

Former IMF chief economist backs People's QE

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I missed this during last week, but think it worth noting that [Reuters ran an article on 7 October saying:](#)

"People's QE" could be an option to help economies fight future crises, Olivier Blanchard, who has just stepped down as chief economist of the International Monetary Fund, said on Wednesday.

And they continued, reporting Blanchard, who was speaking at Cass Business School (a part of City University):

"There is clearly something else you can do if you get to zero (inflation) and still want to increase spending. You can buy goods."

"Which one should you choose? We haven't asked the question in the crisis but we should," he said.

Blanchard said that this does not mean central banks would buy goods directly. Rather, governments can increase their fiscal deficits by spending on infrastructure projects. Central banks can then buy this debt with newly created money.

Which is precisely how I have defined People's Quantitative Easing working.

Which also means the idea has a useful new supporter.