

On the irrelevance of a supposedly independent central ...

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Whilst on a train home last night, after an evening discussing macroeconomic policy, it occurred to me that the Bank of England now has as much chance of controlling the economy by changing interest rates as a birth control clinic has of controlling a country's population when everyone in it is aged over 50.

Despite that many still think that we must have an independent Bank of England controlling the economy using interest rates with the sole aim of limiting inflation, which has not been an issue of any economic significance for a considerable period.

Why, oh why, you might well ask?