

“Central Bank Independence in Times of Neomercantilism”

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While strategic attacks on central banks are on the increase, the (unprecedented) targeting of individual central bankers – as in the Lisa Cook case – has a new dimension. Driven by ideologies such as neomercantilism and populism, whose proponents question the independence of central banks, the attacks (which are not confined to the USA) could trigger the end of this institutional paradigm. The headwind its critics encounter from constitutional law is not so strong as one might expect, as from a constitutional perspective, central banks have been increasingly drifting away from democratic legitimacy or, as populists would put it, the will of the people. In judgments such as the one of the German Federal Constitutional Court on PSPP, one may find at least some echoes of the populist narrative. – Against this constitutional setting that is not unambiguous, the presentation will focus on individual central bankers – when they are targeted by the executive without a justification, but also when they can be blamed for actual misconduct. It will be shown that while in both situations the trustworthiness and the independence of the central bank are in peril, the law in force is ill-prepared for these scenarios, and so on either side of the North Atlantic. This ultimately leads to the question whether the ESCB, whose composite structure shields it better against neomercantilist attacks, and the euro as a reserve currency could benefit from a less independent Federal Reserve.