

Central banks should not have the power to cause harm, ...

Published: January 13, 2026, 2:21 pm

As some readers of this column will know, I write a weekly column for The National newspaper in Scotland. [In yesterday's column](#), I tackled the issue of inflation.

Some of the arguments that I made will be familiar to readers here. Others will not be. This was my conclusion:

There is, of course, nothing that anyone in Scotland can do to oppose [an increase in the Bank of England's official interest rate]. Not only is this a decision reserved for Westminster, it is one that Westminster has outsourced to economists and bankers who almost entirely share a City of London perspective on the world. Scotland simply has to suffer the resulting damage.

However, there are lessons to learn from this, of which the most important by far is that if Scotland is to be independent then it must not make the mistake of outsourcing such decisions to theoretical economists, bankers and members of the financial services community, most of whom are out of touch with the reality of life as most people live it. Interest rate setting policy should not be the preserve of elites. It should be managed by democratically elected politicians who are accountable to a parliament and their electorates for the decisions that they make, especially when they are inappropriate and harmful. When Scotland has its own central bank, as I hope it will, it must not have the power to cause harm, as the Bank of England has at present.

A future government in the rest of the UK might be just as wise to take note of that.