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The Washington Consensus

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Everyone who has had to think about economic development, or open economies and exchange rates, or the (sometimes divergent) economic policies advocated by the "Nineteenth Street twins"—the International Monetary Fund and World Bank—is indebted to John Williamson. That is to say, everyone who has ever had to deal with the practical aspects of economic growth and development—especially with exchange rate issues—owes John Williamson a debt of gratitude, mostly for the content of what he has written but also for the calm, clear, and nonhistrionic style in which he writes.

The version of his curriculum vitae that I have lists 176 principal publications during the 50 years from 1962 through 2011. Of those, 109 publications, or 62 percent, are on exchange rates and closely related subjects, while only 17, or 10 percent, are on the Washington Consensus and closely related topics. Even adjusting for the shorter period during which Williamson has written on the Washington Consensus and development strategies, the annual rate strongly favors the exchange rate issue as having been his main topic of research.

Nonetheless, Williamson's work on the Washington Consensus is probably his best-known contribution, and it is on this influential and remarkably popular body of work that this chapter focuses. I start by describing the initial version of the Washington Consensus (Williamson 1990) and reactions

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to it. I then discuss the evolution of Williamson's thinking about his most famous article and the changing reactions to it by the profession—including Williamson himself—and by practitioners. The chapter then briefly presents the views of three leading critics of the Washington Consensus before closing with concluding reflections and comments.

Washington Consensus I

The initial version of the Washington Consensus was focused explicitly on Latin America, which was at the time struggling toward the end of the lost decade of its debt crisis.[1] The 10 points were dedicated to topics on which Williamson argued that there was a consensus in the Washington of the second half of 1989.[2] Table 2.1 presents a list of the 10 areas that appeared in the initial formulation of the Washington Consensus, as summarized by Williamson (2008; originally published in 2004). The second column in table 2.1 presents my summary of Williamson's brief description of the main argument he was making—or in retrospect would have liked to have made—under each heading.

In my then-role as chief economist of the World Bank, I was one of three discussants of the original paper. I started with "As usual, John Williamson has given us a good, sensible paper...." That meant that I basically agreed with what he had written. I noted that the consensus was far wider than only Washington, though not universal. I noted also that Williamson had omitted consideration of policies related to the environment, as well as to military spending. In addition, I said that Washington thought of financial liberalization as extending beyond real interest rates, "to the notion that the banking system and the financial sector in many developing countries need fundamental restructuring" (Fischer 2004). I also expressed doubt that Washington regarded the freeing up of capital flows as less urgent than the freeing up of goods flows, adding "I fear rather that much of Washington does believe strongly that financial capital flows should not be constrained...." (Fischer 2004, 26).[3]

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1. Williamson presented the Washington Consensus at a conference on Latin American growth toward the end of 1989. The conference volume appeared in 1990, hence the classic article is dated 1990.

2. Williamson (1990) has emphasized the importance of a preceding conference and publication by Bela Balassa et al. (1986) on the same topic.

3. I have several times been characterized by Williamson, including in his 2004 paper, as being strongly in favor of rapid capital account liberalization by developing countries. I do not believe this is consistent with the two articles he quotes that I wrote in support of a capital account liberalization amendment to the IMF's Articles of Agreement. Although this is not the place to develop that argument fully, let me quote a sentence that was italicized in the 1997 article: "In a nutshell, *the prime goal of the amendment would be to enable the Fund to promote the orderly liberalization of capital movements*" (Fischer 2004, 131). This sentence reflects the view that several countries, including Korea, erred by opening the capital account to short- but not long-term flows, when the right approach would have been precisely the opposite.

Table 2.1 The 10 areas of John Williamson's Washington Consensus with comments on his 2008 description of each

Area	Comments on Williamson's 2008 description
1. Fiscal discipline	Budget deficits small enough to prevent high inflation and balance of payments crises.
2. Public expenditure priorities	Switching expenditures in a pro-growth and pro-poor way, particularly to basic health, education, and infrastructure.
3. Tax reform	Combining a broad tax base with moderate marginal tax rates.
4. Liberalizing interest rates (1989 heading)	More general financial liberalization, at an appropriate pace, combined with strengthened prudential supervision.
5. A competitive exchange rate	Meaning one that is not overvalued—not necessarily undervalued—which basically implies an intermediate regime.
6. Trade liberalization	This is the appropriate direction, though there may be arguments about speed.
7. Liberalization of inward foreign direct investment	But not comprehensive capital account liberalization.
8. Privatization	Properly done, this brings benefits.
9. Deregulation	To ease barriers to entry and exit but not to remove beneficial regulations (e.g., environmental or safety).
10. Property rights	As inspired by Hernando de Soto (2000).

Source: Williamson (2008, originally published in 2004).

In summarizing what I regarded as the then-consensus, I noted that "Emphasis on poverty reduction has increased in recent years and will continue to do so" (Fischer 2004).[4] I concluded with a discussion of proactive policies for growth, including industrial policy, where I argued that some countries may have the bureaucratic and political apparatus to make industrial policy work for some time, but most do not.

The other discussants were Allan Meltzer and Richard Feinberg, then of the Overseas Development Council. Williamson (2008) details their disagreements on some points, but concludes that by and large they agreed with his listing, even though Feinberg had started off asserting that there was not much consensus.

Williamson has written often about his creation of the Washington Consensus and aspects of the literature it engendered. One of his concerns has

4. My own education on this point was strongly reinforced by reading Cornia, Jolly, and Stewart's *Adjustment with a Human Face* (1987).

been over the name. In his words (Williamson 2000, 251), "While it is jolly to become famous for coining a term that reverberates around the world, I have long been doubtful about whether my phrase served to advance the cause of rational policymaking." His 2000 retrospective preference was for "universal convergence" or "one-world consensus."[5] These names would likely have led to a flood of articles explaining why the consensus was far from universal. Indeed, in thinking about the issue of the name, I suspect that one could apply to this issue the old saw, "It doesn't matter what they say about you as long as they spell your name right." And they certainly have spelled it right, multiple times.[6]

However, Williamson's main concern and main battle over the name have to do with "neoliberalism," which is the characterization that not a few critics have given to Washington Consensus I. This no doubt relates to the presence of privatization, deregulation, property rights, and various forms of liberalization that appear among the 10 commandments, as well as to the absence of a more positive role for government.[7]

In his writings between 1989 and 2004, Williamson often notes that the Washington Consensus does not provide a full policy agenda for development. The *World Development Report* (WDR) for 1991, subtitled *The Challenge of Development*, attempted to do that (World Bank 1991). The team for that report was led by Vinod Thomas, who reported to the recently appointed chief economist, Larry Summers.[8]

If the Washington Consensus was indeed the consensus in Washington, the WDR should have reflected that. In correspondence on the connection between the Washington Consensus and the 1991 WDR, Vinod Thomas wrote: "WDR 91 reported on a sea change in thinking on development and policy advice linked in part to the articulation of the Washington Consensus."[9] However, in another e-mail two days later, Thomas reported—to his evident surprise—that the 1990 Williamson paper was not included in the selected bibliography of the WDR, although Williamson was listed as an advisor on the WDR's first chapter. So the evidence of a close link between the Washington Consensus and what the leading development institution in Washington was advocating a little later is weak.

5. Moisés Naím (2000) includes a sympathetic discussion of the problem of the name of the consensus.

6. A Google search produces over 5 million references (which is a very high score for economics) to the Washington Consensus.

7. Williamson (2000, 251–52) contains a useful discussion of why the characterization of Washington Consensus I as neoliberal matters, namely because so describing it discredits the entire approach among some people and countries.

8. The 1991 WDR was started when I was chief economist, but the bulk of the work was done during Larry's period in office and under his guidance.

9. E-mail from Vinod Thomas to the author, August 12, 2012.

What was in the 1991 WDR? It focused on the relationships between governments and markets, and analyzed four main topics: (1) investing in people; (2) the business climate; (3) the integration of countries with the global economy, in terms of both trade and capital flows; and (4) the need for a stable macroeconomic foundation for sustained growth. Further, the words of the report summary could well be taken as adding two more topics: (5) "Above all, the future of developing countries is in their own hands;" and (6) "Domestic policies and institutions hold the key to successful development" (World Bank 1991).

This is a wider agenda than that presented in Washington Consensus I and is closer to the more comprehensive list of topics that Williamson presented in *The Washington Consensus as Policy Prescription for Development* (2004), which will briefly be called here "Washington Consensus II." Probably the difference arises because the 1991 WDR was indeed aiming to present a full development strategy, while the Washington Consensus is a list of what Williamson thought was generally accepted in Washington at the end of the 1980s.

In addition, one has the sense that Washington Consensus I was intended, inter alia, to suggest to Latin American policymakers that a variety of market-friendly policies made sense, even though they were associated with the policies of the governments of Margaret Thatcher and Ronald Reagan—governments whose basic positions were more criticized than admired by many Latin American governments and many development economists during the 1980s.

One last comment on Washington Consensus I. Many of the critics who wrote during the decade following publication of the 1990 paper noted that the consensus had not seemed to work—that the Latin American growth record in the period from 1980 to 2000 was on the whole poor, and that this reflected negatively on Washington Consensus I, or more generally on Washington's advice on growth strategies. Chile was clearly the most successful of the Latin American countries in the last decades of the 20th century, but as Williamson has emphasized, its success was due in part to its use of capital controls to keep out short-term capital flows.[10] Further, it took Chile a long time to become the poster child of market-friendly policies, for it suffered a severe overvalued exchange rate crisis in the 1970s and only began to grow relatively rapidly during the latter part of the 1980s. And since the 1990s were also the decade when the countries of the former Soviet bloc were trying to transform their economies—and receiving advice and policy conditionality toward this end from many in the West, including the Bretton Woods organizations—the Washington Consensus was often blamed for the difficulties of the transition countries, especially the output collapse at the start of the transformation process.[11]

10. In addition, Williamson several times (e.g., Williamson 2002, 2003, 2005) dismisses the argument that the failure of the Argentine economic strategy of the 1990s reflects negatively on the Washington Consensus, since Argentina neither prevented its exchange rate from becoming overvalued nor maintained fiscal discipline.

11. It would be interesting to revisit the history of the transformation strategies implemented in the former Soviet bloc now that enough time has passed to study the correlation between the speed

The Expanded "Washington Consensus II"

In response to both the large literature on Washington Consensus I[12] and the poor performance of developing economies in Latin America and the former Soviet bloc in the 1990s—as well as the impressive success of many East Asian economies during the same decade (except during the Asian crisis of 1997–98)—Pedro-Pablo Kuczynski and John Williamson called another conference on Latin American growth in 2003.[13] They then produced in that same year another important book on the subject for the Institute for International Economics, this one called *After the Washington Consensus: Restarting Growth and Reform in Latin America*.

Despite the title of the book, I shall refer to the expanded strategy presented by Williamson in *After the Washington Consensus* as Washington Consensus II. This section presents the strategy's additions to Washington Consensus I under four major headings. Table 2.2 shows Dani Rodrik's (2002) summary of the strategy.

New Agenda I: Crisis Proofing

This part of the agenda includes (1) running a countercyclical fiscal policy; (2) allowing the exchange rate to adjust somewhat in response to capital flows while using capital controls to prevent excessive appreciation resulting from potentially large inflows; (3) preventing dollarization; (4) maintaining a monetary policy close to inflation targeting; (5) strengthening the banking system; and (6) increasing domestic saving. Most of these items are part of the standard advice that would be offered today by the Bretton Woods institutions, and probably by much of the rest of Washington and the world, including the suggestion to use capital controls to moderate the impact of short-term capital flows on the exchange rate.

New Agenda II: Completing First-Generation Reforms

These reforms are presented as enabling faster growth. Here Williamson starts with (1) the need to make the labor market more flexible—an issue that he has from early on seen as the major omission from Washington Consensus I. His main concern is with union power that limits the ability of new workers to compete in the labor force, and he suggests a number of measures to increase labor market flexibility without jeopardizing the interests of organized labor.

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of implementation of stabilization and reform strategies and subsequent growth. For instance, it is clear that Poland has done much better than the critics of its early rapid-reform strategy would have predicted.

12. The massive bibliography of Kuczynski and Williamson (2003) includes many of the articles that reacted to Washington Consensus I.

13. The East Asian experience was examined in a major World Bank project of the early 1990s, led by John Paige, that was entitled *The East Asian Miracle* (World Bank 1993).

Table 2.2 The Washington Consensus is dead: Long live the new 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. World Trade Organization agreements
5. Unified and competitive exchange rates	15. Financial codes and standards
6. Trade liberalization	16. "Prudent" capital account opening
7. Openness to foreign direct investment	17. Nonintermediate exchange rate regimes
8. Privatization	18. Independent central banks/inflation targeting
9. Deregulation	19. Social safety nets
10. Property rights	20. Targeted poverty reduction

Source: Rodrik (2002, table 1).

In addition, he notes three items: (2) that, although substantial progress has been made in domestic trade liberalization, there has been less success in opening up export markets and (3) that the privatization agenda has lagged, as has (4) prudential supervision of the financial sector.

New Agenda III: Second-Generation Reforms

In discussing second-generation reforms, Williamson emphasizes primarily the importance of institutional reforms.[14] He notes that "[s]econd-generation reforms have sometimes been pictured as politically boring esoterica.... [In] fact they are liable to involve political confrontation with some of society's most potent and heavily entrenched interest groups, such as the judiciary and public school teachers," as well as the civil service (Williamson 2003, 11–12).

He argues that the government has an important role in creating a business-friendly environment, which he defines broadly as including (1) the old-fashioned aspects, such as physical infrastructure, a stable and predictable macroeconomic, legal, and political environment, and a strong human resource base, as well as (2) the newer issues, including building a national innovation system. But he argues that (3) the government should not be making business decisions and therefore should not attempt to develop an industrial policy. He goes on to suggest that (4) governments need to modernize the institutional

14. He attributes to Naím (1994) the credit for both the name and for first raising the issue in the Latin American context.

infrastructure of a market economy,[15] not least in protecting property rights, and that (5) governments need to strengthen the financial system, including corporate governance. This agenda concludes with a brief discussion of political institutions.

It is clear that the material on second-generation reforms is both a central element in Washington Consensus II and not sufficiently developed in the overview chapter of *After the Washington Consensus*. However, the book as a whole certainly does contain a great deal of material on different aspects of these reforms.

New Agenda IV: Income Distribution and the Social Sector

This agenda includes a wealth of material. On income distribution, the goal is to suggest policies to reduce income inequality without affecting growth.[16] To partially redress the regressive shift from income to consumption taxation in Latin America in the 1990s, Williamson suggests (1) the development of property taxation as a major source of government revenue (particularly at the subnational level), the elimination of tax loopholes, and better tax collection. The latter two possibilities are often cited by finance ministers in trouble, but less often carried out successfully. Progress in these areas would certainly be welcome.

In addition, Williamson's subsequent items favor (2) improving education; (3) land titling, again with reference to Hernando de Soto (2000); (4) land reform; and (5) microcredit.

Three Critiques

The above description of Washington Consensus II makes it clear that by 2003 the original short list of 10 commandments had morphed into a more complete description of the elements of a development strategy. Williamson takes up the issue of whether the Washington Consensus succeeds as a policy prescription for development in his 2004 paper. In this regard, he suggests that while Washington Consensus I is not sufficiently detailed for that purpose, Washington Consensus II is. He also discusses critiques of the Washington Consensus by Joseph Stiglitz (1998) and Rodrik (2002, 2005). I shall also report here on more recent papers by Nancy Birdsall, Augusto de la Torre, and Felipe Valencia Caicedo (2010) and Birdsall and Francis Fukuyama (2011), and briefly discuss the relationship between Washington Consensus II and the approach to development strategy presented in the 1991 WDR.

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15. Williamson (2003, 13) comments in passing that central banks "deserve autonomy even if not complete independence from the political process." This statement is sufficiently brief that it is not quite clear whether to agree or disagree with it.

16. This section draws on Birdsall and de la Torre (2001). Closely related work is presented in Birdsall and Szekely (2003).

Williamson notes that Stiglitz (1998) views the Washington Consensus as a neoliberal manifesto. Writing in 1998, Stiglitz was trying to move toward a new, broader consensus that included pursuing equitable, sustainable, and democratic development. Williamson's comment is that, in reviewing the list of extensions of Washington Consensus I, he is impressed that much of the economic content of Stiglitz's attempted consensus is included in Kuczynski and Williamson (2003)—that is, in Washington Consensus II. However, there are signs in his discussion of Stiglitz that Williamson (2004) does not believe that there is in fact a "consensus" on Washington Consensus II to the same extent that he believes there was one on Washington Consensus I. He argues that since Stiglitz wants the consensus to be owned by developing countries, it cannot be a "Washington" consensus. This last point is not self-evident—except if it was politically necessary for some developing countries not to appear to be close to Washington—since many had claimed that the original Washington Consensus was in fact widely shared, and could have been regarded as universal.

Rodrik's 2002 contribution is especially critical of Washington Consensus II, which he calls the "Augmented Washington Consensus." Table 2.2 reproduces Rodrik's table 1, entitled "The Washington Consensus Is Dead: Long Live the New Washington Consensus!" The table in fact provides a reasonably accurate description of the elements of Washington Consensus II.

But Rodrik does not come to praise the Washington Consensus, either I or II. Rather, he states: "The Augmented Washington Consensus is bound to disappoint.... It is an impossibly broad, undifferentiated agenda of institutional reform.... It does not correspond to the empirical reality of how development really takes place.... It describes what 'advanced' economies look like, rather than proscribing a practical, feasible path of getting there...." (Rodrik 2002).

He goes on to state: "The challenge for the critics of the Washington Consensus is this: they need to provide an alternative set of policy guidelines for promoting development, without falling into the trap of having to promote yet another impractical blueprint that is supposed to be right for all countries for all times" (Rodrik 2002). And he then proceeds to present an approach based on principles from mainstream economics that he says are universal, but that "do not map into unique institutional arrangements or policy prescriptions."

Rodrik concludes that the refurbished Washington Consensus II is not a useful guide to promoting development. He describes his alternative approach as "focusing on experimentation—both in the institutional and productive sphere—as an important driver of economic development. The key is to realize that neither technology nor good institutions can be acquired without significant domestic adaptations. These adaptations in turn require a pro-active role for the state and civil society...." (Rodrik 2002, 8–9). I return to these issues in my concluding comments.

Birdsall, de la Torre, and Caicedo (2010) assess the Washington Consensus and describe it as a damaged brand. They argue that it failed as a development strategy because of (1) shortfalls in implementation of reforms combined with impatience with regard to their effects; (2) fundamental flaws in the reform agenda, such as trying to operate with a fixed exchange rate, or prematurely opening the capital account; and (3) the omission from the framework of critical reforms, among them the need to deal with volatility, promote technological innovation, change institutions, and work to reduce inequality.

Birdsall and Fukuyama (2011) ask what the impact of the Great Recession will be on modern approaches to development. They start by noting that the crisis has not led to a rejection of capitalism, though in their view it has reduced the appeal of the American brand of capitalism. They suggest that countries will no longer be subject to the "foreign finance fetish," the view that developing countries could benefit substantially from greater inflows of capital. They foresee a greater role for the state and for increasing the efficiency of government. In addition, they believe we are moving to a more multipolar world, with the replacement of the G-7 by the G-20 in the international system as the visible symbol of this change.

Concluding Comments

In concluding, I present several comments and questions on the debate that started with John Williamson's 1990 paper.

- It is striking that the Washington Consensus came out of the Latin American experience, with relatively little reference to the development and growth problems that were afflicting much of the rest of the world at the same time in East Asia and the Indian subcontinent, Africa, the Middle East, and the countries of the former Soviet bloc. Surely Washington—in the sense of the word used by Williamson in 1990—had interests in the entire world. What made Latin America so central to development at that time? Was it that these were middle-income countries? Was it the geographical accident of their being so close to the United States? And did it matter that the Washington Consensus was based on Latin American experience, rather than that of East Asia?
- It is also notable that the developing world—and not least Latin America—has done much better so far in the 21st century than it did at the end of the 20th century. In the words of former Bank of Mexico Governor Guillermo Ortiz at an Aspen Conference in the summer of 2008: "This time it isn't us." What does the success of most of Latin America (as well as much of the rest of the non-West) in dealing with the Great Recession tell us about the Washington Consensus? For the record, I believe that the lessons learned in the 1990s, some of them in the context of IMF programs, have served these countries well during the Great Recession.[17]

17. For example, the acronym BRICS—invented by Jim O'Neill of Goldman Sachs for Brazil, Russia, India, China, and South Africa—has been accepted into the language at this point without

- It appears that the lag between deciding on and beginning to implement changes in structural policies and then their having an appreciable effect is much longer than was generally assumed in 1990. It is also much longer than is convenient for democratic policymakers.
- The development literature has not been comfortable with the relationship between political structure and economic performance. During the 1980s it was often asked whether Chile's success "proved" that authoritarian governments did better at economic reform—this at a time when almost all governments in Latin America were nondemocratic, and only one of them was doing well. The same question is sometimes raised in comparing India and China. It is clear that an effective state apparatus is needed, but it is less clear what makes a state effective with regard to development policy.[18]
- I still do not understand why the 1991 WDR, which included many elements of Washington Consensus II, received essentially no attention in the post-1990 literature on the Washington Consensus.
- In reading the Washington Consensus literature, I was struck by the prevalence of lists of policies and institutions that needed to be undertaken or dealt with. There is something slightly sterile about these lists, and it took me a while to figure out what the problem is. Essentially, authors are writing to promote development and to either directly or indirectly help those who have the responsibility for implementing policies. They are providing recipes for economic development. But a recipe starts with a list of ingredients, and then goes on to specify how to make the dish. *The difficult part of development is making the dish, not listing the ingredients.* It is this fact that leads Rodrik to emphasize the importance of local conditions, including political conditions, and to emphasize experimentation.
- Experimentation may be a good idea, of course, but it can be a disaster too. Rodrik quotes with approval China's experimental approach to development starting in 1978. But China experimented before that with the Great Leap Forward. That sort of experimentation is surely not a good idea.
- I have been struck in my work as a central banker with how extremely useful it is to have some knowledge of the history of central banks and how they—notably the Bank of England—have dealt with problems in the past. I suspect that the study of development would benefit greatly if students were to learn more about the history of decision making and policy execution in case studies of key episodes in economic development.

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the need for explanation. O'Neill's most recent invention is the MIST—Mexico, Indonesia, South Korea, and Turkey. It is noteworthy that all four of the MIST countries had major programs with the IMF in the 1990s.

18. In the 1990s, I concluded—without doing the necessary empirical work—that it was typically easier to reach agreement on a program with an authoritarian government but that programs with democratic governments had a greater chance of being implemented.

- Whither the Washington Consensus? Washington Consensus I was extremely successful in providing a basis for a debate on development policies in the period from 1990 to nearly the present. Will there be a Washington Consensus III followed by a Washington Consensus IV, and so forth? It seems not, for the development literature has moved on, and there is far less controversy about Washington Consensus II than there was about Washington Consensus I.
- Nor does it seem that we will be moving on to a "Beijing Consensus." Williamson (2012) takes up the question of whether the Beijing Consensus is now dominant, and argues that the West should not take up this model of development. He makes a strong case for that viewpoint. But neither he nor anyone else would argue that we should not be studying the Chinese and other successes and failures of development policy, and trying to draw lessons from them, including lessons about the political and bureaucratic processes through which reforms were implemented.
- Are we in a world in which economic leadership has moved away from the G-7 or G-8 to the G-20? In two senses, yes. A group of countries more representative of the world's population sits around the table when global economic issues are discussed outside the context of the Bretton Woods institutions, including at the head-of-state level. Further, the "new" members of the group represent an increasing share of global GDP. But in one important sense, no. Aside from the London and Pittsburgh G-20 meetings, not much in the way of policy leadership has come out of the G-20. Serious work needs to be done to make the G-20 more effective, including by convergence between the membership of the G-20 and the IMF Board.

Which brings us back to John Williamson. His approach to economics is deceptively simple. He believes in economics, and he believes in applying it. As his replies to the critics of the Washington Consensus show, he stands his ground when challenged, for he has a firm and well-based belief in the benefits of a market economy. He does not try to impress by using fancy technique; rather he tries to be useful. In some ways he must be the prototype that John Maynard Keynes (1984) had in mind in writing about economics in 1930: "It should be a matter for specialists—like dentistry. If economists could manage to get themselves thought of as humble, competent people, on a level with dentists, that would be splendid!" Of course, we should also aspire, as modern dentists do, to be more efficient and to cause as little pain as possible as we go about our daily tasks.

Williamson believes in serious discussion and civilized dialogue as ways to advance understanding—and this is no small thing in a profession as important as ours.

Finally, looking back at Williamson's (2004) description of the Washington Consensus, its most striking characteristic—and one that Williamson emphasized—is that it incorporates a transition from a belief that there is a specialized economics for developing countries and another set of policies that work only or mostly in developed countries, to an understanding that marks, in Williamson's words (2004, 44), "[t]he end of the intellectual apartheid that used to divide the globe into the first, second, and third worlds, each with its own economic laws...." And he adds that this "is something to be celebrated rather than mourned."

We are indeed happy to be part of the celebration.

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