Funding the Future

Neoliberalism was not an accident

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Neoliberalism did not just “happen”. It was planned, funded, and carefully rolled out over decades.

In this conversation with John Christensen, co-founder of the Tax Justice Network, we trace how the post-war economic settlement worked, why it delivered rising living standards and falling inequality, and how it was deliberately dismantled.

We then discuss the role of think tanks, banks, tax havens, the Washington Consensus, and offshore finance in shifting power away from democracy and towards wealth extractors. And we also ask why neoliberalism survived even after the 2008 crash, before addressing what must replace it if democracy, equality and functioning markets are to be restored.

This is not abstract economics. It is about power, politics, and the choices we were told we did not have.

https://www.youtube.com/watch?v=-xzzHIeGFrE?si=l7pWqqhHcYXA31vW

This is the audio version:

https://www.podbean.com/player-v2/?i=may8a-1a2d731-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a

There is no transcript to this podcast as it would be far too long. There is this summary instead.

This podcast with John Christensen was one of those conversations where you realise, as it unfolds, that you are not just talking about ideas, but about lived history.

John and I have known each other for more than two decades. We co-founded the Tax Justice Network. We worked together through years when hardly anyone wanted to hear about tax havens, offshore finance, or the political power of bankers. So this discussion was never going to be abstract. It was about why we did that, why neoliberalism shaped what happened, and why it is still doing damage long after its failures should have been obvious.

We started where it makes sense to start: with what came before neoliberalism.

John made clear that the post-war consensus wasn't an accident. From the late 1940s through to the late 1970s, most Western economies accepted that the state had a central role to play. It built infrastructure. It invested in research. It educated and trained people. It redistributed income and wealth. It restrained monopolies. It supported trade unions. It controlled credit and capital flows so that banks could not destabilise economies.

That settlement wasn't socialist, and Keynes never claimed it was. In fact, in many ways, Keynes was trying to save capitalism from itself. He had watched capital align with fascism in the 1930s, and he understood that unrestrained markets lead not to freedom but to political breakdown. Strong states and strong unions were safeguards against that.

For around thirty years, that system worked remarkably well. Living standards rose. Inequality fell. Access to health care, education and housing expanded. Economic growth was stronger than anything we have seen since. John pointed to research by the New Economics Foundation showing that 1976 may well have been the high point of post-war capitalism in terms of equality and wellbeing.

That resonated with me. It was the year I went to university. Keynes was still taught as mainstream economics. And, as John noted, it was also the point after which things began to unravel.

This is important because neither of us is pretending the post-war system was perfect. By the late 1960s and early 1970s, profit rates were under pressure. Competition was rising from Japan and Germany. New technologies were spreading. And in Britain in particular, finance was already starting to dominate productive investment. The seeds of the finance curse were being sown.

But what followed was not inevitable. It was engineered.

I asked John to explain where, in his opinion, neoliberalism came from, and his answer was clear: it was a long, well-funded, coordinated project. It didn't just emerge in the late 1970s. Its architects had been organising since before the war, pushing back against Roosevelt's New Deal and anything else that constrained capital.

The Mont Pèlerin Society, founded in 1947, whose formation provided its launchpad, mattered because it brought together economists, bankers, industrialists, and funders who understood that if you wanted to change politics, you had to change ideas first. From there came decades of investment in think tanks, academic posts, media influence and political networks. Banks funded much of this because they wanted credit and capital controls gone. Billionaires added to the funding because they wanted lower taxes and less regulation. Fossil fuel interests funded it because they wanted to delay environmental action. None of this was spontaneous: it was planned.

And crucially, as far as our story goes, tax havens were part of the plan.

John's experience in Jersey gave him a front-row seat. Offshore finance was not just about tax avoidance. It was about power. By shifting capital offshore, corporations and wealthy individuals could play states off against each other. "Cut our taxes, or we leave," they said. "Deregulate or we move. We'll go to Luxembourg. Or the Cayman Islands. Or Jersey." Tax havens became the battering rams—John's phrase—used to smash the post-war settlement. I've often described them as aircraft carriers from which the assault on democracy was launched. Either way, they were central to the neoliberal project.

Alongside this came the Washington Consensus, driven by the IMF and World Bank, particularly in the global south but eventually everywhere. John highlighted four pillars that mattered most.

First, there was financial market liberalisation involving the removal of credit and capital controls, allowing banks to expand their operations unchecked.

Second, trade liberalisation, and most especially in services, enabled banks and financial institutions to become global behemoths.

Third, privatisation encouraged the transfer of public assets, which were often natural monopolies such as water, energy, and transport, into private hands to facilitate wealth extraction.

Fourth, there was tax reform that cut taxes on profits, capital, and the wealthy, while replacing them with regressive consumption taxes like VAT.

The promise was that this would boost investment. It didn't. Instead, it increased inequality, hollowed out public services, and locked economies into rent extraction rather than productive activity.

By the 1990s, even mainstream institutions were starting to worry. The EU's Code of Conduct on business taxation appeared. The OECD talked about "harmful tax competition". The United States began to realise that the very tax competition it had encouraged abroad was undermining its own tax base.

However, neoliberalism survived. Why? Because the money kept flowing. Because think tanks dominated the narrative. Because politics became captured. And because too many governments, that of New Labour included, convinced themselves there was no alternative.

I recalled a moment after the 2008 crisis when a senior civil servant told me neoliberalism had to be put back together because "there was nothing else". That was frightening, not because it was true, but because it showed how little intellectual preparation there was for that collapse.

John and I both rejected the idea that there were no alternatives at that time. We had done the proposals. We had the detailed blueprints for change. We advanced them through the Tax Justice Network. We pushed country-by-country reporting. We talked about tax gaps, secrecy, and financial reform, but as we stressed during the conversation, whilst ideas matter, they only do so if they are precise enough to act on.

That's where much of the left still falls short. It is good at slogans - the demand for a wealth tax being the obvious example - but is perpetually weak on detail. Unless you can explain what wealth is, how it is measured, where it sits, and how it is taxed, you are not offering a policy. You are offering a chant.

John's argument is, in any case, that the real task is deeper, and I strongly agree with him. We have to tackle the mechanisms of wealth extraction, such as monopoly power, financialisation, rent-seeking, and the capture of essential services. Tax is part of that, but it is not enough on its own.

So what comes next?

John outlined three urgent priorities:

* restoring democracy,
* restoring market quality, and
* restoring equality.

They are inseparable.

Restoring democracy means breaking the power of money over politics. Ending billionaire funding. Shutting down revolving doors. Forcing transparency on think tank funding. Reclaiming media from corporate control. Rebuilding local democracy so communities can act again.

Restoring market quality means confronting monopoly power, financial extraction, and degraded public goods. Markets are not self-correcting. They need structure, rules and purpose.

And restoring equality means tackling the systems that generate obscene concentrations of wealth, not just taxing the outcomes.

We ended where we should: with the finance curse. The way finance has invaded health, care, housing and infrastructure, turning social need into profit streams. That, ultimately, is neoliberalism’s legacy.

And until we are willing to confront that directly, neoliberalism—however discredited—will keep shambling on.

And as we agreed, this conversation will continue. We have to plan a way forward.