

Research Project Proposal
in
“Global Studies. Economy, Society and Law”
International Economic Policy, Business and Governance

Global patterns of macroeconomic and socioeconomic populism.
Applying an ideational and cross-regional approach on central banking’s politics of depoliticization.
The study cases of Japan, the Eurozone, and the USA.

Abstract

The aim of this research project is to reconstruct the global patterns of macroeconomic and socioeconomic populism over central banks’ depoliticization. The pursuit of an independent and technocratic institutional arrangement is to present day debated as a side effect of globalization and the neoliberal turn. Central banks are supposed to be neutral and disengaged from political-governmental instances and the people they represent. Nevertheless, it seems paradoxical that for many monetary policy decisions end up institutionalizing the interests of the privileged at the expense of the masses, fueling even more dissent from the civil society. But according to what ideational processes does the spread of these forms of macroeconomic and socioeconomic populism take place? Can reconstructing the cultural-historical component of some of the most important central banks provide enriched and comprehensive insights? Does focusing on the conflict-of-interest dimension rule out the possibility of constructive dialogue at the non-institutional level between the technocrats of monetary policy and the unrepresented "we"?

Keywords

Central Banking, Depoliticization, Social Responsibility, Macroeconomic populism, Socioeconomic populism, Ideational Approach, Comparative Economic Policy, Bank of Japan, European Central Bank, Federal Reserve

Academic discipline

SECS- P/02 Economic policy

State of the art

The issues of macroeconomic populism and socioeconomic populism have been treated in the literature as a branch of the broader current of populism studies and have been widely discussed in terms of their critical approach to globalization and market liberalization, especially, in relation to current economic policy conditions that would not comprehensively represent the demands of the people, but only those of those who benefit from neoliberal constraints (Manow 1990; Rodrik 2018, Giddens 1999; Chang 2014)

Such dissent manifests itself as the essential claim and pursuit of a *common good* by emphasizing macroeconomic priorities such as growth, income distribution, minimization of inflationary risks, and repudiation of fiscal austerity (Dornbusch, Edwards 1990; Gnan, Masciandaro 2020) and highlighting Manichean-style social juxtaposition between an *us* - the masses, the working class - and *them* - the well-off, the élite (Mudde 2017; Hawkins, Kaltwasser 2017; Kyle, Gultchin 2018).

More specifically, the relationship between these two forms of economic populism and the institutional apparatus of central banks - independent and technocratic - is often discussed among scholars. One of the most frequent debates has to do with the inherent biases of monetary policy, real catalysts of the winners and losers' dichotomy in institutionalizing the interests of the few (Palley 2019; Rochon, Vallet 2022; Bergsen, Dovney, Krahé, Kundnani, Moschella, Slobodian 2022) at the expense of the majority. A similar argument is intended to challenge the alleged depoliticized nature of central banks which are endowed with social responsibility regarding the severe socioeconomic costs at the heart of populist claims.

However, as much as many of these studies move on a comparative level, it is still difficult to find an analysis of these two forms of populism confined to the phenomenon of central banks' depoliticization. It is likewise complicated to provide a study that does not merely identify a Manichean dimension of conflict of interest-between these populist instances and the independent central banks' technocrats, but instead opens to a constructive knowledge sharing between the parties in ideational and cross-regional terms.

In fact, few are the ideational studies on populism that go beyond the elitist interpretation (Manichean distinction between the privileged and the masses) and rather focus on a pluralist proposal. According to this view, it would in fact be possible to conceive of populism not so much as a fixed and unified separation, but as a dynamic and open process based on productive confrontation and sharing of ideas and interests (Ochoa Espejo 2011).

Research Objectives

The objective of this research project is to provide a transnational and cross-cultural understanding of macroeconomic populism and socioeconomic populism as related to the three central banks chosen as case studies: the Bank of Japan, the European Central Bank, and the Federal Reserve.

It would be useful to learn how the current monetary policy when faced with the demands of macroeconomic and socioeconomic populism, may in fact turn out to be either akin and close to it, or be solely its direct target, or else find itself in a possible intermediate categorization.

It will therefore be necessary to highlight the historical and cultural evolution of these monetary institutions from the Great Recession to the present day, to identify commonalities (independent institutional set-up) and divergences (commitment, mandate, evolution, and flexibility or otherwise of intended targeting).

Furthermore, these differences will help to point out the ideational background underlying the said populist approaches and observe not only common arguments such as, for example, the dissent toward the side effects of financialization and globalization, but also identity and sociological variables of each society. I believe the latter will, indeed, contribute to providing a discursive construction of the populist perception towards central banking's depoliticization from the civil society's point of view as well.

Indeed, the aim will be not only to propose a critical comparative reading of it - in terms of conflict of interest and elitist formulations - but also and most importantly purposeful in offering alternative and cooperative interpretive categories that are more functional in dealing with the socioeconomic costs of depoliticization, which are more relevant to the present day.

Lastly, conducting such in-depth research would allow for an ideational understanding of interdependent and interconnected realities such as the international central bank cooperation (Kappes, Rochon, Vallet 2022; Shirakawa 2021) and its future evolution in the era of deglobalization.

Theoretical and methodological framework

The research employs a comparative analysis of the cases (BoJ, ECB, Fed) to be carried out in terms of cross-sectional research, having as guidelines the two forms of economic populism and the path of depoliticization of the three central banks.

As to the timeframe, I refer to the years of the Great Recession up to the present day, considering the historical and socioeconomic variables that have affected the above guidelines.

In conducting this study, I therefore aim to use a quali-quantitative method to accommodate a more extensive and contextualized understanding of the phenomenon.

More specifically, the qualitative approach in question is the ideational one, which is the most used when dealing with issues related to populism. The intention, however, is to move beyond its original abstract and normative conception (Laclau 1977) to more modern reinterpretations that underline its theoretical and empirical value and interregional applicability (Mudde 2017; Hawkins, Kaltwasser 2017). Among these, the conception of populism not solely as a threat is enlightening rather as a “symptom” (Bergsen, Downey, Krahe, Kundnani, Moschella, Slobodian 2022) and a “corrective” (Mudde 2012). The will is to base my research project on these two interpretative lines.

Research design

The research's preliminary phase will consist of a bibliographical extension of the literature regarding the forms of socioeconomic and macroeconomic populism that affected the target study areas and their modes of diffusion in civil society. Further extension will be applied to the bibliography regarding the path of depoliticization of the three central banks and the socioeconomic consequences reported during the selected timeframe.

Consequently, I will construct an interpretive grid aimed at finding common ground between the respective forms of economic populism and the extent of social responsibility of monetary policy.

In this way, I will be able to expand the reading of populism relegated to a conflict-of-interest dimensions, ranging toward the possibility of constructing discourse of a more flexible and purposeful nature.

To support the formulation of my hypotheses, I will proceed with the collection of data traceable to a source that will be, at this point, more substantial and contextualized.

Such sources I will refer to are the databases, statistics, surveys that outline and produce data on the monetary policy level of the three banks. Simultaneously, I will seek sources that can offer a non-institutional perspective of the debate, possibly traceable to social, cultural, historical and identity variables.

These data will be treated in such a way as to outline their discursive and causal analysis, and not just the analytical one, thus taking in an understanding on multiple levels of interaction.

Expected Results

With the expected results I aspire to offer an ideational reading of macro and socioeconomic populism punctuated in terms of transnational and transcultural comparison.

In the current literature, the use of the ideational approach is still present in a limited way, with exclusive reference to political-strategic populism, without being able to delve into the dimension of economic policy and its resulting social consequences: both a crucial starting point, rather than as a secondary level of analysis.

Through the present research project, however, I will resort to the empirical and causative function of the ideational approach, applying it to monetary policy and its path of depoliticization.

Consequently, among the outcomes of this research is expected to be a reading of macro and socioeconomic populism linked primarily to a sociocultural and historical take of central banking, promoting a dialectical dialogue between institutional and non-institutional voices.

I chose to shift the inquiry to a cross-sectional perspective to extend the work begun with my master's thesis project where I analyzed in comparative terms the socioeconomic costs of monetary policy of the Bank of Japan and the European Central Bank. So, for the purposes of this research project, I also consider pertinent to be able to broaden the spectrum of analysis to include the Federal Reserve, which moreover is characterized by its dual mandate.

Because of my prior studies of Japan's economic and monetary culture and the comparative approach I have always employed, I have been able to confront strongly ideational and sociocultural arguments of remarkably innovative and enriching value.

Among these, the very definition of *economy* (keizai) in Japanese translatable as “the management of state affairs (keisei) that relieves the suffering of the people (saimin)” and the close interconnection between fiscal policy and economic policy suggest a view of the economy that – even in the independence of its central bank – seems to pose itself remarkably open to alternative reformulations.

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