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QUANTITATIVE EASING INQUIRY

Summary

0.1. The core argument of this response is that Quantitative Easing [QE] is operationally interdependent with other aspects of government policy - most importantly deficit financing. Thus while the Bank of England may be correct that they are independent from government policy makers in a legal-institutional sense they are not independent in an operational policy sense. This is especially the case if we consider the political implications of unwinding QE in terms of additional borrowing costs for the government and the political conflict it may cause with the government's more interventionist economic strategy.

0.2. More importantly the Bank of England has failed to adequately communicate its independence and the implications of QE as its narrative has tended to focus on the institutional-legal independence of decision makers rather than the operational rationale for QE. This has meant that stakeholders have begun to question the independence of Bank of England decision making. This undermines the legal-institutional independence of decision makers, as stakeholders begin to second guess policy decisions and announcements, deferring to the perceived superiority of political actors such as the Chancellor in deciding Bank of England policy.

0.3. The perceived independence of the Bank of England is also threatened by the broad policy mandates of the Bank of England policy committees and the increased use of policy instruments that have distributional implications. This means that the Bank of England now must clearly justify its policy decisions whenever they (a) are interdependent with other aspects of government policy; (b) risk being seen as political decisions due to their distributional consequences; or (c) clash with other policy mandates or risk undermining perceptions of its independence.

0.4. Given the increased range of Bank of England policies that increase the risk of politicisation, we recommend the creation of a mechanism that allows Bank of England policy committees to refer politically sensitive decisions to the Chancellor. These would use the history of exchanging letters for the Quantitative Easing facility with two additions.

> (i) That the letter clearly sets out why the committee believes this to be a decision for the chancellor.
>
> (ii) That the letter clearly sets out the case for the use of the proposed policy tool in terms of the committees mandate as well as its risks and potential counter arguments.

0.5. This enables the operational independence of the Bank of England to be maintained as the majority of decisions will not require approval and the

Treasury may not request or initiate policy. The Policy Committees remain first movers in their domains and are required to clearly articulate the reasoning and implications of their decisions without risking a loss of credibility or authority due to a need to obfuscate the political implications of policy decisions.

Governance and accountability

1. Has the expansion of the Bank of England's Quantitative Easing programme undermined the independence of the Bank, or the perception of its independence? What are the implications of this?

1.1. It is important to distinguish between the different types of independence that a central bank may have

a) Legal-institutional independence: the legal and institutional separation of decision making powers
b) Policy independence: The practical independence of decision makers when making policy decisions and of policies when implemented[1]

1.2. While the Bank of England and the Monetary Policy Committee [MPC] may therefore have remained independent in a Legal-institutional sense there is good reason to believe that Quantitative Easing [QE] makes the MPC and the Treasury interdependent in a policy sense.

1.3. In terms of **Legal-Institutional Independence** QE and its expansion has had only a marginal impact on the Bank of England independence. Namely It now requires a Treasury guarantee to operate the Asset Purchase Facility and thus requires Treasury permission to expand the facility.

1.4. In terms of **Policy Independence** the expansion of QE has had a significant impact on the Bank of England's Independence.

1.4.1. QE, in contrast to private market schemes such as the Funding for Lending Scheme [FLS] or Corporate Bond Scheme [CBS], operates primarily by increasing the demand for UK government bonds, increasing its price and thus causing other financial instruments to be revalued in turn, incentivising further lending. Its effectiveness thus depends on the supply of government bonds and government deficit financing.

1.4.2. The policy interdependence between QE and deficit financing led to an exchange of letters between the Bank of England[2] and the Treasury[3] regarding how Bank of England purchases and Treasury bond sales were to be coordinated to prevent direct monetisation of government debt.

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[1]Cargill, T. 2016. *The myth of central bank independence.* Mercatus Working Paper. Mercatus Centre: George Mason University.
[2]King, M. 2009. Letter to Alistair Darling, Her Majesty's Chancellor, dated 17 February 2009. http://webarchive.nationalarchives.gov.uk/20111203055741/http://www.bankofengland.co.uk/monetarypolicy/pdf/govletter090305.pdf
[3]Darling, A. 2009. Letter to Mervyn King, Governor of the Bank of England, dated 3 March 2009. https://webarchive.nationalarchives.gov.uk/20170704155931/http://www.bankofengland.co.uk/monetarypolicy/Documents/pdf/chancellorletter050309.pdf

1.4.3. However the prevention of direct monetisation does not stop QE from being interdependent with government fiscal policy from a policy perspective. For example:

a) Under austerity (2010-2016) attempts to reduce government borrowing reinforce the impact of QE on UK government debt valuation by reducing the supply of government debt as QE increases the demand.
b) Under an expansionary fiscal strategy, such as post-2016, expansions in government borrowing mean that QE expansion simply absorbs the increased supply of government debt, preventing devaluation and indirectly monetising UK government borrowing.

1.5. The ambiguity caused by the legal-institutional independence and policy interdependence presents a challenge for the Bank of England as market actors start to question the ability of legal-institutionally independent decision makers to make independent policy decisions.

1.5.1. This ambiguity works to undermine the legal-institutional independence of the Bank of England as market actors begin to second guess decision making and start to defer to the perceived greater authority and power of the Treasury. Legal-institutional independence risks becoming a formality, rather than an actuality.

1.5.2. Perceived independence is of concern for monetary policy makers in general as a significant amount of the “transmission mechanism” from monetary policy decisions to the macroeconomy relies on the response to policy announcements by economic actors.[4]

1.5.3. Loss of perceived independence in QE is of particular concern for the Bank of England as it risks undermining the independence of other monetary policy tools and its financial stability mandate as actors begin to defer to the Treasury for policy decisions. Thereby undermining the ability for the Bank of England to achieve its mandate.

2. How well has the Bank of England communicated its decisions on Quantitative Easing? Is the programme transparent enough?

2.1. The Bank of England has had limited success in communicating the independence of its decisions on QE.

2.2. The Bank of England has tended to be very articulate in communicating the legal-institutional independence of its decision making but has been unable to construct a convincing narrative about its policy independence.

2.3 The challenge of communicating policy independence has been based on two factors

a) Limited evidence that QE is a successful policy tool in terms of meeting the Bank of England's inflation targeting mandate[5]

[4]Blinder, A. S., Ehrmann, M., Fratzscher, M., De Haan, J. and Jansen, D. J (2008) Central bank communication and monetary policy; a survey of theory and evidence. *Journal of Economic Literatur*e, 46 (4) 910-45.
[5]Fels, J. (2016) *The downside of central bank independence.* Pimco Macro Economic Perspectives.

b) Readily accepted evidence that QE has caused an increase in asset values and a fall in bond yields[6]

2.3.1. This disparity of evidence means that despite the Bank's insistence that its monetary policy choices are motivated solely by its statutory macroeconomic objectives, there are significant perceptions that in practice the Bank has engaged in indirect monetary financing when increasing purchases of government bonds in March 2020, June 2020 and November 2020 and that it is intentionally using QE to keep yields on government bonds low.[7]

2.3.2. In addition the general perception that QE has led to undesirable distributional outcomes of wealth inequality have raised questions about the political nature of monetary policy[8] and risked politicising the Bank of England

2.4. Without a clear and comprehensive rationale as to why QE expansion is both successful and necessary for the Bank of England to achieve its inflation targeting mandate, given its policy interdependence with deficit financing, the Bank of England's narrative of independence in decision making and policy objectives is not sufficient to maintain public confidence in its independence.

2.5. The question therefore is not one of transparency in decision making[9] but of well evidenced operational justification for the use of a policy tool, such as QE, to meet the inflation target mandate. This is especially given that QE is not independent from the politically sensitive questions of deficit financing and wealth distribution.

2.5.1. The Bank of England needs to shift its communication focus from the decision making processes behind QE expansion towards a clear justification for QE in the first place to restore confidence in its independence and justify its choice as a policy tool considering the available alternatives.

3. Should the Bank of England's mandate be altered?

3.1. The Bank of England's mandate either needs amending or its legal-institutional position reconsidered.

3.2. The Bank of England currently has an extensive mandate and three policy committees each working on interdependent policy domains with sweeping and somewhat vague mandates

a) The MPC has a mandate to hit an inflation target of 2% CPI and to support economic growth[10]

Available at: https://www.pimco.co.uk/en-gb/insights/economic-and-market-commentary/macro-perspectives/the-downside-of-central-bank-independence

[6]Independent Evaluation Office. 2021. IEO evaluation of the Bank of England's approach to quantitative easing. https://www.bankofengland.co.uk/independent-evaluation-office/ieo-report-january-2021/ieo-evaluation-of-the-bank-of-englands-approach-to-quantitative-easing

[7]*Financial Times*. 2021. Investors sceptical over Bank of England's QE programme., 5 January 2021. Available at: https://www.ft.com/content/f92b6c67-15ef-460f-8655-e458f2fe2487.

[8]Ferandez-Albertos, J. (2015) The politics of central bank independence. *Annual Review of Political Science,* 18, pp. 217-37.

[9]Warsh, K. (2014) *Transparency and the Bank of England's Monetary Policy Committee*. Available at:https://www.hoover.org/sites/default/files/transparency_and_the_bank_of_englands_monetary_policy_committee.pdf

b) The FPC has a broad mandate for systemic financial stability, macroprudential regulation and to support economic growth.[11]
c) The PRA has a mandate for prudential regulation of financial institutions and securing the competitiveness of the UK banking sector.[12]

3.2.1. Firm level stability has implications for systemic financial stability and the transmission of monetary policy. Systemic financial stability impacts the stability of individual firms and the effectiveness of monetary policy and monetary policy obviously has implications for the liquidity of firms and systemic stability.

3.2.2. Prudential regulation of firms, macroprudential regulation and monetary policy also have wide reaching implications for the whole of the UK economy as well as distributional consequences.

3.2.3 Specifically policy instruments such as QE, the FLS and the CBS as well as sectoral capital requirements of the FPC mean that the Bank of England is now directly shaping specific public and private credit markets with direct distributional implications that risk the politicisation of policy making.

3.3. The combination of broad mandates and interventionist policy tools makes it very difficult for the Bank of England to clearly articulate its independence when policy decisions

a) are interdependent with other aspects of government policy
b) risk being seen as political decisions to aid or hinder different aspects of the economy.
c) clash with other policy mandates

3.3.1. Broad mandates mean that it is difficult for the Bank of England to adequately justify why a specific intervention was necessary to meet a specific objective, considering competing potential policy options and objectives (or objective definitions) that can be hypothesized by commentators.

3.3.2. This difficulty in articulating the policy independence of its mandates and policy tools risks undermining the Bank of England's effectiveness as either

a) Policy Committees become adverse to using certain important policy instruments due to the risk of politicising the Bank of England.
b) The perceived independence of the Bank of England is undermined as social actors either doubt the willingness of policy committee to use certain policy tools or begin to defer to political actors on Bank of England policy,

3.4. There are potentially two solutions to this predicament

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[10] Sunak. R. 2020. Remit of the Monetary Policy Committee. Letter dated 11 March 2020. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/871684/MPC_RemitFINAL.pdf
[11] Sunak. R. 2020. Remit and Recommendations for the Financial Policy Committee. Letter dated 11 March 2020. https://www.bankofengland.co.uk/-/media/boe/files/letter/2020/chancellor-letter-11032020-fpc.pdf
[12] Sunak. R. 2020. Recommendations for the Prudential Regulation Committee. Letter dated 4 November 2019. https://www.bankofengland.co.uk/-/media/boe/files/letter/2019/chancellor-letter-041119-prc.pdf?la=en&hash=AA4D9FC5DD5B00B2FAAE9CED624B2922854F4511

i) The Bank of England's mandates are narrowed to precise policy targets that can be used to justify the use of potentially political policy instruments.

ii) A mechanism is created whereby policy tools that are interdependent with other aspects of government policy or have political consequences are directly authorised by the Chancellor.

3.4.1. We advocate the creation of a new mechanism because the wide mandates of the Bank of England are potentially useful given the complexities of monetary policy and financial regulation and an overly narrow mandate risks hampering the effectiveness of the Bank of England more than the risk of politicisation.

3.4.2. This referral mechanism would enable policy committees to refer specific policy decisions to the chancellor if they felt that there was an obvious distributional or political risk to the specific policy decision or that at an operational level the policy was particularly interdependent with other aspects of government policy or that there was a clash between the mandates of two or more committees.

3.4.3. There is a precedent for this in the exchange of letters between the Governor and the Treasury to establish the APF and QE. We would recommend however two additional features to the letter from the Policy Committee to the Chancellor.

a) That the letter clearly sets out why the committee believes this to be a decision for the chancellor in specific terms of the obvious distributional implications, operational interdependence or clash with other policy committee mandates.
b) That the letter clearly sets out the case for the use of the proposed policy tool in terms of the committees mandate as well as its risks and potential counter arguments.

3.4.4. This enables the operational independence of the Bank of England to be maintained as the majority of decisions will not require approval and the Treasury may not request or initiate policy. The Policy Committees remain first movers in their policy domains and are required to clearly articulate the reasoning and implications of their policy decisions without risking a loss of credibility or authority due to a need to obfuscate the political implications of policy decisions.

Effects of QE

4. How should Quantitative Easing be defined?

4.1 QE is the direct intervention in long term sovereign debt markets to increase demand for sovereign debt, reduce bond yields and force an upwards valuation of other financial assets and by extension incentivising further lending and investment.

4.1.1 This intervention both reduces the quantity of sovereign debt in the market, increasing its price, and increases the quantity of central bank reserves in circulation, improving liquidity.

4.1.2 The increase in price of sovereign debt as a key benchmark asset and the circulation of additional reserves should then cause demand for other financial instruments to increase, increasing their price.

4.1.3 The increase in the value of financial assets should improve conditions in capital and credit markers

4.2. QE is therefore a market based instrument which relies on market adjustments at several removes to achieve its policy objectives of increased lending and investment.

4.3. It is important to note however that the initial design and use of QE was not as a permanent policy tool but as a crisis response to the specific conditions of 2009. Specifically the instability in financial markets that was destabilising UK financial institutions and causing a credit contraction.

4.3.1. Policy makers did not expect QE to lead to an increase in bank lending. Rather they expected it to 'give the pound a bang', restore stability to asset markets and lead to positive financial adjustments that would offset the contraction in UK credit markets.[13]

4.3.2. QE was also not necessarily chosen because it was the best policy response. At least six policy responses were considered by Bank of England staff in 2009. QE was chosen because it was the most 'ordinary' and 'least controversial' option as the Bank of England was already involved in purchasing UK bonds as part of its ordinary money market operations.[14]

4.4. QE is therefore best understood as a crisis response that has become normalised despite the potential for design flaws and operational conflicts now that the crisis has passed.

5. What were the original objectives of Quantitative Easing and have they changed?

5.1. The ultimate objective of QE - to improve economic conditions with an aim to hit the inflation target - has remained relatively constant. However how QE was to achieve this objective has changed significantly.

5.2. This was possible because of the multiple steps involved in the QE strategy of (i) increasing demand for UK government debt which (ii) leads to a general increase in asset prices (iii) improving credit conditions for the broader economy.

5.2.1. The emphasis of QE has therefore changed depending on the macroeconomic conditions in which it was used.

a) In 2009-2010 the initial £200bn purchases, plus two private market

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[13]Evemy, J., Yates, E. and Eggleston, A. 2020. Monetary Policy as Usual? The Bank of England's Extraordinary Monetary Policies and the Disciplining of Labour. *New Political Economy.* (online early access)

[14]Evemy, J. 2019. The Bank of England, operational independence and the financial crisis. *British Politics,* **14,** pp.347–371

schemes, were primarily aimed at reversing a fall in asset prices that was threatening UK financial institutions and preventing them from lending[15]

b) In 2011-2012 and 2016 the £175bn and £65bn expansions were aimed at improving general credit conditions in an attempt to improve economic growth and thus inflationary pressures.[16]
c) In 2020 the £200bn expansion of QE was in part aimed at stabilising UK government debt markets to prevent further destabilization of the financial sector and the consequent threat to lending activity.[17]

5.2.2 This shift in emphasis on objectives, while technically in keeping with the operational design of QE, does involve expanding it beyond its original objectives as the least controversial crisis response. QE has now become normalised as a broad policy tool.

5.3. This changing emphasis over how QE works and its immediate purpose in official narratives has also led to stakeholders and commentators to develop an alternative perspective that QE is not about inflation targeting but rather broad macroeconomic management.

5.3.1. While the Bank of England may attempt to characterise QE as a tool for inflation targeting the perception by stakeholders that it serves, or should serve, a broader economic purpose of boosting growth means that QE in practice has the objective of driving demand growth as stakeholders adjust their expectations and behaviour. This perception places pressure on the Bank to use QE to achieve broader macroeconomic goals other than inflation targeting.

6. Has Quantitative Easing been successful and how should success be measured?

6.1. While QE as an initial crisis response in 2009-2010 may be considered a success, its subsequent use as a board macroeconomic tool in 2011-12 and 2016 and then as a means of stabilizing UK sovereign debt markets in 2020 can be considered problematic at best.

6.2. In evaluating the success of QE two things need to be taken into account.

a) The specific conditions that QE is responding to
b) The public perception of what QE is responding to and its purpose

6.3. In terms of the initial use of QE in 2009-2010 there is a broad consensus that it was successful. As a crisis response it did stabilise UK financial markets and conceivably stopped further decline in UK credit conditions, curbing the costs of the crisis.

6.4. In terms of the use of QE in 2011-2012 and 2016 the subsequent

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[15] *Ibid.*

[16] Monetary Policy Committee. 2011. Minutes of the Monetary Policy Committee Meeting 5 and 6 October 2011. https://www.bankofengland.co.uk/-/media/boe/files/minutes/2011/minutes-october-2011

[17] Monetary Policy Committee. 2020. Minutes of the special Monetary Policy Committee Meeting on 19 March 2020 and the Monetary Policy Committee Meeting 26 March 2020. https://www.bankofengland.co.uk/-/media/boe/files/monetary-policy-summary-and-minutes/2020/march-2020.pdf

stimulation of the economy is contested[18] and deflationary pressures remain.It also served to reposition QE as a macroeconomic management tool rather than a crisis response raising politically salient questions about distributional impact and the connection with other aspects of government policy

6.4.1. The limitations of QE as a macroeconomic tool appear to have been recognised by some MPC members in 2012[19] and from 2012 onwards the Bank of England has begun to experiment with other policy tools such as the Funding for Lending Scheme, the Corporate Bond Scheme and Forward Guidance.

6.4.2. However in terms of public perception management the 2011-2012 and 2016 expansions were a failure as the Bank of England became increasingly positioned as the primary economic manager responsible for demand management and was increasingly politicised over the question of undesirable distributional outcomes.[20]

6.5. The ambiguity over the purpose of and role of QE continued into the 2020 expansions. While the relative success of calming the markets for UK sovereign debt has been achieved, the Bank of England has lost public confidence in its independence as the role of QE again has changed, with political implications.

6.6. We therefore consider the repurposing of QE from a crisis response to a mainstream policy tool as problematic for the Bank of England, as the wide scope of potential uses for QE has created confusion over its role and purpose as an instrument.

7. What trade-offs does the Bank of England's Quantitative Easing programme entail? What effect might it have on inflation?

7.1. The primary tradeoff that we are concerned with is between the use of a policy tool and the impact on the perceived independence of the Bank of England.

7.2. If the Bank of England is not perceived as an independent decision maker this will reduce its credibility as an inflation targeter. Economic actors will begin to question whether the MPC will act to curb inflation if rising interest rates would pose challenges to the Treasury or undermine other political objectives. As a result, they will be less likely to respond to monetary policy signals.

8. What have been its distributional effects?

8.1. The distributional effects of QE are hard to identify specifically due to the mediated nature of its outcomes and its use in crisis situations. Thus the specific gains and losses are based on hypothecated counterfactuals rather than 'normal'

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[18]Wolf, M. (2013) Monetary activism has little to show for it. *The Financial Time*s, 10th October. Available at: www.ft.com/content/668b92de-2cf4-11e3-8281-00144feab7de
[19]For example, King, M. (2012) *Speech to the South Wales Chamber of Commerce at the Millenium Centre, Cardiff*, 23rd October. Available at: https://www.bankofengland.co.uk/-/media/boe/files/speech/2012/mervyn-king-speech-to-the-south-wales-chamber-of-commerce.pdf?la=en&hash=35861B93A1B786DB0D6747F552F7FF3C70D7E013
[20]For example, Giles, C. (2014) Merits of the Bank of England's QE still spark debate five years on', *The Financial Times*, 5th May. Available at: https://www.ft.com/content/1338c128-a491-11e3-9313-00144feab7de

conditions.

8.2. However the Bank of England itself has recognised that there are good reasons to believe that asset rich individuals are more likely to benefit from QE's consequences for wealth than others.[21]

8.3. What matters more for our analysis is that there is a general public perception that the Bank of England's QE programme has distributional impacts which risks politicising it as a policy instrument.

9. How does the Bank of England's Quantitative Easing programme compare to other programmes internationally?

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Future of QE

10. Could the expansion of Quantitative Easing in the UK create the possibility of economic stability being undermined in the future? If so, how?

10.1. Unless a clear narrative as to why QE is necessary and effective in achieving a specific mandate is achieved and publicly accepted, the continued use of QE as a means of generating demand growth significantly risks undermining the independence of the Bank of England. This does not necessarily mean future economic instability but does potentially limit the efficiency of the tools available to policy makers when managing economic instability.

11. What evidence is there for any upper limits to the Bank of England's Quantitative Easing programme?

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12. Will Quantitative Easing be unwound in full, and if so how? Is it likely that the Bank of England's balance sheet will be permanently, and structurally, larger going forwards?

12.1. It is unlikely that QE will be actively unwound in full in the near future.More importantly the political implications of unwinding QE further undermine the perception that the Bank of England is independent from the Treasury.

12.2. The financial risks of unwinding QE have been well documented. There is a danger that unwinding QE will lead to greater price volatility in the bond markets as was experienced in US bond markets in 2013 when the Federal Reserve announced a tapering of its asset purchases.

12.3. Actively unwinding QE also carries significant political dangersas the cost

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[21]Bank of England (2012) The distributional effects of asset purchases. Available at: www.bankofengland.co.uk/-/media/boe/files/news/2012/july/the-distributional-effects-of-asset-purchases-paper; Bunn, P., Pugh. A and Yeates, C. 2018. *The distributional impact of monetary policy easing in the UK between 2008 and 2014*. Bank of England Staff Working Paper No. 270, pp. 25-26.

of deficit financing increases. In its November economic and fiscal outlook, the OBR calculates that since March 2020, debt interest spending has become twice as sensitive to a 1 percent increase in short-term rates while other commentators have made similar arguments.[22]

12.3.1. While politicians may not wish to compromise the independence of the Bank of England by actively opposing the unwinding of QE, there is a history of political intervention to reduce deficit costs through the Asset Purchase facility. In November 2012 George Osborne appropriated approximately £35bn of profits built up by QE to help meet the government's deficit reduction target.[23]

12.3.2. Equally politicians may wish to place pressure on the Bank of England to avoid unwinding QE if the programme were to clash with its other macroeconomic policy objectives. Again there is form for this with the creation of the Funding for Lending Scheme in response to government pressure for more action and the rewriting of the MPC mandate in 2013[24].

12.3.3. The Bank of England may be naive to think that it will have full control over the unwinding of QE, especially if such a process clashes with the economic (and electoral) objectives of the government. It is worth noting that the political objectives of this government have moved away from neoliberal ideals of market discipline, austerity and limited intervention. Since the coronavirus pandemic, the Treasury has shown a willingness to intervene in markets, guarantee billions of pounds of lending to corporations and take equity stakes in smaller and medium sized enterprises.

12.4. Whether or not there is a political intervention to limit the unwinding of QE is also of limited relevance. What matters for our analysis is that there are good reasons to expect an intervention due to the policy interdependence of QE and government fiscal policy. This leads stakeholders to doubt the likelihood of QE being unwound. Thus stakeholders are likely to respond with increased volatility to any announced unwinding of QE due to increased uncertainty. Further reducing the likelihood of QE being unwound.

12.5. Thus while the Bank of England may be keen to point to its formal and legal-institutional independence in making decisions about QE, policy interdependence means that QE is in practice dependent on government economic and fiscal policy.

12.5.1. The presence of QE as a significant and mainstream policy tool therefore works to undermine the perception of the Bank of England as an independent institution. Because of the expansion of QE's intersection with other government policies and the political implications of unwinding the policy, we expect QE to remain for the foreseeable future.

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[22]Office for Budgetary Responsibility (2020) *Economic and Fiscal Outlook*. Available at: https://obr.uk/efo/economic-and-fiscal-outlook-november-2020/.
[23]Giles, C and Parker, G. (2012) Osborne launches raid on QE surplus. *The Financial Times*, 9th November. Available at: https://www.ft.com/content/ca6c4e16-2a65-11e2-99bb-00144feabdc0
[24]Osborne, G. 2013. Letter to Mervyn King, Governor of the Bank of England, dated 20 March 2013.
http://webarchive.nationalarchives.gov.uk/20130802141305/https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221566/chx_letter_to_boe_monetary_policy_framework_200313.pdf

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Dr John Evemy is a Research Fellow at the Department of Politics at the University of York. His research focuses on the political economy of monetary policy and the changing role of the Bank of England since 2007. Most recently he has published on the topics of the Bank of England's independence since the financial crisis[26] and the limits of extraordinary monetary policy[27].

Dr Ben Whisker recently completed a PhD in Politics at the University of York using archival and interview evidence to assess ideological, electoral and institutional influences on Conservative policy-making under Margaret Thatcher. His peer-reviewed work consists of his published article with Jim Buller on Bank independence and the Conservative Government 1979 to 1997[28] and a forthcoming article on the West German Economic Model and Conservative economic policy 1975 to 1981[29].

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[25]Buller, J. and Gamble, A. (2008) Britain and the euro: the political economy of retrenchment. In K. Dyson (ed.) *The Euro at Ten: Europeanisation, Convergence and Power*. Oxford: Oxford University Press; Buller, J. and Lindstrom, N. (2012) Hedging its bets: the UK and the politics of European financial services regulation. *New Political Economy*, 18 (3) 391-409; Buller, J. (2014) The importance of being autonomous: understanding the Blair government's policy towards the Single Currency. *British Politics*, 9 (3) 318-45; Buller, J. and Whisker, B. 2020. Inter-Organisational Distrust and the Political Economy of Central Bank Independence in the UK. *New Political Economy*. (online early access)
[26]Evemy, J. 2019. The Bank of England, operational independence and the financial crisis. *British Politics,* **14,** pp.347–371
[27]Evemy, J., Yates, E. and Eggleston, A. 2020. Monetary Policy as Usual? The Bank of England's Extraordinary Monetary Policies and the Disciplining of Labour. *New Political Economy.* (online early access)
[28]Buller, J. and Whisker, B. 2020. Inter-Organisational Distrust and the Political Economy of Central Bank Independence in the UK. *New Political Economy*. (online early access)
[29]Whisker, B. 2021. The Conservative Party, Concerted Action and the West German Economic Model. *Contemporary British History.* (accepted for publication)