

## Revenge of the Places that don't Matter

**Ross** Welcome to Renegade Inc. You can ignore some of the people some of the time, but if you create an economy that ignores and marginalises the most vulnerable, then those who live in the places that seemingly don't matter eventually take their revenge.

**Ross** The title is emotive - Revenge of the Places That Don't Matter. Just explain why you came up with that and unpack it for us, if you will.

**Andres Rodriguez-Pose** Well, I came up with that title because for many years, policies have been focusing on areas that were very poor development policies or areas, increasingly, that are the richest, the largest, where you have the biggest density of skilled people, et cetera. And there are places that have fallen through the cracks. Very often these are places that are stocking what is increasingly known as a development trap and places that very often were the motors of economic development of their countries. It's the north of England. It's the so-called Rust Belt in the U.S. It's the north of Italy that, despite their past glories, have been declining and in some cases declining, economically, declining in terms of employment, declining in terms of the wages and earnings that people take home, sometimes declining also demographically and are doing, in spite of sometimes still remaining relatively well-off, are doing much worse than they were before. I'll give you an example. The north of Italy, which is still amongst the richest parts of Europe, has had no growth for the best of 30 years. These are becoming increasingly places that don't matter that no one cares about. And as a result, they are saying we need to find solutions to our problems.

**Ross** And politicians, policymakers and others turn up and they say, don't worry. Basically, jam tomorrow. We can turn this round and eventually it'll get better. Are we now seeing that, actually, people are realising that this is structural and there won't be jam tomorrow. And actually, there isn't any end in sight and they can't cope with this any longer?

**Andres Rodriguez-Pose** There has been a tendency to think that this emergence of discontent, of resentment against a system that no longer works for them, is the result of the crisis and the uneven recovery.

**Ross** That's what we hear all the time. We hear 2008 happened. There was a crisis. And this is why you're seeing economic hinterlands across Europe.

**Andres Rodriguez-Pose** No. The crisis has played a role and the uneven recovery has played a role, but it's not the problem. It has been the trigger that has lit the fire that we're having now. The crisis started much earlier. So these are places that have been declining since the 1990s and time since the 1980s, 1970s, even well before. And when you're declining for a few years, you're saying, well, it's a crisis. We can recover later on. When you've been through a long term decline, 30, 40, 50 years of decline, you know that there's no turnaround. And you're saying, well, if there's no turnaround, if increasingly, as they have been told, we're sinking, we are not going to be the only ones sinking. We're taking the whole ship with us.

**Ross** So this is going on in the world. We're all acutely aware of it. Why KAKAnomics now and why address these issues?

**Jan Inge Reilstad** Because it's important, of course. It's important for us as well in Scandinavia. We are a little bit afraid of the models surviving what is going on in the world, of course. Anyway, we would like to make KAKAnomics a Nordic meeting place on economy and politics. And I think we have a tradition for talking about these issues in a broader way. And I think Stavanger, Norway, is the right place to do this from. This is the oil capital in Norway, it's the agricultural main space in Norway. And we have difficulties in front of us, of course, but it's anyway important to address economy and economics.

**Ross** So you've gone out there basically to create the cool Davos?

**Jan Inge Reilstad** Of course we hope to be. But we we ask Andres to come because we need the best economists with the most interesting and most important perspectives right now. And Andre's research I think has all of this. It's about territorial inequality. It is about the rise of populism and how to deal with it. It's about how to come up with new and better development policies of course, in a way. And I think it is needed, not only in Norway, but everywhere.

**Ross** So what we're saying is this isn't country-specific because, actually, when you look at economics through a neo liberal or neoclassical lens, actually what we've got is a bunch of outdated ideas, outmoded ideas. And if you want to bring inequality down, and you want to stop this rise of populism, you are going to have to start looking at the places, not just the people. Is that the case?

**Andres Rodriguez-Pose** Yes, absolutely. There has been for long what I think has been a fallacy for debate, which is that either you focus on people, you focus on places. And places don't matter or focusing on places. What is relevant is focusing on people and policies.

**Ross** Now, as a geographer, you'd think differently?

**Andres Rodriguez-Pose** As a geographer? I think differently. As a geographer, we're trained from the beginning to think about places.

**Ross** Right.

**Andres Rodriguez-Pose** But I think it's a fallacy because people live in places and the places where people live determine how they live, what their opportunities are, what their chances in life are and what their welfare is. And even if you do horizontal policies that apply to all people, then what you end up is in a situation whereby the territorial impact is different. I'm just going to put one example, which is the recent revolt of the jilets jaunes, the yellow vests, in France in which the trigger was an increase in the diesel tax. And of course, this is for the common good. It applies to all. And it's the idea that we need to reduce emissions and diesel cars are polluting.

**Ross** In and of itself a good idea?

**Andres Rodriguez-Pose** In and of itself, a perfect idea.

**Ross** But when rubber meets road, what happens?

**Andres Rodriguez-Pose** Well, the impact is totally different. There's a decision that comes by decision makers in Paris that very often, as well as the wealthiest part of France, where growth has accumulated, where they have a world-class transport system, where many people don't have these diesel cars or have been able to sell these cars because it's a big city and they have this world. They cannot use their cars. So they have good transport and they're building the largest new metro - it's the largest building scheme at the moment in Europe. So they're not going to suffer the consequences. They're not going to bear the costs. Whereas people in declining towns in northeastern France - places like Nevers, places like Amiens, places like Chaumont, or even smaller towns - have seen for many years their economies decline, their jobs go, their services disappear. They have less buses for transport. They have to bus their children further away to their schools. Their hospitals have been shutting down. Supermarkets are closing down because they don't get benefits. They increasingly rely on their 20 year old diesel cars that were actually recommended by the government at that time because they were the best option. And they're saying, hey, it's for the common good, but we are the ones paying the cost.

**Ross** Naturally, if you start talking about populism, the next two words out of your mouth are Trump and Brexit, right? And just listening to what you're possibly saying is that Trump and Brexit are a symptom, not a cause. Because if this decline has been going on for quite some time, whether it be the Rust Belt in the U.S or the northern cities of Italy or the U.K., actually, when the population or the electorate got the opportunity to bloody the nose of the establishment, regardless of what happened, they just took that vote and said anything's better than what we've got at the moment.

**Andres Rodriguez-Pose** I think that Trump is the consequence. It's not as though they have elected a Republican in the U.S.

**Ross** What have they elected then?

**Andres Rodriguez-Pose** They have elected someone who is going to bloody the nose of what is regarded as the establishment.

**Ross** So how do you explain Boris Johnson?

**Andres Rodriguez-Pose** It's the same. Boris Johnson has moved in that direction.

**Ross** But an Etonian from Oxford who is very sort of right wing and seemingly posh, well, absolutely posh in the eyes of the working class.

**Andres Rodriguez-Pose** If you take a look. And also in the US, they have elected someone from New York, although he's an outsider from New York. But as wealthy people. But it's not their origin that matters.

**Ross** What is it?

**Andres Rodriguez-Pose** I think they are leaders that are willing to go to the extremes to actually shake the whole system up. And I don't think that these people are any longer looking for solutions. They are beyond that stage.

**Ross** Do you think they've given up?

**Andres Rodriguez-Pose** I think they've given up. They're saying we have no future. Now we're going to show you in London. Now we're going to show you New York. We're gonna show you in the Bay Area what the consequences of neglecting us are. When Trump went to West Virginia, these are not people that believe that the coal mines are going to open. These are people that are going to elect someone that is going to shake up the system, is going to make sure that everyone is going to feel the pain.

**Ross** It's amazing that the Nordics, Scandinavian countries broadly, are always top of the happiness index, the well-being index, you know, every sort of competition you enter when it comes down to human well-being, happiness, you win. But you're still wanting to address this and get these ideas into the wider discourse?

**Jan Inge Reilstad** Yeah, but the political map has been altered and has been changing and is changing. Look at Europe. But things are happening even in the Nordic countries. I think we are quite scared as well what is going on. But still, the social democratic parties and the leading right parties are quite big. But there is a lot of populism to the right in Sweden, for instance. I think we should address it because the Nordic model is, of course, worthy of exporting in a way and to keep it the way it has been working. Because, yeah, there is a comedian, in fact, in Norway now doing a programme informing the people about why the Nordic model is so great. And it's not the money from the oil.

**Ross** What is it about?

**Jan Inge Reilstad** It is about the organisation of politics, the institutions we have that makes inequality less important in our country and the trust that these institutions build between us. That leaves us trusting each other and trusting the government, trusting the politics and the politicians.

**Ross** One of the big casualties, whether it's the crisis or since the 80s, has been trust capital. And you can look at that through the lens of media, politics, economics. Trust has been smashed to pieces. How do you begin? And I know with the festival that what you're doing is encouraging this discourse. But how do you begin to try and put trust back into public life?

**Jan Inge Reilstad** For us, it is about inviting the right people to talk about these issues. Last year, we gave a prize to maybe the most famous Norwegian economist, Karl Ove Moene, who has been working on this in the Nordic countries and even in the world. And what he calls 'The Revenge', and the rebellion's, in fact, is a kind of collective bargaining going on in places where the social organisation is not where it should be but the trust is not there. This, I think he stole from Eric Hobsbawm, the English historian. It is about, for us, to bring the debates and the talking into the public sphere and to have the right persons come into the festival. That is economists. That is politicians and policy makers. And it is the public, of course. It's the people. We've tried to make a festival about economics for the people. So

when Andres comes, he has to take off his tie and be informal and talk in a way that people understand.

**Ross** No suits. None of this. Gone. You've got to take your tie off and meet people where they're at, Andres. As a geographer and an economist, you can do that.

**Andres Rodriguez-Pose** I do it all the time, so that's perfectly fine. But if I may intervene on what Jan Inge said. For many years, for many decades, in many parts of Europe, especially in Scandinavian countries - the Nordic countries including Finland - there was a clear idea of where consensus, of where society, wanted to be and wanted to go. The problem with the current situation is that that consensus has been broken. You increasingly have forces that are saying it doesn't serve us. So we don't know this as a point of inflexion. We're saying what can be done? Trust has been broken. What can be done? And that's where we are struggling to find solutions or we don't want to find solutions. But there are two things or two areas where we can intervene. The first one is trying to re-give voice to people living in places that have been silenced for a long, long time. The second one is go beyond compensatory policies for these places. What we have done in many parts of Europe has been transfers, welfare, public employment - public employment that is very often devoid of any content. It's just to compensate long-term decline. What we need to do is real investment - investment to generate and create the conditions that would maximize and allow many of the people living in these places that in theory no longer matter to tap into that considerable potential and generate real jobs, to dynamize not just where they are, but the whole of our economies.

**Ross** In the first half, we fleshed out all the problems and the foresight that you have at KAKAnomics to platform people are really thinking about place and then people and how you solve these social problems. Just a bit of historical context. We see populism, the wave absolutely smash across Europe at the moment and the U.S. From an historical context point of view, when did you start thinking about this? I mean, for instance, from my point of view, I grew up in Liverpool through the 80s and I saw what was happening when Thatcher basically decimated the place. Is this a personal story for you? Have you witnessed this firsthand or is this something that's peaked your interest?

**Andres Rodriguez-Pose** No, it's not a personal story. I come from Madrid, which is a relatively wealthy place. And it's through my interest on long-term economic decline and seeing how ravaged places - they often struggle and are ravaged because of deindustrialisation, loss of jobs, lack of capacity to compete in a more globalised and integrated world - were suffering. And how many of these people were stuck in places where the opportunities were diminishing. So that was the whole reason. And I became interested in this since I started becoming a researcher. But of course, there has to be a trigger and the trigger was the Brexit vote saying why has this happened? But this is not a new phenomenon. It's something that if your Argentinian, you'll say, well, we've been at this since the 1930s.

**Ross** And it wasn't Brexit, it's actually structural.

**Andres Rodriguez-Pose** It's been structural. And that become structural everywhere. If you are Thai it's since the mid- 1990s. But in Europe it was happening under our noses and Poland and happening Hungary since the early 2000s and we didn't notice. It took the Brexit vote for everyone to wake up and saying this is going to change - the whole playing field.

**Ross** And was that the genesis of the geography of the discontent that you wrote? Is that when you started thinking?

**Andres Rodriguez-Pose** I started thinking, really, because I was looking at the reasons for long-term decline, but I never made the link to the politics. And I was saying what sort of policies do we need to solve these problems? But when this happens and it becomes politics, everyone notices because most of the research that I was doing was being un-noticed both within social sciences, especially in economics, was being to a large extent ignored by decision makers. Once they realised that their job is at risk, once they realised that the whole system might be collapsing, once they realised that the consensus that society had generated for a long time is breaking, they start to pay attention and they pay attention.

**Ross** I'm always sceptical because you don't have to go too far back in history about a man who came along and said, don't worry, I have a solution. When we talk about this right wing populism, Norway and Scandinavian countries as well as the rest of Europe, how worried are you both about this now? Jan, start with you. I mean, from a Scandi point of view, how worried are you about the uptake and the interest in these right wing parties who seem to have a solution?

**Jan Inge Reilstad** I'm not too worried for Scandinavia. I'm not. But this is the right moment to address the politicians and to make them talk about this in a proper way, in fact. KAKAnomics is about teaching the politicians to talk about the real issues and the real problems in a way that people understand, of course. And to ask with Andres, the driving forces and give perspective to what is the driving forces. And I think Andres is onto something here with this territorial approach to inequality. And that is maybe the main driver to the problem.

**Andres Rodriguez-Pose** These are issues that are changing our society and they might have significant consequences on the lives of individuals. So the idea has to get out. And he has to get out to all because you're saying am I worried about the changes? I'm really worried.

**Ross** Right. And is that because, you know, when you talk about this logically, if you look a little bit further down the road, fascism isn't too far away? Or is that overstating this?

**Andres Rodriguez-Pose** Well, no, I don't think it's overstating. I think I'm worried about right wing populism and left wing populism. I'm worried about all types of populism, because you were saying before, these are people that seem to have a solution, but they are false prophets. The solutions are probably worse and would render the situation worse than what where we are at. In the end, they end up finding scapegoats. Populism has got a holy trinity of scapegoats.

**Ross** Not least, immigrants.

**Andres Rodriguez-Pose** No. First one is the elite. And who is the elite? Well, the elite is everyone who is not us. So all of you are the elite. All of you listening are the elite. If I am the people. So you are pitching a group against the other.

**Ross** Right. And that's pitchfork economics?

**Andres Rodriguez-Pose** Yes. Then you scapegoat a second group - migrants, as you said. And that creates problems in societies that have become much more multi-ethnic. Because migrants are not just Polish migrants. It's anyone who is different.

**Ross** Yes. And A. N Other?

**Andres Rodriguez-Pose** A. N Other. That's it. You're absolutely right. And the third one is some external foe, which could be the European Union, but it could be someone else.

**Ross** Normally the Russians?

**Andres Rodriguez-Pose** Anyone. But the danger is when you read the populist manifestos of Lega, they are saying the problem is that, for example, we adopted the euro and the euro is a German invention for the benefit of the Germans.

**Ross** Right.

**Andres Rodriguez-Pose** And alternative for Deutschland in Germany saying the problem is that we put the euro. And now we have to subsidise.

**Ross** Because they're not productive enough.

**Andres Rodriguez-Pose** Because they are not productive. So you're creating conflict.

**Ross** Yes.

**Andres Rodriguez-Pose** And when you're creating internal conflict between the people and the elites, the true Britain's or the true French and any other that is not like us. And with the people that are our neighbours and we have lived in peace for 70 years, then you're generating problems, which I don't think I'm exaggerating, might push us back to the 1930s.

**Ross** So when we talk about the extremists on the left and the extremists on the right, we can't ignore the centrists because, apparently, the centrists, were going to deliver this wonderful democracy, fantastic economic system. Turns out what the centrist have been doing is using the neo liberal, the neoclassical economic handbook. And you can't let them away with this because they've failed too. Is neo classical economics and neoliberalism now, is that a relic and do we really need to rethink the whole thing? Or can you tinker at the edges, technocratically, and try and sort of move this in the right direction?

**Andres Rodriguez-Pose** Well, the way the economy has gone has led to concentrations of wealth and the benefits of globalisation, internationalisation, greater trade on a limited number of people and a limited number of places. And that is generating a massive amount of discontent. We had a society that in the post-war period had prospered and had delivered greater equality than we ever had.

**Ross** Yes.

**Andres Rodriguez-Pose** That has been reversed since the 1980s. And that has been pointed out by a lot of economists. There's a lot of work by Branko Milanovic, Thomas Piketty, for example - just to mention a few - that are pointing this out. Danny Dorling said it's not the top one percent, it's the top zero one one percent. This is something in which not just mainstream economics, mainstream social science and politicians, decision makers have failed society. And the problem is that the possibility of finding solutions from within the political system are diminishing because the centre is being hollowed out. The emergence of populists to the right and to the left has pushed traditional mainstream parties that have occupied the central ground to both streams to the extent that we see in Britain, the Conservative Party has become a clone of the former UKIP party, whereas we've seen the shift under Jeremy Corbyn of the Labour Party to what are extreme or relatively extreme left-wing positions.

**Ross** Famously, W.B. Yeats said the centre cannot hold. In the same poem he talks about the fact that the best lack all conviction, whilst the worst are full of passionate intensity. If we look across politics now, the worst really are full of passionate intensity, not least because while the centrists have been dining out on the economic playbook, it just hasn't been able to serve the electorate. Seems to me with KAKAnomics what you're doing is you're not just putting economists their, you're bashing all sorts of different disciplines together - literature, right through philosophy, over economics, geography. Is that very deliberate?

**Jan Inge Reilstad** That is very deliberate. But I think that we have been talking about inequality here and the rise of populists. And at the same time, a lot of other things that's happening - the media revolution. It's a big thing. We have to look into it. The climate issues. What we have been doing to nature. All these are happening at the same time, and they indicate that we have to bring in many voices. And our festival, of course, it's core economy, core economists coming back, politicians, policymakers, philosophers, psychologists, anthropologists, scientists and professionals from all over the place, in fact, to bring a kind of talk about the main issues in a broad sense, in a good way, that is good enough.

**Ross** The centrists have failed - let me venture this to you - because they've been so narrowly defined. And they've had a silo mentality where an economist has looked in a tiny bit of the economy and someone else is doing another tiny bit. And there's been no overarching what type of society do we want to live in. Is that a fair criticism?

**Andres Rodriguez-Pose** I think it's relatively fair. I think the centrists have failed, mainly, because they have failed to deliver on the social contract, the social consensus that had been generated in most developed countries in the post-war period when everyone just was gaining so centre ground held. Once you start seeing the benefits are accumulating and more and more limited amount of people living in very limited places, mainly the big cities, then what you find is that that consensus is broken, that trust in the system is broken. And unless the centre manages to redefine itself in a better way than it has been doing, we're going to see a period of extremes that is probably hopefully not going to become structural.

**Ross** What's the one thing the centrists can begin to do today that begins to address this? Is it a mea culpa? Is the first thing to say, actually, we've got to admit, we've got a problem here



because seems to me a lot of politicians, a lot of the political class, are just carrying on regardless.

**Andres Rodriguez-Pose** Well, they're carrying on regardless. Although they're now paying attention for the first time. Why? Because options that were marginal not that long ago, we would never have imagined a Jean-Marie Le Pen, president of France. Now Marine Le Pen or Marechal Le Pen, president of France, is a distinct possibility. So that's why they're listening. But I think that two areas where there should be intervention. I don't think that doing a mea culpa is the way forward. The main is trying to find solutions. And the first one is go back and listen, because we haven't - just so I say we in academia - but very often also decision makers - haven't listened to the daily problems and serious problems that many people living in many parts of our countries are suffering. So there's a need to re-establish dialogue, and that's the first step to re-establish trust.

**Ross** What's the second step?

**Andres Rodriguez-Pose** Second step is focus investment. And focus investment in different ways and places that have different problems. You cannot do just a blanket horizontal policy for the whole of the UK because the problems that we see in London or we see in the Southeast are significantly different from those being faced in the north of England or those being faced in the Shires, for example.

**Ross** So not one-size-fits-all?

**Andres Rodriguez-Pose** It's absolutely true.

**Ross** And get together and start talking about things from all different backgrounds. I think you've both got it nailed. You've got a cracking festival on your hands. When is it?

**Jan Inge Reilstad** 21st to 24th of October this year.

**Ross** Andres, you're gonna be up there?

**Andres Rodriguez-Pose** Yes.

**Ross** People can come and ask you a million questions.

**Andres Rodriguez-Pose** Absolutely.

**Ross** And you've got lots of solutions?

**Jan Inge Reilstad** .And the virus is gone.

**Ross** And we're Corona-free - we hope. Gentlemen, thank you both very much for your time.

**Andres Rodriguez-Pose** Thank you very much.

**Ross** Welcome to Renegade Inc. You can ignore some of the people some of the time, but if you create an economy that ignores and marginalises the most vulnerable, then those who live in the places that seemingly don't matter eventually take their revenge.

**Ross** The title is emotive - Revenge of the Places That Don't Matter. Just explain why you came up with that and unpack it for us, if you will.

**Andres Rodriguez-Pose** Well, I came up with that title because for many years, policies have been focusing on areas that were very poor development policies or areas, increasingly, that are the richest, the largest, where you have the biggest density of skilled people, et cetera. And there are places that have fallen through the cracks. Very often these are places that are stocking what is increasingly known as a development trap and places that very often were the motors of economic development of their countries. It's the north of England. It's the so-called Rust Belt in the U.S. It's the north of Italy that, despite their past glories, have been declining and in some cases declining, economically, declining in terms of employment, declining in terms of the wages and earnings that people take home, sometimes declining also demographically and are doing, in spite of sometimes still remaining relatively well-off, are doing much worse than they were before. I'll give you an example. The north of Italy, which is still amongst the richest parts of Europe, has had no growth for the best of 30 years. These are becoming increasingly places that don't matter that no one cares about. And as a result, they are saying we need to find solutions to our problems.

**Ross** And politicians, policymakers and others turn up and they say, don't worry. Basically, jam tomorrow. We can turn this round and eventually it'll get better. Are we now seeing that, actually, people are realising that this is structural and there won't be jam tomorrow. And actually, there isn't any end in sight and they can't cope with this any longer?

**Andres Rodriguez-Pose** There has been a tendency to think that this emergence of discontent, of resentment against a system that no longer works for them, is the result of the crisis and the uneven recovery.

**Ross** That's what we hear all the time. We hear 2008 happened. There was a crisis. And this is why you're seeing economic hinterlands across Europe.

**Andres Rodriguez-Pose** No. The crisis has played a role and the uneven recovery has played a role, but it's not the problem. It has been the trigger that has lit the fire that we're having now. The crisis started much earlier. So these are places that have been declining since the 1990s and time since the 1980s, 1970s, even well before. And when you're declining for a few years, you're saying, well, it's a crisis. We can recover later on. When you've been through a long term decline, 30, 40, 50 years of decline, you know that there's no turnaround. And you're saying, well, if there's no turnaround, if increasingly, as they have been told, we're sinking, we are not going to be the only ones sinking. We're taking the whole ship with us.

**Ross** So this is going on in the world. We're all acutely aware of it. Why Kakanomics now and why address these issues?

**Jan Inge Reilstad** Because it's important, of course. It's important for us as well in Scandinavia. We are a little bit afraid of the models surviving what is going on in the world, of course. Anyway, we would like to make Kakanomics a Nordic meeting place on economy and politics. And I think we have a tradition for talking about these issues in a broader way. And I think Stavanger, Norway, is the right place to do this from. This is the oil capital in Norway, it's the agricultural main space in Norway. And we have difficulties in front of us, of course, but it's anyway important to address economy and economics.

**Ross** So you've gone out there basically to create the cool Davos?

**Jan Inge Reilstad** Of course we hope to be. But we we ask Andres to come because we need the best economists with the most interesting and most important perspectives right now. And Andre's research I think has all of this. It's about territorial inequality. It is about the rise of populism and how to deal with it. It's about how to come up with new and better development policies of course, in a way. And I think it is needed, not only in Norway, but everywhere.

**Ross** So what we're saying is this isn't country-specific because, actually, when you look at economics through a neo liberal or neoclassical lens, actually what we've got is a bunch of outdated ideas, outmoded ideas. And if you want to bring inequality down, and you want to stop this rise of populism, you are going to have to start looking at the places, not just the people. Is that the case?

**Andres Rodriguez-Pose** Yes, absolutely. There has been for long what I think has been a fallacy for debate, which is that either you focus on people, you focus on places. And places don't matter or focusing on places. What is relevant is focusing on people and policies.

**Ross** Now, as a geographer, you'd think differently?

**Andres Rodriguez-Pose** As a geographer? I think differently. As a geographer, we're trained from the beginning to think about places.

**Ross** Right.

**Andres Rodriguez-Pose** But I think it's a fallacy because people live in places and the places where people live determine how they live, what their opportunities are, what their chances in life are and what their welfare is. And even if you do horizontal policies that apply to all people, then what you end up is in a situation whereby the territorial impact is different. I'm just going to put one example, which is the recent revolt of the jilets jaunes, the yellow vests, in France in which the trigger was an increase in the diesel tax. And of course, this is for the common good. It applies to all. And it's the idea that we need to reduce emissions and diesel cars are polluting.

**Ross** In and of itself a good idea?

**Andres Rodriguez-Pose** In and of itself, a perfect idea.

**Ross** But when rubber meets road, what happens?

**Andres Rodriguez-Pose** Well, the impact is totally different. There's a decision that comes by decision makers in Paris that very often, as well as the wealthiest part of France, where growth has accumulated, where they have a world-class transport system, where many people don't have these diesel cars or have been able to sell these cars because it's a big city and they have this world. They cannot use their cars. So they have good transport and they're building the largest new metro - it's the largest building scheme at the moment in Europe. So they're not going to suffer the consequences. They're not going to bear the costs. Whereas people in declining towns in northeastern France, that have seen for many years their economies decline, their jobs go, their services disappear. They have less buses for transport. They have to bus their children further away to their schools. Their hospitals have been shutting down. Supermarkets are closing down because they don't get benefits. They increasingly rely on their 20 year old diesel cars that were actually recommended by the government at that time because they were the best option. And they're saying, hey, it's for the common good, but we are the ones paying the cost.

**Ross** Naturally, if you start talking about populism, the next two words out of your mouth are Trump and Brexit, right? And just listening to what you're possibly saying is that Trump and Brexit are a symptom, not a cause. Because if this decline has been going on for quite some time, whether it be the Rust Belt in the U.S or the northern cities of Italy or the U.K., actually, when the population or the electorate got the opportunity to bloody the nose of the establishment, regardless of what happened, they just took that vote and said anything's better than what we've got at the moment.

**Andres Rodriguez-Pose** I think that Trump is the consequence. It's not as though they have elected a Republican in the U.S.

**Ross** What have they elected then?

**Andres Rodriguez-Pose** They have elected someone who is going to bloody the nose of what is regarded as the establishment.

**Ross** So how do you explain Boris Johnson?

**Andres Rodriguez-Pose** It's the same. Boris Johnson has moved in that direction.

**Ross** But an Etonian from Oxford who is very sort of right wing and seemingly posh, well, absolutely posh in the eyes of the working class.

**Andres Rodriguez-Pose** If you take a look. And also in the US, they have elected someone from New York, although he's an outsider from New York. But as wealthy people. But it's not their origin that matters.

**Ross** What is it?

**Andres Rodriguez-Pose** I think they are leaders that are willing to go to the extremes to actually shake the whole system up. And I don't think that these people are any longer looking for solutions. They are beyond that stage.

**Ross** Do you think they've given up?

**Andres Rodriguez-Pose** I think they've given up. They're saying we have no future. Now we're going to show you in London. Now we're going to show you New York. We're gonna show you in the Bay Area what the consequences of neglecting us are. When Trump went to West Virginia, these are not people that believe that the coal mines are going to open. These are people that are going to elect someone that is going to shake up the system, is going to make sure that everyone is going to feel the pain.

**Ross** It's amazing that the Nordics, Scandinavian countries broadly, are always top of the happiness index, the well-being index, you know, every sort of competition you enter when it comes down to human well-being, happiness, you win. But you're still wanting to address this and get these ideas into the wider discourse?

**Jan Inge Reilstad** Yeah, but the political map has been altered and has been changing and is changing. Look at Europe. But things are happening even in the Nordic countries. I think we are quite scared as well what is going on. But still, the social democratic parties and the leading right parties are quite big. But there is a lot of populism to the right in Sweden, for instance. I think we should address it because the Nordic model is, of course, worthy of exporting in a way and to keep it the way it has been working. Because, yeah, there is a comedian, in fact, in Norway now doing a programme informing the people about why the Nordic model is so great. And it's not the money from the oil.

**Ross** What is it about?

**Jan Inge Reilstad** It is about the organisation of politics, the institutions we have that makes inequality less important in our country and the trust that these institutions build between us. That leaves us trusting each other and trusting the government, trusting the politics and the politicians.

**Ross** One of the big casualties, whether it's the crisis or since the 80s, has been trust capital. And you can look at that through the lens of media, politics, economics. Trust has been smashed to pieces. How do you begin? And I know with the festival that what you're doing is encouraging this discourse. But how do you begin to try and put trust back into public life?

**Jan Inge Reilstad** For us, it is about inviting the right people to talk about these issues. Last year, we gave a prize to maybe the most famous Norwegian economist, Karl Ove Moene, who has been working on this in the Nordic countries and even in the world. And what he calls 'The Revenge', and the rebellion's, in fact, is a kind of collective bargaining going on in places where the social organisation is not where it should be but the trust is not there. This, I think he stole from Eric Hobsbawm, the English historian. It is about, for us, to bring the debates and the talking into the public sphere and to have the right persons come into the festival. That is economists. That is politicians and policy makers. And it is the public, of course. It's the people. We've tried to make a festival about economics for the people. So when Andres comes, he has to take off his tie and be informal and talk in a way that people understand.

**Ross** No suits. None of this. Gone. You've got to take your tie off and meet people where they're at, Andres. As a geographer and an economist, you can do that.

**Andres Rodriguez-Pose** I do it all the time, so that's perfectly fine. But if I may intervene on what Jan Inge said. For many years, for many decades, in many parts of Europe, especially in Scandinavian countries - the Nordic countries including Finland - there was a clear idea of where consensus, of where society, wanted to be and wanted to go. The problem with the current situation is that that consensus has been broken. You increasingly have forces that are saying it doesn't serve us. So we don't know this as a point of inflexion. We're saying what can be done? Trust has been broken. What can be done? And that's where we are struggling to find solutions or we don't want to find solutions. But there are two things or two areas where we can intervene. The first one is trying to re-give voice to people living in places that have been silenced for a long, long time. The second one is go beyond compensatory policies for these places. What we have done in many parts of Europe has been transfers, welfare, public employment - public employment that is very often devoid of any content. It's just to compensate long-term decline. What we need to do is real investment - investment to generate and create the conditions that would maximize and allow many of the people living in these places that in theory no longer matter to tap into that considerable potential and generate real jobs, to dynamize not just where they are, but the whole of our economies.

**Ross** In the first half, we fleshed out all the problems and the foresight that you have at Kakonomics to platform people are really thinking about place and then people and how you solve these social problems. Just a bit of historical context. We see populism, the wave absolutely smash across Europe at the moment and the U.S. From an historical context point of view, when did you start thinking about this? I mean, for instance, from my point of view, I grew up in Liverpool through the 80s and I saw what was happening when Thatcher basically decimated the place. Is this a personal story for you? Have you witnessed this firsthand or is this something that's peaked your interest?

**Andres Rodriguez-Pose** No, it's not a personal story. I come from Madrid, which is a relatively wealthy place. And it's through my interest on long-term economic decline and seeing how ravaged places - they often struggle and are ravaged because of deindustrialisation, loss of jobs, lack of capacity to compete in a more globalised and integrated world - were suffering. And how many of these people were stuck in places where the opportunities were diminishing. So that was the whole reason. And I became interested in this since I started becoming a researcher. But of course, there has to be a trigger and the trigger was the Brexit vote saying why has this happened? But this is not a new phenomenon. It's something that if your Argentinian, you'll say, well, we've been at this since the 1930s.

**Ross** And it wasn't Brexit, it's actually structural.

**Andres Rodriguez-Pose** It's been structural. And that become structural everywhere. If you are Thai it's since the mid- 1990s. But in Europe it was happening under our noses and Poland and happening Hungary since the early 2000s and we didn't notice. It took the Brexit vote for everyone to wake up and saying this is going to change - the whole playing field.

**Ross** And was that the genesis of the geography of the discontent that you wrote? Is that when you started thinking?

**Andres Rodriguez-Pose** I started thinking, really, because I was looking at the reasons for long-term decline, but I never made the link to the politics. And I was saying what sort of policies do we need to solve these problems? But when this happens and it becomes politics, everyone notices because most of the research that I was doing was being un-noticed both within social sciences, especially in economics, was being to a large extent ignored by decision makers. Once they realised that their job is at risk, once they realised that the whole system might be collapsing, once they realised that the consensus that society had generated for a long time is breaking, they start to pay attention and they pay attention.

**Ross** I'm always sceptical because you don't have to go too far back in history about a man who came along and said, don't worry, I have a solution. When we talk about this right wing populism, Norway and Scandinavian countries as well as the rest of Europe, how worried are you both about this now? Jan, start with you. I mean, from a Scandi point of view, how worried are you about the uptake and the interest in these right wing parties who seem to have a solution?

**Jan Inge Reilstad** I'm not too worried for Scandinavia. I'm not. But this is the right moment to address the politicians and to make them talk about this in a proper way, in fact. Kakonomics is about teaching the politicians to talk about the real issues and the real problems in a way that people understand, of course. And to ask with Andres, the driving forces and give perspective to what is the driving forces. And I think Andres is onto something here with this territorial approach to inequality. And that is maybe the main driver to the problem.

**Andres Rodriguez-Pose** These are issues that are changing our society and they might have significant consequences on the lives of individuals. So the idea has to get out. And he has to get out to all because you're saying am I worried about the changes? I'm really worried.

**Ross** Right. And is that because, you know, when you talk about this logically, if you look a little bit further down the road, fascism isn't too far away? Or is that overstating this?

**Andres Rodriguez-Pose** Well, no, I don't think it's overstating. I think I'm worried about right wing populism and left wing populism. I'm worried about all types of populism, because you were saying before, these are people that seem to have a solution, but they are false prophets. The solutions are probably worse and would render the situation worse than what where we are at. In the end, they end up finding scapegoats. Populism has got a holy trinity of scapegoats.

**Ross** Not least, immigrants.

**Andres Rodriguez-Pose** No. First one is the elite. And who is the elite? Well, the elite is everyone who is not us. So all of you are the elite. All of you listening are the elite. If I am the people. So you are pitching a group against the other.

**Ross** Right. And that pitchfork economics?

**Andres Rodriguez-Pose** Yes. Then you scapegoat a second group - migrants, as you said. And that creates problems in societies that have become much more multi-ethnic. Because migrants are not just Polish migrants. It's anyone who is different.

**Ross** Yes. And A. N Other?

**Andres Rodriguez-Pose** A. N Other. That's it. You're absolutely right. And the third one is some external foe, which could be the European Union, but it could be someone else.

**Ross** Normally the Russian.

**Andres Rodriguez-Pose** Anyone. But the danger is when you read the populist manifestos of Lega, they are saying the problem is that, for example, we adopted the euro and the euro is a German invention for the benefit of the Germans.

**Ross** Right.

**Andres Rodriguez-Pose** And alternative for Deutschland in Germany saying the problem is that we put the euro. And now we have to subsidise.

**Ross** Because they're not productive enough.

**Andres Rodriguez-Pose** Because they are not productive. So you're creating conflict.

**Ross** Yes.

**Andres Rodriguez-Pose** And when you're creating internal conflict between the people and the elites, the true Britain's or the true French and any other that is not like us. And with the people that are our neighbours and we have lived in peace for 70 years, then you're generating problems, which I don't think I'm exaggerating, might push us back to the 1930s.

**Ross** So when we talk about the extremists on the left and the extremists on the right, we can't ignore the centrists because apparently the centrists, were going to deliver this wonderful democracy, fantastic economic system. Turns out what the centrist have been doing is using the neo liberal, the neoclassical economic handbook. And you can't let them away with this because they've failed too. Is neo classical economics and neoliberalism now, is that a relic and do we really need to rethink the whole thing? Or can you tinker at the edges technocratically and try and sort of move this in the right direction?

**Andres Rodriguez-Pose** Well, the way the economy has gone has led to concentrations of wealth and the benefits of globalisation, internationalisation, greater trade on a limited number of people and a limited number of places. And that is generating a massive amount of discontent. We had a society that in the post-war period had prospered and had delivered greater equality than we ever had.

**Ross** Yes.



**Andres Rodriguez-Pose** That has been reversed since the 1980s and that has been pointed out by a lot of economists. There's a lot of work by Branko Milanovic, Thomas Piketty, for example - just to mention a few - that are pointing this out. Danny Dorling said it's not the top one percent, it's the top zero one one percent. This is something in which not just mainstream economics, mainstream social science and politicians, decision makers have failed society. And the problem is that the possibility of finding solutions from within the political system are diminishing because the centre is being hollowed out. The emergence of populists to the right and to the left has pushed traditional mainstream parties that have occupied the central ground to both streams to the extent that we see in Britain, the Conservative Party has become a clone of the former UKIP party, whereas we've seen the shift under Jeremy Corbyn of the Labour Party to what are extreme or relatively extreme left-wing positions.

**Ross** Famously, W.B. Yeats said the centre cannot hold. In the same poem he talks about the fact that the best lack all conviction, whilst the worst are full of passionate intensity. If we look across politics now, the worst really are full of passionate intensity, not least because while the centrists have been dining out on the economic playbook, it just hasn't been able to serve the electorate. Seems to me with Kakonomics what you're doing is you're not just putting economists their, you're bashing all sorts of different disciplines together - literature, right through philosophy, over economics, geography. Is that very deliberate?

**Jan Inge Reilstad** That is very deliberate. But I think that we have been talking about inequality here and the rise of populists. And at the same time, a lot of other things that's happening - the media revolution. It's a big thing. We have to look into it. The climate issues. What we have been doing to nature. All these are happening at the same time, and they indicate that we have to bring in many voices. And our festival, of course, it's core economy, core economists coming back, politicians, policymakers, philosophers, psychologists, anthropologists, scientists and professionals from all over the place, in fact, to bring a kind of talk about the main issues in a broad sense, in a good way, that is good enough.

**Ross** The centrists have failed - let me venture this to you - because they've been so narrowly defined. And they've had a silo mentality where an economist has looked in a tiny bit of the economy and someone else is doing another tiny bit. And there's been no overarching what type of society do we want to live in. Is that a fair criticism?

**Andres Rodriguez-Pose** I think it's relatively fair. I think the centrists have failed, mainly, because they have failed to deliver on the social contract, the social consensus that had been generated in most developed countries in the post-war period when everyone just was gaining so centre ground held. Once you start seeing the benefits are accumulating and more and more limited amount of people living in very limited places, mainly the big cities, then what you find is that that consensus is broken, that trust in the system is broken. And unless the centre manages to redefine itself in a better way than it has been doing, we're going to see a period of extremes that is probably hopefully not going to become structural.

**Ross** What's the one thing the centrists can begin to do today that begins to address this? Is it a mea culpa? Is the first thing to say, actually, we've got to admit, we've got a problem here because seems to me a lot of politicians, a lot of the political class, are just carrying on regardless.

**Andres Rodriguez-Pose** Well, they're carrying on regardless. Although they're now paying attention for the first time. Why? Because options that were marginal not that long ago, we would never have imagined a Jean-Marie Le Pen, president of France. Now Marine Le Pen or Marechal Le Pen, president of France, is a distinct possibility. So that's why they're listening. But I think that two areas where there should be intervention. I don't think that doing a mea culpa is the way forward. The main is trying to find solutions. And the first one is go back and listen, because we haven't - just so I say we in academia - but very often also decision makers - have a listen to the daily problems and serious problems that many people living in many parts of our countries are suffering. So there's a need to re-establish dialogue, and that's the first step to re-establish trust.

**Ross** What's the second step?

**Andres Rodriguez-Pose** Second step is focus investment. And focus investment in different ways and places that have different problems. You cannot do just a blanket horizontal policy for the whole of the UK because the problems that we see in London or we see in the Southeast are significantly different from those being faced in the north of England or those being faced in the Shires, for example.

**Ross** So not one size fits all.

**Andres Rodriguez-Pose** It's absolutely true.

**Ross** And get together and start talking about things from all different backgrounds. I think you've both got it nailed. You've got a cracking festival on your hands. When is it?

**Jan Inge Reilstad** 21st to 24th of October this year.

**Ross** Andres, you're gonna be up there?

**Andres Rodriguez-Pose** Yes.

**Ross** People can come and ask you a million questions.

**Andres Rodriguez-Pose** Absolutely.

**Ross** And you've got lots of solutions?

**Jan Inge Reilstad** .And the virus is gone.

**Ross** And we're Corona-free - we hope. Gentlemen, thank you both very much for your time.

**Andres Rodriguez-Pose** Thank you very much.