

# IMF apologises for its treatment of Greece

This article by Ambrose Evans-Pritchard appeared in last week's Daily Telegraph. The IMF has admitted making a number of very serious mistakes. As described by Evans-Pritchard, it "misled [its] own board, made a series of calamitous misjudgments in Greece, became euphoric cheerleaders for the euro project, ignored warning signs of impending crisis, and collectively failed to grasp an elemental concept of currency theory."

"Before the launch of the euro, the IMF's public statements tended to emphasise the advantages of the common currency," said the report by the IMF's Independent Evaluation Office (IEO). IMF staff members who warned that the euro's design was inherently flawed were overruled. "After a heated internal debate, the view supportive of what was perceived to be Europe's political project ultimately prevailed," states the report.

Greece in particular has suffered enormously because of IMF misjudgments. For the last four years, the IMF's expectations of an improvement in the Greek economy have proved wildly optimistic.

While it is good to see the organisation admitting its mistakes, it is hardly surprising that we are rather cynical about its projections of a downturn in the UK economy following the Brexit vote.