

## An end to silo governance

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Andrew Baker is a political economist for whom I have a lot of time. Formerly at Queen's University, Belfast he is now a professorial fellow at the Sheffield Political Economy Research Institute (SPERI) for [whom he has written a blog](#) on what he calls silo governance. Of this he says:

*The most distinguishing feature of the macroeconomic governance frameworks that emerged throughout the world in the 1990s was the creation of a number of narrowly focused institutional silos (fiscal, monetary and financial regulation). In the aftermath of the financial crash of 2008, the boundaries, this silo form of governance represent, have come under increasing pressure.*

The problem that he points out is obvious:

*[T]he real game changer and biggest challenge to silo governance, comes from the recognition that financial stability is a macro, rather than a microeconomic issue.*

The absurdity is that we are asking a wide range of bodies, each with a narrow remit, and all modelled (in my opinion) on a corporate model of assessment, to undertake tasks that have macro consequences which they are not properly tasked with considering, or which they specifically ignore because it was not written into their brief to do so.

As Andrew concludes:

*Silo governance is consequently revealed as resting on institutional fictions of declining relevance in the contemporary context, given messy complex current realities. The lens of silo governance does however illuminate the need for wholesale institutional re-design of macroeconomic governance. Unfortunately, many political and intellectual elites remain oblivious, or in denial. Acknowledging the redundancy of silo governance, would however be a vital first step in edging us closer to the kind of new macroeconomic thinking and governance arrangements the current context requires.*

Where to begin? The Bank of England would be an appropriate location. But so too

would the FCA, and then the FRC, and the micro focus of BIS (or BEIS as it now is) that ensures it is utterly unable to think about the role of business beyond supposedly making profit, all be high on the agenda for reform to ensure that we have regulation fit for the twenty first century, which is a long way from where we are now.

The [blog is worth reading in full](#).