

Olli Rehn
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Living with populism: reflections on the economy and democracy

Waiting for Populism? Problems of Interpretation
and Policy Issues

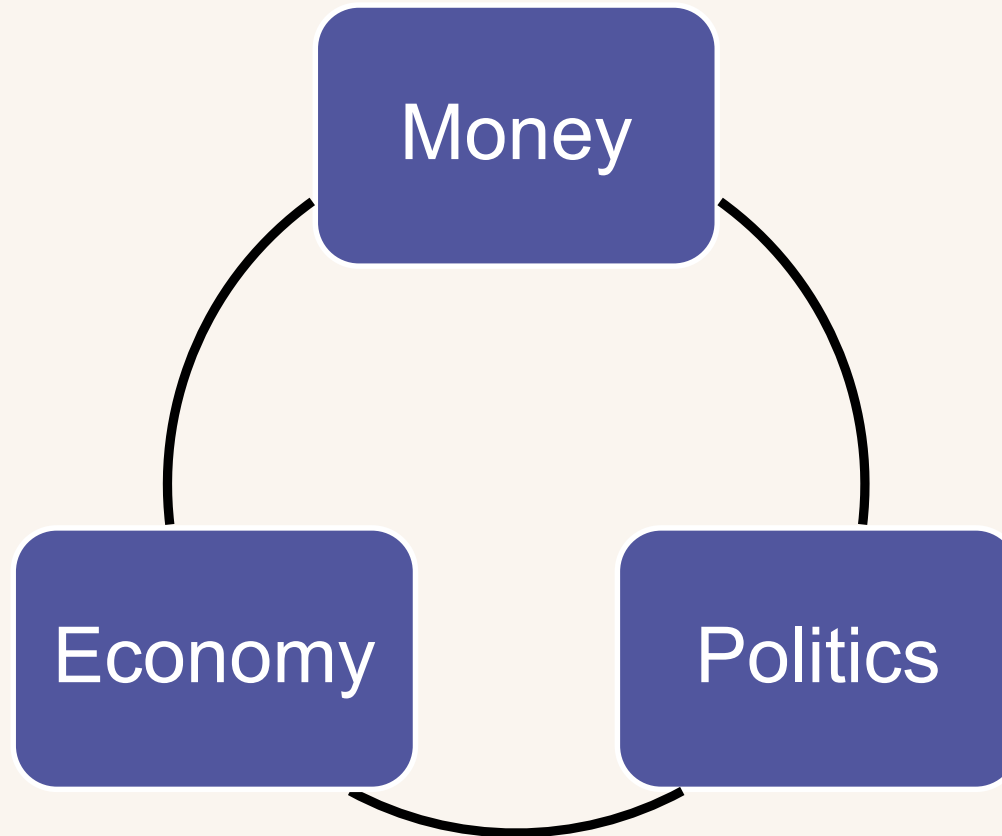
Lecture in the Central Bank of Malta

Valletta, 9 May 2019



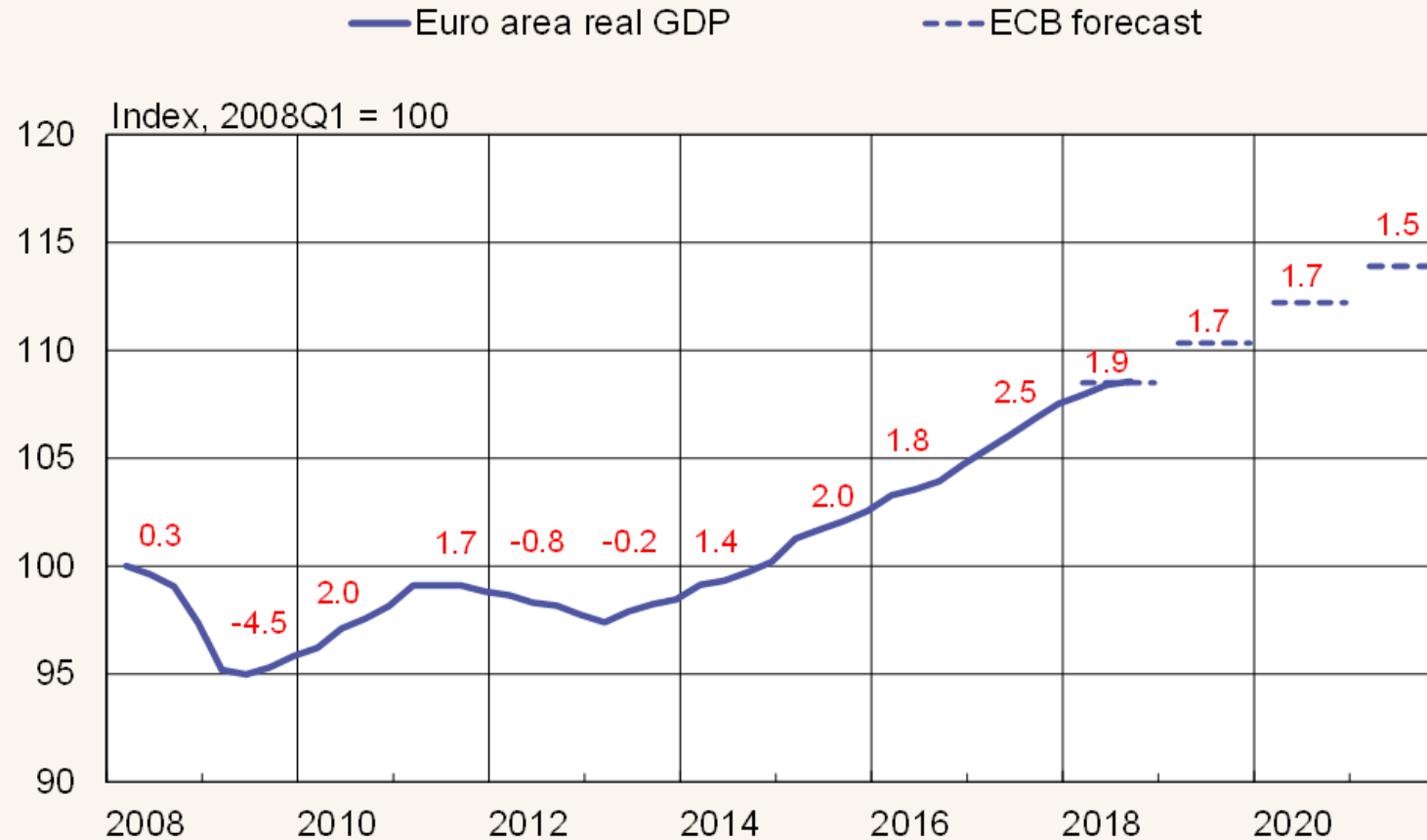


“The condition of the monetary system of a nation is a symptom of all its conditions.”





The European Economy on the Path of Recovery and Growth since 2013



Figures next to the line are annual growth rates.
Sources: Eurostat and ECB.



Populism in theory and practice: Timo Soini preaching what he studied

POPULISMI - POLITIIKKA JA POLTINMERKKI :

SMP:N ROOLINMUUTOS

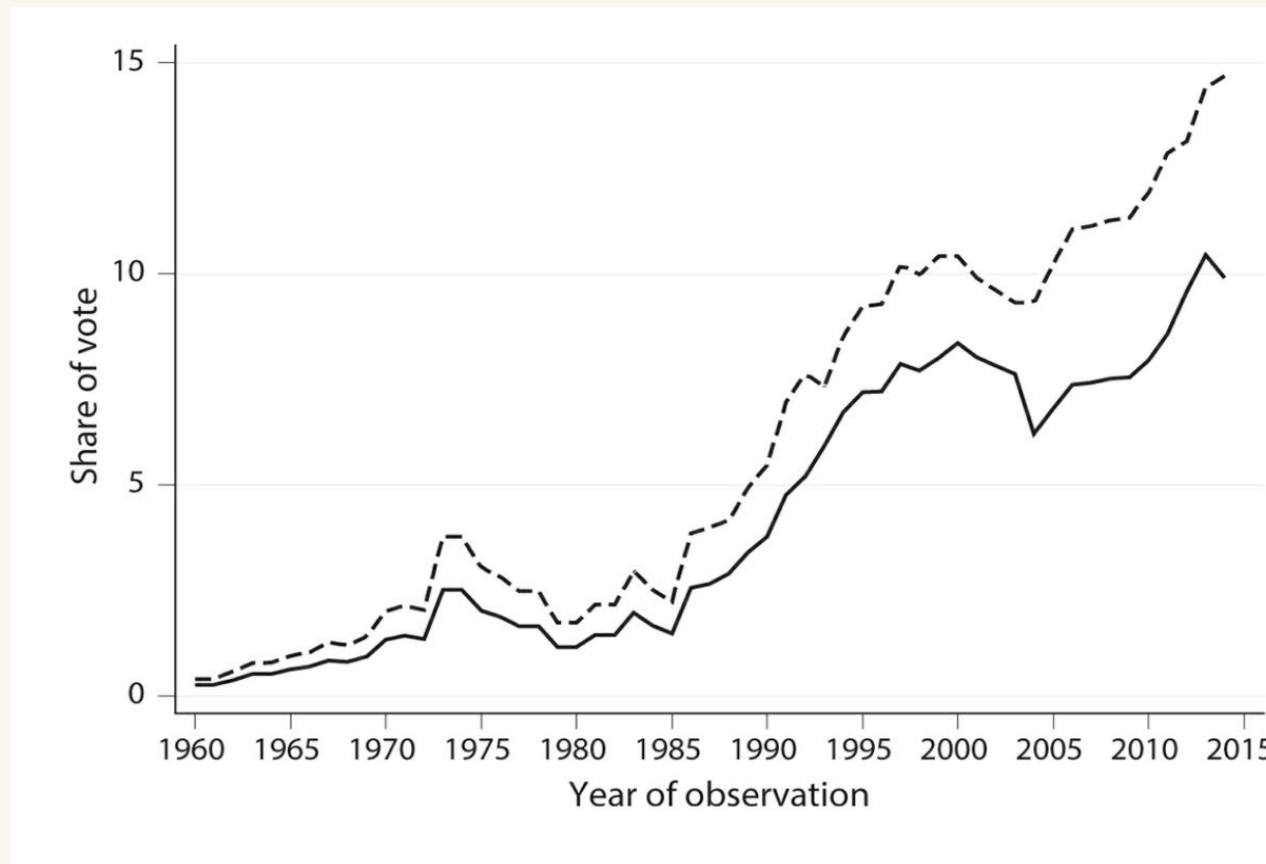


Timo Juhani Soini

Valtio-opin koulutusohjelman
yleisen suuntautumisvaihto-
ehdon pro gradu -tutkielma
Huhtikuu 1988



The average share of votes for populist parties in advanced democracies over time

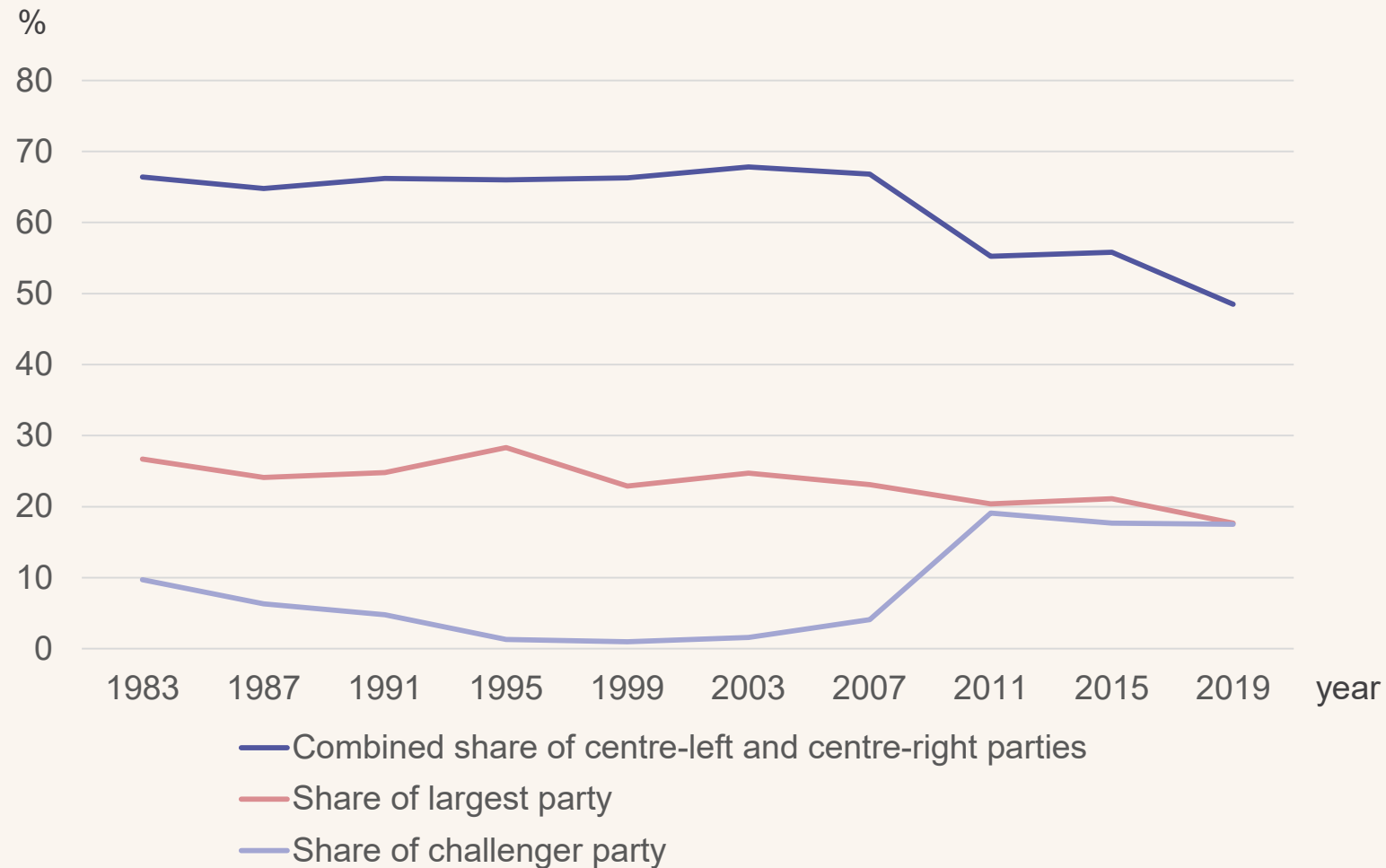


- The average for a broad sample of 20 countries
- - - The sample to 12 countries with significant populist parties

Source: Iversen – Soskice
“Democracy and Prosperity: Reinventing Capitalism through a Turbulent Century



Share of votes for the “broad centre” (traditional centre-left and centre-right parties) in Finland





Agenda for reform in Europe

- Reinvigorate sustainable economic growth
 - Entrepreneurship, investment in innovation, climate change
- Ensure that the fruits of growth are widely shared
 - Education and training
 - Social safety nets
- Work out a new social contract?
- Better policy mix between monetary and fiscal
 - Monetary policy not the only active payer in the field
 - Structural reforms to enhance productivity and prosperity
 - Fiscal policy: enhanced national ownership
 - Avoiding unnecessary pro-cyclicality in fiscal policy