It's not the Bank of England's job to steer us out of t...

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Martin Wolf has written this in the FT this morning, and I am sure he's right:

For only the third time since the late 1800s — and the other two were just after the world wars — the UK's private sector productivity has fallen over five years. This is why unemployment has remained low. It is also why the coalition government got away with three years of economic stagnation. With normal performance, unemployment would now be more than 15 per cent. But this experience raises questions. What are the UK's economic prospects? What should policy do?

I take slight satisfaction from noting that but for this wholly unforeseen change my forecasts for unemployment as a result of the Coalition's policies would have been correct. I'm glad they're not.

What I will take issue with is what Martin Wolf prescribes as the solution to this problem. The FT headline says:

Why the Bank of England must gamble on growth

The job of policy makers is to shift the economy on to a better path. This means taking risks

I agree that there must be a gamble with growth but almost all Wolf's discussion that follows is on the duty of the MPC in this regard. And that's the issue. The MPC should not be taking the risk, politicians should be and the MPC should be the instrument of their policy and not a free agent in its own right.

The corporate capture of policy is well represented by the very existence of the MPC - and I am aware of and also critical of Labour's part in its creation, for the record. I expect democratically elected politicians to take risk and be accountable for it. The MPC does not share those characteristics. It is the wrong organisation to take risk. It's an indication of the poverty of our economic leadership that people like Martin Wolf can think it should have this role.