The European Parliament and Populism in International Accounting Regulation

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July 2024

Abstract

The literature on politics in accounting regulation describes regulatory capture and ideology as primary political forces. We combine theory on populism and the legitimacy of the IASB and predict that, in international accounting regulation, populism and its host ideologies determine politicians' voting and debating on technical accounting issues. We analyze IFRS-related votes and debates in the EU parliament and find that populists, in general, are more likely to speak in debates, vote and argue against policies supporting the IASB and IFRS, and use arguments consistent with populism theory. Moreover, we find that left and right populists mostly use arguments consistent with their host ideologies, thus reaching the same conclusion based on distinct reasoning. We find evidence consistent with the causes of populism, such as voters' exposure to globalization, fiscal austerity, or income inequality amplifying populists' behavior, and discuss to what extent accounting regulation is vulnerable to the rise in populism.

Keywords: Populism; European Parliament; IFRS.

Acknowledgments

We thank Jannis Bischof, Philipp Dörrenberg, and workshop participants at BI Norwegian Business School, Free University of Bozen-Bolzano, University of Lausanne, and University of Mannheim for comments on earlier versions of this manuscript. We thank Isabeau Ammann, Joel Arenz, and Lucas Busch for excellent research assistance. All remaining errors are our own. We are grateful to the Deutsche Forschungsgemeinschaft (DFG, German Research Foundation) for financial support through CRC TRR 266 Accounting for Transparency (Project-ID 403041268). The authors have no relevant financial or non-financial interests to disclose.
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"You are the only parliament in the world with which we have such regular interaction."
- IASB Chair Hans Hoogervorst on 19 March 2018 in an exchange of views meeting with the European Parliament's ECON Committee

1. INTRODUCTION

Research on the political economy of accounting regulation describes regulatory capture and ideology as primary political forces (e.g., Ramanna, 2008; Bischof et al., 2020). In the case of international standard-setting, the IFRS Foundation is facing decision-makers in jurisdictions with very heterogeneous political landscapes (Camfferman and Zeff, 2018). In this setting, it is unclear whether and how special interest and ideology accumulate sufficient political force to intervene in setting and locally endorsing IFRS standards. Nonetheless, a common trend in many jurisdictions is the rise in populism, a discursive framework that politicians from different host ideologies share (e.g., Funke et al., 2023). This paper investigates whether populism and (host) ideologies matter in international accounting regulation.

We focus on the role of the European Parliament in parliamentary exchange with the International Accounting Standards Board (IASB) and the endorsement of International Financial Reporting Standards (IFRS). Arguably, the European Parliament is the most important democratic body involved in IASB standard-setting.[1] It is the only directly elected institution that holds regular sounding board meetings with the IFRS Foundation's key representatives, who repeatedly emphasize the EU's historic and ongoing role in promoting the global adoption of IFRS.[2] Actions back these claims. For instance, after the European

[1] Early evidence of its relevance is from the seminal paper of Armstrong et al. (2010), who document the market reactions to different IFRS adoption-related events in the European Union. The European Parliament's resolution to adopt IFRS is their first event and also the first debate in our sample that ended with a vote.

[2] *"So we listen, you know, obviously, the European Union is one of our most important stakeholders. It was one of the leaders in the acceptation of IFRS. So we see it as our duty to engage very closely with our European stakeholders."* – Hans Hoogervorst on 17 February 2020 in the European Parliament's ECON Committee.

Parliament passed a resolution expressing issues with the newly issued IFRS 17,[3] the IASB subsequently issued amendments to their standard. Follow-up discussions suggest that the European Parliament's resolution was pivotal in triggering these amendments, substantially delaying IFRS 17.[4] Thus, the European Parliament's positioning is relevant to the many jurisdictions applying IFRS. Deviating EU positions may spill over into other jurisdictions.[5]

Compared to other jurisdictions' decision processes, an advantage of the European Parliament is the richness of available data for empirical analysis. We can analyze politicians' voting behavior and arguments in parliamentary and committee debates, allowing nuanced insights into politicians' reasoning behind voting outcomes. Moreover, the members of the European Parliament (MEPs) represent several hundred national parties from up to 28 different countries, providing substantial variation of populism, host ideologies, and voters' socioeconomic and cultural backgrounds—the latter cover established causes of populist voting. Thus, our unique data allows detailed insights into the political process within the European Parliament and extends to possible causes of populists' behavior.

Political science characterizes populism as a discourse (e.g., Laclau, 2005; Hawkins, 2010; Aslanidis, 2016) or "thin ideology" (Mudde, 2004; Stanley, 2008; Guriev and Papaioannou, 2022)—populists share an antiestablishment rhetoric but may otherwise rely on diverse host ideologies. Thus, populism is distinct from (thick) ideology and a new political dimension in addition to previously studied regulatory capture and (thick) ideology. We

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[3] See https://www.europarl.europa.eu/doceo/document/TA-8-2018-0372_EN.html.

[4] On 27 October 2020, in a meeting with the Parliament's ECON Committee, European Commission's representative Alain Deckers stated: "*Since the Parliament adopted its resolution on IFRS 17 in October of 2018 […], EFRAG has provided considerable input and comments to the IASB about that standard […], and this is one of the reasons why the IASB adopted amendments this year […]. One of the additional consequences of the amendments is that the application of the standard will be postponed to 2023*." Moreover, Arce et al. (2023) conclude that European constituents were the most active in the IASB's due process related to IFRS 17 and that the IASB is responsive to their input.

[5] For instance, the Hong Kong Institute of Certified Public Accountants communicated its fears about the possible inconsistent application of IFRS 17, highlighting that any deviation, even if it is only in the effective date, creates an unlevel playing field and announced that, if needed, it will also deviate from IFRS 17, see https://www.hkicpa.org.hk/-/media/HKICPA-Website/HKICPA/section6_standards/standards/17iig/lettertoIASB.PDF?la=en&hash=8EED27CA2F48A407360FBF26AF83CE89.

follow the definition of Mudde (2004), which is widely accepted in political science and economics (Funke et al., 2023; Guriev and Papaioannou, 2022). Populism "considers society to be ultimately separated into two homogeneous groups, 'the pure people' versus 'the corrupt elite'" (Mudde 2004, p. 543). Left- and right-leaning populists play an equally important role but may implement divergent economic and anti-international policies (Copelovitch and Pevehouse, 2019). The ideological difference between left and right populism stems from the definition of "the people" and "the elite." Right populists tend to define them regarding heritage, where a national or religious group defends against external enemies. Conversely, left populists delineate along social structures and institutions, where the underprivileged defend against a socioeconomic elite (e.g., Gandesha, 2018). In the EU specifically, left populists focus on economic impacts and redistribution, while right populists focus on the loss of national sovereignty and sociocultural issues (Brack, 2020; Carrieri and Vittori, 2021).

The existing set-up of international accounting regulation (see, e.g., Becker et al., 2021, Ch. 5) has several distinctive features theoretically relevant to predicting the role of populism and its host ideologies in this context. Specifically, we mobilize theory on the legitimacy of the IASB as a private global organization in a regulatory regime with state and non-state actors (Black, 2008; Suchman, 1995). First, as a private organization, the IFRS Foundation has strong ties to accounting profession leaders, global firms, and the financial industry (e.g., Arce et al., 2023; Bamber and McMeeking, 2016; Durocher et al., 2019). Thus, it could represent a socioeconomic elite defined by left populists (e.g., Burlaud and Colasse, 2011; Warren, 2024). Second, the IFRS Foundation replaces national standard setters, removing their sovereignty over accounting regulation and fostering an Anglo-Saxon accounting tradition (e.g., Crawford et al., 2014; Danjou and Walton, 2012; Pelger, 2016).[6] Hence, it could equally represent a sociocultural elite defined by right populists, although for

[6] In our setting, anti-Anglo-Saxon arguments focus on this sociocultural aspect of accounting standard setting, which is most consistent with right populism. This is distinct from possible left anti-Anglo-Saxon arguments, e.g., expressing anticapitalist views through anti-Americanism, which plays no role in our setting.

very different reasons. Therefore, we predict that populists from *either side* of the political spectrum are more likely to vote and argue against policies supporting the IASB and endorsing IFRS. Moreover, we predict that a politician's host ideology affects which *type* of anti-elite and pro-people arguments she uses.

We collect IFRS-related debates and roll-call votes from the European Parliament and its ECON Committee from 1999-2023 to test our hypotheses. We use a theory-guided coding scheme to assign debate arguments to different categories, including left and right anti-elite and pro-people codes. Moreover, we classify each argument by whether it expresses an anti-IFRS stance. We aggregate all IFRS-related arguments and votes by politician and by term. Based on this aggregation, we create dummies for whether a politician in a given term ever used each argument or not and ever voted against IFRS or not. We assign populism and ideology based on the politician's national party and classifications in the PopuList 3.0 (Rooduijn et al., 2023a, 2023b) and the Chapel Hill Experts Survey (Jolly et al., 2022).

Our primary analysis regresses the dummies for voting and arguments on a dummy for populism or dummies for left and right populism, respectively. Populists are more likely to speak in IFRS-related debates than non-populists. Consistent with our predictions, we find that populists, in general, are more likely to vote against IFRS, argue against IFRS, and use anti-elite and pro-people arguments. Moreover, results show that host ideologies determine the type of anti-elite and pro-people arguments. Overall, the results confirm our prediction that populists generally have an anti-IFRS stance, but their arguments differ substantially by host ideology. We find limited evidence of regulatory capture, and populists are less likely to leave the field of accounting regulation to technocrats outside of politics than non-populists.

We conduct several cross-sectional analyses to investigate whether plausible causes of populism amplify the associations of populism with a politician's involvement and positioning in IFRS-related debates. The political science literature suggests that voters suffering from globalization exposure (e.g., Colantone and Stanig, 2018), economic consequences of fiscal austerity (Gabriel et al., 2023), and low income in societies with high inequality (Pástor and Veronesi, 2021) tend to vote for populists. We match measures for globalization exposure, fiscal austerity, and income inequality to politicians based on their home country and the year when the parliamentary term started. We find that these causes of populism amplify the primary effects we observe, e.g., populists from countries with higher globalization exposure in a given term are even more likely to vote against IFRS than populists from countries with lower globalization exposure. Moreover, we find differences between causes that plausibly align more with left and right populism, respectively. Specifically, we find that the amplifying effect is stronger for right populists than left populists for globalization exposure. In contrast, it is stronger for left than right populists for fiscal austerity and income inequality.

We finally provide an exploratory discussion of our findings' implications and external validity. We first show that our insights generalize to other settings where our theoretical reasoning applies. Specifically, we find the same patterns for the European Parliament voting on Basel Committee-related policies in international banking regulation. A possible concern with our results is that populists may always vote against policies supported by the majority. Therefore, we collect policies where it is plausible that only right or only left populists disagree. Voting results are consistent with theoretical predictions, suggesting that populists do not per se vote against non-populist policies. We further discuss that accounting policy decisions in the EU seem resilient even with one-third of MEPs from populist parties. Still, populists may slow down accounting policy decisions, and the threat of blocking decisions becomes more prevalent. Finally, we provide anecdotal evidence that populist leaders outside the EU indeed block IFRS adoption, e.g., in the case of Bolivia.

We make contributions to several literature streams. First, we contribute to the literature on the political economy of accounting regulation. While earlier literature focuses on regulatory capture (e.g., Zeff, 2005; Ramanna, 2008), Bischof et al., 2020 show that politicians' ideology plays a role when debates focus on the economic consequences of accounting standards. We add populism as an important, rising, and distinct political dimension that spans across the tails of the political spectrum. We identify circumstances under which populism plays a role and add the first evidence that populism *matters* in our setting and *interacts* with ideology.

Second, we contribute to the populism literature. We show that populists take the stage even in such a highly technical policy area as *accounting*, usually governed by experts, although economists argue that they may dismiss such economic policy areas as unpolitical (Rodrik, 2018), and political scientists tend to frame populism and technocrats as opposite alternatives to pluralistic political procedures (e.g., Bertsou and Caramani, 2022; Bickerton and Accetti, 2017; Caramani, 2017). Furthermore, our evidence relates to the phenomenon that populists tend to foster policies of economic nationalism (e.g., Burgoon et al., 2019; Hopkin, 2020). However, our theoretical reasoning and results suggest that the *attributes* of opposed international organizations (here: the IFRS Foundation) matter as they trigger populists with different host ideologies rejecting it.

Third, our paper sheds light on the political forces in the European Parliament's processes endorsing IFRS and discussing IASB-related policy issues. The existing accounting literature on politicians has primarily focused on the U.S. Congress. Instead, we know very little about the European Parliament, which is "the joker in the endorsement pack" as new IFRS standards are put "into an overtly political arena, and one where hardly anyone has any knowledge of financial reporting." (Walton 2020, p. 307-308). We overcome the practical obstacle that these debates are often only recorded as a video and in the native languages of MEPs. Our systematic collection and analysis of all IFRS-related debates and votes in the European Parliament extends prior literature discussing *single cases* of political involvement of the EU in international accounting regulation. Instead of the inner-parliamentary processes we study, this literature focuses on power dynamics between the European Parliament, other

European bodies, and the IASB (e.g., Crawford et al., 2014), lobbyists' involvement channels (Zeff, 2002; Walton, 2020), or the involvement of broad stakeholder groups (e.g., Arce et al., 2023). We respond to calls to provide more insights into jurisdictions' relations to the IASB (Camfferman and Zeff, 2018).

Fourth, we contribute to the debate around institutionalizing the IASB and IFRS. We show that specific concerns in the literature are *asymmetrically* picked up in the political discussion. While left populists pick up the critique of IFRS for its democratic deficit (e.g., Chiapello and Medjad, 2009; Burlaud and Colasse, 2011), right populists agitate in favor of national (accounting) isolationism, conceptually based on the argument of better addressing national idiosyncrasies (e.g., Ball, 2006). This distinction is important, although both sides demand to reform the IASB and IFRS. Precisely, attackers from the left favor a democratically legitimized standard setter,[7] irrespective of nation and culture affiliations. Conversely, attackers from the right favor reverting to national accounting regimes, regardless of the political set-up of the standard setter.

Finally, we document that the underlying *content* of a new individual IFRS standard, i.e., technical details, rarely play any role in the political debate and are overshadowed by politicians' *general perceptions* of the institution drafting these standards.

2. THEORETICAL BACKGROUND

Theory on populism

The term "populism" has a century-long history and regularly appears in popular discussions, making it challenging to define and measure.[8] However, there is a consensus in

[7] Note that the IASB has rebalanced the democratic deficit in favor of the EU in the past without fundamentally changing the fact of non-state accounting regulation. Specifically, scholars describe that the EU took back some political control from the IASB (e.g., Chiapello and Medjad, 2009; Bengtsson, 2011) and that the European Parliament was pivotal in this reform (Crawford et al., 2014). However, Danjou and Walton (2012) argue that politics have always been part of global accounting regulation, with the EU at its center.
[8] See Funke et al. (2023) for a concise summary of the history of defining populism.

political science and economics about the core defining feature of populism, consistent with Mudde's (2004) definition cited above. Populists claim a fundamental opposition between two homogenous groups, the "pure people" and the "corrupt elite," and present themselves as the sole representatives of the pure people. Mudde (2004) describes further characteristics of this defining feature. Populists consider those two groups to be homogeneous, whereas pluralism would consider society as fundamentally heterogeneous. The delineation between the homogeneous groups is normative, making compromise impossible. With these few shared features, populism encompasses only a narrow range of common political concepts. Thus, populism necessarily and easily matches diverse host ideologies to compensate for the dearth of a political message beyond the antiestablishment discursive framework (Mudde, 2004; Stanley, 2008; Guriev and Papaioannou, 2022).

The host ideology of populists determines their definition of the "pure people" and the "corrupt elite." For our purpose, we identify host ideologies along the left-right cleavage because it leads to distinct hypotheses regarding their differential views of international accounting regulation (see next section). In brief, left populists define the people and the elite in socioeconomic terms, while right populists define them in sociocultural terms (e.g., Gandesha, 2018). High socioeconomic status characterizes the elite in left populists' terms, encompassing capitalist, financial, and oligarchic elites. Importantly, for our context, this includes institutions of the global economy such as banks, hedge funds, multinational companies, the International Monetary Fund, and the World Bank (Funke et al., 2023). Conversely, they characterize the people as those suffering from economic hardship. Hence, the left populists' agenda includes redistribution, anti-neoliberal, and anti-austerity policies (e.g., Carrieri and Vittori, 2021).

Right populists typically characterize the elite as politicians or private actors who allegedly threaten national sovereignty and national prosperity, disadvantaging the national people, sometimes to the benefit of minorities (e.g., Brack, 2020). Conversely, they characterize the people by a shared culture and heritage, often expressed in terms of national or religious groups (e.g., Gandesha, 2018). Hence, the right populists' agenda focuses on reducing or blocking policies that reduce national sovereignty or foster the international exchange of capital and people (e.g., immigration). While they generally promote liberal and business-friendly economic policy, their focus on national sovereignty limits this tendency for policies promoting globalization (e.g., Funke et al., 2023; Mudde, 2007).

The European political landscape, which is the context of this paper, is populism-prone on the left and the right side of the political spectrum (Rooduijn and Akkerman, 2017). Moreover, some authors argue that European populists from the entire political spectrum favor economic nationalism, making it an interesting laboratory to study whether and where agendas from populists with different host ideologies may overlap (e.g., Burgoon et al., 2019; Hopkin, 2020). Similarly, Halikiopoulou et al. (2012) argue that European left and right populists have nationalist tendencies in common, driving a common Euroscepticism. They differentiate between ethnic (right) and civic (left) nationalism, which are different in nature, but both lead to Euroscepticism. They argue that left populists' anti-neoliberal ideology is often less important than their nationalism to explain this attitude.

Thus, while there seems to be a consensus in political science that four distinct arguments differentiate left (anti-socioeconomic elite, pro-economically suppressed people) and right (anti-globalization-friendly elite, pro-nation) populism, these arguments may lead to overlapping agendas in specific policy areas. Next, we discuss what this means for international accounting regulation.

The International Accounting Standards Board's Legitimacy

The IFRS Foundation, with its International Accounting Standards Board, is a private and independent organization without a direct democratic mandate of its constituents. Therefore, given its mission "to bring transparency, accountability and efficiency to financial markets around the world by developing IFRS Standards" (IASB, 2015), it constantly has to maintain its legitimacy to ensure the acceptance of its standards and standard-setting process. Ultimately, the IASB's legitimacy helps it prevail in the competition with alternative accounting standard setters (e.g., Sanada, 2020). The environment in which this competition takes place can be characterized as a polycentric regulatory regime, where regulation is fragmented, and both state and non-state actors can serve as regulators (Black, 2008).[9] Thus, the IASB faces legitimacy claims across state-non-state and national boundaries. The overlap of those legitimacy claims with populist arguments helps to predict whether and why populists may target international accounting regulation.

In his seminal paper on organizational legitimacy, Suchman (1995, p. 574) defines legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions." He distinguishes three forms of legitimacy.[10] First, pragmatic legitimacy arises when constituents perceive an organization to support their interests. With its due process, the IASB provides a direct mechanism to collect and potentially address constituent interests (e.g., Arce et al., 2023; Richardson and Eberlein, 2011). However, it is unclear whether the IASB considers the interests of all constituents equally (e.g., Bamber and McMeeking, 2016; Jorissen et al., 2013; Larson and Kenny, 2011). More importantly, some constituents perceive the undue influence of more powerful actors, such as accounting firms, which could threaten the IASB's pragmatic legitimacy (Durocher et al., 2019; Georgiou, 2010). Those actors derive their power from socioeconomic status and create imbalance across state-non-state boundaries, making the IASB's pragmatic legitimacy vulnerable to left

[9] We follow Black (2008) in noting that state actors are those with a legal mandate from a democratically elected body. As such, they could, e.g., be an administrative EU body.

[10] The literature on the IASB's legitimacy has often relied on Suchman (1995), see, e.g., Bamber and McMeeking (2016), Crawford et al. (2016), Danjou and Walton (2012), Durocher et al. (2019), Sanada (2020). Moreover, Durocher et al. (2019) reconcile the processual view (differentiating input, throughput, and output legitimacy, e.g., Arce et al., 2023; Botzem, 2014; Pelger and Spieß, 2017; and Richardson and Eberlein, 2011) with Suchman (1995). Thus, for our purpose, the processual view would not lead to different predictions or conclusions.

anti-elite arguments. At the same time, there is some evidence that the IASB leans towards U.S. interests and U.S. accounting traditions significantly influence the IASB's accounting regulation (e.g., Bamber and McMeeking, 2016; Crawford et al., 2014; Pelger, 2016). Therefore, right anti-elite arguments could also question the IASB's pragmatic legitimacy, accusing undue influence of an Anglo-Saxon elite.[11]

Second, moral legitimacy requires that constituents perceive the organization's outputs, processes, structures, or representatives to support their values or social welfare. The IASB has historically built legitimacy based on the support it receives from major global intergovernmental organizations (e.g., IOSCO, OECD, G20, or UN) and the IASB's willingness to adjust its governance to preserve this support (e.g., Camfferman and Zeff, 2007; Danjou and Walton, 2012). In this context, Danjou and Walton (2012, p. 3) argue that the IFRS "Foundation's mission and organisation are aligned with the public interest." However, their statement assumes that constituents perceive those global organizations to represent public interest. Right populists may oppose that globalization is in the public interest, which they define from a national perspective. Instead, international accounting regulation fosters globalization (e.g., Amiram, 2012) and has its roots in global economic and international integration (Ball, 1995). Therefore, right populists could attack the IASB as a globalization-friendly or foreign elite. Left populists may oppose that neoliberal economics, which the IASB represents due to its focus on financial markets and investors (e.g., Burlaud and Colasse, 2011; Warren, 2024), is in the public interest as they define it. For instance, Kohler et al. (2021) illustrate how the institutional environment of IFRS application empowers accounting firms as private actors to substantially shape accounting practice. Left populists could perceive this setting as an example of socioeconomic elites acting against the public interest of ordinary people.

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[11] In our setting, the U.S. influence is sociocultural rather than socioeconomic because the U.S. legal tradition and societal norms differ from those in many EU jurisdictions, while they share similar socioeconomic traditions (i.e., Western neoclassical economics). Therefore, we expect mostly right populists to use anti-U.S. arguments.

Furthermore, the IASB follows an Anglo-Saxon tradition that locates standard-setting as a non-state, expert function of technocrats. Instead, many Continental European jurisdictions traditionally locate accounting standard-setting as a legislative task and, therefore, a state function (e.g., d'Arcy, 2001). These different traditions further illustrate the simultaneity of state-non-state (possibly attacked by left populists) and national (possibly attacked by right populists) boundaries the IASB crosses in seeking legitimacy.

Third, cognitive legitimacy emerges when constituents view an organization or its activities as necessary or inevitable for the world to work. Necessity is a common theme in framing the IASB as the predominant global standard setter whose work is essential for financial stability in a globalized economy (e.g., Danjou and Walton, 2012). However, populists that fundamentally oppose IASB's legitimacy, as discussed above, may use pro-people arguments to suggest alternatives to the IASB, rejecting necessity narratives. The likely alternative accounting regime right populists could propagate is a reversion back to national regulation.[12] An accompanying pro-people argument could emphasize that an alternative national regime would benefit the national economy. Left populists could demand that accounting regulation is put back into the hands of the people, asking for state actors to take over. Accompanying pro-people arguments could focus on the idea that private actors' regulations disadvantage economically suppressed people who could take back control by resorting to democratic processes.

Hypotheses

Our theoretical reasoning predicts that populists, in general, question the legitimacy of the IASB and IFRS, although the reasons for it differ based on host ideology. Therefore, we

[12] There is some empirical evidence that is inconsistent with the IASB's necessity arguments, at least on a local level. Karampinis and Hevas (2011) and Mantzari and Georgiou (2019) discuss examples in the Greek context. Similarly, for Portugal, Soares Fontes et al. (2021) report local resistance of converging towards an IFRS-based model.

state a first set of hypotheses, predicting populists to vote and argue against IFRS more regularly than non-populists:

H1a: Populists are significantly more likely than non-populists to vote against policies that support international accounting regulation or endorse IFRS.

H1b: Populists are significantly more likely than non-populists to argue against policies that support international accounting regulation or endorse IFRS.

Moreover, our theoretical reasoning predicts populists use anti-elite and pro-people arguments when arguing against IFRS. Again, this overall tendency is the aggregate of different elites and people populists with different host ideologies propagate. Formally, we hypothesize as follows:

H1c: Populists are significantly more likely than non-populists to use anti-elite arguments.

H1d: Populists are significantly more likely than non-populists to use pro-suppressed group arguments.

Finally, we formulate a set of hypotheses about the distinctions by host ideology. We state the following two hypotheses for parsimony without making formal directional predictions about single arguments. Nonetheless, the hypotheses follow from predictions that left (right) populists are more likely to use left (right) anti-elite and pro-people arguments than right (left) populists.

H2a: Host ideologies significantly affect the type of elite used in anti-elite arguments.

H2b: Host ideologies significantly affect the type of suppressed group used in pro-suppressed group arguments.

Whether populists with different host ideologies develop a common anti-IFRS stance is an empirical question for at least two reasons. First, the literature cannot fully explain when and why left- or right-winged populism arises, and the dynamics of populist attitudes are complex (Guriev and Papaioannou, 2022; Salmela and von Scheve, 2018). Hence, not only do host ideologies differ among populists, but supporter attitudes are more heterogeneous than for non-populists, even within a given host ideology (Hanel et al., 2019; similarly, van Hiel, 2012). Moreover, Carrieri and Vittori (2021) show that even where left and right populists gravitate toward a common theme, at least their voters may not necessarily support it if it conflicts with their host ideology. Second, Rodrik (2018) argues that populists may leave the field of economics to technocrats. If this were the case, special interests would likely dominate politician's behavior.

3. INSTITUTIONAL BACKGROUND

IFRS endorsement in the European Union

Regulation (EC) No 1606/2002 provides the legal basis for adopting IFRS in the EU. It requires a specific endorsement process under the responsibility of the European Commission for every new pronouncement issued by the IASB. Figure 1 summarizes the primary steps in this endorsement process.[13] After issuance by the IASB, the *European Financial Reporting Advisory Group* (EFRAG)[14] prepares its endorsement advice for the European Commission. EFRAG extensively consults with stakeholders on an endorsement advice draft, including collecting comment letters.[15] If the European Commission favors endorsement, it submits a draft regulation for approval from its member states through the Accounting Regulatory Committee (ARC). If the ARC issues a positive opinion, the Commission submits the draft regulation to the European Parliament and the Council of the

[13] See https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/financial-reporting_en.

[14] EFRAG is a private non-profit association that represents the European views in the IASB's standard-setting process and was initially set up to provide technical advice to the European Commission on IFRS endorsement. Its members are European stakeholder organizations and those representing national accounting standard setters. Next to its direct influence on the IFRS endorsement process in the EU, EFRAG actively consults with other standard setters around the world and cooperates with the IASB (see, e.g., Ernst & Young, 2021, 20-21).

[15] See Becker et al. (2024) for an analysis how EFRAG used different legitimacy strategies to secure its own organisational survival in the EU regulatoy space.

EU.[16] These two bodies then have a three-month scrutiny period to object. If they do not, the Commission adopts the new regulation.

[Insert Figure 1 about here]

For (smaller-scale) Delegated or Implementing Acts, the European Parliament's process rules provide a simplified procedure in rules[17] 112(4)(d) and 111(6) by which the European Commission can request the Parliament to declare early non-objection. The responsible committee prepares a recommendation and sends it to the Conference of Committee Chairs,[18] which sends it to the President of Parliament to place it on the Parliament's agenda. Political groups and members reaching at least the low threshold[19] then have 24 hours to object. Otherwise, the Parliament approves early non-objection. An example of an early non-objection is procedure 2019/2912,[20] with a roll-call vote in the responsible committee and no voting in the European Parliament. In many cases of newly issued pronouncements by the IASB, the European Parliament and its committees do not discuss the drafted Act at all. Therefore, the next section discusses the agenda-setting of the European Parliament.

Agenda-setting in the European Parliament

Figure 2 provides an overview of procedures triggering IFRS-related debates in the European Parliament and its Committees. According to rule 157(1), the Conference of

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[16] Note that the Council rarely intervenes, likely because the ARC already represents the Member States' governments' interests (Königsgruber, 2010)

[17] In this section, "rules" refers to the Rules of Procedures of the European Parliament in the November 2023 version, see https://www.europarl.europa.eu/doceo/document/RULES-9-2023-11-01-TOC_EN.html.

[18] The Conference of Committee Chairs consists of all committee chairs and is responsible for recommending the European Parliament's agendas, see https://www.europarl.europa.eu/committees/en/about/conference-of-committee-chairs. See the next section for more details on committees.

[19] The low threshold is five percent of Parliament's Members or a political group (rule 179(1)(a)).

[20] Early non-objection on "Transition from IBOR to alternative rates for IAS 39, IFRS 7 and IFRS 9" which resulted in small-scale amendments of these three existing standards.

Presidents of the European Parliament prepares the draft agenda for a parliamentary session after consulting with the Conference of Committee Chairs. This general procedure reflects that the standing committees do most of the substantial work in the legislative and non-legislative procedures of the parliament, including agenda-setting. The *Committee on Economic and Monetary Affairs* (ECON Committee) is responsible for accounting regulations. The committees reflect the composition of the entire European Parliament. They elect a committee bureau of a Chair and Vice-Chairs who convene the committee and propose the meeting agendas (rule 216(1)). The committees' primary duty is to examine questions that the European Parliament refers to them, making them the backbone of the parliament's legislative procedures. Moreover, committees have the right to draw up non-legislative reports or own-initiative reports within the scope of the European Parliament's legislative rights (rules 46 and 47).

[Insert Figure 2 about here]

For legislative reports (rule 51) and own-initiative reports (rules 53 and 55), the committee designates a *rapporteur* who prepares the report and presents it to the European Parliament. All political groups have the right to appoint a *shadow rapporteur* representing their view in the report drafting process. Committee members can propose *amendments* to reports. The committee votes on the reports and amendments before presenting them to the Parliament, with a roll-call vote on reports and a show-of-hand vote on amendments.

Next to these formal procedures that later go to Parliament, committees can organize activities at their discretion, such as hearings with experts. An example of an *ordinary legislative procedure* by the European Parliament is procedure 2016/0360B on transitional arrangements for IFRS 9 implementation that led to the ECON Committee's report A8-

0255/2017, with roll-call votes in both the ECON Committee and the European Parliament.[21] An example of an *own-initiative procedure* is procedure 2016/2006 on evaluating, among others, the activities of the IFRS Foundations and EFRAG, which started with the ECON Committee's draft report PE575.121. It later produced the so-called Stolojan report (A8-0172/2016) with roll-call votes in both the ECON Committee and the European Parliament. An example of *further activities* of the ECON Committee is the regular exchange of views meetings with IASB representatives,[22] which do not result in voting.

There are two further ways to contribute to the agenda of the European Parliament. According to rule 158(1), any committee, political group, or Members reaching at least the low threshold can submit amendments to the agenda of a parliamentary session. Similarly, rule 136(1) allows the same groups to place a Question to the Council, Commission, or Vice-President of the Commission/High Representative of the Union for Foreign Affairs on the agenda. In this case, rules 136(5) and 132(2) to (8) require that the European Parliament decides whether to table and vote on a motion for resolution. An example of a rule 136(5) application is Roberto Gualtieri's question for oral answer O-000115/2016, voicing several concerns with IFRS 9 endorsement that led to procedure 2016/2898 and a show-of-hands voting in the European Parliament.

In sum, multiple procedures trigger IFRS-related debates and votes in the European Parliament, which we systematically collect and analyze in the next section.

4. DATA FROM IFRS-RELATED DEBATES

Debates and Votes

[21] In this case, the European Parliament commissioned academic reports on various controvercial topics in the IFRS 9 debate, later published in a special issue of *Accounting in Europe* (see Bischof and Daske, 2016; Gebhardt, 2016; Hashim et al., 2016; Novotny-Farkas, 2016).

[22] These "exchange of views meetings" mirrow similar expert "hearings" in U.S. Congress with representatives of the U.S. Securities and Exchange Commission and the Financial Accounting Standards Boards (FASB). Their primary role is to exercise parliaments' oversight function (Oleszeck, 2010; McGrath, 2013) and politically to influence the agenda setting of these insititutions (McGrath, 2013; Convery et al., 2022).

To test our hypotheses, we hand-collect European Parliament debates from the European Parliament's website (www.europarl.europa.eu) and Committee debates from the EU's multimedia center (multimedia.europarl.europa.eu/en). We consider debates from the beginnings of IFRS adoption in the European Union during the fifth parliamentary term (1999-2004) until 2023, close to the end of the ninth parliamentary term (2019-2024).

For the parliamentary debates, we employ a broad set of search terms related to IFRS and accounting standard-setting ("Financial Reporting," "IFRS," "IASB," "EFRAG," as well as the full terms behind the acronyms, e.g., "International Financial Reporting Standard"). A final selection yielded 12 debates in the European Parliament, the earliest being the debate on the "Establishment of a European Accounting Regime" in 2001, which marks the cornerstone of initial IFRS adoption in the European Union. As parliamentary debates are only available in the *original language* of the discussion and many MEPs choose to debate in their native language, we translate all non-English parts of the debates using the artificial intelligence-based translator DeepL (http://www.deepl.com).

The process is less straightforward for the Committee debates because no publicly available transcripts exist. However, all committee meetings after 2009 (i.e., starting in the seventh parliamentary term) are available as *videos* in the EU's multimedia center. In addition, so-called *minutes* of committee meetings are available on the European Parliament's website. The minutes usually contain an agenda of the respective meeting and, if applicable, roll-call votes of committee decisions. We identify relevant meetings by searching the minutes of all committees for the same set of keywords as in the parliamentary debates. We found 24 relevant debates of the ECON Committee (and none in other committees). Next, we downloaded the relevant videos and sections containing the committee debates of interest. We downloaded the videos with a spoken English translation provided by human interpreters during the committee meetings for non-English statements. We then used the artificial intelligence-based tool HappyScribe (www.happyscribe.com) to transcribe the videos to text. We manually correct errors in the transcripts and assign speakers to statements.

In sum, 36 debate transcripts form the basis for our analyses. We complement the debates, if applicable, by voting data. Roll-call votes are directly included in the minutes of the committee meetings. For the parliamentary debates, we rely on roll-call vote data provided by Hix et al. (2022, see simonhix.com/projects/). Appendix A tabulates an overview of all debates and votes.

Arguments in Debates

To get insights into an individual Member of Parliament's stance towards IFRS and the arguments they use, we capture politicians' statements in these 36 debates. We develop a comprehensive coding scheme for their arguments and use the software MAXQDA to categorize arguments into those codes. A single statement can contain several arguments, and some can express multiple attitudes, so we often assign multiple codes to a politician's statement. Moreover, our coding scheme operates on two independent levels. The first covers the expressed *overall* stance toward the IASB and IFRS, and the second covers the *content* of the arguments behind the overall conclusion. In most cases, we assign at least one code from each level to a politician's statement.

For the first level, we code whether MEPs generally argue in opposition to IFRS in the respective debate (*Argue_Against_IFRS*). For the second level, we classify whether politicians use populist arguments to make their point by deductively developing a coding scheme from the populism theory we discuss above. Combining the categorization of the "corrupt elite" and "pure people" with typical left and right host ideologies, we develop four mutually exclusive codes. First, we code as *Right_Anti_Elite* when the Anglo-Saxon origin of IFRS (as a sociocultural origin) or its international nature is used to argue against IFRS or the IASB, for example, when highlighting the U.S. and/or UK influence on these standards.

Second, *Left_Anti_Elite* covers arguments focusing on a financial elite or the origin and use of IFRS in a generally capitalistic economy, independent of any geographical or cultural dimension. For instance, this is the case when politicians highlight the influence of large banks and audit firms on IFRS standards. Third, we use the code *Right_Pro_People* whenever MEPs refer to nationalist arguments, for instance, arguments favoring national standards or the national economy and (small) firms. Fourth, *Left_Pro_People* covers arguments whenever politicians construct a group of ordinary people or small firms that allegedly economically suffer from IFRS without a specific link to a national or cultural dimension. Lastly, the second level of the coding scheme covers two non-populist codes that address the tension between populism and technocracy. First, *Pro_Technocratic* indicates whether politicians argue for technocratic policymaking, e.g., experts setting accounting standards instead of political bodies. Second, *Technical* indicates whether politicians use technical arguments, e.g., referring to accounting concepts or techniques. This second coding level makes nuances in politicians' arguments accessible to quantitative analysis by scrutinizing argument structures based on our deductive coding scheme, which regularly requires reading between the lines and contextualizing statements based on the specific terminology of certain political groups. Appendix B lists coding examples.

Using this coding scheme, two authors independently and manually coded all debates in MAXQDA. The interrater agreement was 84.5 percent after the first round of coding. All disagreements were dissolved by discussing each single case. From the coded arguments, we create binary variables on an MEP-term level that indicate whether an MEP uses a specific argument at least once in a given term. We choose the MEP-term level as a basis for our analyses because some MEPs switch parties or national parties substantially change their ideology over time.

MEP Data

To gather information on members of the European Parliament (MEPs), we use the European Parliament's website, which includes an overview page of all parliamentarians who have ever been part of the European Parliament and a separate personal page for every MEP in every term.[23] Further, the European Parliament assigns a unique individual ID (henceforth, MEP-ID) to each MEP. We use this information to generate a complete list of all 4,403 MEP-terms (2,879 individual MEPs) for terms five through nine, together with their MEP-IDs. We manually link the voting data in the committees, while the voting data of Hix et al. (2022) allows for an automatic linking of plenary votes by MEP-ID. Next, we manually identify the 328 MEP-terms (296 or 10.28 percent of individual MEPs) for which an MEP participated in an IFRS-related debate to link the list with our argument variables described in the previous section. For those MEPs, we generate the indicator *Sideline_Act_Paid* equal to one if politicians self-report paid outside activities in the corresponding form "Declaration of Financial Interests" published on their personal website.[24]

Beyond argument and voting data, we collect data on national party affiliation, European party family affiliation, and the MEP's home country from each MEP's personal website. For reasons of uniformity, we use the national party for which an MEP was elected, even if MEPs left or switched parties during the term. We then use the national party affiliation to link our dataset to the PopuList 3.0 (Rooduijn et al., 2023a, 2023b), which we use to create our populism variable, and the Chapel Hill Experts Survey (CHES, Jolly et al., 2022), which we use to create our host ideology variable. For each parliamentary term, we use the latest CHES wave before or in the year of the beginning of the parliamentary term.

The PopuList 3.0 (see https://popu-list.org/) comprises parties from 31 European countries that won at least 2 percent or one seat in their national elections and classifies them

[23] For example, see the personal page of the MEP Sven Giegold (Greens/EFA) who was particulary vocal in the IFRS-related debates https://www.europarl.europa.eu/meps/en/96730/SVEN_GIEGOLD/history/9.
[24] Note that this declaration became mandatory in the seventh term. As declarations are uploaded in the MEPs' native language and are often hand-filled scans, which makes a laborious manual extraction of information unavoidable, we limit the generation of this variable to the subset of MEPs that engage in IFRS debates.

into populist, far left, far right, and Eurosceptic stances. About 100 academics have directly reviewed this list, and it is well-established in political science and economics (e.g., Burgoon et al., 2019; Dolezal and Fölsch, 2021; Guiso et al., 2024; Guriev and Papaioannou, 2022).[25] Extremist parties (far left or far right) are not necessarily populist (see https://popu-list.org/applications/). We exclude pure extremists from our sample because they may argue and vote against all policy proposals as a form of protest, thus adding noise to our data.[26] We then define *Populist* as an indicator equal to one if the MEP's national party is classified as populist on the PopuList 3.0 in the first year of the parliamentary term, and zero otherwise. The CHES (see https://www.chesdata.eu/) collects and summarizes opinions of hundreds of political scientists (e.g., 421 in the 2019 wave) on national parties' positioning on ideology and policy issues and is widely applied in political science (e.g., Dolezal and Fölsch, 2021; Norris, 2020). We use CHES' item *lrgen*, covering a party's general stance on a left-right scale from 0 to 10, to code *Right_Leaning* as an indicator equal to one if *lrgen* is greater than 5, and zero otherwise. *Right_Populist (Left_Populist)* is one if *Populist* equals one and *Right_Leaning* equals one (zero), and zero otherwise. Finally, *Right_Moderate* equals one if *Populist* equals zero and *Right_Leaning* equals one, and zero otherwise. Appendix C contains detailed variable descriptions.

[25] Recent political science studies provide alternative lists and approaches to classify populist parties (e.g., Dolezal and Fölsch, 2021; Huber and Ruth, 2017; Meijers and Zaslove, 2020; Norris, 2020; Zulianello and Larsen, 2021). Therefore, in untabulated analyses, we complement the PopuList 3.0 by the lists in Huber and Ruth (2017), Meijers and Zaslove (2020), Norris, (2020, based on being in the 4th quartile of their populism score), and Zulianello and Larsen (2021). In our primary sample, the proportion of populists only slightly changes from 20.7 percent to 22.4 percent. Our inferences remain unchanged. We do not use alternative approaches to measure populism continuously or multidimensionally (e.g., Dolezal and Fölsch, 2021; Norris, 2020) because our primary sample and research design do not match well with continuous measures.

[26] If we retain those observations and treat them either as populists or non-populists, our inferences remain unchanged.

Descriptives

Table 1 displays sample characteristics. Panel A gives an overview of the number of MEPs by term, which ranges between 800 and 899.[27] Panel B lists MEPs by country, with Germany, France, Italy, and the United Kingdom having the largest number of MEPs. Panel C provides the distribution of observations among European party families, where the Christian Democrats (European Peoples' Party, EPP) and Socialist & Democrats (S&D) provide the largest number of MEPs and *European* party families with the largest share of populists (based on politician's *national* party) are Europe of Nations and Freedom (ENF), Europe of Freedom and Democracy (EFD), Non-Inscrits (NI), and the Left (GUE/NGL). The distribution shows that while populism is much stronger in the tails of the political spectrum, especially the extreme right, members of populist national parties also appear in moderate European party families. These descriptives illustrate again that populism is distinct from ideologies or simple political extremes and combines with heterogeneous host ideologies.

[Insert Table 1 about here]

Table 2, Panel A reports descriptive statistics for our primary regression variables. Note that all variables are binary. Around one-fifth (20.7 percent) of all MEPs[28] are populist (*Populist)*, while almost three-fifths (56.5 percent) are right-leaning. Only 7.3 percent (302) of MEPs actively participate in IFRS-related discussions (*Speak_in_Debate*), underlining that IFRS is a rather specialist topic getting little attention in the overall discourse. However,

[27] These numbers are higher than the actual number of seats in the European Parliament for each parliamentary term. The reason is rotation and replacement, leading to some MEPs covering only a partial term while still constituting an observation in our dataset. Another reason is the addition of MEPs from countries that become EU members during a term and get the right to send representatives to the European Parliament.

[28] Note that in this section, we talk about MEPs while we mean MEP-terms, i.e., one MEP can be present up to five times in our dataset in case she was elected in parliamentary terms five through nine.

3,198 MEPs (out of 4,142) vote on IFRS-related issues at least once, with 12.1 percent of those voting against or abstaining (*Vote_Sceptic_IFRS*).

[Insert Table 2 about here]

Among the subset of MEPs participating in IFRS debates, 27.8 percent argue against IFRS at least once. For populist arguments, 15.2 percent (15.2 percent) use a right (left) anti-elite argument (*Right_Anti_Elite* and *Left_Anti_Elite*), and 6.3 percent (11.6 percent) use a right (left) pro-people argument (*Right_Pro_People* and *Left_Pro_People*). Besides the populist arguments, 38.7 percent of MEPs speak out positively for technocratic processes in accounting standard-setting (*Pro_Technocratic*), while only 21.9 percent of MEPs use technical arguments (*Technical*) in the debates. Finally, a majority of 61.5 percent of MEPs pursue some paid sideline activity besides their EP mandate.

Table 2, Panel B displays separate summary statistics for populist and non-populist (moderate) MEPs. T-tests show that the two groups significantly differ for nearly all our primary regression variables. Populists are significantly more right-leaning (73 percent vs. 52 percent), more likely to speak up in IFRS-related debates (11 percent vs. 6 percent), and more likely to vote (32 percent vs. 7 percent) and argue (61 percent vs. 13 percent) against IFRS than moderates. Regarding populist arguments, they are significantly more likely to use one of our four populist arguments. In contrast, they are less likely to support technocratic procedures (30 percent vs. 43 percent) and to use technical arguments (11 percent vs. 27 percent). In sum, Table 2 supports our presumptions that populists significantly differ in their voting behavior and argument structure compared to non-populists. We test our hypotheses more formally in the following section.

5. RESULTS

Populism and ideology

To test hypotheses H1a to H1d, we run variants of the following ordinary least square (OLS) regression:

$$OUTCOME_{i,t} = \alpha_i + \tau_t + \beta_1 Populist_{i,t} + \varepsilon_{i,t} \quad (1)$$

Where *i* indicates a politician and *t* indicates a European Parliament term, α_i and τ_t are fixed effects for the politician's country and the European Parliament term, respectively, and $\varepsilon_{i,t}$ are the residuals.[29] We define *Populist* in the previous section. We start with *Speak_in_Debate* as *OUTCOME* to provide evidence of politicians' tendencies to speak up in IFRS-related debates. To test H1a, we use *Vote_Sceptic_IFRS* as our *OUTCOME*. *OUTCOME* is *Argue_Against_IFRS* for H1b. Finally, *OUTCOME* is either *Right_Anti_Elite* or *Left_Anti_Elite* when testing H1c and either *Right_Pro_People* or *Left_Pro_People* when testing H1d. The coefficient β_1 compares the *OUTCOME* likelihood of populists to non-populists after controlling for time-invariant country-specific effects and for the average likelihood in each parliamentary term. Hence, our hypotheses predict a positive β_1.

For our tests of hypotheses H2a and H2b, we extend equation (1) by replacing *Populist* with our three finer definitions of politicians' ideology, including (host) ideology, as follows:

$$OUTCOME_{i,t} = \alpha_i + \tau_t + \beta_1 Right\_Populist_{i,t} + \beta_2 Left\_Populist_{i,t} \quad (2)$$
$$+ \beta_3 Right\_Moderate_{i,t} + \varepsilon_{i,t}$$

Where all variables are as defined above. To test H2a, we use *Right_Anti_Elite* and *Left_Anti_Elite* as our *OUTCOME*. *OUTCOME* is *Right_Pro_People* and *Left_Pro_People* for H2b. We still run equation (2) for all other outcome variables to provide a complete picture of the results. The coefficients β_1, β_2, and β_3 compare the *OUTCOME* likelihood of

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[29] We cannot introduce politician fixed effects because politician's rarely switch from populist to non-populist parties, or vice versa.

right populists, left populists, and right non-populists to left non-populists after controlling for time-invariant country-specific effects and the average likelihood in each parliamentary term. Our hypotheses predict a difference between coefficients β_1 and β_2. In all analyses of equations (1) and (2), we use robust standard errors two-way clustered by individual politician and by national party.

[Insert Table 3 about here]

Table 3, Panels A and B present the results of estimating equations (1) and (2), respectively. We differentiate between three outcome variable types. The first two columns present observable MEP behavior by debate participation (*Speak_in_Debate*) and voting (*Vote_Sceptic_IFRS*). Both outcome variables are free from any coding discretion. The first column in Panel A suggests that populists are significantly more likely to speak up than non-populists. The effect is meaningful, increasing the likelihood of speaking up by 3.2 percentage points. Relative to the baseline likelihood of 7.3 percent, this is an increase of 43.8 percent. Similarly, the second column suggests that, compared to non-populists, populists are 27.8 percentage points more likely to vote adversely than non-populists (230 percent increase, compared to 12.1 percent baseline). The second type of outcome variable of interest is whether MEPs *generally* argue against IFRS-related policies. Again, populists are 46.7 percentage points more likely than non-populists to use anti-IFRS arguments (168 percent increase compared to 27.8 percent baseline). Panel B suggests that these effects are similar for left and right populists, as we find no significant difference between the coefficient estimates.

Having found very similar effects for populists on getting involved, voting IFRS-sceptic, and arguing against IFRS, third, we consider the different *types of arguments* they make in the debate based on the theory on populism and its host ideologies we use. We start with left and right anti-elite arguments in columns four and five of Table 3. Panel A suggests that populists are 34.0 (24.0) percentage points more likely to use right (left) anti-elite arguments, an increase of 224 (158) percent relative to the baseline likelihood of 15.2 (15.2) percent. These results are in line with H1c. Panel B reports that left (right) populists are more likely than right (left) populists to use left (right) anti-elite arguments. For right anti-elite arguments, right populists are 46.6 percentage points more likely than the baseline of left non-populists to use it. In comparison, left populists are only 15.0 percentage points more likely, a difference that is statistically significant at the 5 percent level. The likelihood of using left anti-elite arguments is 10.9 percentage points higher for right populists and 45.0 percentage points higher for left, the difference again being significant. These results are consistent with H2a.

Finally, we find similar but weaker patterns for right and left pro-people arguments in Table 3's columns six and seven. Consistent with H1d, Panel A suggests that populists are 15.5 percentage points more likely than non-populists to use right pro-people arguments, an increase of 246 percent compared to the 6.3 percent baseline likelihood. Conversely, the 7.8 percentage point increase in using left pro-people arguments is insignificant. Panel B reports results broadly consistent with H2b, as right populists are 22.0 percentage points more likely to use right pro-people arguments. In contrast, left populists do not significantly differ from the baseline (difference of coefficients significant at the 5 percent level). For left pro-people arguments, right populists have no significantly elevated likelihood. In contrast, left populists are 24.4 percentage points more likely to use them, although this elevated likelihood and the difference are not significant at conventional levels.

Overall, we conclude that populists do intervene in IFRS-related debates, even more so than non-populists, and use the debate to agitate against IFRS. These results hold *regardless* of the host ideology. Host ideologies primarily determine the *type of arguments* used to motivate populists' anti-IFRS stance. This result is consistent with our theoretical reasoning that the IFRS' specific character as both a plausible cultural outgroup (Anglo-Saxon and supranational) and a socioeconomic outgroup (private organization and financial experts) makes it prone to attack from populists with different host ideologies. Thus, populists reach similar conclusions on IFRS-related topics but primarily base them on different arguments, depending on their host ideology.

Regulatory capture and technical arguments

We next add evidence on two alternative behaviors of politicians regarding international accounting regulation. First, as we have discussed, the literature on the political economy of accounting standard-setting has traditionally primarily focused on the role of regulatory capture (e.g., Zeff, 2005; Ramanna, 2008). However, it is unclear whether special interest groups accumulate sufficient political force to intervene in the IASB standard-setting process through the European Parliament (or rather use alternative channels). To address this issue question empirically, we add our variable *Sideline_Act_Paid* as a proxy for regulatory capture to equations (1) and (2). We focus on the arguments in IFRS-related debates because of the extensive hand-collection required for *Sideline_Act_Paid* (raw data is often hand-written and in national languages) and because we found similar primary results for voting and arguing behavior. As shown in the first five columns of Table 4, Panels A and B, *Sideline_Act_Paid* is significant when *Right_Anti_Elite, Left_Anti_Elite,* and *Left_Pro_People* are the dependent variables.[30] Importantly, our primary results, if anything, become stronger after controlling for regulatory capture (e.g., the left populists variable now loads for left pro-people arguments). Therefore, we find some evidence of regulatory capture in our setting, but its effects are weaker than those of populism and ideology.

[30] Interestingly, side-payments mute right-anti-elite arguments, as to be expected. However, side-payments *increase* the use of Left_Anti_Elite and Left-Pro-People arguments by left populist. Anecdotally, their sources of side-income are different. Many politicians in our sample receive side-income either from other political positions, as writers, or as academics. However, while we have no left populists with other side-income, we observe some right populists who are also board members or report significant investment stake in companies.

[Insert Table 4 about here]

Second, we briefly discussed the possibility that populists leave economic policy to technocrats (Rodrik, 2018). Political scientists characterize populism and technocracy, having experts as policymakers regardless of the people's will, as opposite alternatives to pluralistic political procedures (e.g., Bertsou and Caramani, 2022; Bickerton and Accetti, 2017; Caramani, 2017). Accounting is a particularly technical economic policy issue, and international accounting regulation is technocratic. Hence, we run equations (1) and (2) with two further dependent variables, *Pro_Technocratic* and *Technical*. The sixth and seventh columns of Table 3 present the results. Throughout Panels A and B, populists do not differ in their support for technocratic processes in IFRS-related debates and are significantly less likely than moderates to use technical arguments. Therefore, we find no evidence for the possibility that populists regard IFRS-related economic policy as a purely technical matter.

6. CROSS-SECTIONAL ANALYSES

Having established associations of populism and host ideologies with IFRS-related debates and voting in the European Parliament, the question arises whether the strength of these associations plausibly varies with underlying causes of populism. To address this question, we conduct a series of cross-sectional analyses interacting important causes of populism with the associations from our primary analysis. We rely on previous literature to identify possible causes and match variables based on the politician's home country.[31]

Data and Variables

[31] Unfortunately, regional variables are infeasible because most MEP elections are nationwide.

There is extensive political science literature on globalization's effects on populist voting. For instance, Autor et al. (2020) found a causal effect of import competition from China on political polarization in the U.S. and Colantone and Stanig (2018) a similar effect on voting in Western Europe, especially in right populist voting. Both papers use regional variation in industry composition to proxy for regional shocks to globalization exposure. As we cannot meaningfully match data on the regional level, we follow Bergh and Kärnä (2021) and use the KOF Globalization Index (Gygli et al., 2019; Dreher, 2006) to proxy for globalization exposure. Specifically, we use the composite index of de facto globalization (*Globalization_Index*) and match it to each politician-term by the politician's country and the year when the term started.

Our following variable covers fiscal austerity. Gabriel et al. (2023) show that fiscal consolidation increases political polarization and populist voting. They use a combination of regional variables and narrative national consolidation episodes from Alesina et al. (2019) to develop a causal identification strategy. While we cannot use their identification strategy because it requires regional matching, we can use the measures for narrative national consolidation. Specifically, we construct *Austerity* as the sum of *Tax-Impact Tot* and *Spending-Impact Tot* provided by Alesina et al. (2019). We match it to each politician-term by the politician's country and the year the term started.

Our last variable covers economic inequality. Pástor and Veronesi (2021) develop and test a model to show that inequality increases the vulnerability of countries to populism. As measures for inequality, they use the Gini coefficient and the income share of the top ten percent of the income distribution. We focus on the *Gini* coefficient and use data from the World Bank's World Development Indicators DataBank, matching it to each politician-term by the politician's country and the year the term started.[32]

[32] We report only the Gini coefficient for parsimony. When we replace it with the income share of the top ten percent of the income distribution, results remain similar, with the following exceptions. Interaction effects in Panel A of Table 7 is now also significantly positive when *Ague_Against_IFRS* or *Right_Anti_Elite* is the

Results

For our cross-sectional analyses, we expand our models from equations (1) and (2) as follows and estimate them with ordinary least square (OLS) regressions:

$$OUTCOME_{i,t} = \alpha_i + \tau_t + \beta_1 Populist_{i,t} + \beta_2 CAUSE_{i,t} + \beta_3 Populist_{i,t} \times CAUSE_{i,t} + \varepsilon_{i,t} \quad (3)$$

$$OUTCOME_{i,t} = \alpha_i + \tau_t + \beta_1 Right\_Populist_{i,t} + \beta_2 Left\_Populist_{i,t} + \beta_3 Right\_Modreate_{i,t} \quad (4)$$

$$+ \beta_4 CAUSE_{i,t} + \beta_5 Right\_Populist_{i,t} \times CAUSE_{i,t} + \beta_6 Left\_Populist_{i,t} \times CAUSE_{i,t}$$

$$+ \beta_7 Right\_Moderate_{i,t} \times CAUSE_{i,t} + \varepsilon_{i,t}$$

Where *CAUSE* is one of the newly introduced cross-sectional variables, and all other variables are as defined above in equations (1) and (2). We standardize all variables used for *CAUSE* to a mean of zero and a standard deviation of one to facilitate the interpretation of coefficients. Thus, coefficients on the populist variables now describe the effect of populism for mean levels of the cross-sectional variable, and the coefficients on interaction terms describe how much this effect increases or decreases when the cross-sectional variable increases by one standard deviation.

[Insert Table 5 about here]

Table 5 presents the results using *Globalization_Index* as the cross-sectional variable, with Panels A and B presenting results for equations (3) and (4), respectively.[33] Panel A reports significant interactions for all variables except for left anti-elite and pro-people arguments. The effect of being a populist on the likelihood to speak in IFRS-related debates, vote or argue against IFRS, and use right anti-elite or pro-people arguments becomes much

dependent variable. In Panel B, the interaction with right populists is now also significantly positive when *Ague_Against_IFRS* is the dependent variable.

[33] To conserve space, we do not discuss the main effects of populists in general, left and right populists, and their differences as reported in Table 3. They largely remain robust, and the few changes do not affect our primary conclusions.

stronger when globalization exposure increases by one standard deviation (between 54 percent (interaction effect of 0.162 compared to main effect of 0.299) in column 2 and 105 percent in column 4). Panel B suggests that right populists primarily drive these interaction effects, except for the likelihood of debate involvement and anti-IFRS voting, where both left and right populists have similar interactions. However, they are insignificant for debate involvement. Hence, we find evidence that globalization amplifies populists' IFRS-related voting and debating and that this effect is stronger for right populists, which fits the findings of Colantone and Stanig (2018).

[Insert Table 6 about here]

Table 6 introduces *Austerity* as the cross-sectional variable. Panel A reports that a one-standard-deviation increase in *Austerity* increases the effects of being a populist on debate involvement by 147 percent and overall anti-IFRS arguments by 21.5 percent. Moreover, left pro-people arguments seem to be fully conditional on above-average *Austerity*, as there is no significant main effect and a significantly positive interaction effect. Panel D suggests that left populists drive most interaction effects. The exception is the interaction effect on greater involvement, which exists for populists from both sides of the political spectrum. The results suggest that fiscal austerity amplifies populists' behavior in IFRS-related debates, especially for left populists. Austerity, with its adverse effects on state redistribution, is a traditional focus on the left. This is consistent with our findings that most of these results are driven by left populists.

[Insert Table 7 about here]

We turn to *Gini* as an inequality measure in Table 7. Panel A reports that a one-standard-deviation increase in *Gini* increases the effect of being a populist on left anti-elite arguments by 60 percent. Panel F suggests that effects of being a left populist on anti-IFRS arguments overall and left anti-elite or pro-people arguments seem to be fully conditional on above-average *Gini*, as there are no significant main effects of *Left_Populist* and there are significantly positive interaction effects. Similar to fiscal austerity, the results suggest that inequality drives left populists' behavior in IFRS-related debates. As inequality is again a traditional left topic, these results corroborate our results and conclusions from Table 6.

Overall, our cross-sectional analyses provide evidence that causes of populism significantly amplify how strongly populists behave in IFRS-related debates and trigger the usage of related types of arguments. Those causes differentially affect left- and right-wing populists, emphasizing the importance of differentiating host ideologies and their appeal to different voter concerns and attitudes.

7. DISCUSSION

Do our findings apply to other private and international institutions?

A natural question is whether our conclusions are confined to the specific case of international accounting regulation or whether other settings with similar characteristics and politicians' behavior exist, i.e., our theoretical reasoning generalizes, and findings have external validity. We address this question by analyzing five European Parliament votes on adopting Basel III (including revisions) and the EU's role in international prudential regulation of banks.[34] The aims of the Basel Committee are clearly transnational, it represents the financial elite and has a history as a partially private institution under the Bank for

[34] The five procedures are 2011/0203(COD), 2011/0202(COD), 2016/0360A(COD), 2016/0364(COD), and 2015/2060(INI). The Basel Committee on Banking Supervision (BCBS) is "the primary global standard setter for the prudential regulation of banks and provides a forum for regular cooperation on banking supervisory matters.", see https://www.bis.org/bcbs/index.htm. While the purpose of the BCBS is to encourage convergence toward common standards, they are non-binding and need to be endorsed by jurisdictions similar to IFRS.

International Settlements (BIS).[35] Results in Table 8, column 1 suggest that populists are again significantly more likely to vote against those policies, and this is equally true for left and right populists, with no significant differences between the two. Hence, we provide evidence that our insights extend to other policy areas that share similar characteristics.

[Insert Table 8 about here]

Do our findings reflect general populist voting?

A possible concern is that populists may *always* vote against policies supported by non-populists, regardless of the policy issue and their host ideologies. Our analysis of debate arguments is inconsistent with this explanation, but we cannot make a causal link between debate arguments and voting behavior. Therefore, we analyze left and right populists' voting behavior for several policies where our theoretical reasoning does not predict opposition of either left or right populists. Specifically, we first consider votes on two parliamentary initiatives to strengthen the EU's humanitarian aid (procedures 2021/2163(INI) and 2023/2000(INI)). Humanitarian aid is *transnational*, providing ground for opposition from right populists. However, it does not favor socio-economically advantaged groups, thus providing little ground for the objection of left populists. The second column of Table 8 shows the results. Consistent with these predictions, while we still find a significant effect of populism in general, only right populists vote against these policies. Instead, left populists do not differ from moderates in their voting, and the difference between right and left populists is significant. We alternatively consider votes on a digital finance infrastructure policy, primarily aimed at facilitating crypto-assets trading (2020/0267(COD)). It supports the finance industry, which left populists view as socio-economically advantaged, making attacks from left

[35] See https://www.bis.org/bcbs/membership.htm?m=79 and https://www.bis.org/bcbs/review_process.htm?m=83 on its embeddedness in the financial elite and https://www.bis.org/press/p050601.htm on its history.

populists likely. However, it leaves supervision to *national* authorities, making it less prone to attacks from right populists. Results in the third column of Table 8 are consistent with these predictions. We find a significant effect of populism in general and left and right populism separately. Still, left populists are about 2.2 times more likely than right populists to object, and this difference is statistically significant. In sum, our findings are unlikely to reflect only undifferentiated tendencies of populists to vote against *any* policy put forward by moderates.

What do our findings imply for future IFRS-related EU policy?

The 2024 European Parliament election saw populism on the rise. The party groups that tend to be home to populist national parties (GUE/NGL, ECR, Patriots for Europe, ESN, and Non-Inscrits) won a considerable total of 37 percent of all seats, up from 31 percent in the previous ninth term. Generally, populists (or any group of MEPs) can influence policymaking beyond participating in corresponding debates in three ways:[36] (i) agenda-setting,[37] (ii) suggesting amendments to reports, and (iii) blocking decisions through voting behavior.[38] We have no evidence for populist agenda setting, and populists' votes have not contributed to blocking decisions in the IFRS context. However, we observe that populists actively submit *amendments* to IFRS-related reports. In the five procedures with amendment proposals in the ECON Committee, MEPs filed 375 amendments. MEPs classified as populist in our sample filed around 30 percent of these amendments while holding only 20 percent of the seats in the

[36] More broadly and in the longer run, the European Parliament affects EU accounting policy as ECON Committee members regularly take important policy-related positions after their parliamentary service. For instance, Jean-Paul Gauzès became EFRAG President and Wolf Klinz became EFRAG Financial Reporting Board Chair after their respective Parliament carreers. Both are moderates.

[37] Similar to agenda setting, designating shadow rapporteurs who have primary influence in preparing the ECON Committee's draft reports strongly affects which policies are up for debates and votes. The party groups home to most populists rarely designate shadow rapporteurs in our setting. One reason might be coordination issues because these party groups consist of more heterogeneous and many small national parties, see e.g. Hix et al. (2018) who provide evidence that far-left and far-right party groups vote less coherently in the European Parliament.

[38] Effects of this influence could be changes in the *details* of a policy that eventually gets adopted, but also just *delaying* policy adoption even if populists cannot change its content.

ECON Committee[39]. Thus, populists actively "work" on IFRS-related content. However, most amendments get rejected before the texts advance to the parliament, as the final draft reports include only 81 amendments (8 from populists). Thus, on average, 28 percent of moderates' but only 7 percent of populists' amendments are adopted.[40] This difference is statistically significant.

Still, populists possibly affect political agendas and decision-making beyond their direct parliamentary participation by influencing the policy positions of non-populist parties (Abou-Chadi and Krause, 2020). A prime example in the EU is Brexit, where the populists from the United Kingdom Independence Party (UKIP) promoting the idea of a Brexit referendum were not in power. However, the Tories still decided to hold the referendum (Wager et al., 2022). More generally, Centola et al. (2018) find that minorities of only 25 percent have the potential to overturn a population's consensus. Still, in our context, populists are heterogeneous and use different arguments to criticize IFRS, making it unlikely that they can change the population's consensus.

In sum, while populism is on the rise and poses a potential threat to the acceptance of international accounting regulation in its current form, our evidence-guided discussion supports the conclusion that the current political landscape is relatively resilient. So far, the consensus process in the European Parliament has led to voting results that have a relatively large margin before being overturned, despite the vocal concerns often expressed in debates.

What do our findings imply for IFRS-related policy in other jurisdictions?

[39] On average, populist ECON members filed 1.00 amendments in our sample period, while moderates filed only 0.71 amendments. The difference is, however, not statistically significant (p=0.59). Considering only procedure 2016/0360B(COD) where the majority of amendments was filed (218), these means are 0.79 (populists) and 0.21 (moderates) and significantly different (p=0.023).

[40] Two amendments are deletions and required no response by the European Commission. Among the remaining six, only one was addressed in the Commission's respective response document.

While the previous section suggests that IFRS-related policy decisions in the European Parliament (the EU's legislative branch) currently seem robust against populism, this might differ for (potential) IFRS adopters outside the European Union, where a populist leader is in power. Funke et al. (2023) provide a global historical list of populist leaders. For example, Bolivia's president between 2006 and 2019 was Evo Morales from the extreme left Movement for Socialism party (MAS). This period was vital for the adoption of IFRS in many countries. Bolivia's National Board of Auditors and Accountants planned IFRS adoption from 2009 onwards. However, to date, the implementation lacks approval from the government regulatory body (Carneiro et al., 2017). This anecdote fits MAS' and Morales' anti-capitalist agenda and opposition to international financial institutions such as the International Monetary Fund and the World Bank. This case illustrates that individual populist governments (in the executive branch) can substantially influence national IFRS-related policies. Against this backdrop, our findings that populists from both the right *and* the left tend to counteract IFRS-related policies illustrate that populist governments outside the EU[41] may prevent IFRS adoption or foster carve-outs to the point that national IFRS may lack comparability to those globally applied.

8. CONCLUSION

In this paper, we analyze IFRS-related votes and debates in the EU parliament and study how they relate to (right and left) populism. Mobilizing theory from political science and legitimacy theory with a focus on accounting regulation, we develop theoretical predictions about populists' behavior in IFRS-related debates. Consistent with our theoretical reasoning, we find evidence that populists, in general, are more likely to speak in debates,

[41] While there is also a rise in populists in executive branches of government in several EU Member States (with Italy's prime minister Giorgia Meloni from Fratelli d'Italia as the latest example), coordination among all Member States in the EU Council and the responsible Economic and Financial Affairs Council of economic and finance ministers (ECOFIN) mutes their impact at the EU level.

vote, and argue against policies supporting the IASB and IFRS and use arguments consistent with the theory on populism. Moreover, we find that left and right populists mostly use arguments consistent with their host ideologies, thus reaching similar conclusions based on distinct reasoning. The finding is important because the alternatives arising from left and right populists' criticism of the current set-up of international accounting regulation would be very different. Moreover, the underlying causes of populism amplify the association of populism with voting and debating, and those close to typical left (right) agendas particularly amplify left (right) populism.

Our findings introduce populism to the accounting literature, shed light on the relationship between the European Parliament, the IASB, and IFRS, and document that populism even prevails in highly technical economic policy areas. With populism on the rise, these insights are relevant to appreciate the legitimacy concerns of international (accounting) regulation and corresponding threats from populism to a globalized economy. It also contributes to political science's understanding of the generalizability of populism research to more remote policy areas. We encourage future work that looks beyond the U.S. and EU settings to understand under which conditions regulatory capture, ideology, or populism prevail in the politics of disclosure regulation. Future work could also use rich data in the U.S. to investigate the role populism, as well as the increasing polarization in society, play in the U.S. system of disclosure regulation.

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APPENDIX A IFRS-related Debates and Votes

Panel A.1 IFRS Application and Evaluation

Date (Term)	Plenum	Topic	Votes	Case File
03.05.2001 (5)	EP	Establishment of a European Accounting Regime	None	2001/0044(COD)
11.03.2002 (5)	EP	Application of the International Accounting Standards	Show of Hands	2001/0044(COD)
24.04.2008 (6)	EP	IASB Governance and IFRS	Roll-Call	2006/2248(INI)
09.10.2008 (6)	EP	IASCF - Review of the constitution and the composition of the IASB	Roll-Call	2008/2634(RSP)
23.10.2008 (6)	EP	Convergence of Accounting Standards	Show of Hands	2008/2648(RSP)
12.03.2014 (7)	EP	Financing of IFRS Foundation, EFRAG, and PIOB	Roll-Call	2012/0364(COD)
22.03.2016 (8)	ECON	Stolojan Report - Evaluation of the IFRS	None	2016/2006(INI)
19.04.2016 (8)	ECON	Stolojan Report - Evaluation of the IFRS	Roll-Call	2016/2006(INI)
06.06.2016 (8)	EP	Stolojan Report - Evaluation of the IFRS	Roll-Call	2016/2006(INI)
Panel A.2 Individual Accounting Standards				
25.04.2007 (6)	EP	IFRS 8 - Segment Reporting	None	2007/2550(RSP)
14.11.2007 (6)	EP	IFRS 8 - Segment Reporting	Show of Hands	2007/2550(RSP)
30.11.2015 (8)	ECON	Public hearing on IFRS 9 - Financial Instruments	None	2016/2898(RSP)
07.10.2016 (8)	EP	IFRS 9 - Financial Instruments	Show of Hands	2016/2898(RSP)
19.06.2017 (8)	ECON	Transitional Arrangements regarding IFRS 9 - Financial Instruments	None	2016/0360B(COD)
11.07.2017 (8)	ECON	Transitional Arrangements regarding IFRS 9 - Financial Instruments	Roll-Call	2016/0360B(COD)
29.11.2017 (8)	EP	Transitional Arrangements regarding IFRS 9 - Financial Instruments	Roll-Call	2016/0360B(COD)
01.10.2018 (8)	EP	IFRS 17 - Insurance Contracts	Show of Hands	2018/2689(RSP)
02.12.2019 (9)	ECON	Early non-objection: Transition from IBOR to alternative rates (IAS 39, IFRS 7, IFRS 9)	Roll-Call	2019/2912 (RPS)
02.09.2020 (9)	ECON	Early non-objection on IFRS 16 Leasing Contracts	Roll-Call	2020/2712(RPS)
Panel A.3 EFRAG Appointments				
14.04.2015 (8)	ECON	EFRAG President Wolf Klinz	Roll-Call	
30.05.2016 (8)	ECON	EFRAG President Jean-Paul Gauzes	Roll-Call	
13.07.2022 (9)	ECON	EFRAG President Wolf Klinz	Show of Hands	

Panel A.4 Exchange of Views Meetings with Body Representatives (ECON, no votes)

Date (Term)	Topic	Date (Term)	Topic
28.09.2009 (7)	David Tweedie (IASB)	25.01.2017 (8)	Hans Hoogervorst (IASB)
30.11.2010 (7)	Tommaso Padoa-Schioppa (IFRS Foundation)	19.03.2018 (8)	Hans Hoogervorst (IASB)
03.10.2011 (7)	Hans Hoogervorst (IASB)	17.05.2018 (8)	Jean-Paul Gauzes (EFRAG)
05.11.2012 (7)	Hans Hoogervorst (IASB)	25.02.2019 (8)	Hans Hoogervorst (IASB)
01.12.2014 (8)	Hans Hoogervorst (IASB)	17.02.2020 (9)	Hans Hoogervorst (IASB)
11.01.2016 (8)	Hans Hoogervorst (IASB)	27.10.2020 (9)	Alain Deckers (EC) and Chiara del Prete (EFRAG)
13.07.2016 (8)	Hans Hoogervorst (IASB)	31.08.2022 (9)	Andreas Barckow (IASB), Erkki Liikanen (IFRS Foundation) and Emmanuel Faber (ISSB)

Notes: Discussions and votes analyzed between 2001 and 2023. European Parliament debates are from the European Parliament's website (www.europarl.europa.eu), and Committee debates are from the EU's multimedia center (multimedia.europarl.europa.eu/en). ECON meeting videos were not publicly available before 2009. Abbreviations indicate COD (Ordinary Legislative Procedure), INI (Own Initiative Procedure), RSP (Resolutions on Topical Subjects), and RPS (Implementing Acts). Show of Hands is the normal voting method in the European Parliament, roll-call votes only happen upon request by a group or a minimum number of MEPs. In the committees (e.g., ECON), the default voting method is by roll-call vote.

APPENDIX B Coding Examples

Argument	Quote	Speaker	Debate
Argue Against IFRS	*Rules such as IFRS 9 are part of a multi-faceted arsenal designed to weaken banking intermediation in the financing of the economy and to favour its replacement by market financing under the control of American players.*	Bernard Monot (ENF)	29.11.2017 (EP)
	Finally, the impartiality of the IASB, the body behind IFRS, also raises questions: dominated by large private companies, it leaves no room for representatives of SMEs.	Dominique Martin (ENF)	07.10.2016 (EP)
Right Anti Elite	*Influence of the Anglo-Saxon model sets limits to the independence that you want. Some have been thinking about IFRS as well when it comes to, in fact, Anglo-American financial standards and financial markets and their short termism.*	Bernard Monot (ENF)	01.12.2014 (ECON)
	This report […] champions the use of international accounting standards (IFRS) in a globalised economy. However, these IFRS standards are under the control of the large Anglo-Saxon audit firms.	Gilles Lebreton (ENF)	07.10.2016 (EP)
Left Anti Elite	*We have to put the financial systems at the service of the progress of people and their countries and not at the service of big capital!*	Pedro Guerreiro (GUE/NGL)	24.04.2008 (EP)
	And bearing in mind the composition of the technical expert group made up mostly of financial and accounting people, do you think there's a conflict of interest there?	Fabio de Masi (GUE/NGL)	14.04.2015 (ECON)
Right Pro People	*We cannot continue any longer with the process of weakening and dismembering continental European banks, and French banks in particular, for the greater benefit of American banks.*	Bernard Monot (ENF)	29.11.2017 (EP)
	I believe that the adoption of these standards by the Member States should be on a voluntary basis, given that this is a matter of national sovereignty and the possibility that the Member States should be able to set their own rules in their internal market.	Lambros Fountoulis (NI)	10.01.2018 (EP)
Left Pro People	*And I agree with you that on an expert group, you need to have experts, but not all experts need necessarily be accountants and from the accounting sector because accounting standards are not a business's core business. Accounting standards are for society at large, and they are of use to everybody.*	Sven Giegold (Greens/EFA)	14.04.2015 (ECON)
	Mr. Liikanen, do you have any role here in coordinating the activities and to make sure that the information which is coming to the ordinary people and also to the decision makers is understandable in the same way? (question to: Erkki Liikanen, IFRS Foundation)	Eero Heinäluoma (S&D)	31.08.2022 (ECON)
Pro Techno-cratic	*I stress the importance of employing leading experts and the efficient use of financial resources, including for the training of experts to meet the Union's policy objectives in the field of financial reporting and auditing.*	Silvia-Adriana Ţicău (S&D)	12.03.2014 (EP)
	It is vital for us that EFRAG provides a high level of independent technical analysis and a strong commitment to the provisions of impact assessments so that the standards they endorse represent a true and fair view and serve the public good.	Bernd Lucke (ECR)	30.05.2016 (ECON)
Technical	*So if an interest rate goes up, if there's more likely to be a default, then the creditworthiness changes. Now, a few questions for Mr. Haaker, namely the extent to which you think the risk of discretion might be present with IFRS 9 with respect to the expected credit loss models, do you think that might mean that the transition from phase one to phase two might be delayed and then might lead to cherry picking? Do you think there's a risk that the discretion will mean that we have the same systemic problems that we had with IAS 39, and the recognition of losses will be postponed until the point of no return and in a recession, that's going to be exacerbated.*	Fabio de Masi (GUE/NGL)	30.11.2015 (ECON)
	IAS 17 on rental when it was decided that all amounts due under a rental contract or a Lease called contract would be booked over the whole period. Now, for some companies, and particularly those that rent their buildings, such as hotels, for example, that would have a big effect on their balance sheet.	Jean-Paul Gauzes (EPP)	03.10.2011 (ECON)

Notes: Argument names are the same as variable names defined in Appendix C. Table 1 provides details of European party groups.

APPENDIX C Variable Definitions

Variable	Description
Populist	Dummy variable coded as 1 if the politician's national party is listed as a populist party as of the beginning of the parliamentary term on the PopuList 3.0 (Rooduijn et al., 2023a, 2023b).
Right_Leaning	Dummy variable coded as 1 if the politician's national party scores higher than 5 for the Chapel Hill Expert's Survey's variable "lrgen", ranging from 0 (extreme left) to 10 (extreme right) in its latest version before or in the year of the beginning of the parliamentary term.
Right_Populist	Dummy variable coded as 1 if *Populist* is 1 and *Right_Leaning* is 1, zero otherwise.
Left_Populist	Dummy variable coded as 1 if *Populist* is 1 and *Right_Leaning* is 0, zero otherwise.
Right_Moderate	Dummy variable coded as 1 if *Populist* is 0 and *Right_Leaning* is 1, zero otherwise.
Speak_in_Debate	Dummy variable coded as 1 if a politician voiced at least one argument (spoken or written) in any of the debates or explanations of votes listed in Appendix A, zero otherwise.
Vote_Sceptic_IFRS	Dummy variable coded as 1 if a politician voted to abstain or against in any IFRS-related vote listed in Appendix A in the ECON Committee or European parliament in a given term, zero otherwise.
Argue_Against_IFRS	Dummy variable coded as 1 if a politician voiced at least one argument against IFRS or EU policy supporting the use of IFRS in a given parliamentary term listed in Appendix A, zero otherwise.
Right_Anti_Elite	Dummy variable coded as 1 if a politician voiced at least one argument that demarked an Anglo-American, global, EU, or other elite, based on their cosmopolitan or international status in a given parliamentary term, zero otherwise. Elite in this sense means that the politician implicitly or explicitly defines the elite as an outgroup and the people s/he represents as the ingroup.
Left_Anti_Elite	Dummy variable coded as 1 if a politician voiced at least one argument that demarked a financial elite, based on their socioeconomic or expert status in a given parliamentary term, zero otherwise. Elite in this sense means that the politician implicitly or explicitly defines the elite as an outgroup and the people s/he represents as the ingroup.
Right_Pro_People	Dummy variable coded as 1 if a politician voiced at least one argument that demarked her/his nation as a suppressed group in a given parliamentary term, zero otherwise. Suppressed group in this sense means that the politician implicitly or explicitly defines the group as an ingroup s/he represents versus an elite outgroup suppressing it.
Left_Pro_People	Dummy variable coded as 1 if a politician voiced at least one argument that demarked a suppressed group based on socioeconomic or expert status in a given parliamentary term, zero otherwise. Suppressed group in this sense means that the politician implicitly or explicitly defines the group as an ingroup s/he represents versus an elite outgroup suppressing it.
Pro_Technocratic	Dummy variable coded as 1 if a politician voiced at least one in favor of technocratic policy-making or processes by experts as they are implemented in the EU in a given parliamentary term, zero otherwise.
Technical	Dummy variable coded as 1 if a politician voiced a conceptual or technical accounting argument without reference to social or political issues in a given parliamentary term, zero otherwise.
Sideline_Act_Paid	Dummy variable coded as 1 if the politician self-reports a paid outside activity other than the mandate in the European parliament in their declaration of interests, zero otherwise.
Globalization_Index	KOF's composite, de facto, globalization index, see https://kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-globalisation-index.html
Austerity	Narrative national consolidation, i.e., austerity to reduce fiscal deficits from the past, sourced from replication package of Alesina et al. (2019) https://www.openicpsr.org/openicpsr/project/114028/version/V1/view?path=/openicpsr/114028/fcr:versions/V1/Alesina_data&type=folder
Gini	Gini coefficient, sourced from Worldbank's World Development Indicators DataBank https://databank.worldbank.org/source/world-development-indicators

FIGURES AND TABLES

Figure 1 IASB Standard-setting and EU Endorsement Process

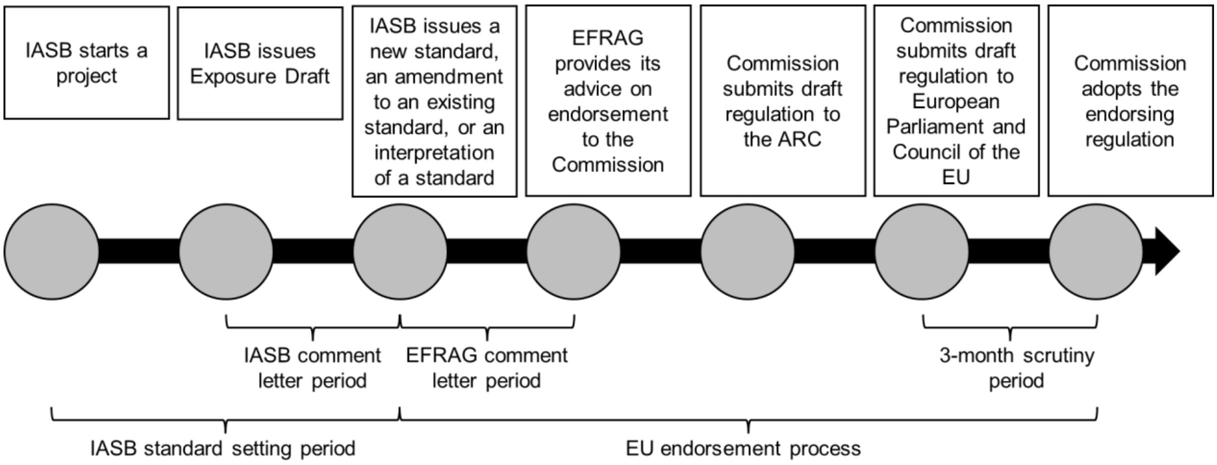

Figure 2 Procedures Triggering IFRS-related Debates in the European Parliament

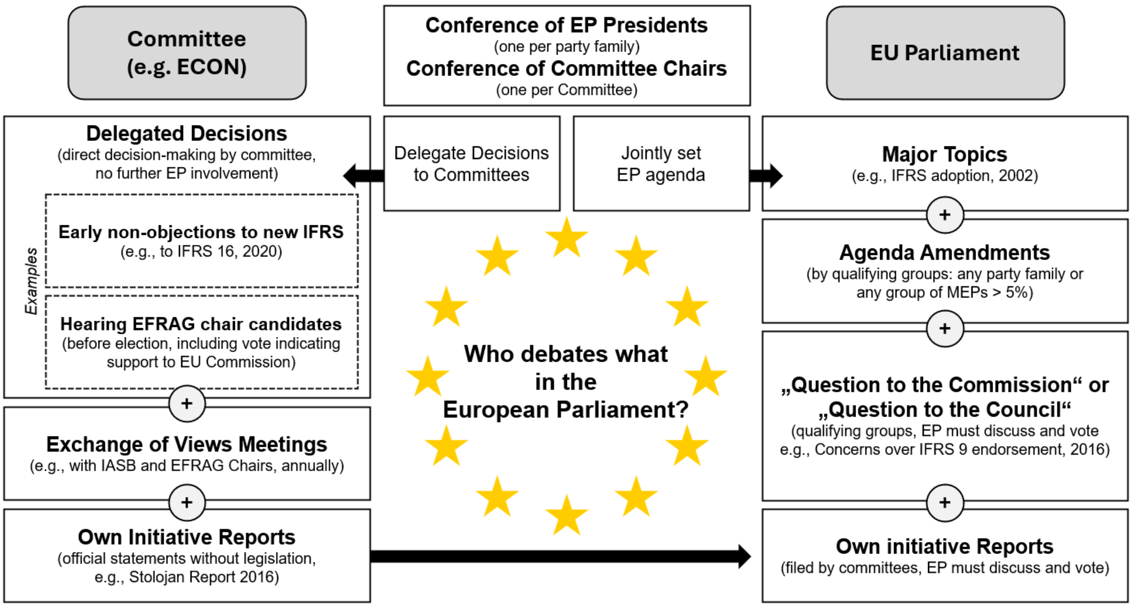

Table 1 Sample Composition

Panel A Parliamentary Terms

5th	***6th***	***7th***	***8th***	***9th***
817	899	800	807	819

Panel B Politician's Nationality

Austria	***Belgium***	***Bulgaria***	***Croatia***	***Cyprus***	***Czechia***	***Denmark***
103	131	88	36	33	97	76
Estonia	***Finland***	***France***	***Germany***	***Greece***	***Hungary***	***Ireland***
37	76	418	520	111	120	62
Italy	***Latvia***	***Lithuania***	***Luxembourg***	***Malta***	***Netherlands***	***Poland***
418	48	59	36	34	159	271
Portugal	***Romania***	***Slovakia***	***Slovenia***	***Spain***	***Sweden***	***UK***
111	169	66	40	310	110	403

Panel C Politician's European Party Family Affiliation (from the political left to right)

GUE/ NGL	***Greens/ EFA***	***S&D***	***ALDE***	***EPP***	***ECR***	***EFD***	***ENF***	***NI***
136	293	1,100	502	1,407	256	134	76	238
of which populists								
88 (64.7%)	5 (1.7%)	73 (6.6%)	32 (6.4%)	193 (13.7%)	125 (48.8%)	104 (77.6%)	74 (97.4%)	164 (68.9%)

Notes: Panel A presents the number of observations by term of the European Parliament (5^{th} = 1999-2004, 6^{th} = 2004-2009, 7^{th} = 2009-2014, 8^{th} = 2014-2019, 9^{th} = 2019-2024), Panel B by a politician's country, and Panel C by European party groups. Panel C also reports how many of each European party family's observations are populists, i.e., the politician's *national* party is listed as a populist party as of the beginning of the parliamentary term on the PopuList 3.0. European party groups are "generalized" across terms, as they frequently undergo name changes. ALDE also includes "Renew Europe" (2019-2024); ECR also includes UEN (2004-2009); EFD also includes IND/DEM (2004-2009) and EFDD (2014-2019); ENF also includes ITS (2004-2009) and ID (2014-2019); EPP includes also EPP-ED (2004-2009); S&D also includes PES (2004-2009); Parties without name changes are Greens/EFA, GUE/NGL and NI (Non-Inscrits without affiliation).

Table 2 Descriptive Statistics

Panel A Regression Variables

Variable Name	N	Mean	S.D.
Populist	4,142	0.207	0.405
Right_Leaning	3,646	0.565	0.496
Speak_in_Debate	4,142	0.073	0.260
Vote_Sceptic_IFRS	3,198	0.121	0.327
Argue_Against_IFRS	302	0.278	0.449
Right_Anti_Elite	302	0.152	0.360
Left_Anti_Elite	302	0.152	0.360
Right_Pro_People	302	0.063	0.243
Left_Pro_People	302	0.116	0.321
Pro_Technocratic	302	0.387	0.488
Technical	302	0.219	0.414
Sideline_Act_Paid	265	0.615	0.487

Panel B Subsample Comparison

	Populists			***Moderates***				
	N	Mean	S.D.	N	Mean	S.D.	t-statistic	p-value
Right_Leaning	811	0.726	0.446	2,835	0.519	0.500	11.356	<0.001
Speak_in_Debate	858	0.108	0.311	3,284	0.064	0.244	3.911	<0.001
Vote_Sceptic_IFRS	626	0.316	0.465	2,572	0.074	0.262	12.559	<0.001
Argue_Against_IFRS	93	0.613	0.490	209	0.129	0.336	8.660	<0.001
Right_Anti_Elite	93	0.398	0.492	209	0.043	0.203	6.702	<0.001
Left_Anti_Elite	93	0.323	0.470	209	0.077	0.267	4.722	<0.001
Right_Pro_People	93	0.183	0.389	209	0.010	0.098	4.240	<0.001
Left_Pro_People	93	0.183	0.389	209	0.086	0.281	2.160	0.032
Pro_Technocratic	93	0.301	0.461	209	0.426	0.496	-2.120	0.035
Technical	93	0.108	0.311	209	0.268	0.444	-3.600	<0.001
Sideline_Act_Paid	91	0.582	0.496	174	0.632	0.484	-0.782	0.435

Notes: Panel A presents sample sizes, means, and standard deviations (S.D.) of variables used in our primary regressions (see Table 3). Panel B presents sample sizes, means, and standard deviations (S.D.) of variables for subsamples of Populists (Populist = 1) and Moderates (Populist = 0). It reports t-statistics and corresponding p-values to test whether subsample means differ. Continuous variables are winsorized at the 1st and 99th percentile. Variable definitions are in Appendix C.

Table 3 Primary Regression Results

Panel A Regressions on Populism

	MEP Behavior		*IFRS Arguments*	*Populist IFRS Arguments*			
	Speak_in_Debate	*Vote_Sceptic_IFRS*	*Argue_Against_IFRS*	*Right_Anti_Elite*	*Left_Anti_Elite*	*Right_Pro_People*	*Left_Pro_People*
Populist	0.032**	0.278***	0.467***	0.340***	0.240***	0.155***	0.078
	(2.23)	(5.07)	(5.58)	(4.32)	(3.60)	(3.77)	(1.16)
Fixed Effects	Country, Term	Country, Term	Country, Term	Country, Term	Country, Term	Country, Term	Country, Term
N	4,142	3,198	302	302	302	302	302
Adj. R^2	0.118	0.188	0.345	0.284	0.144	0.151	0.032

Panel B Regressions on Populism and Host Ideologies

	Speak_in_Debate	*Vote_Sceptic_IFRS*	*Argue_Against_IFRS*	*Right_Anti_Elite*	*Left_Anti_Elite*	*Right_Pro_People*	*Left_Pro_People*
Right_Populist	0.034*	0.267***	0.472***	0.466***	0.109*	0.220***	-0.009
	(1.67)	(3.80)	(3.91)	(4.08)	(1.90)	(4.72)	(-0.13)
Left_Populist	0.025	0.298***	0.473***	0.150	0.450***	0.025	0.244
	(1.29)	(2.93)	(3.82)	(1.50)	(3.65)	(0.37)	(1.61)
Right_Moderate	0.002	-0.035	-0.075	-0.017	-0.077	0.009	-0.054
	(0.19)	(-1.18)	(-0.90)	(-0.36)	(-1.24)	(0.33)	(-0.79)
Z [R_P = L_P]	0.33	-0.25	-0.005	2.00**	-2.47**	2.27**	-1.59
Fixed Effects	Country, Term	Country, Term	Country, Term	Country, Term	Country, Term	Country, Term	Country, Term
N	3,646	2,920	277	277	277	277	277
Adj. R^2	0.118	0.212	0.361	0.353	0.194	0.139	0.042

Notes: This table presents OLS regressions (linear probability models) of politicians' voting and debating on populism in general (equation (1), Panel A) and on populism and host ideologies (equation (2), Panel B). The column title specifies the dependent variable. Continuous variables are winsorized at the 1st and 99th percentile. Variable definitions are in Appendix C. Standard errors are heteroskedasticity-robust and two-way clustered by individual politician and by national party. Coefficients marked with *, **, and *** are significant at the 10-, 5-, and 1-percent levels, respectively. T-statistics in parentheses.

Table 4 Technical Arguments and Regulatory Capture

Panel A Regressions on Populism

	IFRS Arguments	***Populist IFRS Arguments***				***Non-Populist IFRS Arguments***	
	Argue_Against_IFRS	*Right_Anti_Elite*	*Left_Anti_Elite*	*Right_Pro_People*	*Left_Pro_People*	*Pro_Technocratic*	*Technical*
Populist	0.480***	0.358***	0.238***	0.145***	0.086	-0.084	-0.152***
	(5.72)	(4.55)	(3.45)	(4.02)	(1.26)	(-1.07)	(-2.70)
Sideline_Act_Paid	0.008	-0.064	0.085*	0.010	0.058		
	(0.19)	(-1.56)	(1.93)	(0.31)	(1.55)		
Fixed Effects	Country, Term	Country, Term	Country, Term	Country, Term	Country, Term	Country, Term	Country, Term
N	265	265	265	265	265	302	302
Adj. R^2	0.381	0.321	0.154	0.140	0.047	-0.011	0.121

Panel B Regressions on Populism and Host Ideologies

	Argue_Against_IFRS	*Right_Anti_Elite*	*Left_Anti_Elite*	*Right_Pro_People*	*Left_Pro_People*	*Pro_Technocratic*	*Technical*
Right_Populist	0.510***	0.491***	0.116*	0.232***	-0.008	-0.103	-0.160**
	(3.99)	(4.38)	(1.81)	(4.53)	(-0.12)	(-1.12)	(-2.42)
Left_Populist	0.468***	0.181*	0.446***	-0.026	0.276*	-0.001	-0.200**
	(3.65)	(1.82)	(3.70)	(-0.55)	(1.91)	(-0.01)	(-2.59)
Right_Moderate	-0.047	-0.008	-0.058	0.015	-0.042	-0.014	-0.022
	(-0.53)	(-0.18)	(-0.91)	(0.52)	(-0.56)	(-0.17)	(-0.26)
Sideline_Act_Paid	0.007	-0.082**	0.093**	0.007	0.070*		
	(0.15)	(-2.05)	(2.15)	(0.19)	(1.70)		
Z [R_P = L_P]	0.27	2.03**	-2.35**	2.81***	-1.88*	-0.77	0.40
Fixed Effects	Country, Term	Country, Term	Country, Term	Country, Term	Country, Term	Country, Term	Country, Term
N	241	241	241	241	241	277	277
Adj. R^2	0.395	0.398	0.196	0.151	0.065	0.004	0.128

Notes: This table presents OLS regressions (linear probability models) of politicians' voting and debating on populism in general (Panel A) and on populism and host ideologies (Panel B). The first five columns add *Sideline_Act_Paid* as a proxy of regulatory capture. The column title specifies the dependent variable. Continuous variables are winsorized at the 1st and 99th percentile. Variable definitions are in Appendix C. Standard errors are heteroskedasticity-robust and two-way clustered by individual politician and by national party. Coefficients marked with *, **, and *** are significant at the 10-, 5-, and 1-percent levels, respectively. T-statistics in parentheses.

Table 5 Cross-Sectional Results with Globalization

Panel A Regressions on Populism and Interactions with Globalization

	MEP Behavior		***IFRS Arguments***	***Populist IFRS Arguments***			
	Speak_in_Debate	*Vote_Sceptic_IFRS*	*Argue_Against_IFRS*	*Right_Anti_Elite*	*Left_Anti_Elite*	*Right_Pro_People*	*Left_Pro_People*
Populist	0.030**	0.299***	0.337***	0.238***	0.204***	0.121***	0.062
	(2.21)	(6.55)	(4.32)	(3.60)	(3.21)	(3.10)	(0.94)
Glob._Index	0.012	-0.089*	0.161	0.004	0.096	0.067	0.176
	(0.73)	(-1.71)	(1.18)	(0.05)	(0.81)	(1.01)	(1.15)
Populist × *Glob._Index*	0.028**	0.162***	0.312***	0.249***	0.079	0.079**	0.040
	(2.18)	(5.53)	(4.40)	(3.22)	(1.27)	(2.53)	(0.76)
N	4,045	3,149	301	301	301	301	301

Panel B Regressions on Populism and Host Ideologies and Interactions with Globalization

	Speak_in_Debate	*Vote_Sceptic_IFRS*	*Argue_Against_IFRS*	*Right_Anti_Elite*	*Left_Anti_Elite*	*Right_Pro_People*	*Left_Pro_People*
Right_Populist	0.029*	0.261***	0.290**	0.316**	0.102*	0.182***	-0.040
	(1.67)	(4.61)	(2.27)	(2.49)	(1.86)	(3.41)	(-0.76)
Left_Populist	0.013	-0.099*	0.206	0.086	0.080	0.092	0.185
	(0.52)	(-1.79)	(1.39)	(0.77)	(0.54)	(1.17)	(1.28)
Right_Moderate	0.028	0.350***	0.425***	0.120	0.396***	0.020	0.244*
	(1.34)	(3.75)	(3.90)	(1.22)	(3.88)	(0.28)	(1.75)
Glob._Index	0.002	-0.039	-0.027	-0.005	-0.052	0.009	-0.018
	(0.15)	(-1.39)	(-0.40)	(-0.10)	(-1.06)	(0.380)	(-0.30)
Right_Populist × *Glob_Index*	0.025	0.157***	0.330***	0.282**	0.001	0.077	0.050
	(1.22)	(3.48)	(2.85)	(2.38)	(0.02)	(1.56)	(0.58)
Left_Populist × *Glob._Index*	0.025	0.212***	0.166	0.057	0.306***	-0.007	0.021
	(1.58)	(4.26)	(1.39)	(0.59)	(2.70)	(-0.22)	(0.19)
Right_Moderate × *Glob._Index*	-0.001	-0.008	-0.122*	-0.028	-0.076	0.006	-0.092*
	(-0.10)	(-0.31)	(-1.66)	(-0.90)	(-1.42)	(0.31)	(-1.76)
N	3,646	2,920	277	277	277	277	277

Notes: Panel A presents OLS regressions (linear probability models) of politicians' voting and debating on populism in general, globalization as a potential cause of populism, and the interaction of the two (equation (3)). Panel B presents OLS regressions (linear probability models) of politicians' voting and debating on populism and host ideologies, globalization as a potential cause of populism, and the interaction of globalization with each ideological subgroup (equation (4)). All columns include country and term fixed effects. We suppress fixed effects and adjusted R^2s for brevity. The column title specifies the dependent variable. Continuous variables are winsorized at the 1st and 99th percentile. Variable definitions are in Appendix C. Standard errors are heteroskedasticity-robust and two-way clustered by individual politician and by national party. Coefficients marked with *, **, and *** are significant at the 10-, 5-, and 1-percent levels, respectively. T-statistics in parentheses.

Table 6 Cross-Sectional Results with Austerity

Panel A Regressions on Populism and Interactions with Austerity

	MEP Behavior		***IFRS Arguments***	***Populist IFRS Arguments***			
	Speak_in_Debate	*Vote_Sceptic_IFRS*	*Argue_Against_IFRS*	*Right_Anti_Elite*	*Left_Anti_Elite*	*Right_Pro_People*	*Left_Pro_People*
Populist	0.060***	0.350***	0.502***	0.360***	0.211**	0.228**	-0.022
	(3.20)	(4.23)	(3.78)	(2.68)	(2.36)	(2.62)	(-0.29)
Austerity	0.001	-0.052**	-0.031	0.003	-0.003	-0.017	-0.002
	(0.11)	(-2.54)	(-0.56)	(0.07)	(-0.05)	(-1.05)	(-0.04)
Populist × Austerity	0.088***	0.028	0.108*	0.087	0.079	-0.036	0.130*
	(2.78)	(0.75)	(1.92)	(1.11)	(0.93)	(-0.80)	(1.69)
N	2,175	2,156	194	194	194	194	194

Panel B Regressions on Populism and Host Ideologies and Interactions with Austerity

	Speak_in_Debate	*Vote_Sceptic_IFRS*	*Argue_Against_IFRS*	*Right_Anti_Elite*	*Left_Anti_Elite*	*Right_Pro_People*	*Left_Pro_People*
Right_Populist	0.067***	0.311***	0.502**	0.421**	0.152	0.258**	-0.034
	(2.79)	(3.24)	(2.41)	(2.20)	(1.48)	(2.58)	(-0.39)
Left_Populist	0.003	-0.020	-0.031	0.069	-0.006	-0.017	0.008
	(0.15)	(-0.61)	(-0.49)	(1.28)	(-0.09)	(-0.73)	(0.13)
Right_Moderate	0.058**	0.437***	0.436***	0.195	0.410***	0.133	0.118
	(2.17)	(3.14)	(3.05)	(1.14)	(3.82)	(0.97)	(1.08)
Austerity	0.005	-0.051	-0.138	-0.017	-0.144*	0.000	-0.066
	(0.28)	(-1.39)	(-1.06)	(-0.22)	(-1.68)	(0.01)	(-0.59)
Right_Populist × Austerity	0.085*	-0.006	0.037	0.080	-0.055	-0.045	0.032
	(1.84)	(-0.13)	(0.39)	(0.71)	(-0.62)	(-0.61)	(0.55)
Left_Populist × Austerity	0.079***	0.008	0.170***	0.024	0.186***	-0.048	0.215***
	(2.69)	(0.14)	(3.06)	(0.39)	(4.39)	(-0.88)	(2.68)
Right_Moderate × Austerity	-0.001	-0.058	0.003	-0.056	0.024	-0.009	0.001
	(-0.04)	(-1.49)	(0.07)	(-1.56)	(0.59)	(-0.46)	(0.01)
N	2,073	2,056	184	184	184	184	184

Notes: Panel A presents OLS regressions (linear probability models) of politicians' voting and debating on populism in general, fiscal austerity as a potential cause of populism, and the interaction of the two (equation (3)). Panel B presents OLS regressions (linear probability models) of politicians' voting and debating on populism and host ideologies, fiscal austerity as a potential cause of populism, and the interaction of fiscal austerity with each ideological subgroup (equation (4)). All columns include country and term fixed effects. We suppress fixed effects and adjusted R^2s for brevity. The column title specifies the dependent variable. Continuous variables are winsorized at the 1st and 99th percentile. Variable definitions are in Appendix C. Standard errors are heteroskedasticity-robust and two-way clustered by individual politician and by national party. Coefficients marked with *, **, and *** are significant at the 10-, 5-, and 1-percent levels, respectively. T-statistics in parentheses.

Table 7 Cross-Sectional Results with Inequality

Panel A Regressions on Populism and Interactions with Inequality

	MEP Behavior		***IFRS Arguments***	***Populist IFRS Arguments***			
	Speak_in_Debate	*Vote_Sceptic_IFRS*	*Argue_Against_IFRS*	*Right_Anti_Elite*	*Left_Anti_Elite*	*Right_Pro_People*	*Left_Pro_People*
Populist	0.037**	0.322***	0.470***	0.342***	0.223***	0.159***	0.076
	(2.45)	(6.00)	(5.99)	(4.56)	(3.64)	(3.81)	(1.26)
Gini	0.028***	0.009	0.005	-0.103	0.021	-0.024	0.095
	(2.65)	(0.28)	(0.07)	(-1.29)	(0.33)	(-0.56)	(1.27)
Populist × Gini	0.018	0.013	0.072	0.037	0.134**	-0.026	0.059
	(1.37)	(0.36)	(1.04)	(0.65)	(2.15)	(-0.71)	(0.75)
N	3,584	2,825	298	298	298	298	298

Panel B Regressions on Populism and Host Ideologies and Interactions with Inequality

	Speak_in_Debate	*Vote_Sceptic_IFRS*	*Argue_Against_IFRS*	*Right_Anti_Elite*	*Left_Anti_Elite*	*Right_Pro_People*	*Left_Pro_People*
Right_Populist	0.041**	0.304***	0.443***	0.445***	0.075	0.221***	-0.019
	(1.99)	(4.64)	(3.76)	(4.03)	(1.19)	(4.63)	(-0.28)
Left_Populist	0.036***	-0.002	-0.111	-0.132	-0.079	-0.022	0.009
	(2.62)	(-0.07)	(-1.27)	(-1.56)	(-1.12)	(-0.49)	(0.11)
Right_Moderate	0.026	0.345***	0.398***	0.125	0.361***	0.045	0.169
	(1.33)	(3.34)	(3.99)	(1.29)	(3.61)	(0.62)	(1.64)
Gini	0.001	-0.031	-0.104	-0.035	-0.108*	0.010	-0.069
	(0.07)	(-1.02)	(-1.31)	(-0.69)	(-1.85)	(0.38)	(-1.07)
Right_Populist	0.011	0.024	0.126	0.101	0.136**	0.022	0.010
× Gini	(0.66)	(0.55)	(1.18)	(1.04)	(2.52)	(0.40)	(0.13)
Left_Populist ×	0.006	0.046	0.221**	0.060	0.242***	-0.057	0.232**
Gini	(0.31)	(0.67)	(2.57)	(1.03)	(2.81)	(-1.21)	(2.31)
Right_Moderate	-0.020	0.032	0.171***	0.044	0.108**	0.014	0.113**
× Gini	(-1.63)	(1.26)	(2.74)	(1.34)	(2.41)	(0.68)	(2.00)
N	3,349	2,630	275	275	275	275	275

Notes: Panel A presents OLS regressions (linear probability models) of politicians' voting and debating on populism in general, inequality as a potential cause of populism, and the interaction of the two (equation (3)). Panel B presents OLS regressions (linear probability models) of politicians' voting and debating on populism and host ideologies, inequality as a potential cause of populism, and the interaction of inequality with each ideological subgroup (equation (4)). All columns include country and term fixed effects. We suppress fixed effects and adjusted R^2s for brevity. The column title specifies the dependent variable. Continuous variables are winsorized at the 1st and 99th percentile. Variable definitions are in Appendix C. Standard errors are heteroskedasticity-robust and two-way clustered by individual politician and by national party. Coefficients marked with *, **, and *** are significant at the 10-, 5-, and 1-percent levels, respectively. T-statistics in parentheses.

Table 8 Populists' Voting on selected non-IFRS Policies

Panel A Regressions on Populism			
	Votes on International Banking Regulation	*Votes on Strengthening Humanitarian Aid*	*Votes on Digital Finance Infrastructure*
Populist	0.423***	0.491***	0.210***
	(7.43)	(5.78)	(3.70)
Fixed Effects	Country, Term	Country, Term	Country, Term
N	1,602	819	769
Adj. R^2	0.346	0.433	0.183
Panel B Regressions on Populism and Host Ideologies			
Right_Populist	0.439***	0.618***	0.182***
	(6.16)	(6.19)	(2.89)
Left_Populist	0.486***	-0.011	0.396***
	(4.44)	(-0.16)	(3.79)
Right_Moderate	0.003	-0.019	-0.031
	(0.05)	(-0.43)	(-1.39)
Z [R_P = L_P]	-0.308	5.57***	-1.64*
Fixed Effects	Country, Term	Country, Term	Country, Term
N	1,444	757	709
Adj. R^2	0.392	0.574	0.281

Notes: This table presents OLS regressions (linear probability models) of politicians' voting on populism in general (Panel A) and on populism and host ideologies (Panel B). The column title specifies the topics subject to voting. Variable definitions are in Appendix C. Standard errors are heteroskedasticity-robust and two-way clustered by individual politician and by national party. Coefficients marked with *, **, and *** are significant at the 10-, 5-, and 1-percent levels, respectively. T-statistics in parentheses.