Democracy Paradox Podcast
Pepper Culpepper Says Good Populism Can Save Democracy (6/24/26)
Transcript

Introduction

Today's guest is Pepper Culpepper. He is Vice Dean for Academic Affairs and the Blavatnik Chair in Government and Public Policy at the University of Oxford. I came across his work in the *Journal of Democracy*, where he coauthored the article "When Populism Can Be Good." After reading the article I went back and also read his book, also coauthored with Taeku Lee, *Billionaire Backlash: The Age of Corporate Scandal and How It Could Save Democracy*.

Pepper argues corporate scandals produce popular anger that can lead to meaningful reform. He argues this is a good populism that reinforces democracy rather than undermining it.

The idea of a good populism is controversial for those who study democracy because it has effectively been defined as something that's bad. But the meaning of populism has changed over time. For example, historians think fondly of American populism at the turn of the 20th Century.

Now some people might dismiss Pepper's idea of good populism as not really populism. But I wanted to know if he saw commonalities between good and bad populism or whether they were entirely different.

We also talk quite a bit about the role of regulation, because the outcome of good populism according to Pepper is stronger business regulation and antitrust enforcement. I press him on those ideas, because his version of populism tends to entrust a lot of power to bureaucratic elites.

It also comes across as contrarian as policy discussions have centered more around ideas of Abundance as written about by Ezra Klein and Derek Thompson that largely call for deregulation. Pepper discusses where he agrees and disagrees with the case for abundance economics.

My challenge for you is to consider whether populism is naturally good or bad. If your answer is it depends, think about what makes populism good or bad.

Please share your thoughts. If you listen to Spotify, you can leave your thoughts as a comment on the episode. You can also send me your thoughts as an email to jkempf@democracyparadox.com. There is also a link to the complete transcript in the show notes.

The Democracy Paradox is made in partnership with the Kellogg Institute of the Keough School of Global Affairs at the University of Notre Dame. Thank you to everyone who attended this year's Global Democracy Conference. But for now… here is my conversation with Pepper Culpepper…

Interview

Justin Kempf: Pepper Culpepper, welcome to the Democracy Paradox.

Pepper Culpepper: Oh, well, thanks for having me on the show.

Justin Kempf: Well, Pepper, I was really interested in both a recent book that you wrote as well as an article in the Journal of Democracy. The article had a very provocative title – "When Populism

Can Be Good." The book is called *Billionaire Backlash: The Age of Corporate Scandal and How It Could Save Democracy*. So you're touching on two different concepts that we talk about a lot on this podcast – democracy, obviously, but also populism. I'd like to start with this provocative title, the idea that populism can be good. What exactly distinguishes a good type of populism from a bad type of populism?

Pepper Culpepper: That's a great place for us to start. With my co-author, Taeku Lee, we've been thinking about this issue. We wrote a book about corporate scandals and the sort of feelings – the latent opinion – they reveal about a desire for economic regulation. And we saw again and again, through a variety of examples we go through in the book, these bursts of concentrated demand from the public for the sorts of regulation they want, when they think the elites haven't been listening to them.

And we tried to infer from that what a populism that demands the elites be more responsive, without undermining the pluralism that's core to democracy working, might look like. That is to say, we respect our co-citizens, and we give them a voice within the polity. So when we talk about good populism, we're not saying populism we like. We're saying populism that we think is reinforcing, as opposed to undermining, of democracy.

In the final chapter of the book, we lay out what we think that kind of populism might look like, because populism, definitionally, is always setting up a moralized opposition between the elite and the true interests of the people. And we think that right now, a lot of populist anger frames mass opinion as viewing the elite as favoring out-groups like immigrants and minorities, who become essentially the bad guys. We think that a populism in which billionaires or large corporations are the ones viewed unfavorably by the public seemed to us something that would be less disruptive of democracy.

We also tried to think about what sort of populism could reinforce state capacity. Part of the problem, of course, is that states don't deliver – abundance is in some sense part of this argument. So we try to think about how an independent agency can justify its work in terms of the good it does for the citizen, and not just abstract notions like the market.

So we pivot from there to asking: can we go out and find good populism, as opposed to bad populism, which would be democracy-undermining in public opinion? We analyzed data from four countries, thirty-six thousand people, and found a pretty clear division within measures of populist opinion. On one side, what we call economic unfairness – elites don't understand the problems I'm facing, the system is rigged, no one gets ahead except by playing according to a rigged set of rules. Those questions load closely together in factor analysis. On the other side, what we call political failure – it doesn't matter who gets elected, political parties don't care about people like me, you can't trust what you read in the mainstream media, there's a small and secretive group of people who run the world.

That political unfairness side is associated with what we call bad populism. When we look at how those two sides of populism coexist – often in the same voter, it's not just two different groups out there, it's very much intrinsic to the idea of populism – economic unfairness is associated with very positive feelings towards immigrants and minorities, whether Black Americans or Black Britons, people of North African descent in France, people of Turkish descent in Germany, and positive feelings towards Jews. Good populism is associated with very positive feelings toward them. Whereas there's very negative feeling towards billionaires and large corporations. But within this economic unfairness dimension, there's not a lot of negative feeling towards small business. So this is not an anti-capitalist dimension, and it's not particularly a leftist dimension either – a lot of people hear what I'm saying and say, oh, that's just left populism and right populism, and it's not.

It's true that slightly more people on the left profess this economic unfairness sentiment, and more people on the right profess the political failure sentiment, but there's a lot of crossover. You see plenty of demand on the right for something to be done about this economic unfairness dimension. In the United States, you see it in Josh Hawley's periodic demands for doing something about the tech companies. You see it in President Trump's recent proposal to take an equity stake in some of the AI companies. So these are live issues, but we think there's an empirical argument to be made that some strands of populist thinking are actually reinforcing of democracy, because they have positive feelings towards many of the out-groups that typically get thrown under the bus when we're drawing a division between the people and the elite. And we think it wouldn't be bad for democracy if the billionaires get thrown under the bus instead – they have big shoulders, and there's a big demand in public opinion for that.

Justin Kempf: So regarding right populism and left populism – you're right, there's a lot of crossover and not always a clear sense of what populism even means. Hawley's a great example because his book is surprisingly insightful in terms of policy, in a way that most politicians' books are not – most are really just a story about themselves. It shows there's a bit more fusion between right and left on some of these issues, and you see that with J.D. Vance and the way he's talked about Lina Khan.

But it raises the issue that a lot of these things, when we think about populism, aren't really about the specific policy prescription – it's almost the reasoning, the motivations behind pursuing those policies. So the question I've got for you is: when we're thinking about good populism, are we really noticing populist sentiment, or is it a completely different phenomenon entirely? Are we talking about a good form of populism and a bad form of populism, or are we talking about populism and something that's entirely different from populism?

Pepper Culpepper: I think populism is Janus-faced, and a lot of political scientists who write about populism write about it from an implicit or explicit left perspective, because they're worried about right populism – which you see discussed in the US and Europe. People writing about Latin America, it's often been left populism that's been the threat to democracy.

Justin Kempf: Until recently.

Pepper Culpepper: Until recently, yes. But nevertheless, that's a strong historic trend in populist thinking, and I don't think you can disentangle the two. We're both wary of being tribunes for populism – I teach in a school of government, Taeku teaches in a department of government. We believe in the value of expertise. We believe that simple solutions don't always solve complex problems. And we believe that a lot of what travels under the name of populism is basically people attacking the elites and scapegoating outsiders, and it's dangerous. But not all of it.

Among the elite, there's been an attempt to push all of this together. We quote Jane Mansbridge and Steve Macedo, who say that populism is essentially democracy's way of saying, listen harder to what people want. We take that to heart. There are big problems of inequality and intergenerational fairness built into the system, but this sense that the game is rigged cuts right across left and right. In our most hopeful moments, we think there's the possibility for some of this to come together in a slight reformulation of party systems in the US and elsewhere that might make the political space a little more conducive to unlikely coalitions you don't necessarily see right now.

For example, in AI regulation, there's a big split between what the elite want and what the people want. What the people want is regulation and guardrails. What the elite want is to let it rip – which is associated with what their donors from Anthropic and OpenAI want, even though Anthropic will say, we do want regulation. But I think Dario Amodei wants it on his terms.

So in an attempt to answer your question: I think it's all wrapped up together as one part of popular sentiment, and we're trying to disentangle the good from the bad rather than just make populism a negative word. That's the first thing I'd say. The second is that we don't view populism as a source of policy solutions. Our book is about how moments of popular outrage create an opening for policy entrepreneurs to come through – people who've been banging on for years about some solution they want to pursue, and then the policy window opens, and that's when it gets pushed through. That's what almost every reform we look at appears to be: a policy window opening and a policy entrepreneur seizing it. So we don't view populism as the source of policy detail. We view it as the source of disciplining politicians, letting some policy entrepreneur push through something broadly popular in its goals.

Justin Kempf: That's an interesting point – that there are opportunity windows where corporate scandals happen and public opinion becomes activated, giving it real momentum to make reforms and change public policy. From the book, I got the sense that you feel public opinion is always there – that it's latent, that the public wants these policies in effect but just isn't mobilized until there's a scandal. Is that a fair reading? Or do you feel that public opinion actually changes when there's a scandal – that people go from "we didn't think this mattered" to "now we do, because we see the need for it"? Does the scandal change public opinion, or does it just activate public opinion that already exists?

Pepper Culpepper: That's a superb question – we spent a lot of time thinking about it. I'm tempted to say yes and yes, in the sense that we draw on V.O. Key in talking about latent opinion as views that are out there but get crowded out by other concerns – more salient issues like immigration, tax rates, the border – that push these things off the agenda. Scandals reveal that people are concerned about the level of corporate concentration in many advanced economies, particularly the American economy. They're concerned that governments seem unable to write the rules for these companies, and that these companies seem to get whatever they want. In those moments, attention concentrates.

But also – and we make this argument in an article that came out in *Perspectives on Politics* – it's crystallizing. People pull together a set of disparate views that they wouldn't have been able to articulate before. So there's some act of scandal infusing those views together. But we think the views are largely preexisting – that they're the big force that's out there. And the reason we dare to be hopeful in this book, which is coming out at a time of real challenges to democracy around the world, particularly in the United States, is that through survey work across several countries, we see over and over again this latent opinion get captured in a moment that changes policy – and sometimes, as in the case of South Korea that we write about in the book, changes presidencies.

Justin Kempf: Is it the actual demand from the public, or is it just media attention and policy entrepreneurs and savvy politicians wanting to grab headlines? Media attention isn't always correlated with the kind of long-term public attention that actually matters in the voting booth. You can have news stories that pop up and capture everybody's attention in the moment, but by the time it comes to vote, the issue has gone away. That doesn't mean politicians didn't act on the opportunity to make a name for themselves or take advantage of the attention. So do you think it's driven more by the need for media attention, or is there real public demand such that there'd be political consequences for politicians who didn't act?

Pepper Culpepper: We're studying public opinion, and we're seeing these movements in public opinion. The media is the necessary relay of what the public thinks to the politicians, so it's not as easy to disentangle the two as you might think. I just saw an interesting study out of Stanford on what kind of clicks actually lead people to subscribe to newspapers, and it's not clickbait. Clickbait gets the most clicks – dramatic car crash, person beheaded, that sort of thing. But it's actually the stories on substantive local news, what's going on with housing, what's going on with local corruption, that get people to subscribe.

I take that as a sign that the media's attention and the public's attention to issues they think are actually important do have a correlation. It's not one, but it's not zero either. Part of the challenge, of course, is the increasing fragmentation of the media sphere. One reason we focus on corporate scandals is that they're one of the few instances where you see media of the left and media of the right covering issues in a very similar way. It's not a corporate scandal, but the Epstein scandal has all of these hallmarks – it pits the elites against the people. And so you got, again, bipartisan bills in the United States Congress, which you rarely get nowadays, about releasing the Epstein files. So we do think that kind of media attention around a burgeoning, cross-cutting public opinion is something you'll see reflected in actual media coverage.

Justin Kempf: The book focuses on corporate scandals, obviously, but you're linking this to saving democracy. Is the implication that corporate power itself – just overwhelming corporate power – is fundamentally anti-democratic?

Pepper Culpepper: The implication is that we're in a historical moment that feels to us very much like 1900 in the United States. As you'll know well, in 1900 you'd had tremendous economic growth on the back of economic innovation after the Civil War, the expansion of the railroads. But with that expansion and the consolidation of business in oil and steel, you get these enormous trusts that dominate politics. You get the famous cartoon of the corruption of the Senate – which we reproduce in the book – showing these massive trusts as fat cats behind the senators, asking who are the real bosses of the Senate. That's important to why we think that moment and today are similar.

And the reason we dare to say this could save democracy is that the progressive movement came after a series of failed waves of populism, which crested with William Jennings Bryan in 1896 saying he didn't want to be nailed up on a cross of gold. What happened after 1900 was a set of scandals introduced by the muckrakers – about how bad it had been when the Rockefellers brought together all these oil companies, what they'd done to small businesses, what had gone on with the California railroads.

We start the book with Upton Sinclair's *The Jungle* – what the beef trusts were doing to the food they fed Americans, grinding up poisoned rats in American sausages and sending that on for Americans to eat. That book cuts meat consumption in half in the United States within months. And Theodore Roosevelt, who coined the term "muckraker" – not as a compliment – says, I've got to respond to this. If you think about that period, Republicans and Democrats both decide the role of companies is to innovate in the economy, not to dictate our politics.

So you get a lot of innovations around the progressive movement – small-p progressive, cutting across left and right. The California referendum was born of voters' distaste for the capture of the California legislature by big interests, which is very similar to what we see today. I think it's Brandeis who said you could have concentrated economic power or you could have democracy, but you couldn't have both. I think we're coming into a phase like that, where capitalism is in some sense getting out of control. We're about to have the massive IPO around SpaceX, and Elon Musk seems more powerful than most people – he's building our infrastructure, he's calling the shots on the war in Ukraine because he runs Starlink. This is a very unusual place to be, and our data suggests a lot of people are uncomfortable with it. If we look back to what happened in the Progressive Era, we suspect there will be some appetite to push forward. And if the last fifteen years have all been about anti-immigration, we think the next ten years are going to be anti-billionaire.

Justin Kempf: Well, it's not just the SpaceX IPO – we're also going to see OpenAI's IPO, I think they just filed, and Anthropic's IPO probably before too long. It's actually a little surprising – I'd been reading plenty of articles about how private companies wanted to avoid IPOs to avoid public disclosure requirements, and now everybody's racing to go public because they need capital for the AI buildout. But that's a bit of a different issue. The one I think is really relevant here is whether you feel scandals are becoming worse because of the concentration of wealth in the country, because of the shifts in the size of these AI-linked companies. Nvidia alone takes up a massive share of the S&P 500 – the top ten companies now make up a disproportionate percentage of total market capitalization. Do you feel this is making it more likely that scandals could become even larger than over the past few decades? Or is this just business as usual, and we're waiting for the next scandal to drop?

Pepper Culpepper: I'd answer that by going back to the notion of latent opinion. Latent opinion in the United States, the UK, elsewhere, is increasingly concerned with this very distorted economic growth, where all the growth is essentially happening through American technology companies – whether you look at capital expenditure or any other metric. There are serious questions about whether that capital expenditure will actually be matched by revenue. In hindsight, we'll be able to say whether there was a financial crisis triggered by the overextension of the AI economy and the buildout of data centers on the bet that AI is about to deliver a bright new future and we just have to build all these data centers now. There could at any moment be a moment when people say, actually, we don't think you can deliver on that. I don't think the stock market thinks that right now – a lot of market people have said, no, there's really going to be a return, this isn't going to be like the dot-com bubble.

Whatever happens in the AI economy, people are paying a lot of attention to AI and its role. You see a lot of pushback. With Jane Gingrich here at Oxford, I'm doing a survey on current opinion on AI in the US, and boy, do people hate data centers. They really hate the buildout. They hate that all these NDAs are being signed, sometimes with local governments not letting people know who's actually doing the buying. So there are a number of potential groundswells of anti-AI sentiment, which is itself anti-big-company sentiment. One is about what AI will do to jobs, another about what it'll do to the financial system and people's 401(k)s, another about what happens if AI is used by a bad actor – suddenly our hospitals don't work because someone's holding us to ransom, or they've been attacked some other way.

So there are any number of huge events that could look like corporate scandals in the AI sector, with a triggering force much larger than any of the scandals we've looked at. So yes, given the structure of the economy, there's a larger propensity for these scandals to happen and have big effects. But at the same time, the people who own these large companies – Elon Musk, Jeff Bezos, Vincent Bolloré in France – own many of the media outlets through which we get our information, and that's one of the big challenges. How do we get a media sphere that's actually transmitting to us what's going on? I think there's some concern about that, and we have some suggestions in the book, but it's a hard problem that a lot of people need to think about – what do we do about the concentrated control of media at a time of economic concentration quite unlike what we've seen for a while, certainly in the post-war era?

Justin Kempf: Do you think mega scandals – something like the actual financial crisis, which we could define as a corporate scandal of sorts that had a dramatic impact on everybody's life – are very different from some of the more minor scandals you cover in the book? This isn't mentioned in the book, but take the issues with some of the Boeing planes, with the FAA not regulating closely enough, and the questions that raised about how safe air travel is. That definitely raised concerns, but it doesn't have the same resonance as a financial scandal. And you mentioned the dot-com boom and bust – if AI is a bubble, we could see a market correction, but that's not the same as a financial scandal. That's not even a financial crisis – that's just the market correcting, and the strong companies survive while the weak ones fall away. The dot-com bubble wasn't really a scandal, it was just irrational exuberance and one of the market's inefficiencies. That's very different from the financial crisis.

Pepper Culpepper: Yeah, Justin, that's a fair point. But if you look at the cross-shareholdings between these very large companies, they've each taken deals in each other. Nvidia's made a deal with every other major player involving changes in equity ownership and contracts so everyone can buy Nvidia's chips. If that doesn't feel to you like the financial crisis – where companies are tightly interlinked so that when one fails it drags down a lot of things, and there's great government demand to intervene, and people say, so the guys who just wrecked the economy, we're going to intervene to save them, and what about me and the regular economy?

That sounds a lot to me like the financial crisis of 2008, in terms of the interpenetration and the concentrated blame directed at one part of the economy. It may not necessarily play out that way, but we certainly have a structure where it could. And if there's just a market correction, as you say, I think it's an open empirical question where people will lay the blame – on politicians, or on the tech sector that's driven the boom. The tech sector has become much more prominent in politics now than it was circa 2000. In past moments of irrational exuberance, it was just about valuations. Now it's about the role these companies are playing in politics. You've seen super PACs established exclusively to attack candidates looking to put in more serious AI regulation. That sort of thing is getting noticed by people, even if it's not their number one issue, and it's contributing to this latent opinion that maybe these companies are a little out of control. Maybe Elon Musk is really good at innovating with electric cars and rockets, but maybe he's not so good at designing political systems and telling us who should be in and who should be out.

Justin Kempf: That actually gets to one of the questions I wanted to ask. Do you think there's a structural issue in the way AI is growing right now that could lead to a major scandal that shifts public opinion and brings about some dramatic regulation on the horizon?

Pepper Culpepper: A major event, whether it's a scandal – a scandal is an act of corporate malfeasance. When there's a big, economy-shifting event, we could say, as you did earlier, the financial crisis was in some sense an act of corporate malfeasance, where people were overplaying their hands knowing they'd be bailed out by the government because of the moral hazard setup. We could get something like that, where it may be hard to pin down the individual acts of malfeasance, but collectively you can see why people would shift blame toward a sector.

So I'd say events could well allow this building pressure in public opinion to be relieved, and people to say, hang on a second, what is our government doing? I think the Trump administration has very much reflected that. Everyone likes to talk about all the heads of the big companies sitting behind him at the inauguration. They were there out of fear, not control. They don't control Trump – they know he pays no attention to norms or even laws, so he'll threaten to expropriate them or cost them money in a variety of ways. They're effective business people, so they've tried to stay close to him. But there's a growing knowledge among the largest companies that government is interested in regulating them, could regulate them, and that it would be a big threat. And there's a variety of positions among these leaders about what should be done about it.

On the one hand, there's a view among the leaders of the AI companies that we've got to get to AGI first – artificial general intelligence, if that even exists as a thing – and they don't want any regulation that would limit that. So far, they've convinced the politicians of that. I'm just not sure they can continue to, because when something goes wrong, someone's going to look for blame, and there will be a lot of blame directed toward Mountain View and other parts of Silicon Valley.

Justin Kempf: In moments of extreme voter frustration and public demand for something to happen, is that always the right moment for good policy to come out of?

Pepper Culpepper: That's a fair question, and I get a lot of pushback on this, because when you say good policy – I teach in a school of government, we try to teach evidence-based policymaking – it's not necessarily the case that policies that come out in response to a perceived failure are perfect policies. Was Sarbanes-Oxley perfect corporate governance legislation? No. But it responded to a demand for the public to crack down on accounting practices that led to huge failures and cost people their retirement savings through Enron and WorldCom.

So maybe it's bad policy. But if you think about the policymaking system as essentially broken and dominated by a set of interests – which is how I do, I'm a scholar of interest groups, and that's what I've seen in one area after another, that large companies and moneyed interests tend to do very well most of the time – then what you're getting is a political rebalancing of the policy system. I think you'll almost inevitably over-regulate during moments like this, and some of that regulation will be bad regulation, and then it'll be peeled back over time as its negative consequences, some anticipated, some not, become clear. Is it ideal policy? No. But what happens when we try to get only ideal policy is that the side with the most money always gets its view of ideal policy, and you chip away from there.

So Taeku and I are arguing that the public wants a little more regulation than a lot of economic interests do. And if we have more of that regulation – I myself am irritated by much of the regulation that's put on me. There's just been an EU regulation, which has also affected the UK, requiring bottle caps to be attached to plastic bottles, so now I spill water all over myself every time I pour from one. I don't like that kind of regulation. But it's what happens when governments come in and try to do things in response to public demand. Sometimes they overstep, and then we have to move back. If you think of it as a problem of politics rather than a problem of efficiency, it's a necessary rebalancing toward what people want. We do have to think about efficiency – we're going to get bad policy if we don't. But I think we've weighed efficiency very heavily and political balance very lightly in the policies we've had over the past twenty or thirty years. And I think if you look at a lot of popular politics, that's what people are saying.

Justin Kempf: That's interesting – you made a couple of points worth pressing on. One was that if we're overzealous with regulation, we can pull back. That hasn't always been the case, though. Often what happens with bad regulations is that we just layer new regulations on top of them. That's one of the things a lot of the literature, particularly on the left now rather than the right – people like Ezra Klein and Derek Thompson with their book *Abundance*, Yoni Appelbaum with *Stuck*, and a few other writers – are making the case that some regulations that never get pulled back are what's causing poor policy outcomes today. That's been a critique from the right for a long time, but it's even coming from the left now, arguing that some of those regulations are preventing government from enacting the policies it wants to enact. Do you really think it's so easy to say, we'll put these regulations in place and just peel them back when we find they're ineffective? It seems much harder to move backwards from regulation than forwards.

Pepper Culpepper: That's an interesting point. I'd say this abundance argument – you could add Marc Dunkelman's *Why Nothing Works* to that list – is essentially saying there was a time when it became decided that government's ability to do things was the problem, and we had to protect the individual from the government. Government was no longer an agent of good, it was an agent of bad. And the regulations they write about, notably in housing, are NIMBY regulations that make it very easy for groups to block the government from doing things.

I think that's indeed a problem. But when I look at the overall concerns of the population, a lot of the areas I look at in economic regulation are about whether the government can restrain companies from doing things, as opposed to whether individual groups can restrain the government from doing things. Those are two different situations. In most areas of economic regulation, I would not argue that we have a Klein-and-Thompson type of problem. I think *Abundance* is a great book, which some of my colleagues will disagree with, but I also think on power it's very naive. It says, we understand corporate power is important, but we're trying to rebalance and say the power of these NIMBY groups to block apartment buildings is also important. It's true, it's important – it's just not nearly as important as corporate power, and it's not what most people are concerned about.

So when you think about regulation, it's a very broad area. In areas where the primary contestation is over whether we're going to regulate companies, allowing them to do more or less in the market – that's one kind of thing. And when we talk about the government being restrained, that's almost a separate kind of thing. You could move on two tracks at once: regulate companies more and regulate governments less. In both cases, government is getting more powerful. We've tried to restrain government because we're worried about what it can do, but what we're finding is that government isn't able to deliver for its citizens. So the demand of abundance, in some sense like our demand, is that the restraint on the will of the people, as reflected through government, has to be pulled back.

Justin Kempf: Yeah, Dunkelman's work is interesting on this too – he's talking, similar to Klein and Thompson, about the need for government to be effective and able to take action. But Dunkelman in particular is also talking about the need for government to enable private industry to do things, and I'd say Klein and Thompson do that too – the whole idea behind housing is you need permits to become easier for private industry to move forward. And I'd say the same applies to manufacturing, that you need things that make it so you're not blocking manufacturing companies from creating jobs that communities need. I think that literature would support that. It's much more balanced than writers traditionally on the right, who take a harder line.

But I've been fascinated – I believe it was Dunkelman, and Appelbaum too – by how critical they are even of environmental regulations that began with Rachel Carson, regulations that sound very good on paper but have created obstacles to putting policy into effect. I'd imagine Rachel Carson is a perfect example for your approach too – this brought public attention, public demand, something necessary, but now we're seeing downstream effects of taking those ideas too far. Is there a concern on your end that this might be the wrong time to emphasize more regulation, and that we need to be trying to solve problems a completely different way?

Pepper Culpepper: I want to say up front: in terms of the balance of risks, so much of the debate you're describing with these three books is about the American economy. I see similar things in the British economy where I live, but I know the American economy quite well. And when I look at it, I do not see an over-regulated economy. I do see areas with rent-seeking from local actors blocking development because it impedes their view of the forest, and I understand the need for rebalancing there. But when I think about the extent to which regulation in the United States allows companies to do things, I don't see a pendulum that's swung too far toward regulation.

That's what's pernicious about the very insightful *Abundance*-plus books – if they lead us to think all regulation is bad and we've got to move away from it, I think that would be a problem, because *Abundance* is a book that's had a lot of resonance. The important thing about *Abundance* is: let's allow democratic governments to do things again. We had High Speed 2 Rail that couldn't be built here because of NIMBYism in the United Kingdom – that's a huge infrastructure failure, that's a problem. But democratic governments need to be able to stand up to companies the way Theodore Roosevelt stood up to companies and say, you're not going to dictate to us what we can do.

Right now, the ability of someone like Elon Musk to get regulators off his back seems to me completely disproportionate given his potential impact on the economy. Innovate away – he's really good at it. But he needs to innovate with someone looking out for the public interest. It's the goal of government to look after the public interest. So the idea that government, which has been restrained from doing things by rules it's put on itself, should therefore not be allowed to restrain companies that have been getting away with things for a long time – that seems to me badly out of kilter, both with what I see in public opinion and with what I see in the development of the American economy.

Justin Kempf: Yeah, I don't think the abundance literature – Dunkelman, Appelbaum, Klein and Thompson – would say you need to eliminate regulation completely. And of course there are plenty of people on the right who'd say we need to increase regulation, particularly of AI and tech companies, and even impose more antitrust legislation, depending on who you're talking about – people like J.D. Vance, Josh Hawley. That's the American side. In Europe the debate is very different – *The Economist* is very critical of the EU's level of regulation, but also very supportive of the need for consistent regulation across the region for economic growth. So the argument is nuanced.

But it does feel like populism isn't just a backlash against corporate power – there's a connective tissue behind both, a sense that people are upset with corporate power and bureaucratic overreach at the same time. How do you connect those two? It seems like you're only looking at one side of the coin with corporate power, and willing to increase the size and scope of government bureaucracy in a way that might actually cut against some of those populist instincts.

Pepper Culpepper: We don't do this so much in the book, but in an article we published in *Comparative Political Studies*, we explored this with some co-authors. We were looking at how rigged-system narratives work for both people on the left and people on the right. We tried a very balanced narrative that talked not only about big companies dominating us, which is what the left talks about, but also about big government and big bureaucrats dominating us, which is what you typically see on Fox News. That goes all the way back to Schumpeter – people worried about bureaucracy as this overweening force that could control everything. That's a live worry, and it's part and parcel of the populist wave we're seeing now.

What we find in that article is that, in general, reading about the rigged system in other countries we look at – France, Germany, Britain – tends to lead people to favor more redistribution. But in the United States, it does not. The reason is that people believe the state is fundamentally an inefficient mode of redistribution. It's associated with people who say government red tape creates too many problems. So we're back to government red tape, which is nothing other than regulation, and how that concern has affected the way Americans think about redistributive politics generally, and how different that is from how people in other countries think about it.

So Americans don't really know what the state is doing for them – "keep your hands off my Medicare" suggests you don't appreciate a public benefit as a public benefit. I think in the United States there's a discourse that wraps up this anti-rigged-system sentiment – big elites, big bureaucrats, and big companies controlling the economy – with a sense that the state can't do anything about it. That's a particular problem here. I think you're going to have to have American politicians, which you're starting to get – I'd point to Zohran Mamdani in this respect – being quite creative about how to show that the state can actually do good things, how to deliver good regulation. I think the role of leaders is to lead by example and show that the stories they tell can actually work. Our leaders at the national level haven't done that over the past couple of elections. I think we'll start to see some who do, and if we don't, things will get worse.

Justin Kempf: I found it interesting, especially in your article, that you draw a clear line between the idea that we need more regulation and antitrust enforcement – that government needs to step in and rein in business – as opposed to saying, we just need to redistribute the benefits. Those are two very different approaches. The left has historically said, we'll solve this by redistributing the benefits, and regulation kind of went along with it. But redistribution was really the big rallying cry – how do we get resources to the people so they get what they need?

You're making the case that the more important thing, particularly for democracy, is to constrain power – and the means to do that is through regulation, antitrust, breaking up businesses that get too big, creating constraints to make sure they don't step out of line. It's a little odd to call that populism, in some ways – I know that's something the early progressives were working on, but it feels like it's coming from a more elite-driven perspective. We need to empower elites to manage the economy, as opposed to the more populist message of, why can't we all get some of the spoils? Why use a populist framework here rather than thinking of it as potentially elite-driven, an elite solution?

Pepper Culpepper: We're very deliberate about focusing on regulation because we're trying not to inject our political priors into this book – we're trying to let the people we've interviewed through surveys speak. But it is true, there's overwhelming evidence that capitalism is the best foundation for democracy to work, because it allows people to be free. So is it elite-driven to break up big companies so small companies can thrive? I don't necessarily think so. This is a big plank of the neo-Brandeisian movement. If you talk to Jonathan Kanter, he'll say competition enables business, it doesn't restrain it – it's only very big businesses that call this restraint. The idea that we should regulate markets so companies actually compete with each other, rather than monopolists seizing monopoly rents – it's a weird place to even be having that conversation. It seems obvious we should be regulating monopolies and preventing that kind of market failure.

The other reason we talk about it this way is that people have different views about redistribution, and those views cut across conventional right-left differences. The views we're seeing that are more pro-regulatory tend to cut across that left-right distinction. People on the left want to redistribute more. People on the right want to tax less and redistribute less. But both sides want regulation, and they want markets to work. We think the "saving democracy" point – to be grandiose about it for a second – comes through bringing a broad majority with you. And where we see the broad majority of people in the countries we're interviewing is in this sense of: regulate markets, but don't necessarily take a fixed view on redistribution. That's ultimately a political question where the right and left will have different answers, and you'll get governments that cycle over time. But you've got to do something about these companies, so that states can be powerful enough to reflect the desires of their constituents in a democracy – including decisions about redistribution, whether they set the level high or low. That's a democratic decision.

Justin Kempf: So what has this research project really taught you about democracy?

Pepper Culpepper: I think it's taught me that sometimes I'm surprised where the evidence leads me. If you'd talked to me in 2018 and asked, is this project you and Taeku are doing going to lead you to be defenders of populism, I'd have said, get out of here, that's one of the biggest threats we've got, we have to be serious about our politics.

So I think listening to people is what democracy is all about, and I think political scientists – sometimes we're always trying to set up very clever experiments we can get published in good peer-reviewed journals – we've got to not be too clever by half, to the point that we stop listening to what message people are actually delivering. Because we're getting a very consistent message across many different democracies. I study comparative politics, and our bread and butter is saying country X is different from country Y because of some variable. Well, country X and country Y are quite similar when it comes to views about what's going on with democracy and what the problems with it are. It's that similarity that led us to write this book.

Justin Kempf: Well, Pepper, thank you so much for joining me today. To mention the book one more time, it's called *Billionaire Backlash: The Age of Corporate Scandal and How It Could Save Democracy*. And the article, available in the current issue of the Journal of Democracy, is "When Populism Can Be Good." Thank you so much for writing those, and thank you so much for joining me today.

Pepper Culpepper: Thanks so much, Justin.