

Independence, the Bank of England, and politics

Published: January 13, 2026, 2:52 am

The Bank of England Financial Policy Committee [said that leaving the EU was a financial risk yesterday](#). You would think that a statement of the obvious but in a highly charged environment it was contentious.

The Bank of England, and the economists who lovingly crafted its so called independence, wish it to be thought above politics, and certainly independent of it. But that is absurd, and impossible. Politics is not quite all about money at the end of the day, but it is very definitely important. And the Bank of England is a government agency tasked with managing monetary policy. Not only should it be integral to the state it is also integral to the implementation of any government's policy. [If it likes to pretend otherwise its decisions can be over-ruled](#).

As a matter of fact then the Bank of England is inherently political but it is surrounded by a pretence that it is not that is viable only if there is a singular political consensus that supports the facade. We had that from 1998 to 2010, and it has been convenient for the last and present governments to continue with it, not least because it gives them room to deny their responsibility for delivering a fiscal stimulus. But, Brexit is shattering that consensus. There is no one view on this issue. The reality of the political role of the Bank of England is revealed as a result.

No one should be surprised: central bank independence has always been a neoliberal sham that suggests that life can be compartmentalised into what is political and what is not; what is rational economics and what is subjective opinion. There are no such divides, whether in [the NGO](#) or [academic worlds](#), or in Threadneedle Street. To pretend there are is to lie in support of a world view that is both intensely political and deeply oppressive of alternative views.

At the end of the day, the Brexit campaign is not, I suspect, going to upset that world view. The pretence that the Bank of England is independent will be restored soon as a result.