Of course, if the Bank were ever given monetary independence, you might need to lose bank supervision in case you became an overmighty citizen.” Those were the words of the head of the UK Treasury, Terry Burns, to Bank of England Governor Robin Leigh-Pemberton in his London Threadneedle Street office over a quarter of a century ago. I was present as the governor’s private secretary, and I have been thinking about them ever since.

Less than a decade later, when Britain’s Blair-Brown government was elected in 1997, the Bank of England did regain independence in monetary policy, after an interval of over sixty years, and as predicted it duly lost banking supervision. But within fifteen years, supervision had been transferred back, in the aftermath of the 2007–2009 financial crisis. What’s more, supervision came with wider and greater powers than ever before. As those of us then at the Bank worked with government and Parliament to frame the new regime, nothing loomed larger in Bank counsels than a desire to avoid being an overmighty citizen. More positively, we fervently wanted the Bank and its policy makers—independent, powerful, but unelected—to enjoy legitimacy.

This was not just a matter of public virtue, although I like to think that played a part. We were aware of a degree of schizophrenia among the London elite about the transfer of powers to the Bank. Asked whether it was a good thing that the central bank was regaining its historic mission for ensuring the stability of the banking system, the response seemed to be overwhelmingly positive. Asked whether they were comfortable with the concentration of power in the Bank, the same metropolitan figures—not a few of them former senior government officials—were at best lukewarm.

For these reasons, the title of this book was initially “Overmighty Citizens?,” recalling the question of whether late-medieval England was destabilized by the overmighty subjects among the nobility whose power and might rivaled or eclipsed that of the king. But even though England’s Wars of the Roses have found a vast modern television audience around the world, and even though the problem of overmighty citizens famously
preoccupied republican Florence, I found that when explaining what the book is about, I invariably say “unelected power.”

The problem—and so the book—is by no means limited to Britain, or to central banking. Concerns about similar delegations exist across the developed world, affecting huge swathes of public life given the extent to which elected politicians have been shedding their powers. Americans call it the administrative state; Europeans, with a slightly narrower focus, the regulatory state. Labels aside, central banks occupy a special place in this constellation. For now at least, their governors have become the poster boys and girls of the technocratic elite. As I discuss, whether in the United States or Europe, that has not met with universal applause, raising questions about the legitimacy and sheer reach of central banks’ powers and roles.

This book, then, is about whether and how democratic societies can find their way through these issues. It is about power—unelected power. How to contain it, hold it accountable, legitimize it. But it is also about how to make the power of independent agencies useful, serving society’s needs. And it is about the importance of recognizing that formally delegating power in one area sometimes unavoidably entails bestowing de facto power in others.

At a personal level, it amounts to an attempt to make sense of the reservations of three of the Bank of England’s biggest post–World War II figures—George Blunden, Eddie George, and Mervyn King—about becoming a powerful independent authority. I came to share that institutional caution over my thirty-odd years at the Bank, a dozen or so of which were spent as a policy maker, finally as deputy governor, and the vast bulk of which happened to be devoted to designing or redesigning regimes for monetary policy, stability policy, or regulation, including in Hong Kong after the 1987 stock market crash.

Holding public office is an enormous privilege. It requires doing, thinking, planning, managing and, perhaps most crucially today, explaining. In that spirit, the first part of the book concludes with the principles that, in my mind at least, guided our contribution to the reconstruction of the UK regime after the 2007–2009 crisis.¹ As well as the economic substance of stability policy, we weighed the acceptable

¹For example, Tucker, “A New Regulatory Relationship.”
limits of unelected power. Among other things, we leaned against suggestions that we take on responsibility for supervising securities exchanges and trading platforms, and that we use our lending policies to steer the allocation of credit. Much of the remainder of the book is an exploration of how those *Principles for Delegation*, as I call them, fit with the deep values and beliefs of mature democratic societies, an exercise I had time for when I took up a fellowship at Harvard in late 2013.

The book takes for granted that institutions matter. While that has become mainstream among economists over the past quarter of a century, and while the institutions of government are increasingly studied by empirical political scientists, it has largely fallen out of fashion among political theorists—the people who map out the moral grounds and goals of public affairs. From the seventeenth to the nineteenth centuries, writers as central to our traditions as Locke, Montesquieu, Hegel, and Mill thought deeply about the structure of the state, and practical state builders as illustrious as Alexander Hamilton and James Madison did likewise. Today, however, with the exception of debates around the EU’s governance, discussion of whether the emergence of independent government agencies—and delegation to agencies more generally—represents a profound change in our politics is too frequently confined to lawyers and to academics specializing in regulation or government effectiveness.

The broader discussion ought to be about marrying values to institutions and, thus, to incentives. The book argues that power, welfare, incentives, and values have to be considered together if the institution of delegated unelected power is to be sustainable in our democracies. I hope that it will help to provoke more political theorists and others to join Philip Pettit, Henry Richardson, Pierre Rosanvallon, and Jeremy Waldron in reviving interest in what our values entail for the structure of government, giving legitimacy equal billing with discussions of justice.

The book aims to be practical, offering concrete proposals. Their core was first set out publicly in the 2014 Gordon Lecture, which I was honored to be asked to give by the Harvard Kennedy School. By then I had

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1 For a multidisciplinary review, see Goodin, “Institutions.”

2 Waldron, “Political Political Theory.”
forgotten, but in the course of writing the book rediscovered, that some of the lecture’s underlying concerns had been aired in a speech while I was in office, back in 2007.4

In pursuing the questions raised by unelected power, the book draws on political economy, political theory, and some political science and public law, as well as on my own and others’ personal experiences. Embarking on trying to weave all that together, I owe enormous thanks to many academics, legislators, officials, and commentators around the world who gave me their time, and in many cases have become good friends.

4Tucker, “Central Banking and Political Economy.”
UNELECTED POWER