

# Neither the Washington Nor the Post-Washington Consensus: An Introduction\*

Ben Fine

## Introduction

In 1994 the World Bank and the IMF marked the fiftieth anniversary of their founding meeting at Bretton Woods. The occasion was hardly one of celebration for the two Washington institutions with which official post-war international financial arrangements are most closely identified. For, paradoxically, in the lengthy wake of the Uruguay Round of the GATT, the World Trade Organisation was looming on the horizon, signifying the long delayed but culminating success in creating the trade counterpart to the financial institutions. In contrast, the prospects and standing of the IMF and the World Bank were at their lowest ever ebb. The institutions' own activity around their anniversary was muted, introspective and defensive.<sup>1</sup> To some extent, this was a consequence of what has been termed an "identity crisis".<sup>2</sup> It was made up of a number of elements. The neo-liberal Washington consensus, in favour of the market and antagonistic to the state, was at its height. Yet, the institutions were clearly failing to deliver in terms of economic development and stabilisation. As de Vries (1996, p. 65) reported:

After more than 50 years of operations, the Bank still faces a world where over 1 billion people live in deep poverty, with per capita income of less than a dollar per day. Many countries suffer poverty rates between 25 and 50 per cent of their population. These conditions persist despite important improvements in critical social indicators such as life expectancy, infant mortality, access to safe water, primary school enrollment and immunization.

Criticisms were mounting around the environment and women, quite apart from poverty, and the more general efficacy and impact of the adjustment policies being advocated, even imposed by, the Bank and the Fund.

From the right, the ideology of laissez-faire was inevitably being pushed to its logical conclusion – the negative impact and futility of the interventions of the Washington institutions themselves. Far more telling, however, was the growing weight of criticism emanating from development academics and practitioners, evidenced by the titles of their work – such as Beyond Bretton Woods: Alternatives to the Global Economic Order, Fifty Years is Enough: The Case against the World Bank and the International Monetary Fund, A Case for Reform: Fifty Years of the IMF and World Bank, and The Globalisation of Poverty: Impacts of IMF and World Bank Reforms.<sup>3</sup>

The fiftieth anniversary coincided with the convergence of an increasingly dogmatic neo-liberal posture, the stubborn failure of adjustment policies, and mounting criticism to which response was at best limited in scope once departing laissez-faire dogma. The situation was in one sense suitably symbolised by the report The East Asian Miracle, World Bank (1993), in which the success of the Asian tigers was reduced to their extensive interventions being equivalent, where successful, to what the market would have done if working properly and the conclusion drawn of non-replicability in

other countries. The "developmental state", associated so closely with East Asian success outside the World Bank and IMF, was not so much dead as undead, only ever having been alive as a parasite on the market from the neo-liberal perspective. Long live the market.

But the unadulterated market had passed its sell-by date. Even looking back today after the passage of only a few years, both the status and the stance of the Washington institutions looks completely different, albeit with the World Bank leaping ahead of the IMF which continues to drag its feet. The World Bank's renewed commitment to poverty alleviation, its more favourable attitude towards the state, and its less dogmatic rhetoric have endeared it to the donor community. The report on the East Asian miracle can now be read in retrospect not so much as simply reaffirming the market but more as a renewal of a belief in the role of the state. In this light, if a single event can be pinpointed as having prompted the motivation for this sea change, it is provided by the remarkable speech made by Joe Stiglitz (1998a) in early 1998. Here, even more than is suggested by the title of his talk, "More Instruments and Broader Goals: Moving Towards the Post-Washington Consensus", Stiglitz was seeking to establish a new agenda for economic development. He deliberately perceived himself not only as broadening the scope of policymaking in terms of goals and instruments but also as placing such policymaking on a sounder understanding of how the economy, and especially markets, work or, equally important, do not work. Broadly, then, Stiglitz explicitly offered a rejection of the Washington consensus and offered a Post-Washington consensus in its place. This proposed intellectual and policy watershed did not emanate from some disillusioned academic or NGO activist. Stiglitz was serving as Senior Vice President and Chief Economist to the World Bank as well as having previously chaired the US Council of Economic Advisors. In short, the Washington consensus was under assault from within. For Stiglitz (1998a, p. 1):<sup>4</sup>

[The Washington consensus] held that good economic performance required liberalized trade, macroeconomic stability, and getting prices right. Once the government handled these issues - essentially once the government "got out of the way" - private markets would produce efficient allocations and growth ... But the policies advanced by the Washington consensus are hardly complete and sometimes misguided. Making markets work requires more than just low inflation, it requires sound financial regulation, competition policy, and policies to facilitate the transfer of technology, to name some fundamental issues neglected by the Washington consensus.

The Washington consensus had emerged in the early 1980s as the neo-liberal counterpart for developing economies to the Reaganism and Thatcherism that had been prescribed for developed economies - an ideology of reliance upon market forces and the reduction of state intervention and expenditure to a minimum. It has had the effect of posing economic issues in terms of the state versus the market, leaning heavily, or falling over, in favour of the market. Opposition to the consensus, and it has been extensive, has, however, often been induced to accept the terms of debate dictated by the consensus - to counterpose the state and the market and to favour state intervention whether in getting prices wrong, picking winners, or guiding the private sector through public expenditure. For Stiglitz (1998a, p. 25), in contrast:<sup>5</sup>

Trying to get government better focused on the fundamentals - economic policies, basic education, health, roads, law and order, environmental protection - is a vital step. But focusing on the fundamentals is not a recipe for a minimalist government. The state has an important role to play in appropriate regulation, industrial policy, social protection and welfare. But the choice is not whether the state should or should not be involved. Instead, it is often a matter of how it gets involved. More importantly, we should not see the state and markets as substitutes ... the government should see itself as a complement to markets, undertaking those actions that make markets fulfil their functions better.

In this light, Stiglitz's proposal for a Post-Washington consensus builds upon, accelerates and leaps ahead of the earlier, painfully slow, intellectual and ideological shifts that could already be detected as present within the World Bank over the last few years. The changing approach was barely discernible in the process leading to the production of the East Asian Miracle,<sup>6</sup> World Bank (1993), and has gathered pace subsequently through successive editions of the World Bank's annual posture as presented in its World Development Report.<sup>7</sup> From anti-market, through market-conforming, to market-friendly, the state has been seen more positively if cautiously so. Stiglitz has emerged as the economist at the forefront of the charge, putatively sweeping aside the old consensus and underpinning the new with sound intellectual, policy and ideological credentials.

In short, even before the old consensus has been decently assessed and buried, the pretender to its throne is already grabbing at the crown in a palace revolution. However welcome the demise of the old consensus might be to those who have opposed it for almost two decades, the question of succession needs to be contested. It is not simply a matter of posing alternatives to the new consensus but whether the latter should be allowed to dominate the development agenda - as did its predecessor by posing state versus market. One of the key features of the old consensus has been its almost total neglect both of alternative approaches to the economy and to criticism of its theoretical, empirical and policy stances.<sup>8</sup> As will be seen, the proposed post-Washington consensus is based upon the need to acknowledge and address market imperfections. As such, it broadens the analytical and policy scope that it encompasses relative to the earlier consensus. But, by the same token, it does so by completely by-passing all criticism of its predecessor that is not based on an approach tied to its own understanding of market imperfections, and it precludes such approaches as alternatives for prospective perspectives. As will be seen, the new consensus deploys more variables on a wider scope and less dogmatically than the old. But its intellectual narrowness and reductionism remain striking for it replaces an understanding of the economy as relying harmoniously on the market by an understanding of society as a whole based on (informational) market imperfections.

### **Intellectual Foundations**

The intellectual basis for the new consensus is readily identified, not least through the work of Stiglitz himself over the past two decades. Essentially, the motivating idea is very old - that market imperfections can justify state intervention to rectify them although, in the wake of the Washington consensus, the state is no longer seen as the source of an all powerful and benevolent corrective. State failure must be no

worse than the market failure it is designed to remedy. Traditionally, market imperfections have been seen in terms of the conditions under which a perfectly functioning market fails to prevail - as for the presence of externalities, increasing returns to scale or monopoly pricing. The new twist, however, is to broaden the scope of what goes into the making of market imperfections. These now include informational imperfections and asymmetries of various sorts, including the presence of transactions costs, so that market outcomes depend upon who has what information before, during and after the economy's passages in and out of exchange.

Stiglitz (1994) provides a typical example, drawn from the labour market. Employers might know the average productivity of all workers but not that of individual workers. If a less productive worker decides to join the labour market or to work for longer hours for whatever reason, the average productivity of all workers is reduced, thereby lowering the incentive of employers as a whole to take on workers. It is as if there is an externality, for employers behave as if the quality of all workers has been lowered even if this is not the case, p. 58:

The unproductive worker, in deciding to work more hours, lowered the mean quality of those offering themselves in the labour market and thus exerted a negative externality on others.

Such an insight is far from novel, not least in the context of an industry, for example, that seeks self or government regulation to sustain a reputation of quality for itself, thereby excluding "cowboys" in the building trade or "lemons" in the second-hand market for cars. The new microeconomics of information is remarkable for seizing upon such ideas, finding as many examples as possible, and potentially generalising them across all markets. Market imperfections are pervasive and, when information is imperfect, markets may not operate at efficient levels, they may not clear, and they may even fail to exist altogether. Indeed, Stiglitz and various collaborators draw upon formally proven theorems of the type which show that there should always be a mix between the private and public sector, and that the market always works imperfectly in the presence of market imperfections.

In this vein, Stiglitz (1994, p. 5) feels able to make two significant claims. First, he perceives that a new approach to economics has been established which enhances the understanding of how markets work, and which is applicable across a wide range of subject matter:

During the past fifteen years, a new paradigm, sometimes referred to as the information-theoretic approach to economics ... has developed ... This paradigm has already provided us with insights into development economics and macroeconomics. It has provided us with a new welfare economics, a new theory of the firm, and a new understanding of the role and functioning of financial markets.

Second, Stiglitz counterposes the new paradigm to the old, or that mainstream neoclassical economics which is organised around perfectly working markets. This creates the impression of rejecting the old and breaking radically new ground.<sup>9</sup>

Further, the theory suggests imperfect markets in three different ways. As in this case, the market may clear (supply equal demand) but in an inefficient way - with higher productivity workers not prepared to work at the lowered average wage of all workers. In addition, the market might not clear (if, for example, employers offer higher wages to attract higher productivity workers but do not employ all prepared to work at that or even lower wage). Finally, a market may not be formed at all (if employers do not consider there is a wage at which average quality of young workers, say, coming forward is high enough).

Whilst the example given is from the labour market, the new approach is general and can apply to any market, each of which is liable to have its own type of informational and other market imperfections. These are also presumed to be pervasive in developing countries, giving rise to inefficient, non-clearing or absent markets. Whilst a whole range of new economic applications has been built up on these informational, and other, principles, it is the narrowness of their analytical scope that is breathtakingly presumptuous from the perspective both of other approaches within economics as well as other social sciences. For example, many of the references above are drawn from Stiglitz's (1994) consideration of the viability of socialism. Whilst modestly accepting that he is unable to claim to be an expert on the basis of a few visits to socialist economies, the question is reduced to how informational imperfections are handled. The only other work considered on the topic is that which, appropriately or not, can be forced into this analytical framework.<sup>10</sup>

By the same token, the break with mainstream neoclassical economics can only be exaggerated. In any case, the notion of a perfectly working market economy has long been seen by the orthodoxy as the standard against which the real world should be judged rather than as the real world itself - even if the Washington consensus has, in principle, with the triumph of neo-liberalism, sought to distort reality to fit its model.<sup>11</sup> As a matter of policy, make the real world conform as far as possible to the fiction of a perfectly functioning market economy. Whilst the introduction of informational imperfections is an innovation, even by Stiglitz's own account, they are equivalent in various ways to standard market imperfections. What is much more important to emphasise is the extent to which the foundations for the new consensus continue to conform with the methodology of the old and even reinforce the rejection of alternatives. The latter are seen as unnecessary or obfuscating relative to the analytical power provided by the new information-theoretic economics.

Central in this respect is the reliance upon the methodological individualism of the type that is familiar to all students of economics. The economy is made up of an aggregation of individual agents all of whom maximise utility, even if some do so indirectly through profit maximisation. The only departure from the mainstream is in allowing for imperfect information and, consequently, the result is a generalisation rather than a break with the orthodoxy's perfectly competitive economy. In effect, the latter can be seen as a special case in which information is perfectly known. Deviation from it can only be partially closed by state intervention given the influences on the functioning of the state itself and the extent of imperfect information in practice.

### **The Broader Analytical Context**

In short, especially in formal modelling, the analytical basis for the post-Washington consensus is extremely narrow and weak, especially from the perspective of anyone not wedded to mainstream economics. Indeed, it is best seen as resting upon two fundamental characteristics which can both be understood as reductionist or the interpretation of economic and other social relations through the narrowest of explanatory prisms. On the one hand, there is the reductionism to individual behaviour. On the other hand, there is the reductionism to market imperfections based on informational imperfections. Essentially, the capitalist economy is seen as a construct of imperfectly informed individuals, imperfectly coordinated through the market place. It is far from parody to claim that because more or less any outcome can be explained in principle on this basis - the real world is after all an information-theoretic market imperfection - it is not necessary to incorporate any other analytical principles. Indeed, it is simply a matter of identifying in practice the wide variety of informational imperfections and how they are handled in particular contexts. Policy is concerned with handling them better than leaving them to the market.

Such an approach cuts a destructive swathe through the vast majority of social science, including radical political economy. Concepts such as class and power simply cease to have any purchase.<sup>12</sup> The significance of, and shifts in, economic and social structure can only be understood on the basis of microeconomic foundations. The idea of development itself, or the transition from one stage of development to another, are simply reduced - levels of per capita income or productive resources aside - to the alternative arrangements for dealing with informationally-based market imperfections.

Now, for many, the remarks in the previous paragraph are surely little more than caricature. The writings of Stiglitz himself, and others in the same vein, are surely more sophisticated and less obsessively reductionist. This is undoubtedly true once moving outside the pure realms of abstract economic theory but this tends to reflect divergence from the theory itself. For, by its very construction, the theory allows for considerable discretion in its application, even in ways which do not necessarily reflect its origins. More concrete or case-specific economic and social phenomena are interpreted informally in terms of better or worse use of information but are also open to interpretation by incorporating a much wider range of factors. Here, the abstruse mathematical models of neoclassical economics and informational imperfections are unwittingly cunning. For, by their very nature, they are entirely ahistorical and asocial, without time or place. All of this has been precluded by the universal concepts used, like utility, production, inputs, outputs, etc. This, then, leaves an empty canvas of market imperfections upon which can be painted more informal and more concrete detail - bringing back in the social, historical, institutional, etc, for which notions like multiple equilibria and path dependence are highly useful

To pick just one example that neatly mixes the formal and informal, leaps from informational problems to reductionist interpretation and policymaking, and is full of criticism of the old consensus, for Stiglitz (1998a, p. 14/5):<sup>13</sup>

Incomplete information, incomplete markets, incomplete contracts are all inevitable features of the economy in general and the financial system in particular. In this circumstance the market outcome is not even constrained Pareto efficient; even a government faced with the same informational constraints

as the market would be able to make Pareto improvements - a theorem Bruce Greenwald and I proved a decade ago. The finance system is focused on information problems. That is why it is so important that the government must play an essential role in the regulation of the financial system. For most countries, doing this correctly will entail a sustained regulatory reform over a number of years. In no country does overnight deregulation make sense. In the banking system, effective intermediation requires banking regulations to create incentives for bank owners, markets, and supervisors to all use their information efficiently. In securities markets, laws are required to protect the interests of shareholders, especially of minority shareholders.

Paradoxically, then, the post-Washington consensus is able to be unlimited in its grasp over subject matter precisely because of the narrow limits within which it is economic reductionist. It can deal with the regulation of the financial system, for example, its efficiency, and the protection of shareholders without once mentioning the economic and political power and structures embodied in a financial system. In this respect, it is worth setting such new developments within economics in the broader context of the role of the discipline as a whole. For, as argued elsewhere,<sup>14</sup> the relationship between economics and other social sciences is currently undergoing a change. Economics is aggressively seeking to colonise the other social sciences by extending its methods to them, treating non-economic or non-market relations as if they were economic.

This is most apparent in the work of Gary Becker and his followers who proceed by simply universalising the so-called economic approach based on utility maximisation to all areas of life, including those that are traditionally perceived as lying outside the domain of economics.<sup>15</sup> This has allowed for some considerable advance into some of the areas concerned, most notably in the general, and now uncritical, acceptance of the notion of human capital. It is also apparent in the new household economics and the new political economy or any analysis incorporating simplistic notions of rent-seeking.

A moment's reflection suggests how successful such colonising efforts have been, not least within development economics. As discussed earlier, the informal appropriation of formal results conceals their reductionist content and origins so that concepts such as human capital and rent-seeking have become uncritically received as part of the lexicon of development discourse. It is surely no accident that Stiglitz's counterpart at the World Bank in the 1980s should have been Anne Krueger, who can herself be seen as the counterpart within the field of development economics to Becker. In Krueger's hands, Becker's methods were applied to the problems of development as a rent-seeking world, and policy readily followed as in the ideology of getting the prices right, the levying of user charges, and privatisation. The world was to be interpreted as a benevolent market and reduced to it as far as possible, with the reverse for the malevolent non-market.

The colonising designs of economics through the Becker/Krueger universalising of its methodological individualism has, however, been constrained, at least in analytical principle, by two shortcomings. First, whilst the economic and non-economic are analysed on the basis of identical principles, this leaves unexplained the division between the economic and the non-economic. These divisions might be taken as given or an explanation can be proffered, for example, on the basis of transaction costs - with doing

the business being more efficient through informal means rather than the market. Nonetheless, the division between the economic and the non-economic, and the allocation of activity within and between them, is only poorly addressed, especially in the context of development and change in socioeconomic structures. Where does the market come from historically. Why does it march forward in some cases and not in others with mixed results - as in informal credit markets which can rely effectively on trust or be a source of corruption? Second, as a generalisation of the first point of the inability to explain the distinction between the economic and the non-economic, the social content of the theory based on the methodological individualism of neoclassical economics seems incapable of explaining the presence of social structures and institutions, let alone classes and the state, whose existence is glaringly obvious. Why and how do institutions and social structures arise and change. Why, for example, to use the vernacular, could the state be "market-conforming" in some cases but not in others when all are supposed to be riddled with rent-seeking? How, indeed, could they arise on the basis of the atomised behaviour of individuals?

This is where the new microeconomics with which Stiglitz is associated has given rise to a most significant result as far as shifting the boundaries of the scope of economic analysis is concerned, and its capacity to address the social. In what appears to be a squaring of the circle, the new microeconomics allows for the explanation of social structures and institutions even on the basis of individual optimisation. Faced with imperfect information, individuals can decide to create or engage in socially structured activity both within and between market and non-market forms of organisation. These forms become endogenous on a microeconomic basis, where previously they were taken as exogenous.

In particular, especially for Stiglitz, it becomes imperative to study how informational imperfections that arise within, and are transmitted through, the market might be corrected by non-market institutions. As seen above for the regulation of financial systems, this entails a role for the regulatory state where other non-market mechanisms (such as culture, custom, or business organisations including trade unions) do not emerge spontaneously.

### **The Broader Policy Context**

In this light, then, there is a neat correspondence between the shift from Krueger to Stiglitz within the World Bank and the advance of a colonising economics from reliance upon Becker-type extrapolations to those attached to the new information-theoretic economics. The seemingly simple and limited device of incorporating informational imperfections has dramatic effects: the virtues of the market and its opposition to the state are replaced by a balance between the two; the perfection of the market gives way to emphasis on informationally-led market imperfections that can be corrected; and the treatment of the non-economic as if economic gives way to a more rounded understanding of the formation of and interaction between market and non-market institutions. In case of privatization, for example, it is accepted that creating private ownership is not enough, and even damaging, if not within the appropriate socio-political, legal and economic environment.

There is, then, a natural progression from the Washington to the Post-Washington

consensus from an analytical point of view. Whilst their differences within neoclassical economics can be exaggerated and they have both gained influence through the informal application of their approaches, the new consensus generalises the old (a special case in which information is perfectly handled through the market), addresses issues that are proscribed by the old, and opens the way for a wider portfolio of policy options. It would, however, be a mistake to explain the emergence of the Post-Washington consensus in terms of its analytical superiority over the old consensus. A more fruitful way of comprehending the move towards the new consensus is in terms of the shifting policy stances being adopted by the World Bank and the IMF, and how they can be justified. For, whilst the neo-liberal Washington consensus might appear to be an inflexible monolith, it has been accompanied by considerable change in the role of the Washington institutions over the 1980s.<sup>16</sup>

First, the depth and breadth of economic interventions, never minimal despite neo-liberal ideology, have been extended both in the succession of repeated adjustment programmes to which individual countries have been subjected<sup>17</sup> and in the greater detail of policy advice that is proffered and imposed as conditionalities for the granting or renewal of loans. Effectively, the presence of the WB/IMF is pervasive if not always decisive. Toye (1994, p. 29/30) lists the following ten chief elements of structural adjustment loans (with percentage of times imposed in brackets); removing import quotas (57%), improve export incentives (76%), reform the fiscal system (70%), improve financial performance of public enterprises (73%), revise agricultural pricing (73%), shift public investment (59%), revise industrial incentives (68%), increase public enterprise efficiency (57%), and improve marketing and other support for agriculture (57%).<sup>18</sup>

Second, the interventions of the WB/IMF have been extended beyond economic policy, thereby straining the limits of the statutes precluding intervention in the political process. For, rationalised no doubt by the need to guarantee implementation, conditionality has increasingly been tied to issues of governance and democratisation and support for those organs of "civil society" that are most amenable to market-friendly policies - a far cry from the earlier presumption that authoritarian regimes are more suitable because of their greater powers of resistance to populist agitation against the impact of adjustment.<sup>19</sup> Not surprisingly, this has provoked an interest in crude calculations of the political economy of policy - what are the circumstances under which different conditionalities are negotiated and met, with the acknowledgement that outcomes are highly variable both between and within adjustment programmes.<sup>20</sup>

Third, there was supposed to have been a traditional division of responsibility between the Washington institutions, with the WB providing project funding as a contribution to long run growth, and the IMF focusing upon bridging loans to cover short-run balance of payments deficits and restore macroeconomic balance. Thus, the WB has been attached to the long-run, microeconomic, supply-side factors underlying structural adjustment towards higher growth rates; the IMF has targeted short-run macroeconomic, demand-side factors underlying stabilisation of inflation, budget deficits and the balance of payments. There has also been an ideological divide between the WB as interventionist and a source of expansionary soft loans, and the IMF as monetarist and contractionary. Thus, Bird's (1995) assessment of the IMF is highly revealing. It has had unused lending capacity, net lending to developing countries had become negative in the second half of the 1980s, and it had even discouraged other forms of foreign aid and

investment flows as a result of the stigma attached to the reduced credibility of countries adjudged to have adjusted inadequately.<sup>21</sup>

Over the 1980s, whatever their validity previously, these differences have been substantially eroded - both in policy stance and implementation, especially with structural adjustment loans being offered by the WB from the early 1980s to finance balance of payments deficits. But, equally significant, both organisations offer policy advice and analysis that was previously the preserve of the other, and the substance of what is offered is indistinguishable between them and uniformly conservative in terms of reducing the role of the state, getting the prices right, promoting export orientation, higher interest rates, etc.<sup>22</sup> Partly to pacify its critics but, more fundamentally, to enhance its effectiveness, the IMF has presented itself as broadening its goals and as converging on the WB. In practice, this has entailed more extensive interventions to achieve primarily unchanged goals.<sup>23</sup>

Fourth, the WB/IMF have gone beyond extending the scope and depth of their interventions and have sought to incorporate governments into the formulation of adjustment policy in order to be able to present it as indigenously owned, although this has always been preferred. Whilst ideologically presented as a means of democratising and enhancing policy formulation by local participation, it is a moot point whether this is more accurately perceived as a form of repressive tolerance and a more sophisticated means of ensuring implementation. Helleiner (1994a, p. 10/11) puts this most delicately:

The World Bank now says that it is encouraging local programme ownership, 'insisting that the materials we use as the basis for ... lending decisions be the product of Africans', hiring local African consultants rather than foreigners wherever possible, and attempting ... to develop professional and analytical skills in public policy in Africa. These efforts are overdue, and they are probably biased in their orientations (toward orthodox Bank perspectives), but they have been welcomed in Africa.

A more blunt and honest assessment is given by Harberger (1992, p. 93). Having pointed to the trivial weight of the World Bank's loans, he observes:<sup>24</sup>

The Bank must recognize that ultimately its role is that of a teaching institution. It teaches developing countries lessons they have to learn about economic policy. In part it does so by training young people from developing countries ... In part it does so through what people from developing countries learn when they occupy staff jobs. In part it does so through Bank missions going to developing countries and working with the ministers and their staffs.

Education, good governance, policy ownership, and democracy are all about doing what the WB/IMF would do but also appearing to do it by yourself and willingly.<sup>25</sup>

Finally, as Wade (1996) has shown in detail and is now common knowledge, the most recent shifts in the position of the World Bank have had very little to do with consideration, let alone acceptance, of the overwhelming weight of research that has long been turned critically upon the old consensus. Nor is it a response to the emergence of the new microfoundations. For Stiglitz and others have been active in this area for two

decades. Rather, as Wade argues, in part against a background of intellectual sclerosis within the Bank, the increasing significance of Japan as donor, foreign investor and self-reflective case study has rendered the old consensus increasingly unacceptable. Japan can hardly be expected to fund a set of policies, and an underlying ideology, which denies its own experience of having been heavily interventionist, and its own interests in promoting industrialisation and growth in the countries where it is directing foreign investment.

Indeed, the recently edited book by Ohno and Ohno (eds) (1998) reveals the extent to which there is a convergence between Japanese developmental thinking and the new consensus. Ohno (1998, p. 4) highlights the following differences with the old consensus. First, the need to attach priority to the real economy:

Most Japanese aid officials find such obsessions with finance and the macroeconomy narrow and unbalanced. True, inflation must be dealt with but not at all costs to the society, especially when the country is distressed by collapsing output, joblessness, political instability, ethnic conflicts, lawlessness, and public discontent. Under such adverse circumstances, the highest priority for Japan would be the real economy and not the financial side: how to arrest the fall in output, how to secure jobs, how to initiate revival and industrial restructuring, etc. These real concerns take precedence over money, budget, and inflation.

Second, the orientation of long-term plans needs to be attached to annual targets; third, the positive impact of government needs to be emphasised in promoting the market and marketization, especially "important in the early stages of development and in economic crisis", p. 7; fourth, the process of development is slow and not subject to quick fixes; and, finally, there is a need for specificity in dealing with particular countries, issues and sectors. Mainstream neoclassical economics is considered entirely unsuitable in contrast to the welcome insights offered by Stiglitz, a view supported by Hara (1998) who praises the new information-theoretic economics for its capacity to design institutions to be compatible with incentives. Only a mild note of caution emerges in the "Afterword" of Ohno and Ohno (1998, p. 310) who advise study of the different approaches to development economics prior to the emergence of the neoclassical orthodoxy.<sup>26</sup>

The increasing trickle-down of Japanese influence on the Bank's thinking has also to be set against longer term changes in the functioning of the Bank and the IMF and the relationship between them. Traditionally, as observed, prior to the 1980s and the emergence of structural adjustment programmes, there was a sharp division of labour, and corresponding analytical subject matter, between the two institutions - along the lines of macro and micro, with the IMF correcting balance of payments and the World Bank targeting infrastructural and other capital projects. Subsequently, given the severity and persistence of stabilisation and adjustment problems, both institutions experienced a creeping incorporation of more and more economic factors, not least with the IMF embracing microeconomic aspects (macro policy cannot succeed in the absence of appropriate supply-side policies), and the World Bank addressing macroeconomic policy (projects cannot succeed if there is, for example, low growth and no demand for output).<sup>27</sup>

This merging and overlapping of responsibilities has had the effect of

consolidating the Washington consensus as long as the twin institutions both remained primarily committed to a neo-liberal ideology and could, otherwise, smooth over policy differences in practice.<sup>28</sup> But, paradoxically, the increasing scope of the analysis offered by both institutions, which proved a source of strength to the old consensus, leaves it totally vulnerable once questioned in any aspect. As the World Bank departs from the ideology of perfectly working markets, so its breach with the IMF is potentially devastating. As Stiglitz must be and has been made aware, the Post-Washington consensus is nothing of the sort. It potentially signifies a fundamental breach between the two institutions, undermining much of the rationale for the IMF's stabilisation policies at the macro as well as at the micro level. Such divisions have been intensified by competing stances on explanations and policies for East Asia in the wake of its crisis.

It is precisely such a potential which renders the prospect of the Post-Washington consensus so attractive to those who have previously rejected the old consensus. However, there are not only weaknesses in the new consensus, there are also considerable dangers, even for many of those adopting a critical perspective towards the old consensus. First of all, whilst the new consensus takes the new microeconomics and the old consensus as the basis for its critical points of departure, it does so through an almost total neglect of the heavy weight of critical literature that has built up against the old consensus. It is little exaggeration to suggest that reference is made to this critical literature simply as a means to support the new consensus, both pillaging and reducing it to the new consensus through its own single-minded information-theoretic framework.

In addition, given the broader scope of the new consensus, it has even greater claims and attraction than the old in setting the analytical agenda for development. The state versus the market gives way to state and market to overcome market imperfections. Indeed, the broad, alternative analytical thrust adopted here is that the relationship between market and state, or between market and non-market, should not be taken as an analytical starting point. Rather, the relationship between state and market, as well as their respective roles and interactions, is the consequence of underlying economic and political relations which condition and are, in turn, conditioned by socioeconomic structures. These need to be identified both theoretically and in specific country or other contexts and are not reducible to the optimising behaviour attached to market, state and informational imperfections.

Apart from the narrow analytical basis of the new consensus and its neglect of, and lack of engagement, with alternatives, it shares and builds upon a further feature of the old consensus. As indicated previously, paradoxically, the old consensus was consolidated by an increasingly interventionist stance, as micro and macro were integrated both analytically and through conditionality. Lending by the Washington institutions has been marked by a creeping, even a galloping, extent of intervention within the economic arena to impose laissez-faire policies. In a sense, the old consensus was caught in the trap of arguing for minimal state intervention and, hence, precluding itself from addressing what the state should do. In contrast, the new consensus can be understood as strengthening and extending the scope of permissible intervention in recipient countries. For not only is economic intervention justified on the basis of market imperfections but also the success of such interventions is attached to non-economic factors. In other words, the new consensus rationalises intervention by the donor agencies across as wide a remit as possible. Whilst the old consensus claimed that there was

nothing wrong with their policies other than that they were not implemented, the new consensus is able to push for command over what the state does and how it should do it.

This is all the more disturbing since the ideology of the old consensus, of non-intervention and of a minimal role for the state, has proven a convenient veil for extending the scope for discretionary intervention. This is whether in deference to the need to negotiate policy outcomes or to a more realistic assessment of what is economically and politically feasible and preferred.<sup>29</sup> What the new consensus does analytically is to strengthen and widen the scope for discretionary intervention under the guise of good governance and the imperative to moderate both market and non-market imperfections, and wrap it up in terms of local ownership.

It is important, however, not to exaggerate the interventionism that is underwritten by the new consensus. It is not providing a carte blanche for the state nor is it even an ethos of being pro-state other than as a complement to the market. Apart from providing a general rationale for interventionism, the justification for it only arises out of a micro-level demonstration of the harmful effects of informational market imperfections for which state intervention is more beneficial than otherwise. To place this in perspective, it can be contrasted with the earlier Keynesian/welfarism of the post-war boom which has its counterpart for development in the notion of promoting modernisation. None of these concepts should be accepted uncritically but each is based upon the idea that the state needs to intervene to guarantee economic and social progress in the light of macro-wide developments whether in employment, growth and structural change or in the provision of health, education and welfare. The new consensus is much less audacious and does not even restore the policy commitment attached to modernisation that characterised official development policy prior to the emergence of the old neo-liberal consensus in the 1980s. Both analytically and in policy, the post-Washington consensus represents a regression relative to the McNamara era at the World Banks, despite its supposed rigour in specifying market imperfections and its claims to represent and reproduce its traditions.

### **Whither the Post-Washington Consensus?**

Even in the short times since it was launched, the post-Washington consensus has already begun to run its own course. Stiglitz himself has released a volley of papers addressing everything from the East Asian crisis to the failed transition in eastern Europe. These papers have done nothing to advance the analytics underlying the new consensus as they are simply applications of its principles and framework. They do, however, share crucial features.

First, they are increasingly informal in content, departing from the formal techniques and mathematical modelling with which Stiglitz established his reputation. Second, they are increasingly accommodating to the old consensus even if market imperfections continue to be set against neo-liberalism. Third, they increasingly involve what can only be described as lofty assessments with limited regard for detailed research and acknowledgement of the full range of existing literature. Fourth, the conclusions frequently border on the vacuous, since they reduce to specific application of the notion that account has to be taken of market imperfections - as in the conclusion, for example, that preconditions for market governance better be in place before proceeding with

privatisation.

This is not the place to bemoan the passage of a mainstream economist into the role of figurehead for the World Bank, and others can play the role of providing research and modelling that marked Stiglitz's earlier career. But it does raise the more general issue of what impact the post-Washington consensus, and the Washington consensus previously, has on practice. Is it merely rhetorical gloss on unchanging or otherwise determined policies? Or does it heavily influence outcomes. The truth is mixed and somewhere in between these two stylised extremes,<sup>30</sup> although it is worthy of remark that the post-Washington consensus might just as well not exist as far as adjustment in Africa and eastern Europe is concerned. Stiglitz has, however, allowed both for the World Bank to present itself as more user-friendly, and as more interventionist, and to all for genuine differences within the establishment over how to deal with the east Asian and Latin American crises of the late 1990s, and in whose interests.

Whilst such issues can only be highlighted here, there is also the matter of the continuing evolution of development studies itself, the role of economics within it, and what sort of economics. Whatever role the post-Washington consensus serves for the World Bank, it has a more general intellectual role in commanding a large slice of attention from those engaged in development. Previously, on considerably narrower analytical grounds and even less palatable policy perspectives, the Washington consensus was able to dominate the development agenda by posing it as market versus state. The post-Washington consensus on its own, marginally less narrow, principles is seeking not only to set the agenda but also to incorporate dissidence in its own reductionist form. In order to retain notions of class, power, conflict and development as a contradictory process involving major social and economic transformation, the information-theoretic approach must not be allowed to succeed in its colonising mission.

## Footnotes

\* This article was completed whilst in receipt of a Research Fellowship from the UK Economic and Social Research Council (ESRC) under award number R000271046 to study The New Revolution in Economics and Its Impact upon Social Sciences. It draws in part on Fine and Stoneman (1996) and Fine (1999c). Thanks to many for comments, especially Chris Cramer, John Weeks and Alex Wilks.

1. See Boughton and Lateef (eds) (1995). The more general lack of imagination demonstrated by the mainstream in assessing the fiftieth anniversary is heavily reflected in the Bretton Woods Commission (1994). For an exception, see the highly informative volumes of Kapur et al (1997a) and Kapur et al (eds) (1997).

2. See Pereira (1995), for example.

3. See Cavanagh et al (eds) (1994), Danaher and Yunus (eds) (1994), Oxfam (1995), and Chossudovsky (1997), respectively. See also special sections in the Bulletin of Concerned Asian Scholars, vol 26, no 4, and the Canadian Journal of African Studies, vol 29, no 2.

4. Standing (1999) gives a succinct account of the various elements of the Washington consensus and an important sense of its having evolved to embrace further components:

As the new thinking and policy action crystallised in the 1980s, the “Washington consensus” evolved to offer a model consisting of eleven main elements, with more being added as its ‘success’ spread. Briefly, they are trade liberalisation, financial liberalisation, privatisation, “deregulation”, foreign capital liberalisation (elimination of barriers to FDI), secure property rights, unified and competitive exchange rates, diminished public spending (fiscal discipline), public expenditure switching (to health, schooling and infrastructure), tax reform (broadening the tax base, cutting marginal tax rates, less progressive tax), and a “social safety net” (selective state transfers for the needy). A twelfth element, expressed in World Bank and IMF (and OECD) reports, is labour market flexibility, by which is meant decentralised labour relations coupled with cutbacks in protective and pro-collective regulations.

The term itself was coined by John Williamson (1990) in reviewing Latin American experience of policy reform in the 1980s. See also Williamson (1997).

5. See also Stiglitz (1997, p. 3), in view of the success of the East Asian economies:

I have already referred to the intellectual impact that this has had: development is possible, and successful development requires, or at least is enhanced by, government undertaking appropriate policies that go well beyond simply getting out of the way of the market. While there remains an active debate about what are the precise lessons to be learned, and to what extent the experiences of East Asia are replicable elsewhere, there remains little doubt, at least in mind, that government played a critical, catalytic role.

6. See Wade (1996) for an account of the conflicts around The Miracle. See also Gyohten (1997) Ohno and Ohno (eds) (1998) but especially Shiratori (1998, p. 81), for whom, in contrast to the neoclassical view taken within the World Bank's East Asian Miracle:

Competitive advantage should be understood in a dynamic context, not a static one as used in the neoclassical approach. It is theoretically justifiable to select a currently uncompetitive industry that is judged important for an economy's future and accelerate its development using policy instruments.

7. Assessing the World Development Report for 1997 in a special issue of the IDS Bulletin in the wider context of a shift towards a new consensus, Cornia (1998) understands it as synthesising the old consensus with notions of the developmental state in the light of the East Asian Miracle. Moore (1998) sees it as replacing the new political economy by the new institutional economics. As will be apparent, this involves an understatement of the scope of the new consensus.

8. See Ranis (1997, p. 75) who, after reporting the \$20 million budget for development research, also comments:

Its dissemination efforts, especially in the Third World, are prodigious and overwhelming. At the same time the Bank has paid relatively little attention to the output of other national and international organizations ... Indeed even much relevant output by academia is largely ignored.

See also Stern and Ferreira (1997, p. 524).

9. For a leading post-Keynesian, Harcourt (1997, p. 2):

Stiglitz (1994) ... contains one of the most profound internal critiques of mainstream economics I have ever read.

10. Harcourt (1997, p. 3) observes that Stiglitz (1994) makes reference to one hundred or so examples of his own (co-authored) work! Stiglitz (1999) also provides an account on the same principles for the failure of the capitalist transition in Russia.

11. Dubbed "economic virtualism" by Carrier and Miller (eds) (1998).

12. See Stiglitz's (1993, p. 111) response to the relatively mild suggestion from Bowles and Gintis (1993) that exchange is not only institutionally driven but also "contested":

There are good economic reasons, beyond the exercise of "power" (whatever that much-used term means) for the existence of hierarchical relationships.

13. The passage here, however, is from the original draft of his speech which is more explicit on the points being made.

14. See Fine (1997a, 1998a-b, and 1999a-b)

15. See Becker (1996) and Tommasi and Ierulli (eds) (1995). A critical assessment of Becker's work in the light of some of the themes explored in this paper is provided by Fine (1995, 1997b and 1999a).

16. It is beyond the goals of this paper to explain the internal and external influences on intellectual developments within the World Bank and IMF. For some account, see Fine (1999d). Note that to some extent their role was transformed by the process of deregulating financial markets, partly a consequence of policies that they promoted themselves!

17. For Bird (1995, p. 105):

Evidence seems to confirm that the image of the Fund coming into a country, offering swift financial support, helping to turn the balance of payments around, and then getting out, is purely and simply wrong.

18. See also Bird (1995, p. 116) and Mosely (1994) who argues that adjustment policies have to be disaggregated into their separate components. Obviously some of these percentages are effectively understatements since they are calculated over a sequence of programmes in which some of the objectives might have been achieved at an earlier stage, rendering them no longer necessary.

19. As Lancaster (1997, p. 189) observes:

The story of the World Bank in Africa is one of an institution seeking and achieving leadership, prominence, and influence on an important and controversial issue: the need for painful, complex, and often politically risky economic reforms. It achieved that goal during the 1980s only to find that economic reforms, to be successful, often needed to be supported by political reforms. As the Bank vice president and general counsel observed, "The Bank's increasing concern with issues of governance in its borrowing members seems to have come as a logical last step in its gradually expanding involvement in policy reform through adjustment lending, which has been extended to social sectors".

For Teriba (1996, p. 31), in a kind interpretation, there is a need that:

the World Bank avoid the risk it now runs, albeit unwittingly, of incrementally taking on political functions that are both unnecessary and unrelated to its basic functions and general mandate.

20. See Toye (1994), Mkandawire (1994), Morrisson et al (1994), and Haggard and Webb (1994). Note that Jespersen (1993, p. 47) suggests 75% compliance on average with conditionalities, and Bird (1995) concludes that there does not appear to be a "moral hazard" problem for the IMF in negotiating with its clients.

21. See also Helleiner (1994b).

22. Hence the assessment of Mosely and Weeks (1995) that the World Bank's (1994) latest position,

"transforms the Bank and the International Monetary Fund in Africa from fraternal to identical twins". This process began with the infamous Berg Report, World Bank (1981). See also Shao et al (1992, p. 67/8):

Henceforth, the WB changed its position and role from project aid, development loans and sectoral policy undertakings to structural lending. More importantly, the WB and IMF "ganged" up in setting up structural lending policies and conditions for different countries and in the process convinced or induced other donors to adopt the same lending conditions towards African countries.

23. For Polak (1991, p. 20), the IMF has adopted growth and adjustment with "equal fervor ... but does not insist with equal firmness on policies needed for growth and on policies needed for adjustment". Further, it has embraced redistribution and protection of the environment as "secondary objectives" along, more informally, with reduction in military expenditure. In short, p. 19:

In other words, the growth objective is redefined to incorporate adjustment, income distribution, the environment and, in Eastern Europe, the transition to a market economy.

24. See also Mwanza (1992, p. 4/5) on the first half of the 1980s, although the IMF's staff are heavily deployed, particularly at the stage of policy formulation:

The IMF usually adopts a more rigid position than the World Bank. It rarely deploys its staff in countries implementing its programmes ... The IMF approach to programming is, therefore, vulnerable to the criticism that it lacks a detailed appreciation of the local environment ... one IMF-designed policy framework paper could have sufficed for Malawi, Tanzania, Zambia and Zimbabwe ... local expertise does not participate in programme design. The IMF will usually draw up a list of loyal IMF technocrats to be employed in key ministries or institutions for the purpose of implementing or overseeing the implementation of the SAP. In most cases these technocrats, most of whom are foreign, are paid from World Bank loans. This practice is more often than not accompanied by retrenchment of local experts made under the banner of making the civil service more efficient.

25. This has become transparent in "the Bank's increasing reference to itself as a 'knowledge' bank", Stiglitz (1997), a theme that is taken up remorselessly in the World Development Report for 1998. Stiglitz continues:

We within the World Bank have a special responsibility not only to produce knowledge that will enable developing countries to grow more effectively, but also to ensure that knowledge gets implemented - including in our own lending practices.

This is followed by a discussion of fungibility, and the implication that those who do not learn their lessons the easy way have to be taught through loan policy. If it is a knowledge bank, is there not a case for applying Stiglitz's own market imperfections arguments to the knowledge that is created and used?

26. In case those wedded to the new consensus become too heartened by the support they gain from the Japanese, it should be noted that authoritarianism is the preferred form of government to ensure an appropriate development state in the early stages of industrialisation. See Murakami (1998) and Watanabe (1998).

27. For critical commentary on the record of adjustment and stabilisation, see Mosely and Weeks (1993) and Mosely et al (1995).

28. Differences between the harder line IMF and the World Bank came to a head in 1988 in a dispute over loans to Argentina. This effectively prompted an accommodation to be reached. See Kapur et al (1997a and b) and Polak (1994).

29. See Hildyard (1998) for a critique of the post-Washington consensus along these lines.

30. For a discussion of this issue, see Fine (1999d).

## References

- Becker, G. (1996) Accounting for Tastes, Cambridge: Harvard University Press.
- Bird, G. (1995) The IMF and Developing Countries: Issues and Evidence, London: Routledge.
- Boughton, J. and K. Lateef (eds) (1995) Fifty Years after Bretton Woods: The Future of the IMF and the World Bank, Washington: IMF and World Bank.
- Bowles, S. and H. Gintis (1993) "The Revenge of Homo Economicus: Contested Exchange and the Revival of Political Economy", Journal of Economic Perspectives, vol 7, no 1, pp. 83-102.
- Bretton Woods Commission (1994) Bretton Woods: Looking to the Future, Washington: Bretton Woods Commission.
- Carrier, J. and D. Miller (eds) (1998) Virtualism: The New Political Economy, London: Berg, forthcoming.
- Cavanagh, J et al (eds) (1994) Beyond Bretton Woods: Alternatives to the Global Economic Order, London: Pluto Press.
- Chossudovsky, M. (1997) The Globalisation of Poverty: Impacts of IMF and World Bank Reforms, London: Zed Books.
- Corbo, V. et al (eds) (1992) Adjustment Lending Revisited: Policies to Restore Growth, Washington: World Bank.
- Cornia, G. (1998) "Convergence on Governance Issues, Dissent on Economic Policies", IDS Bulletin, vol 29, no 2, pp. 32-38.
- Cornia, G. et al (eds) (1993) Africa's Recovery in the 1990s: From Stagnation and Adjustment to Human Development, New York: St Martin's Press.
- Culpeper, R. et al (eds) (1997) Global Development Fifty Years after Bretton Woods, London: MacMillan.
- de Vries, B. (1996) "The World Bank's Focus on Poverty", in Griesgraber and Gunter (eds) (1996).
- Emmerij, L. (ed) (1997) Economic and Social Development into the XXI Century, Washington: Inter-American Development Bank.
- Fine, B. (1995) "From Political Economy to Consumption", in Miller (ed) (1995).
- Fine, B. (1997a) "The New Revolution in Economics", Capital and Class, no 61, Spring, pp. 143-48.
- Fine, B. (1997b) "Playing the Consumption Game", Consumption, Markets, Culture, vol 1, no 1, pp. 7-29.
- Fine, B. (1998a) "The Triumph of Economics: Or 'Rationality' Can Be Dangerous to Your Reasoning", in Carrier and Miller (eds) (1998).
- Fine, B. (1999a) "From Becker to Bourdieu: Economics Confronts the Social Sciences", International Papers in Political Economy, vol 5, no 3, 1999, pp. 1-43.
- Fine, B. (1999b) "A Question of Economics: Is It Colonising the Social Sciences?", Economy and Society, forthcoming.
- Fine, B. (1999d) "The World Bank's Speculation on Social Capital: Bursting the Bubble", mimeo.
- Fine, B. and C. Stoneman (1996) "Introduction: State and Development", Journal of Southern African Studies, vol 22, no 1, March, pp. 5-26.
- Griesgraber, J. and B. Gunter (eds) (1996) The World Bank: Lending on a Global Scale, London: Pluto Press.
- Gyohten, T. (1997) "Japan and the World Bank", in Kapur et al (eds) (1997).
- Hara, Y. (1998) "A Blueprint for Asian Economics", in Ohno and Ohno (eds) (1998).
- Harberger, A. (1992) "Comment", in Corbo et al (eds) (1992).
- Harcourt, G. (1997) "Economic Theory and Economic Policy: Two Views", Discussion Paper, no 369, Centre for Economic Policy Research, Australian National University.
- Helleiner, G. (1994a) "From Adjustment to Development in Sub-Saharan Africa: Consensus and Continuing Conflict" in Cornia and Helleiner (eds) (1994).
- Helleiner, G. (1994b) "External Resource Flows, Debt Relief and Economic Development in Sub-Saharan Africa" in Cornia and Helleiner (eds) (1994).
- Hildyard, N. (1998) "The World Bank and the State: A Recipe for Change?", London: Bretton Woods Project.
- Jespersion, E. (1993) "External Shocks, Adjustment Policies and Economic and Social Performance", in Cornia et al (eds) (1993).
- Kapur, D. et al (1997a) The World Bank: Its First Half Century, Volume I: History, Washington: Brookings.
- Kapur, D. et al (1997b) "The World Bank as a Development-Promoting Institution", in Kapur et al (eds) (1997).
- Kapur, D. et al (eds) (1997) The World Bank: Its First Half Century, Volume II: Perspectives, Washington:

Brookings.

- Lancaster, C. (1997) "The World Bank in Africa since 1980: The Politics of Structural Adjustment Lending", in Kapur et al (eds) (1997).
- Miller, D. (ed) (1995) Acknowledging Consumption, London: Routledge.
- Moore, M. (1998) "Toward a Useful Consensus", IDS Bulletin, vol 29, no 2, pp. 39-48.
- Morrison, C. et al (1994) "Adjustment Programmes and Politico-Economic Interactions in Developing Countries: Lessons from an Empirical Analysis of Africa in the 1980s" in Cornia and Helleiner (eds) (1994).
- Mosely, P. (1994) "Decomposing the Effects of Structural Adjustment: The Case of Sub-Saharan Africa", in van der Hoeven van der Kraaij (eds) (1994).
- Mosely, P. and J. Weeks (1993) "Has Recovery Begun? 'Africa's Adjustment in the 1980s' Revisited", World Development, vol 21, no 10, pp. 1583-1606.
- Mosely, P. et al (1995) "Assessing 'Adjustment in Africa'", World Development, vol 23, no 10, pp. 1583-1606.
- Murakami, Y. (1998) "Theory of Developmentalism", in Ohno and Ohno (eds) (1998).
- Mwanza, A. (1992) "Theory and Practice of Structural Adjustment Programmes", in Mwanza (ed) (1992).
- Mwanza, A. (ed) 1992) Structural Adjustment Programmes in SADC: Experiences and Lessons from Malawi, Tanzania, Zambia and Zimbabwe, Harare: SAPES Books.
- Ohno, K. (1998) "Overview: Creating the Market Economy", in Ohno and Ohno (eds) (1998).
- Ohno, K. and I. Ohno (1998) "Afterword", in Ohno and Ohno (eds) (1998).
- Ohno, K. and I. Ohno (eds) (1998) Japanese Views on Economic Development: Diverse Paths to the Market, London: Routledge.
- Oxfam (1995) A Case for Reform: Fifty Years of the IMF and World Bank, Oxford: Oxfam Publications.
- Pereira, L. (1995) "Development Economics and the World Bank's Identity Crisis", Review of International Political Economy, vol 2, no 2, pp. 211-47.
- Polak, J. (1991) The Changing Nature of IMF Conditionality, Essays in International Finance, no 184, Princeton University.
- Polak, J. (1994) The World Bank and the International Monetary Fund: A Changing Relationship, Washington: The Brookings Institution, reproduced in Kapur et al (eds) (1997).
- Ranis, G. (1997) "The World Bank Near the Turn of the Century", in Culpeper et al (eds) (1997).
- Shao, I. et al (1992) "Structural Adjustment in a Socialist Country: The Case of Tanzania", in Mwanza (ed) (1992).
- Shiratori, M. (1998) "Afterword to the Japanese Translation of the World Bank Report The East Asian Miracle", in Ohno and Ohno (eds) (1998).
- Standing, G. (1999) "New Development Paradigm or Third Wayism?: A Critique of a World Bank Rethink", mimeo.
- Stern, N. and F. Ferreira (1997) "The World Bank as 'Intellectual Actor'", in Kapur et al (eds) (1997).
- Stiglitz, J. (1993) "Post Walrasian and Post Marxian Economics", Journal of Economic Perspectives, vol 7, no 1, pp. 109-14.
- Stiglitz, J. (1994) Whither Socialism?, Cambridge: MIT Press.
- Stiglitz, J. (1997) "An Agenda for Development for the Twenty-First Century", World Bank Ninth Annual Conference on Development Economics, April 30th and May 1st.
- Stiglitz, J. (1998a) "More Instruments and Broader Goals: Moving Toward the Post Washington Consensus", the 1998 WIDER Annual Lecture, January 7th, Helsinki.
- Stiglitz, J. (1999) "Whither Reform? Ten Years of the Transition", World Bank Annual Bank Conference on Development Economics, 28-30 April.
- Teriba, O. (1996) "The Challenge of Africa's Socioeconomic Development", in Griesgraber and Gunter (eds) (1996).
- Thomas, C. and P. Wilkins (eds) (1997) Globalisation and the South, London: MacMillan.
- Toye, J. (1994) "Structural Adjustment: Context, Assumptions, Origins and Diversity", in van der Hoeven van der Kraaij (eds) (1994).
- van der Hoeven, R. and F. van der Kraaij (eds) (1994) Structural Adjustment and Beyond in Sub-Saharan Africa, London: James Currey.
- Wade, R. (1996) "Japan, the World Bank, and the Art of Paradigm Maintenance: The East Asian Miracle in Political Perspective", New Left Review, no 217, May/June, pp. 3-37.
- Watanabe, T. (1998) "Designing Asia for the Next Century", in Ohno and Ohno (eds) (1998).
- Williamson, J. (1990) "What Washington Means by Policy Reform", in Williamson (ed) (1990).
- Williamson, J. (1997) "The Washington Consensus Revisited", in Emmerij (ed) (1997).
- Williamson, J. (ed) (1990) Latin American Adjustment: How Much Has Happened?, Washington: Institute for

International Economics.

World Bank (1993) The East Asian Miracle: Economic Growth and Public Policy, A World Bank Policy Research Report, Oxford: Oxford University Press.

World Bank (1994) Adjustment in Africa: Reforms, Results, and the Road Ahead, Oxford: Oxford University Press.