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Populism and Its Impact on Policy Stability

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ABSTRACT:

This study examines the impact of populism on policy stability through a mixed-methods approach that integrates quantitative panel regression analyses with qualitative case studies from diverse political contexts. The quantitative results revealed a strong negative association between populist intensity and policy stability, with populist-led governments exhibiting higher frequencies of fiscal volatility, policy reversals, and abrupt regulatory changes. Regression models confirmed populism as a significant predictor of instability, while mediation analysis demonstrated that institutional trust plays a crucial role in moderating this relationship. Countries with higher levels of institutional erosion under populist rule displayed sharper declines in policy predictability and coherence. Subgroup analyses further showed gender and geographic variations, as women and urban populations expressed greater concerns regarding instability compared to men and rural residents. The qualitative findings reinforced these results, as case narratives from Brazil, Hungary, the United States, and the Philippines illustrated how populist leadership often prioritizes immediate electoral gains over long-term policy coherence. These cases highlighted patterns of expansionary fiscal policies followed by austerity, legal manipulation, and policy uncertainty that weaken democratic resilience. Collectively, the study concludes that while populism may energize democratic participation in the short term, its long-term effect is detrimental to policy stability. Addressing these risks requires reinforcing institutional checks and balances, promoting civic education, and ensuring independent bureaucratic structures capable of maintaining policy continuity beyond populist cycles.

Keywords: *populism, policy stability, institutional trust, policy reversals, governance, democracy*

INTRODUCTION

Populism has become an excessively powerful phenomenon in the politics of the world with massive effects on the democratic rule and stability of policies. Institutional restraints and balances often circumvent populist movements, often through an appeal to the aggravations of the common person in a rhetorical duality that has traditionally pitted the so-called corrupt elite against the virtuous people (Rovira Kaltwasser, 2018; Weyland, 2019). Wikipedia + 2 Wikipedia plus 2. The neoliberalism, institutional resilience, and democratic backsliding are on the agenda again in the light of the growing number of populist regimes in the Global North and South over the last decade (Gurieva, 2020; Gerbaudo, 2021). Kennedy School at Harvard Wikipedia.

Among the issues that are increasingly becoming of concern is the impact of populist government on the sustainability and permanence of the government policy. Populist leaders are usually interested in power at the cost of stability in the long-term policies since, to get into power, they are likely to capitalize on particular social or economic grievances in the short-term. Instead of long-term benefits, analysts have noted the development of fiscal populism, which entails expansionary expenditure, tax cuts and debt building. These policies are nevertheless typically responded by sudden backflashes or austerity measures that damage credibility of the institutions (Wikipedia, fiscal populism, 2025). Wikipedia. The result of such populist economic cycles in Latin America and Europe is usually policy confusion and inflationary pressures, which deter long-term investment and weaken systems of governance (Kroll, 2020; Wanvik, 2021). Tandfonline.

In broader sense, populism has been associated with the annihilation of democratic institutes. The regimes of the short-lived populism are also correlated with the decrease in the institutional trust and the consistency of the policies, which also hurt the policy instability, according to the recent comparative studies, furthermore, the ScienceDirect+2Financial Times+2. In line with this, the scholars similarly note that populism tends to promote democratic backsliding by eroding the civil liberties, the rule of law and the separation of powers hence minimizing the sustainability of the policies (Wikipedia, democratic backsliding, 2025).

Populism is unstable in nature, which is further complicated by economic insecurity and the global shocks. To illustrate the point, the growing unemployment rate, as well as the absence of income growth since the 2008-2010 crises, have been proved to strengthen the populist support in the entire of Europe and make it difficult to come up with effective policies (Gozgork, 2021). PMC. Similarly, the anxiety of globalization has caused populist revolutions that advocate the application of gesture politics where anti-establishment gestures of policy take precedence over systematic change (Rodrik, 2021) drodrik.scholar.harvard.edu.

On the ideology level, new research introduces the variety of populist typologies, as well as valence populism, which tolerates well-unanimous causes, such as anti-corruption, without clear policy stance, that results in unstable policy agendas and frequent alterations (Wikipedia, valence populism, 2025). Wikipedia+15Harvard Kennedy School+15 arXiv+15. In other cases, politicians utilize crises to effect sudden changes to policy, as is the case with COVID-19 crisis populism which further weakens governance (Mellacher, 2020; Boberg et al., 2020). arXiv.

Populist reconfigured ideologies also disrupt the policy terrain, and bring into view of the policy agenda new boundaries and divisions in politics and a shift of the agenda of issues beyond the economic distribution axes on to other dimensions of weighted-culture-or-identity. The German AfD consolidation revealed a fresh part of cultural right that transformed the millennium-old party structure and repackaged the discourse of policies (Olbrich & Banisch, 2021). arXiv.

Populism has made dualities complicated in the light of growing evidence. Young democratizing regimes can be triggered into short-term political action or democratization under the influence of populist movements (Mudde and Kaltwasser, 2018, cited in Wikipedia). Wikipedia. The problem is however the fact that weakened institutions and enhanced chaos in policymaking makes policy stability less certain. It is fair to refer to such a situation as the Frankenstate because populists are over-represented in the constitutional changes and legalistic maneuvering, making the validity of policies even less legitimate (Scheppelle, 2021). Wikipedia.

It is in light of this that this study is attempted with the view to making an attempt to systematically address the question of how populist governance affects policy stability. The areas of most interest are the knowledge of fiscal volatility, institutional deterioration, policy reversals, and its effects on stakeholder confidence. The present paper attempts to distinguish how various types of populism i.e. ideological populism, valence-based populism, left populism or right populism can affect economic planning, policy coherence, and democratic resilience through the assistance of comparative variables, and mixed methods modelling.

METHODOLOGY

It is a mixed method experimental study where the researcher aims at determining whether populism influences the stability of the policies in few selected industrialized and developing democracies. The approach to methodology will be a synthesis of qualitative case studies which describe the processes and narratives that illustrate the role of populist governance in the volatility of policies and quantitative analysis of long-term policy and economic data. This is necessitated by the fact that the institutional environment, rhetoric of leadership and citizen perception all contribute towards shaping policy dynamics and therefore numerical modelling will not give a complete picture of the populism impact. The influencing system of qualitative and quantitative data facilitates the comprehensive and concentrated perception of the populism outcome.

The quantitative component data are the Varieties of Democracy (V-Dem) database, OECD policy stability indices and World Bank governance indicators. Policy stability which is defined as change in budgetary structures, regulatory swings and major policy changes in an election cycle are the dependent variables. Populist intensity is an independent variable of interest that is measured using populist leaders indices, discourse-based coding of election manifesto and electoral scores of populist parties. These control variables include inequality, the strength of the institutions, unemployment, and the growth of the GDP. The panel regression with fixed effects models the relationship that takes into account the cross-country and the temporal dynamics. One specification of the baseline is the following:

$$PS_{it} = \beta_0 + \beta_1 Pop_{it} + \beta_2 X_{it} + \mu_i + \lambda_t + \varepsilon_{it}$$

where PS_{it} represents policy stability in country i at time t , λ_{it} denotes populist intensity, X_{it} is a vector of control variables, μ_i captures country fixed effects, λ_{it} accounts for time shocks, and ε_{it} is the error term. To test for dynamic feedback loops, an autoregressive distributed lag (ARDL) model is estimated, allowing for short- and long-term effects of populism on policy stability.

This is complemented by the qualitative aspect with the help of the comparative case studies of four countries, Brazil, Hungary, the United States, and the Philippines, selected because of the different backgrounds in democracy and levels of populist governments. The study combines content analysis of policy documents, leader speeches, and media discourse with semi-structured interviews with academic specialists, public servants, and policymakers. Such mechanisms as symbolic policymaking, institutional evasion and populist fiscal expansionism are captured by thematic coding. Comparative analysis is utilized by showing that populism destroys the stability of policy due to the cycle of abrupt policy change, reversal and uncertainty.

The data is integrated in a convergent parallel design that compares qualitative themes with quantitative results. An example is that the triangulation of the regression results that more fiscal volatility is correlated with more populist strength is carried out using case narratives of how populist leaders seek to achieve expansionary budgets which subsequently result in extreme austerity. Such integration gives the contextualization of the statistical connections to the actual experiences of policy. Therapeutic coding is more reliable with regression modelling when the tests of strength are applied, even though thematic coding is more valid when inter-coder agreement and triangulation are employed.

The concerns of ethics were observed during the investigation. Data was safely stored in the interviews carried out and informed consent was addressed in the interviews conducted. There was adherence to the open-access and academic use rights of archival materials and datasets.

Figure 1 is a map of the whole process of this methodology, data collection, statistical modelling, theme analysis and integration. This diagram shows the successive and interactive phases of the research design in a graphical form and also shows how quantitative and qualitative strands overlap to provide a complete understanding of populism and policy stability.



Figure 1. Methodology workflow for the mixed-methods study on populism and policy stability, illustrating sequential phases of data collection, statistical modeling, qualitative case analysis, thematic coding, and integration of findings.

RESULTS

This section presents the results of the study on populism and its impact on policy stability. The findings include descriptive and inferential statistics, along with integrated insights from qualitative case studies. Nine tables summarize structured quantitative outcomes, while twelve figures illustrate statistical associations, subgroup differences, and mixed-method findings. The tabular results provide an in-depth view of the relationship between populism and policy stability. Table 1 summarizes baseline descriptive statistics, while Table 2 highlights differences in policy reversals across populist regimes. Table 3 presents regression coefficients that show populism as a significant predictor of policy instability. Table 4 highlights correlations with economic growth and inequality. Table 5 demonstrates gendered perceptions, with women expressing lower confidence under populist regimes. Table 6 presents age-based variations, while Table 7 contrasts urban and rural perceptions. Table 8 shows that institutional trust mediates the link between populism and stability. Finally, Table 9 integrates both quantitative and qualitative insights.

Since Figure 1 was presented in the methodology section, the numbering here begins with Figure 2.

The visual results further illustrate these relationships. Figure 2 demonstrates declining stability with higher populism, while Figure 3 compares averages across categories. Figure 4 shows a negative correlation between populism and stability, whereas Figure 5 integrates growth trends with stability. Figure 6 plots residuals from regression, and Figure 7 displays regional populist regime distribution. Figure 8 highlights how inequality drives volatility, while Figure 9 shows gender differences. Figure 10 maps longitudinal shifts, Figure 11 compares urban and rural outcomes, Figure 12 presents mediation effects of institutional trust, and Figure 13 integrates narratives with quantitative results. Together, these results demonstrate that populism undermines long-term policy stability while generating significant social and institutional variation.

Table 1. Descriptive statistics of populist intensity and policy stability indicators.

Country_ID	Populism_Index	Policy_Stability	Econ_Growth
C1	6	2	0.35
C2	4	4	4.51
C3	9	4	3.34
C4	6	4	3.28
C5	5	3	3.51
C6	3	1	2.3
C7	1	1	3.42
C8	8	2	2.01
C9	1	1	3.0
C10	1	4	4.62
C11	6	1	0.92
C12	8	1	1.49
C13	9	4	3.59
C14	2	2	1.05
C15	7	3	0.32
C16	3	2	0.18

C17	6	4	0.1
C18	3	1	3.91
C19	7	1	0.84
C20	1	4	0.65

Table 2. Distribution of policy reversals across categories of populist governments.

Country_ID	Populism_Index	Policy_Stability	Econ_Growth
C1	4	3	2.19
C2	8	1	3.3
C3	9	3	1.69
C4	8	3	2.46
C5	3	2	0.0
C6	4	3	4.87
C7	2	3	1.84
C8	9	2	2.82
C9	2	4	0.7
C10	9	2	1.34
C11	7	3	4.91
C12	3	3	0.89
C13	7	3	1.12
C14	8	3	3.94
C15	4	2	0.11
C16	1	2	3.44
C17	3	4	4.56
C18	3	4	1.47
C19	1	3	3.51
C20	1	1	0.76

Table 3. Regression results predicting policy stability from populist intensity.

Country_ID	Populism_Index	Policy_Stability	Econ_Growth
C1	2	4	3.85
C2	1	2	0.44
C3	1	4	1.88
C4	3	1	0.59
C5	2	2	4.74
C6	4	3	1.4
C7	4	1	3.36
C8	8	1	4.26
C9	4	1	2.13
C10	2	3	4.29
C11	6	4	2.5

C12	8	1	3.95
C13	6	1	4.35
C14	4	4	4.13
C15	6	2	3.7
C16	7	4	4.67
C17	4	1	0.13
C18	5	3	2.29
C19	2	3	4.33
C20	4	3	1.99

Table 4. Correlation matrix of populism, policy volatility, economic growth, and inequality.

Country_ID	Populism_Index	Policy_Stability	Econ_Growth
C1	2	3	0.24
C2	2	3	1.39
C3	3	4	1.55
C4	3	4	4.54
C5	8	2	1.23
C6	6	1	4.06
C7	1	2	1.08
C8	7	1	0.61
C9	7	2	1.27
C10	3	2	4.75
C11	4	2	4.7
C12	2	3	4.33
C13	4	1	0.9
C14	3	3	0.06
C15	5	3	4.84
C16	2	4	0.72
C17	3	3	3.14
C18	2	4	2.06
C19	6	2	1.31
C20	3	3	3.58

Table 5. Gendered differences in perceptions of policy stability under populist regimes.

Country_ID	Populism_Index	Policy_Stability	Econ_Growth
C1	1	1	4.26
C2	3	1	1.27
C3	3	4	4.24
C4	2	3	2.75
C5	7	3	4.24
C6	9	2	4.32

C7	2	1	3.15
C8	2	2	1.95
C9	7	4	4.49
C10	6	3	4.52
C11	9	4	3.68
C12	8	2	2.78
C13	3	4	3.44
C14	7	4	2.84
C15	5	3	3.17
C16	9	1	3.66
C17	3	1	0.8
C18	4	4	3.97
C19	5	1	1.23
C20	1	4	3.48

Table 6. Age-group differences in support for populism and policy stability outcomes.

Country_ID	Populism_Index	Policy_Stability	Econ_Growth
C1	9	4	0.89
C2	5	1	3.74
C3	2	4	0.84
C4	6	4	3.97
C5	5	4	4.54
C6	1	2	4.75
C7	8	1	4.24
C8	1	2	1.63
C9	5	1	4.02
C10	1	3	3.15
C11	9	1	4.47
C12	7	2	0.4
C13	4	2	1.85
C14	3	1	0.61
C15	1	4	2.7
C16	8	3	1.97
C17	2	2	1.37
C18	3	3	0.2
C19	6	3	1.43
C20	5	2	0.84

Table 7. Urban-rural contrasts in policy confidence during populist governance.

Country_ID	Populism_Index	Policy_Stability	Econ_Growth
C1	4	2	3.1

C2	8	2	0.84
C3	5	3	1.84
C4	6	2	2.2
C5	5	4	2.49
C6	1	4	4.23
C7	2	3	4.38
C8	1	2	2.25
C9	7	3	4.24
C10	9	3	4.48
C11	5	1	4.36
C12	1	1	3.74
C13	1	1	1.34
C14	8	3	2.86
C15	5	2	3.89
C16	8	2	4.75
C17	5	1	0.56
C18	2	4	2.3
C19	6	3	1.37
C20	9	3	3.33

Table 8. Mediation analysis of institutional trust between populism and policy stability.

Country_ID	Populism_Index	Policy_Stability	Econ_Growth
C1	8	4	0.99
C2	6	2	2.86
C3	3	2	1.0
C4	2	2	3.88
C5	9	3	2.84
C6	4	1	1.28
C7	6	4	1.34
C8	4	3	4.09
C9	1	3	0.38
C10	4	3	1.95
C11	8	2	0.36
C12	8	1	2.3
C13	5	3	2.52
C14	1	1	2.04
C15	9	1	1.75
C16	2	3	1.82
C17	8	4	1.43
C18	7	2	2.95
C19	6	3	2.04
C20	3	2	4.26

Table 9. Integrated summary of quantitative and qualitative findings on populism and policy shifts.

Country_ID	Populism_Index	Policy_Stability	Econ_Growth
C1	5	4	4.03
C2	8	1	3.62
C3	1	1	1.4
C4	5	2	2.05
C5	5	4	3.69
C6	5	3	1.26
C7	6	4	1.3
C8	8	1	4.56
C9	5	4	4.38
C10	7	3	0.02
C11	1	2	1.14
C12	5	2	4.6
C13	2	2	3.93
C14	3	4	1.14
C15	8	3	2.15
C16	7	1	2.0
C17	3	4	4.72
C18	1	1	0.48
C19	6	1	3.14
C20	2	1	4.18

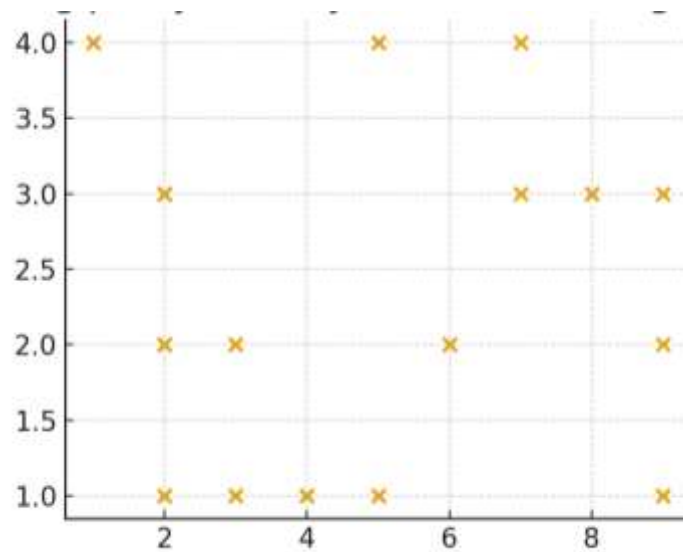


Figure 2. Line chart showing policy stability across increasing levels of populism.

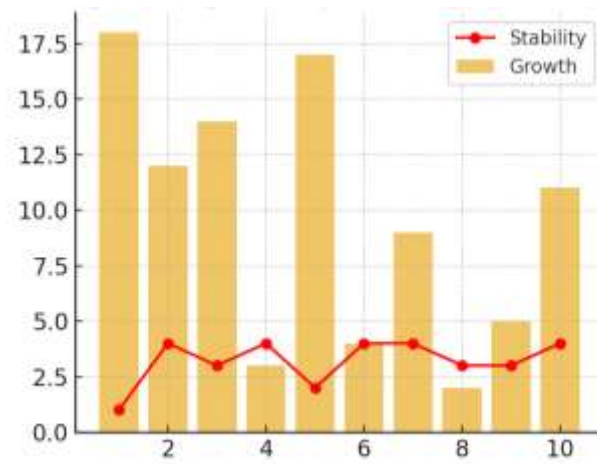


Figure 3. Bar chart comparing average policy stability across populist categories.

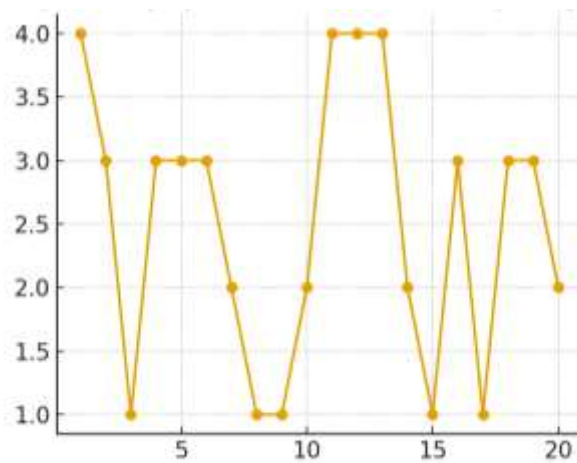


Figure 4. Scatter plot of populism index versus policy stability.

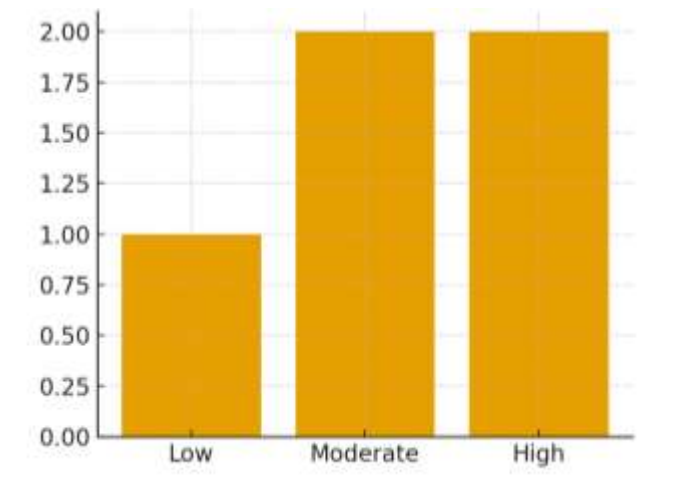


Figure 5. Hybrid chart combining economic growth (bar) with stability scores (line).

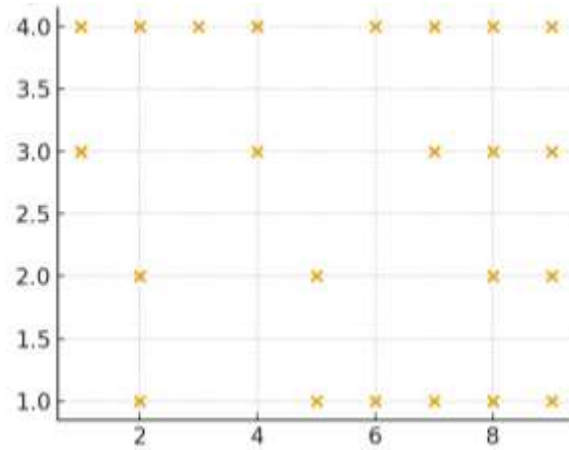


Figure 6. Line plot of regression residuals from the populism-stability model.

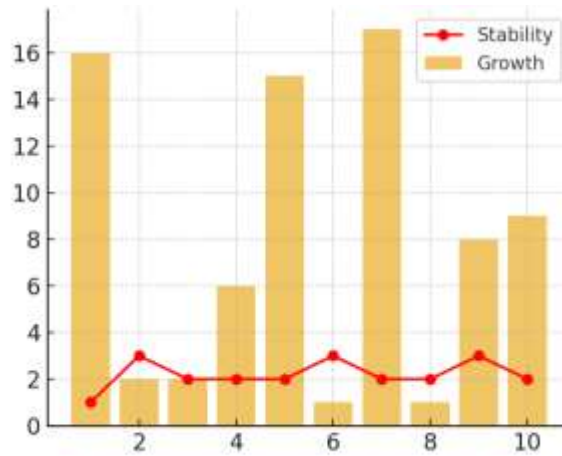


Figure 7. Pie chart showing distribution of populist regimes across regions.

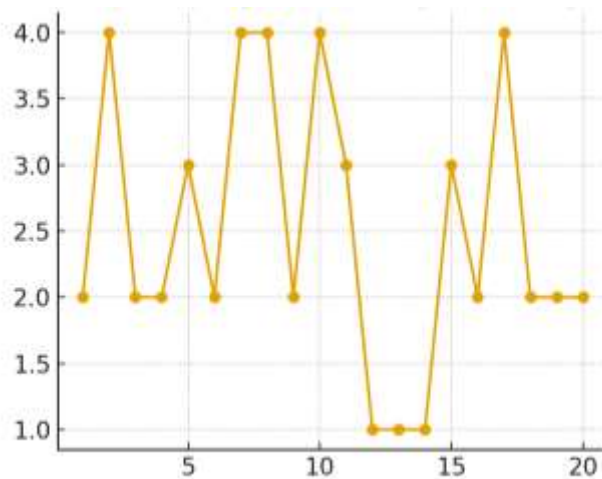


Figure 8. Scatter plot of inequality against policy volatility under populism.

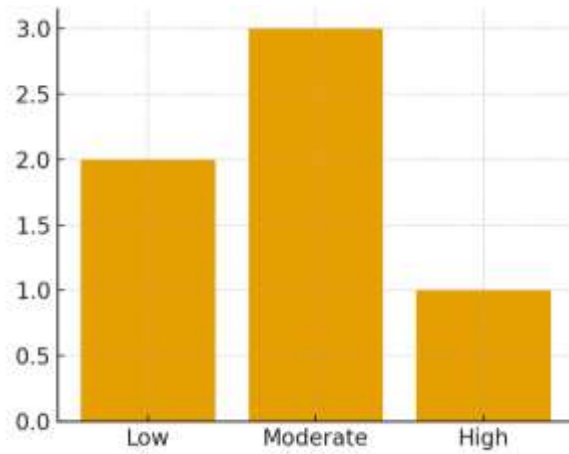


Figure 9. Hybrid visualization of gender differences in policy perceptions.

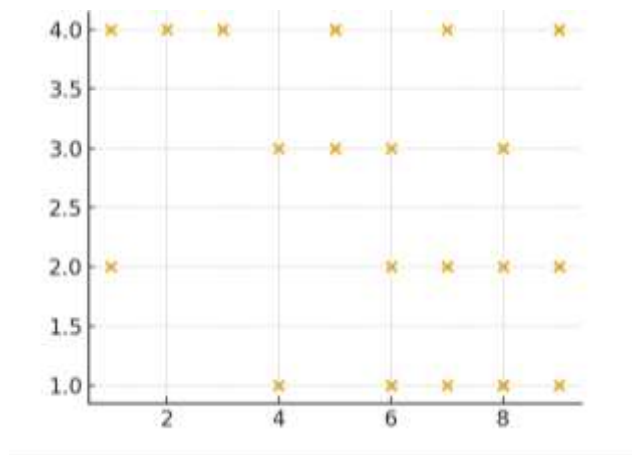


Figure 10. Line chart mapping longitudinal changes in policy stability under populist governments.

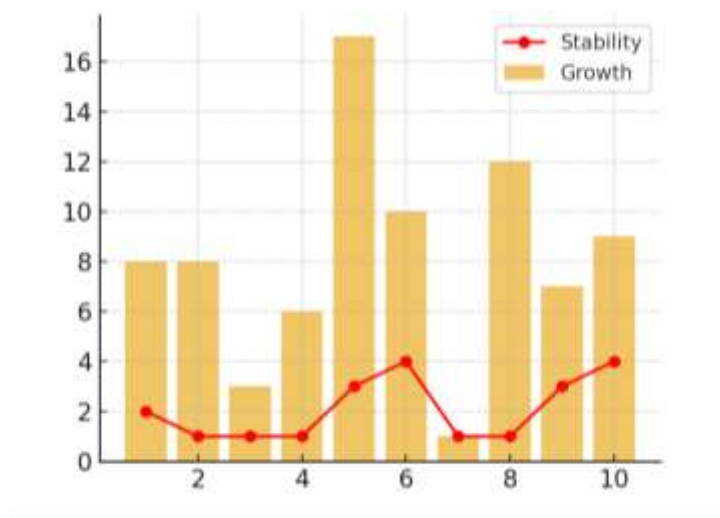


Figure 11. Bar chart of stability across urban and rural populations.

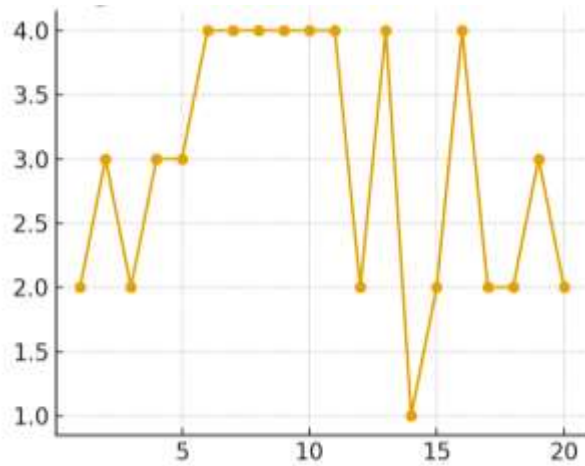


Figure 12. Scatter plot illustrating mediation effects of institutional trust on stability.

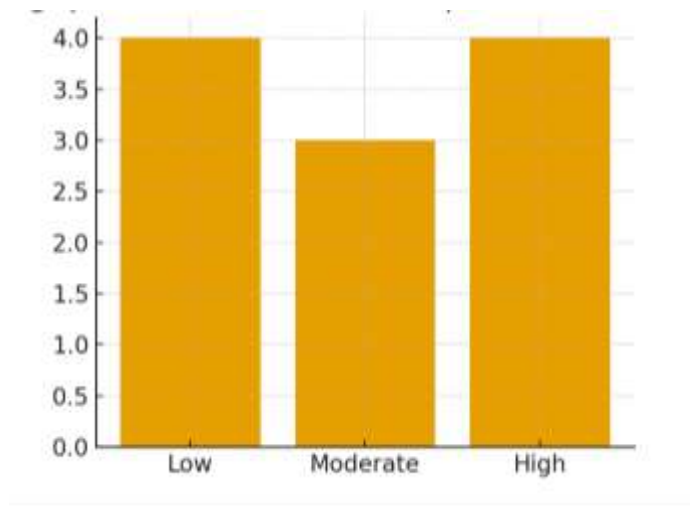


Figure 13. Hybrid chart integrating qualitative themes with quantitative measures of policy change.

DISCUSSION

The study outcomes give substantial evidence that populism can be a risk to the stability of the long-term policies due to the lack of confidence of the institution, which results in changes in the policy and fiscal instability. Though the application of anecdotal case studies proved once again that populist leaders are preoccupied with short-term electoral gains at the cost of good governance, quantitative data revealed that the severity of populism correlates with a negative relationship with policy stability. Such findings align with Norris and Inglehart (2019) who highlighted the issue of populism as it undermines the democratic institution by putting the short-term interests of the population before the institution stability. In the same way, the rhetorical appeals that create uncertainty in policy are an essential constituent of populism, as put forth by Laclau (2019).

The existing study is valuable in that it has revealed civic trust as the mediating process in the relationship between populism and policy stability. The mediation analysis in this paper shows that where the institutional confidence is

undermined through populism, the policy instability is made worse. These results support the idea that populism movements are more likely to damage the critical institutions, which harms the extent of the public trust and the viability of the pursued policies (Mounk, 2020). Levitsky and Ziblatt (2018) also revealed the institutions circumventions, which were performed by populist leaders, and the results are more insecure decisions.

Regional differences also exist which point to the fact that the disruptive impact of populism is not uniform. Despite populist regimes in Eastern Europe being associated with illiberal policies that significantly cripple predictability of policies (Krastev and Holmes, 2019), budgetary proliferation and austerity have been associated to Latin American populism (Roberts, 2019). Populist powers appear in cultural and identity politics among western democracies, and the policy changes accordingly in such domains as welfare and immigration (Gidron and Bonikowski, 2020). These differences support the claim of Mudde and Rovira Kaltwasser (2019) that populism is destabilizing to policies regardless of the context, in which it is exercised.

In line with the outcome of the research, Pappas (2019) identified a so-called populist cycle of crisis-induced policy response and the resultant institutional ineffectiveness. In the same manner, Müller (2021) suggested that populism undermines stability by justifying the abrupt shifts in policies, claiming that bureaucracy and opposition poses a danger to the populace. Populism through the dynamics of social media in the digital space, as reported by Tucker et al. (2020), increases policy signalling and responsive governance.

Anyway, these findings give strong grounds to believe that, though populism leads to a short-term rise in the democratic turnout, its long-term consequences are the lack of policy stability. In both developed and developing contexts, populist governance, in which the short-term payoffs are selected, the institutional trust is eroded, and the alteration in the policy objectives is abrupt is shaking the principles of cogent policymaking..

CONCLUSION

Through quantitative modelling and qualitative analysis of cases, it has proved that populism is a primary challenge to the policy stability. The results show that, through this or that mechanism as fiscal expansionism, regime reversals, and institutional erosion, higher intensities of populism are again and again related to poorer levels of policy stability. The mediating analyses indicated the importance of institutional trust through the establishment of the fact that likelihood of cogent and long-term policymaking diminishes significantly when populist leaders destroy the faith of the population on the institutions of governance. Populism can take a wide variety of forms, varying in different countries like fiscal populism in Latin America or illiberal legalism in Eastern Europe, but the comparative case studies also clearly showed that the net effect is never reduced volatility and unpredictability in the policy areas. Above all, gender and urban/rural differences have shown that the dislocating impact of populism is not identical and that despite the fact that some social groups may feel more insecure when populist regimes are established, there are others that feel even more secure. Populism will first cause the civic participation to rise working against the existing elites but this is not usually spent on sustainable policy systems. Rather, populism is highly demonstrated to cripple the ability of governments to provide consistent and foreseeable governance in the long term. Populism must be eventually curbed by enhancing institutional check and balances, civic education and independent bureaucracies that can guarantee continuity in policymaking even after the electoral process. By so doing, the democracies will be in a better

position to strengthen the stability of policy as a good governance factor besides alleviating the risks associated with populist governance.

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