The Washington Consensus is alive and well - and now be...

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The Washington Consensus was the notorious neoliberal prescription delivered to many developing countries by both the International Monetary Fund (IMF) and the World Bank from the late 1980s onwards.

My glossary entry on this subject is well worth noting. It explains how these two Bretton Woods agencies were captured by neoliberal economics to spread its evil around the world, and what it meant.

It would be good to think that the Consensus is dead. It is not. The FT carries this headline this morning:

> **IMF warns Andy Burnham he cannot afford to boost public spending**
>
> Fund says UK government response to Iran war energy shock should remain 'targeted, temporary and budget-neutral'

The message is loud, and it is clear. It is that Burnham must follow the neoliberal rules, whatever the cost, in the way that the Consensus was always indifferent to the suffering it caused.

The trouble is, we will get fascism if Burnham does that. Neoliberalism is, and perhaps always was, the mechanism for delivering that. Hayek always claimed to have been traumatised by fascist rule, but he created the monster that might ensure its return.

Burnham has one chance in government. And he either breaks the neoliberal rules, or he fails. That is the choice he has to make.

He can be the instrument for perpetuating the politics that is increasingly alienating many people from what we call democracy, or he can help deliver something far better by tearing up the rule book the IMF demands he comply with.

I fear the worst.