Funding the Future

A little note about the IMF - to be read very soon afte...

Published: January 12, 2026, 10:43 pm

The following comes from the SturdyBlog by Alex Andreou. Alex is not a professional economist any more. He's now an actor, so no doubt the Tories will seek to dimiss his opinion as "unqualified". But the simple fact is he can outwit the IMF any day. That's the reality of the economic opposition now, of which he's a part. It's reposted with his permission.

"Before Tory commentators are enraptured with hysterical joy at the ringing endorsement of their fiscal policies as “appropriate” and “adequate” by the IMF, a few things should be borne in mind.
A credit to the IMF

1. The IMF is a body with a very specific agenda. It was best described by former head of the World Bank, Joseph Stiglitz, to Johann Hari: “When the IMF arrives in a country, they are interested in only one thing. How do we make sure the banks and financial institutions are paid?… It is the IMF that keeps the [financial] speculators in business. They’re not interested in development, or what helps a country to get out of poverty.” I would urge you to read Hari’s article in full: It’s not just Dominique Strauss-Kahn. The IMF itself should be on trial. It is also worth noting that the IMF is bound underthe rules of Article IV consultations to “respect the domestic social and political policies of members” when consulting (Section3b).

2. Argentina, which had been the busty centrefold of IMF policies throughout the 1990â€²s by sticking religiously to all IMF advice — privatising everything but their anthem, liberalising industries, lowering corporation taxes while tightening public spending — suffered one of the most catastrophic economic collapses in 2001. I would encourage you to watch the Fernando Solanas’ 2003 excellent documentary “Memoria del Saqueo“, if you wish to know more.

3. Last year, Hungary told the IMF to take its recommendations and shove them where the Strauss-Kahn don’t shine. The IMF insisted on tougher austerity measures, Hungary wanted to tax its banks and the rich. Talks between Hungary and the IMF collapsed and

the IMF warned that Hungary would be punished for its folly. The Centre for Economic and Policy Research warned that the IMF's obsession with austerity was dangerous. A year on, the IMF had to eat its words and commend Hungary for its ongoing recovery, which is going very well — thank you.

4. Finally, it is most crucial to note what the IMF had to say on the UK economy in 2007, the performance of which it described as "impressive". They said: "The financial sector is strong and well supervised with a principle-based approach. The fiscal framework is good, and the mission focused on how to build fiscal cushions needed to respond to adverse shocks. In particular, looking ahead to the framework over future cycles, we noted that debt is likely to rise to just under 40 percent of GDP over the next few years. This in itself is not a concern, and it still constitutes one of the lowest debt ratios among G-7 countries". This was the year before the whole fecking thing collapsed on our heads.

In conclusion, one ought to approach any fiscal advice by the IMF like a chambermaid might approach the hotel room of its former head: with extreme caution.

Next week: Harold Shipman endorses the government's policy on the NHS