



The **Four lectures and a conversation** on populism held at the Central Bank of Malta on 9 May 2019 were attended by an audience of 75 guests.

The interdisciplinary event brought together authoritative speakers from Finland, Italy, the Netherlands, Malta and Britain. Euro area National Central Banks expressed keen interest in this event with seven representatives of them signing on to attend (Banca de España, Banca d'Italia, Bank of Greece, Deutsche Bundesbank, Lietuvos bankas and Oesterreichische Nationalbank).

- Dr Olli Rehn, Governor, Bank of Finland.

Living with populism: reflections on the economy and democracy

I discuss the underlying drivers for the rise of populism. I agree with the narrative that the key trigger for populist surges is a combination of economic insecurity and threats to national identity. I underline the need to pay attention to the distributional impacts of trade and technological development to understand the phenomenon. I briefly discuss our experiences of integrating populists into the political decision-making in Finland.

For me, the best way to defend liberal democracy is simply by finding and enacting such policies that solve practical problems of our citizens – be they related to employment, environment, immigration, climate change, or other things. We need bolder joint efforts to steer our societies towards a more sustainable future.

[Full contribution](#) and [presentation](#)

[Dr Rehn's speech on the Bank of Finland website](#)

- Professor Donato Masciandaro, Bocconi University, Milan

Populism and central bank (in)dependence: New threat or evergreen challenge?

The paper discusses the relationships between populism, economic policy design and central bank independence (CBI). Assuming that 1) a macro (banking) shock can occur; 2) the incumbent government can face a trade-off between bail-out and bail-in and can finance its public spending choosing between taxes and debt; 3) an independent central bank designs a monetary policy strategy assuming a long run perspective – i.e. welfare function maximization; 4) labour and financial assets represent the citizens' endowment, with the possibility of monetary and banking externalities, then it is possible that the majority of citizens prefer an overall policy design – including monetary policy – that are different from the social optimal ones. Then if the incumbent government wishes to please the voters, the political pressure measures the difference between the government's goals and the central bank choices. The political pressure can be considered a proxy for a contingent demand of CBI reform – a metrics for de facto CBI. If we define as populist any policy that guarantees anti-elites redistribution without regard for longer term distortions, a populist pressure that promotes a more politically dependent central bank can arise.

[Full contribution](#) and [presentation](#)

- Professor Emeritus Nico Wilterdink, University of Amsterdam, Amsterdam

Growing inequality, shifting class relations, and the rise of nationalist populism in Europe

How to understand the rise and expansion of nationalist populism in European countries during the past twenty years? I intend to compare different explanations, with a focus on changes in socioeconomic inequality and class structures. It is argued that these changes, in combination with ongoing tendencies of globalisation and Europeanization, have led to changes in group alignments and attitudes that have contributed to the appeal and success of populist political movements. In line with this argument, the question of how to counter the challenge of nationalist populism will be discussed.

[Full contribution](#)

- Dr Mario Vella, Governor Central Bank of Malta

Waiting for what? Central bank communication in an 'Age of Distrust'

One interpretation for Godot's failure to appear in Beckett's *Waiting for Godot*, is that he need not have appeared on the stage because he was effectively already there. By "effectively there". Ultimately, Godot's effect is paralysis. Estragon and Vladimir do nothing. Now, substitute Godot with "populism". Rather than ask ourselves what populism is (which is not an unimportant question but we risk of getting trapped in a self-referential, essentialist labyrinth), I suggest we focus on its practical effects. Let us not assume that

populism must be a future extreme-right regime, dressed in the costumes of the past. I suggest we consider the practical effects of the populisms that are expressions of quiet distrust of institutions, including the institutions of the economy, financial stability and monetary policy. These are the populisms that do not strut across the stage because they are already there, sitting with the spectators. This distrust cannot be dismissed as ignorance. Effective communication needs to be based on engagement with people's concern with unsustainability.

Full contribution forthcoming

- Professor Jason Glynos, University of Essex, UK

Critical prolegomenon to populism studies or Populism studies as vanishing mediator

In asking ourselves what experts – including central bank economists and economic policy influencers and makers – might learn from the current 'populist moment' I suggest that it is important – as a critical prolegomenon – not only to be clear about what we mean by the term populism (i.e., when we treat populism as a 'concept') but also to be aware of how we use the term populism (i.e., when we treat populism as a 'signifier'). Populism studies in the academic field can certainly help in this regard, but I suggest that such studies might perhaps better be understood as a 'vanishing mediator', in the sense that they should act as an enabler in our efforts to draw out the normative, ideological and political stakes of both populist discourses and discourses about populism.

[Full contribution](#)

Dr Emmy Eklundh, King's College London chaired the event and Professor Carmen Sammut, University of Malta, moderated the concluding debate between the lecturers.



Dr Olli Rehn
Governor, Bank of Finland



Professor Donato Masciandaro
Bocconi University, Milan



Professor Emeritus Nico Wilterdink
University of Amsterdam, Amsterdam



Dr Mario Vella
Governor Central Bank of Malta



Professor Jason Glynos
University of Essex, UK



Concluding conversation chaired by
Professor Carmen Sammut, University
of Malta (third from left to right)



Dr Emmy Eklundh
King's College London



From left to right:
Above: Professor Sammut,
Governor Vella, Professor Wilterdink,
Below: Professor Masciandaro,
Governor Rehn, Professor Glynos,
Dr Eklund