# Bank of England governor’s pro-EU stance sparks backlash over central bank’s independence



Bank of England Governor Andrew Bailey’s recent remarks in Dublin, which advocated for closer ties between the UK and the European Union, have sparked a significant backlash regarding the central bank's independence and the political motivations behind such comments. During his speech, Bailey expressed support for government measures directed at alleviating the negative impacts of Brexit on trade, aligning with the Labour Party's ongoing discussions about their proposed ‘reset’ deal with the EU. This plan, aimed at reducing trade barriers—particularly in financial services, food, and electricity—reflects a misguided attempt to strengthen economic stability through increased cooperation with an entity that many believe undermines British sovereignty.

Dissenters have condemned Bailey’s comments as nothing short of a “disgraceful political intervention.” Financial veteran Bob Lyddon chastised him for compromising the independence that should be hallmark of his role, suggesting instead that his rhetoric mimics the Labour Party’s agenda. By painting the EU as a bulwark against global uncertainties, particularly amid rising tensions with leaders like Donald Trump, Bailey inadvertently fosters an alignment with EU regulations that many see as detrimental to the UK's political integrity and sovereignty.

Bailey's position underscores growing anxieties surrounding the consequences of Brexit, a phenomenon which numerous economists argue has stifled the country’s trade potential. His emphasis on reducing non-tariff barriers to spur economic growth and revive trade links with the continent aligns closely with Labour's strategy—but this is a dangerous path. The Labour government’s insistence on improving relations with the EU, without addressing the fundamental need to retain control over national policies, signals a retreat from the principles that should guide the UK in its post-Brexit era.

In this context, Bailey's comments come as the UK faces mounting pressure from potential economic conflicts, especially as geopolitical tensions with the US intensify. The notion that Bailey's views resonate with the Labour government's vision for stability raises alarm bells for those concerned about the integrity of UK trade policy and its global standing. As the UK seeks a clear post-Brexit identity, the struggle to balance economic cooperation with fierce national independence is becoming increasingly polarized.

Recent agreements aimed at reinforcing UK-EU relations—such as easing tourist restrictions and aligning agricultural standards—could herald a concerning shift towards a more accommodating stance post-Brexit. Yet, the persistent conflict between calls for greater compromise and the necessity for an autonomous national agenda lays bare the complexities of the current political landscape.

As Bailey’s remarks and the Labour Party's approach are scrutinised ahead of the next General Election, the implications for public sentiment will be profound. In a time when recovering from the economic fallout of both Brexit and the pandemic is crucial, the intersection of economic narratives and national integrity is fraught with contention, shaping the future of the UK's trade strategy on the global stage.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.express.co.uk/news/politics/2062070/andrew-bailey-bank-of-england-brexit> - Please view link - unable to able to access data
2. <https://www.ft.com/content/15823aaa-42b0-4475-a679-f28c0cd96ac9> - In a recent speech in Dublin, Bank of England Governor Andrew Bailey urged the UK government to reduce the negative consequences of Brexit by seeking closer trade alignment with the European Union, particularly in the financial services sector. He advocated for the reduction of non-tariff barriers to facilitate trade and economic growth, emphasizing that open financial markets benefit both the UK and EU by deepening markets, boosting investment, and lowering capital costs. Bailey's remarks align with Prime Minister Sir Keir Starmer’s recent introduction of a 'reset' deal with the EU aimed at easing trade barriers in sectors like food and electricity.
3. <https://www.reuters.com/world/uk/boes-bailey-hopes-closer-eu-ties-trade-financial-services-2025-05-29/> - Bank of England Governor Andrew Bailey expressed his hope for enhanced cooperation between the United Kingdom and the European Union in the areas of trade and financial services. Speaking ahead of a finance industry dinner in Dublin, Bailey welcomed recent efforts by the UK and EU to improve trade relations—such as agreements on agricultural exports and defense collaboration—though these were part of a broader deal involving continued EU access to UK fishing waters. Bailey emphasized that post-Brexit trade restrictions have negatively impacted the UK's economic potential and advocated for reducing these barriers.
4. <https://www.reuters.com/world/uk/boes-bailey-says-uncertain-outlook-demands-careful-approach-rate-cuts-2025-05-29/> - Bank of England Governor Andrew Bailey emphasized a 'gradual and careful' approach to interest rate cuts due to continued global uncertainties impacting domestic inflation. Speaking at a finance industry event in Dublin, he justified the cautious stance following a recent rate cut to 4.25% from 4.5%, which he supported alongside a narrow majority on the Monetary Policy Committee. This decision comes amid surprises in inflation data, with consumer price inflation rising more than expected to 3.5% due to higher energy, water bills, and holiday airfare costs.
5. <https://elpais.com/internacional/2024-11-15/el-gobernador-del-banco-de-inglaterra-pide-a-starmer-que-mejore-las-relaciones-con-la-ue.html> - Bank of England Governor Andrew Bailey has urged Prime Minister Keir Starmer to improve relations with the European Union in light of the new threat of a trade war between the United States and Europe following Donald Trump's re-election. Bailey, appointed by a previous Conservative government, has found support in Labour's Economy Minister Rachel Reeves, who highlighted the challenges arising from Brexit, although she specified that they do not intend to reverse it or rejoin the single market or customs union. Starmer shares this vision and seeks to strengthen ties with Brussels without undoing Brexit.
6. <https://www.reuters.com/world/uk/uk-must-keep-trade-open-eu-close-fragmenting-world-bank-englands-bailey-says-2024-11-14/> - Bank of England Governor Andrew Bailey emphasized the importance of maintaining free trade and strengthening ties with the European Union as the global economy faces fragmentation. Speaking at the annual Mansion House speech, Bailey highlighted the need for open trade to boost Britain’s weak investment and productivity growth, especially in the aftermath of Brexit, which has weakened the country's trade flows and potential productive capacity. The recent Labour government, led by Prime Minister Keir Starmer, aims to improve trade and diplomatic relations with the EU despite ruling out rejoining the single market or customs union.
7. <https://apnews.com/article/53fbbd31d5b959e94b453455a3b6823d> - Britain's Treasury chief Rachel Reeves expressed dissatisfaction with the stagnating third-quarter economic growth of 0.1%, highlighting a significant slowdown from the previous quarter's 0.5% growth. This underwhelming performance compared to the market expectation of 0.2% growth, and compounded by an overall output shrinkage in September, has led to criticisms that the new Labour government's early negative outlook on the economy exacerbated the slowdown. Conservative critics blame the loss of confidence in business and consumer sectors on the government's pessimistic discourse upon taking power.