Volume 259 - Winter 2022

# National Institute Economic **Review**





#### **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) Professor Nicholas Crafts (Chair) Professor Jagjit S. Chadha (Director) Alex Baker Jenny Bates Professor Phillip Brown

Neil Gaskell Professor Sir David Greenaway Stephen King Keith Mackrell Neville Manuel Professor Iill Rubery Romesh Vaitilingham

### **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 Patricio 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, IGIDR, Mumbai Refet Gürkaynak, 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 Schenk, Oxford Frank Smets, European Central Bank Ron Smith, Birkbeck Alan Sutherland, University of St. Andrews Ryland Thomas, Bank of England Philip Tuner, University of Basel Martin Weale, King's College London

National Institute Economic Review (ISSN:0027-9501 print, 1741-3036 online) is published quarterly in February, May, August and November by Cambridge University Press, One Liberty Plaza, New York, NY 10006, USA/UPH, Shaftesbury Road, Cambridge CB2 8BS, England for the National Institute of Economic and Social Research. Annual subscription including postage: institutional rate (combined print and electronic) £614/US\$1134; individual rate (print only) £175/US\$307. Electronic only and print only subscriptions are available for institutions at a discounted rate. Note VAT is applicable at the appropriate local rate. Abstracts, tables of contents and contents alerts are available online free of charge for all. Student discounts, single issue rates and advertising details are available from Cambridge University Press, One Liberty Plaza, New York, NY 10006, USA/UPH, Shaftesbury Road, Cambridge CB2 8BS, England, POSTMASTER: Send address changes in the USA and Canada to National Institute Economic Review, 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.

#### **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 organisations. 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 or through a licence from the Copyright Clearance Center, Inc. (www.copyright.com/). Enquiries concerning reproduction outside those terms should be sent to Cambridge University Press.

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

# **National Institute Economic Review**

Volume 259 Winter 2022

## 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 <i>Marcus Miller and Ben Zissimos</i>	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	

67

Adrian Pabst