

**PO230 States and Markets: An Introduction to International Political Economy**  
**Seminar Week 18. Capitalist Restructuring in Anglo-American heartlands and beyond**

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**What is the “Washington consensus” and is it a useful economic strategy?**

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TABLE 1 THE AUGMENTED WASHINGTON CONSENSUS	
Original Washington Consensus	“Augmented” Washington Consensus the previous 10 items, plus:
1. Fiscal discipline	11. Corporate governance
2. Reorientation of public expenditures	12. Anti-corruption
3. Tax reform	13. Flexible labor markets
4. Financial liberalization	14. WTO agreements
5. Unified and competitive exchange rates	15. Financial codes and standards
6. Trade liberalization	16. “Prudent” capital-account opening
7. Openness to DFI	17. Non-intermediate exchange rate regimes
8. Privatization	18. Independent central banks/inflation targeting
9. Deregulation	19. Social safety nets
10. Secure Property Rights	20. Targeted poverty reduction

(Rodrik, 2006)

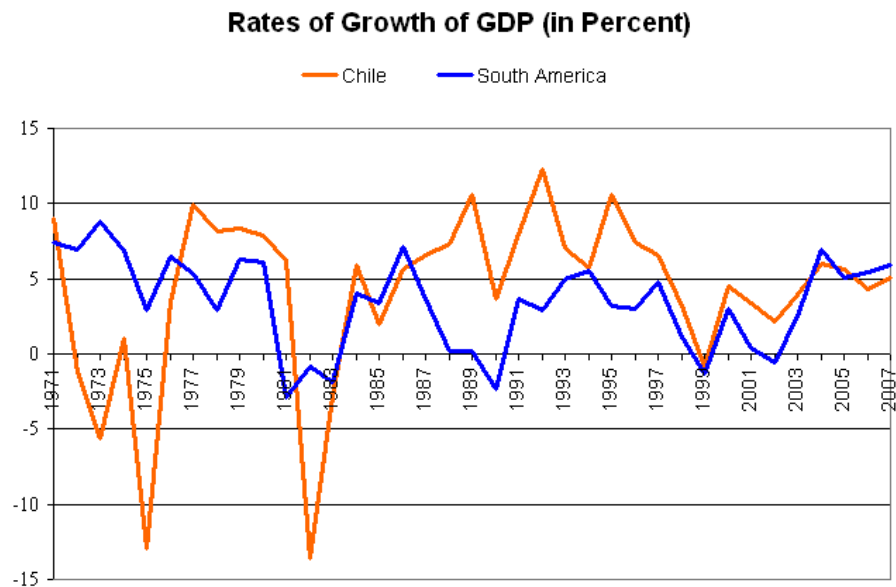
See: [https://drodrik.scholar.harvard.edu/files/dani-rodrik/files/goodbye\\_washington\\_consensus\\_.pdf](https://drodrik.scholar.harvard.edu/files/dani-rodrik/files/goodbye_washington_consensus_.pdf)

**IMF: Civilizing through transparency?**

“In Huntington's conservative and pessimistic vision, civilizations are particular and exclusive. The IMF, on the other hand, invokes a more liberal and optimistic conception of civilization that is both inclusive and universal.” (J Best 2006)

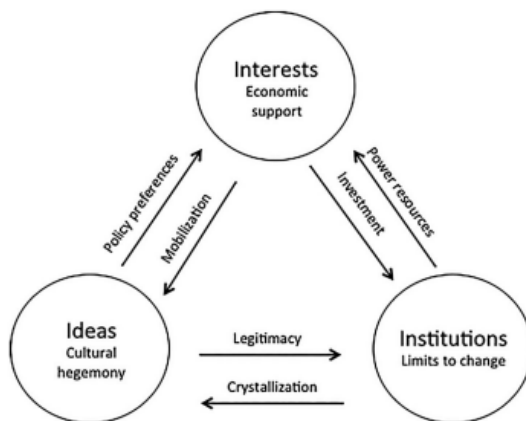
“Horst Köhler, the current Managing Director of the IMF, is the most expansive in his articulation of the moral vision of the Fund, which he has outlined in numerous speeches (Köhler 2002, 2003c, 2003b, 2003a). In describing the ethical principles that he believes should shape global financial governance, Köhler emphasizes two central concepts: solidarity and self-responsibility. The duty of solidarity, he suggests, obliges affluent states to help those less fortunate by increasing development assistance and reducing trade barriers. The duty of self-responsibility, on the other hand, obliges poor states to take ownership of their own recovery and reform. These are clearly very different moral duties from those of noblesse oblige and obedience invoked by nineteenth century moralists.” (Best, 2006, p8)

For the full chapter see: <http://aix1.uottawa.ca/~jbest/Best-Civilizing.pdf>



Neoliberal policies of the 1980s and 1990s—initiated by a repressive authoritarian government—transformed the Chilean economy from a protected market with high barriers to trade and hefty government intervention into one of the world's most open free-market economies. What can you conclude from the graph?

One way to structure your essays-



**Figure 1.** The three pillars of neoliberalism. Source: Author's elaboration.

In Madariga (2020), see <https://0-www-tandfonline-com.pugwash.lib.warwick.ac.uk/doi/full/10.1080/13569775.2020.1735021>

**Activity:**



or

<https://warwick.padlet.org/saadiagardezi1/f71n4pt2c10diy3c>