

**К.И. Сонин (Российская экономическая школа), D. Acemoglu (MIT),
G. Egorov(Northwestern)
A Political Theory of Populism**

Populism is described as an ideology which contrasts the interests of the people and the elite, and calls for defense of the interests of the former. In reality, populist politicians are often seen conducting macroeconomic policies that can be hardly justified by the benefits they provide to the very poorest; in many instances, these policies were far to the left of the majority's preference. In this paper, we explain why even a moderate politician seeking reelection may choose leftist policies. The leftist bias is higher when the polarization is high, or when the political class is predominantly occupied by the rich elite. Keywords: political economy, inequality, populism, voting, signaling. JEL Classification: D71, D74, C71.