Funding the Future

The IMF has learned nothing

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[Fiscal Policy Challenges in the Post-Crisis World, Speech by John Lipsky, First Deputy Managing Director, At the China Development Forum](#).

The IMF is reporting to the G20 on measures needed to solve the world recession very soon.

The man in charge is John Lipsky, its deputy managing director. And last week he said in China that:

Growth-enhancing reforms, such as liberalization of goods and labor markets and the removal of tax distortions therefore should be pursued vigorously.

Has he learned nothing as yet?

This the old paradigm of the Washington Consensus writ large. Haven't they noticed it was this that failed? It was this that created the crisis.

As [I noted yesterday](#):

The prize[of electoral success] will go to the party that can offer freedom from fear. Freedom from the fear that children will be trapped in poverty, won't be properly educated, won't be able to afford university or to buy a house. Freedom from enslavement by a mortgage that destroys relationships and children's lives. Freedom from fear of ill health when cuts attack the health service. Freedom from fear of unemployment. Freedom of fear of retirement and poverty in old age. Freedom from fear that there won't be a country for our children. Freedom from the fear of helplessness in the face of a tiny elite who abuse all as they appropriate others wealth. Freedom from fear of the end of democracy. Freedom from fear of oppression in other words.

That oppression has been caused by finance.

The reform of finance will be at the core of reform to relieve that fear.

And instinctively people won't accept cuts to appease finance. They know it's the wrong thing to do — to throw away our real prosperity to pander to Moody's and S & P.

Which is why it won't happen.

And which is why there's an urgent need for the vision to fill the void that's opening in the political debate.

The IMF are offering more fear.

That's the old vision.

We need to bring in the new.