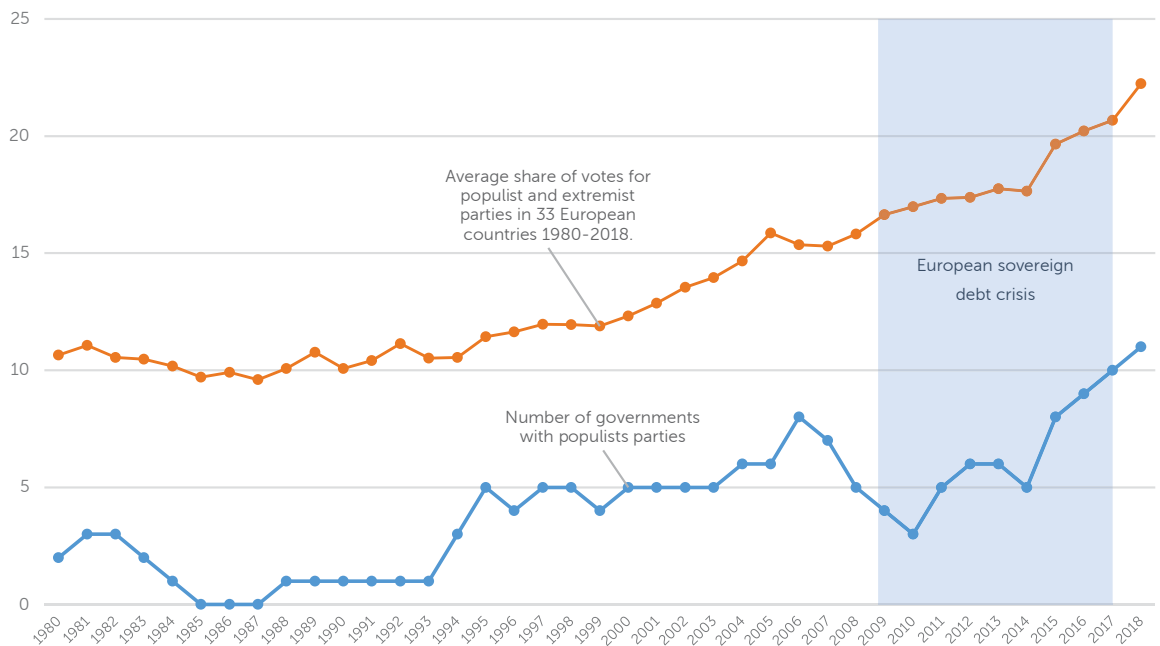
This political setting of liberal and democratic institutions in retreat is associated with the subsequent economic and fiscal crises that emerged lately, along with the COVID-19 pandemic and the Russian invasion of Ukraine. These challenges have questioned the taken-for-granted status of liberal democracy in the Western world, leading many countries (including many EU member states) to a democratic backsliding or, even worse, to illiberal regimes. Populist political parties⁷ found the opportunity to exploit the “disenchantment with traditional political actors”⁸ in a fragile political environment, where the implemented policies seemed to be failing. Figure 2 shows that, during the European sovereign debt crisis (2009–2017), the average share of votes for populist and extremist parties in European countries increased from 16.6% in 2009, to 22.3% in 2017 and the number of governments with populist parties skyrocketed from 4 in 2009, to 11 in 2017⁹; so, how populism made gains over this situation?

⁷ Although there is a huge debate in political science on what the term populism means, we elaborate populism as a “conflict between elite and people supersedes all other conflicts”. Timbro. (2019). [Authoritarian Populism Index](#). Stockholm: Timbro.

⁸ International IDEA (2019, p. iii).

⁹ The increasing trend for populist support begins in 1993 and keeps getting larger until 2006 and then since 2009–10 skyrocketed again.

Figure 2. Average share of votes for populist and extremist parties and governments with populist parties in 33 European countries 1980-2018.



Source: Timbro¹⁰

Before we take a more careful look at the electoral appeal of populism, we need to introduce a very helpful conceptual distinction between populist and nativist political parties, the latter of which are usually considered a unique form of populists. According to Pappas (2021), populist parties “combine allegiance to electoral democracy with disregard for modern liberal institutions”, while the nativist parties consist of “social xenophobia and, relatedly, economic chauvinism”.¹¹ Although some key characteristics remain the same, their disparities constitute a different kind of threat for liberal democracy. One of the most significant differences between the two groups is that populists find their way to power more easily, compared to nativists. Populists employ a polarizing discourse as a tool of appeal, while nativists focus more on right-wing policies on specific areas, such as immigration.¹² This distinction helps us understand how populist parties are much more impactful, given their access to office, compared to nativists; of course, there are notable exceptions in both cases.¹³

Populists came up in several countries with a people-centric rhetorical agenda, focusing on popular sovereignty, as a contrast to the political elites who had been

¹⁰ Timbro. (2019).

¹¹ Pappas, T. (2021). [Europe’s party politics: liberal, illiberal, or quasi-liberal?](#), Policy Brief No. 2, European Liberal Forum (ELF).

¹² Pappas, T. (2019). [What makes populists and nativists distinct?](#).

¹³ As an example, right wing Italian League (La Liga) is now part of the current government with access to office, although it is considered nativist.

making the decisions so far. The populist tide on the left took advantage of the anti-austerity demands in Southern European countries (Greece, Spain, Portugal and Italy), while the populist wave on the right embraced the anti-migration sentiment, an example being Viktor Orbán in Hungary. The disappointment of the electorate by the mainstream parties and the perceived lack of electoral representation made room for the so-called “single-issue parties” to emerge. These parties usually address only one all-encompassing issue¹⁴, although parties that claim a place in the government have a broader political agenda, based on the division between people and elite, promising to bring power back to the people.

Populist governments do not seem to strengthen democratic participation, as promised.

On one hand, the rise of populists into power during the last decade managed to erode components of liberal democracy in European countries, challenging liberal institutions. On the other hand, populist governments do not seem to

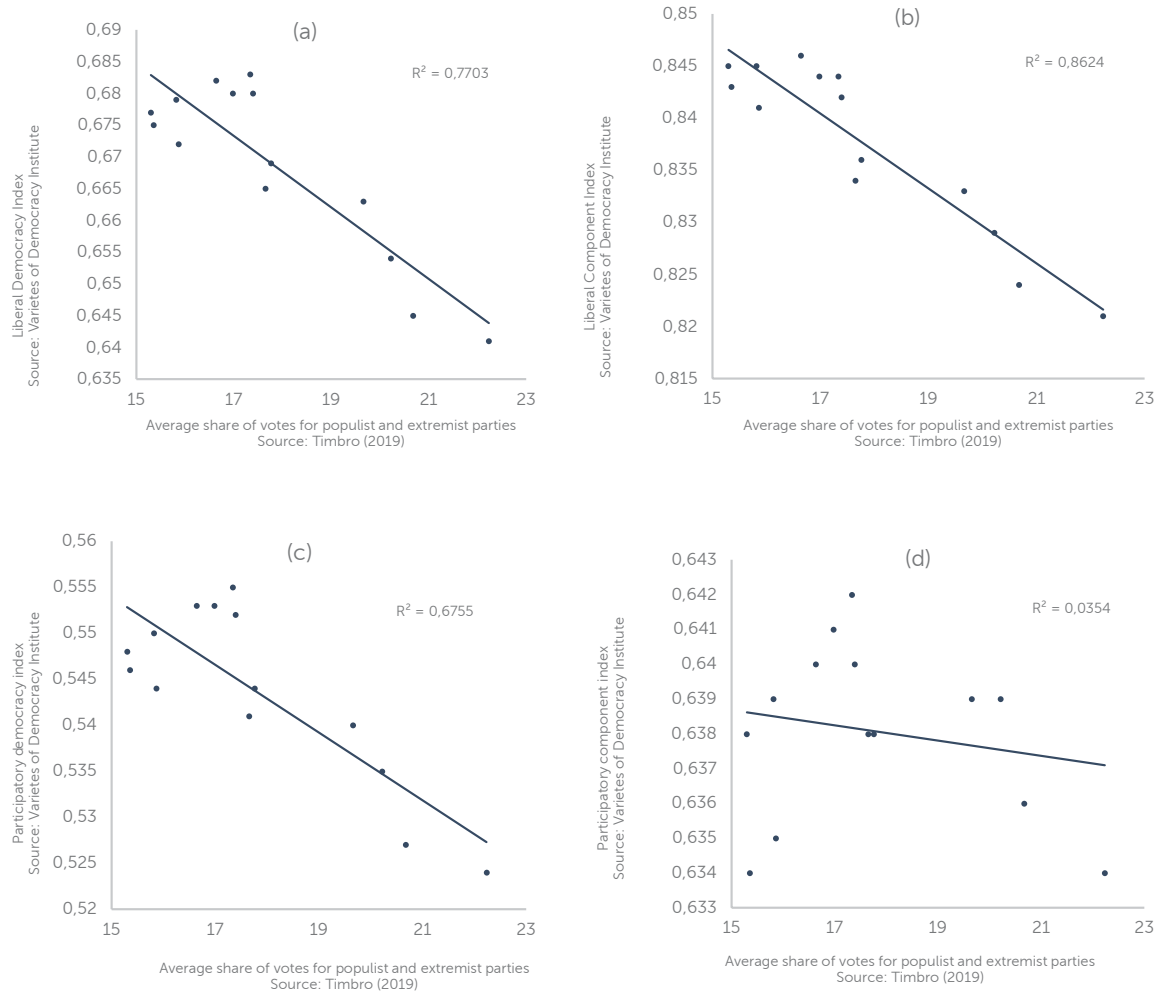
strengthen democratic participation, as promised. As Figures 3a and 3b show, between 2005 and 2018 the increase in the average share of votes for populist and extremist parties in European countries is linked to lower score in the Liberal Democracy index and the Liberal components index. On the contrary, Figures 3c and 3d demonstrate that the increase in the average share of votes for populist and extremist parties in European countries did not lead to higher score in the Participatory democracy index¹⁵ or Participatory component index¹⁶ as expected according to populist pledges for increasing the power of the people.

14 Mudde, C. (1999) The single-issue party thesis: Extreme right parties and the immigration issue, *West European Politics*, 22:3, 182-197, DOI: 10.1080/01402389908425321.

15 According to the [V-Dem Institute](#), the Participatory Democracy Index “emphasizes active participation by citizens in all political processes, electoral and non-electoral. It is motivated by uneasiness about a bedrock practice of electoral democracy: delegating authority to representatives. Thus, direct rule by citizens is preferred, wherever practicable. This model of democracy thus takes suffrage for granted, emphasizing engagement in civil society organizations, direct democracy, and subnational elected bodies. To make it a measure of participatory democracy, the index also takes the level of electoral democracy into account”.

16 According to the [V-Dem Institute](#), the Participatory Component Index “emphasizes active participation by citizens in all political processes, electoral and non-electoral. It is motivated by uneasiness about a bedrock practice of electoral democracy: delegating authority to representatives. Thus, direct rule by citizens is preferred, wherever practicable. This model of democracy thus takes suffrage for granted, emphasizing engagement in civil society organizations, direct democracy, and subnational elected bodies”.

Figure 3. Association between average share of votes for populist and extremist parties and Liberal Democracy Index (a) Liberal component index (b), Participatory democracy index (c) and Participatory component index (d), European countries 2005-2018.



Populism and implemented policies

Although populism seems to achieve grassroots mobilization¹⁷, liberal democracy has shown its resilience, despite its short run defeats. Empirical research has shown that populists in power not only “erode the level of the electoral, liberal and deliberative model of democracy”, but also that they do not seem to have any positive impact on “egalitarian or participatory aspects of democracy”.¹⁸

17 On the conditions for populism mobilization see Hawkins, K.A., Carlin, R.E., Littvay, L., & Kaltwasser, C.R. (Eds.). (2018). *The Ideational Approach to Populism: Concept, Theory, and Analysis* (1st ed.). Routledge. <https://doi.org/10.4324/9781315196923>.

18 Despite their promises for “reforming, improving, and deepening democracy” Ruth-Lovell S.P., Lührmann A., Grahn S. (2019). *Democracy and Populism: Testing a Contentious Relationship*, Working Paper SERIES 2019:91, The Varieties of Democracy Institute.

Overall, empirical research identifies certain aspects of liberal and democratic institutions as key determinants of economic growth and economic efficiency.¹⁹

Empirical studies have shown that populist or illiberal regimes did not cope well with the pandemic.

Policies with regards to addressing the emergency of Covid-19 pandemic in early 2020, provided populists with the opportunity to restrain checks and balances and take full control of the political power (such as the case in Hungary and Poland).²⁰ However, empirical studies have

shown that populist or illiberal regimes did not cope well with the pandemic. Populist governments during the pandemic carried out less far-reaching policy measures, which resulted in higher excess mortality²¹, while better quality of liberal and democratic institutions has been associated with greater protection of citizens' rights during the pandemic.²² The lack of policy outcomes linked to freedom, prosperity and development has shown that populists' appeal to electorate can reach a plateau.

The recent political developments have shown that an increasing number of democracies are less keen to elect populists in offices. Established liberal democracies defeated populism and nativism in recent elections held in Greece, France (presidential)²³, Slovenia and Germany in which the populist/nativist tides were reversed, showing that liberal democracy is still resilient and, in the long term, it is the political regime linked closely to maintaining prosperity and freedom. In addition, undemocratic countries or hybrid regimes outside the EU, such as in Gambia, Ethiopia, Armenia and Malaysia, are experiencing a democratic transition, seeking to produce sustainable and prosperous policy outcomes, which are associated with more democratic processes and approaches.²⁴

19 See indicatively International IDEA (2019), Isbam, J., Kaufmann, D., & Pritchett, L. (1997). Civil Liberties, Democracy, and the Performance of Government Projects. *The World Bank Economic Review*, 11(2), 219-242, Alfonso-Gil, J., Lacalle-Calderon, M., & Sánchez-Mangas, R. (2014). Civil liberty and economic growth in the world: A long-run perspective, 1850-2010. *Journal of Institutional Economics*, 10(3), 427- 449 and Schizas, E., Vidali M., Saravakos C., & Rompapas. R., (2021). [EU Accession and Political Freedom An empirical analysis of the effect of EU accession on civil rights and individual liberties](#), edited by Saravakos C., Athens: European Liberal Forum and Center for Liberal Studies (KEFiM)-Markos Dragoumis.

20 Indicatively, for the Hungarian case see Tharoor, I. (2020). [Coronavirus kills its first democracy](#). The Washington Post, and for Polish case see Bastasin, C. (2021). [When security in Europe conflicts with democracy in Poland](#). The Brookings Institution.

21 Bayerlein, M., Boese, V.A., Gates, S., Kamin, Kl., Mansoob Murshed S., (2021). Populism and COVID-19: How Populist Governments (Mis)Handle the Pandemic. *Journal of Political Institutions and Political Economy*. <http://doi.org/10.1561/113.00000043>.

22 Saravakos, C. & Archontas, G. (2022). Quality of liberal democracy and COVID-19 pandemic restrictions: Did liberal democratic institutions manage to protect civil liberties?, *The Visio Journal* 7, Visio institut 67-82.

23 In particular, in France, the recent presidential election was a clash between a liberal and an illiberal path. However, the French legislative election did not yield the same anti-illiberal results.

24 International IDEA (2019, p. iii).

On the contrary, we should not overlook the fact that the election outcomes in Sweden and Italy have not been so encouraging, given that extreme right parties have shown to be on the rise again. Sweden Democrats and the Italian League²⁵ along with Brothers of Italy and Forza Italia have been receiving a growing electoral support recently and constitute an illiberal kind of threat for liberal democracy, which needs to be successfully addressed on the European level.

Is populism still a threat for liberal democracy?

Since liberal democracy is linked to better policy outcomes, its resilience to populist threats is strong over the long run.

The question if populism is *still* a threat for liberal democracy is significant, because the populist appeal is endogenous to the model of liberal democracy and derives by social demands for a future with dignity and prosperity. Therefore, it will always be a tool for demagogues in challenging times.

Populism is a straightforward threat to the liberal component of modern constitutional democracies; however, its impact can be mitigated. Since liberal democracy is linked to better policy outcomes, its resilience to populist threats is strong over the long run. Populism, as well as every other form of illiberalism, will always wait for the right moment to exploit the feelings of frustration about a significant policy issue and employ a polarizing discourse for the sake of electoral success.

Liberal and democratic political forces need to address the challenges that populism exploits by showing concrete results and outcomes of liberal policies. The following policy recommendations could help liberal political parties narrow the electoral and policy impact of populist and illiberal groups:

- **Deepen the democratic participation.** Both European Union and domestic legislative institutions should widen the stakeholders' consultation for legislative initiatives, which could engage citizens and NGOs in the legislation process and incorporate their views on certain provisions.
- **Increase political accountability and transparency.** Governments should employ open and transparent processes, which reduce the chances of decision-making behind closed doors.

²⁵ The two parties are considered more as nativist rather than populist political parties according to the distinction we introduced earlier.

- **Enhance checks and balances mechanisms.** Liberal and democratic governments should establish further independent institutions and control mechanisms to check on the government and minimize institutional violations. The separation of powers should be strengthened by liberal governments.
- **Eliminate trade barriers on EU and country levels.** Economic recession and loss of income is the main ground populists use to exploit citizens' disappointment sentiments. Only a robust and open economy, with social mobility and economic development - traits associated with free markets - can guarantee better living conditions in a great extent.
- **Reduce the distance from peoples' needs on the micro-level.** Certain daily challenges citizens face should be understood and addressed with liberal and democratic policies. The increasing cost of living, the high unemployment rates and the deficit in certain individual rights undermine the stability of liberal democracies and turn the people against the foundations of liberal democracy.

Author Bio

Constantinos Saravakos is a PhD candidate in political science in the department of International and European Studies at the University of Macedonia and Research Coordinator at the Center for Liberal Studies - Markos Dragoumis (KEFiM). His main research interests include regulation, political economy (poverty, inequality and prosperity) and political parties (democracy, populism and political behaviour). He holds a M.A. in Political Science and Sociology (Hons) and a B.Sc. in Philosophy and History of Science from University of Athens. He has also received a M.Sc. in Applied Economics and Administration from Panteion University. He is member of Greek Political Science Association and a member of the Economic Chamber of Greece. In addition, he is a V-Dem Institute (University of Gothenburg) expert for Greece and Cyprus and Fellow in the European Policy Information Center (EPICENTER).

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The European Liberal Forum (ELF) is the official political foundation of the European Liberal Party, the ALDE Party. Together with 51 member organisations, we work all over Europe to bring new ideas into the political debate, to provide a platform for discussion, and to empower citizens to make their voices heard. Our work is guided by liberal ideals and a belief in the principle of freedom. We stand for a future-oriented Europe that offers opportunities for every citizen. ELF is engaged on all political levels, from the local to the European. We bring together a diverse network of national foundations, think tanks and other experts. In this role, our forum serves as a space for an open and informed exchange of views between a wide range of different EU stakeholders.

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The Center for Liberal Studies - Markos Dragoumis (KEFiM) is Greece's foremost liberal, non-partisan, and independent think tank. It envisions Greece as a role model of economic and civil liberty that enables its citizens to pursue their dreams and aspirations. KEFiM's mission is to increase individual and economic freedoms of Greeks through the promotion of liberal ideas and policy proposals. To that end, KEFiM generates research, media content, organizes events, that aim to influence the climate of ideas in Greece. Finally, KEFiM partakes in the international policy and ideological dialogue through its participation into the Atlas Network (USA) and the European Liberal Forum (Belgium). It also partners on various projects with mission-aligned organizations such as the Friedrich Naumann Foundation (Germany), Timbro (Sweden), the Cato Institute (USA), the Foundation for Economic Education (USA), and the Institute of Economic Affairs (UK).

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