Has the International Monetary Fund abandoned its neoliberal economic agenda and become more concerned with social issues? A look at the 2019 IMF Extended Fund Facility in Ecuador.

Kate Sorgi

Citation: Sorgi, Kate (2022) Has the International Monetary Fund abandoned its neoliberal economic agenda and become more concerned with social issues? A look at the 2019 IMF Extended Fund Facility in Ecuador. The Mathurin Hybrid Initiative, Global Economy, 4-44: https://www.mathurinhybridinitiative.org/global-economy

Table of Contents

Abstract

The International Monetary Fund's promotion of neoliberal economic policies as a means to achieve global economic growth has been under scrutiny for decades. Sometimes referred to by scholars as the "Washington Consensus", these neoliberal policies that encourage the deregulation of economies, liberalization of markets, and privatization of state industries, have increased economic and social instability in developing countries that have been forced to accept these reforms in exchange for IMF loans. For decades scholars and economists have examined the ways in which these policies harm developing countries, and have presented alternative development strategies and reforms — one of the most notable being the "post-Washington Consensus" — that could achieve more sustainable and equitable growth. These findings alongside subsequent shifts in IMF language that place more emphasis on social assistance and environmental issues have called into question whether the IMF is proactively trying to change the trajectory of social development or if this new language is merely masking neoliberal policies that are still embedded in loan programs.

This dissertation aims to understand how far the IMF has deviated from its neoliberal past and whether substance lies within the institution's new goals to prioritize social issues. To answer these questions, this assignment will analyze a 2019 IMF Extended Fund Facility[1] for Ecuador which implemented a number of economic reforms to encourage sustainable economic growth. Through looking at the proposed policy reforms and analyzing the expected social outcomes from this IMF loan agreement for Ecuador, this dissertation will argue that the IMF

[1]Extended Fund Facility (EFF) provides assistance to countries with payment imbalances by supporting the implementation of policies and reforms to fix such imbalances. EFF assistance is longer than most other IMF arrangements. See https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/20/56/Extended-Fund-Facility

has not abandoned its neoliberal agenda but has merely changed its language to appear more concerned with the well-being of Ecuador's citizens and economy.

Introduction

The International Monetary Fund (IMF) was established in the 1940s, after the global economy was crippled by the Great Depression, as an institution that would encourage the global shift towards free trade by providing loans to countries that were faced with trade deficits (Kiely, 2005: 89). From its creation to the early 1970s the IMF remained responsible for maintaining exchange rate stability and supporting countries suffering from balance-of-payment deficits (Ahmed and Sukar, 2017: 61); during these years the IMF was essentially functioning as a global bank that would move money from countries with balance-of-payment surpluses to those in deficits to maintain a stable global financial system (Kiely, 2005: 90). It wasn't until the 1982 debt crisis in Latin America when the trajectory of IMF governance took a major turn. The events leading to this shift will be discussed in greater detail in Chapter 2 but it is important to acknowledge the global situation at the onset of this crisis as characterized by severe debt accumulation (in response to rising oil prices and subsequent over lending by Western banks) in Latin America and a growing need to re-stabilize the global monetary system (Altamura and Zendejas, 2021: 755). The response to the 1982 debt crisis saw the IMF gain considerable authority over the global financial system as the Fund took charge in implementing structural reforms in countries needing loans; these Structural Adjustment Programs (SAPs) attached to loans embraced Western-backed economic policies that prioritized trade liberalization, industry privatization, and deregulation (Forster et al., 2019: 85). This period when the IMF was given the new ability to impose specific economic policies abroad marked the emergence of neoliberalism as the dominant development model pursued throughout the global financial system.

As will be explained in Chapter 2, neoliberalism is an ideology associated with free-market reforms and limiting the role of the state in the economy. Within the neoliberal paradigm is a confidence that markets produce the best economic results and belief that private actors have more useful information than governments and thus should be given more power to regulate economic activity (Williams, 2008: 113). The most common policies embraced under the neoliberal umbrella are some of those pursued by the IMF in response to the 1982 debt crisis: privatization of state industries, liberalization of trade, and deregulation of the state (Kiely, 2005: 98). Alongside these policy goals were others that made up a list of ten reforms that Washington organizations felt would adequately assist Latin America in recovering from the crisis – these policies make up what John Williamson coined the "Washington Consensus." Often associated with neoliberalism and sometimes called a "neoliberal manifesto" (Marangos, 2009: 197), the 1990 Washington Consensus became the primary (but frequently contested) list of economic policy recommendations pursued around the world. Despite playing a significant role in global development, arguments in opposition to this Consensus stem from the policies' inability to promote sustainable economic growth due to failures by Washington organizations to recognize country-specific needs when implementing what some consider to be "one-size-fits-all" policies (Stiglitz, 2004: 10). Due to the controversial nature of neoliberalism and the Washington Consensus coupled with their significance in historic development practices by the IMF, this essay analyzes the evolution of both phenomena and assesses their relevance in global development trajectories today. Chapter 1 will review the existing literature on the Washington Consensus and its evolution from the 1990s to today while Chapter 2 will review the nature of neoliberalism as an ideology and how it became engrained in the modern development agenda.

To explore the current development strategies and policies implemented by the IMF, and analyze how far these strategies stray from the original Washington Consensus and neoliberal agenda historically pursued by the IMF, this essay will take a close look at the 2019 IMF

Extended Fund Facility pursued in Ecuador; the purpose of this analysis is to compare the policies pursued and language used in the 2019 IMF agreement to previous IMF correspondence with the region and general IMF policies over the decades. There are a few reasons why Ecuador is a particularly interesting case study to review when assessing the presence of neoliberalism within the current IMF framework and determining whether the IMF has undergone meaningful change. To start, there is a clear commonality between the economic policies being pursued in the 2019 loan agreement and those policies highlighted under the Washington Consensus; when looking through IMF Article IV Consultations[2] in Ecuador, these policies can be traced from the Washington Consensus era through the 2000s and up to the most recent 2019 arrangement. The reforms in this loan program have strong roots in neoliberalism as their primary goals revolve around privatization and various free-market measures. Another reason why Ecuador is an enlightening case study is related to the IMF's social agenda discussed in the loan agreement. While the IMF makes references to "achieving strong, sustained and socially equitable growth" and "creating a sustainable, dynamic, inclusive and environment-friendly economy", community backlash to this loan package has indicated a disconnect in the IMF's words and the reality on the ground (IMF, 2019; CLAE, 2019). The outcomes of these reforms are expected to damage the lives of vulnerable groups through weakening the public health sector, dissolving public jobs and preventing sufficient economic growth (Iturralde, 2020) — all of which were meant to be improved by the IMF. Through looking at this loan program in Ecuador, it becomes clear how little the IMF has changed and evolved since it assumed its leading role in global governance back in the 1980s. Recognizing this lack of change introduces a need to explore what ways the

[2] After joining the IMF, a country's economic and financial status is assessed by IMF economists. After discussions between IMF staff and local government and central bank officials regarding the economic policies in place and the country's current development trajectory, a report is made by the IMF which details the findings from the visit. See https://www.imf.org/external/about/econsurv.htm

IMF’s economic agenda remains the same and whether meaningful attempts have been made to distance itself from its neoliberal past.

Methodology

This assignment takes a theoretical, empirical, and qualitative approach to understand the prevalence of neoliberalism today — specifically how institutions like the IMF are engulfed by neoliberal ideology and embrace economic policies in line with a neoliberal framework. Before diving into the case study of Ecuador, my research focused on the theoretical basis of neoliberalism as knowing the key components of this ideology helped solidify my understanding of how and why neoliberalism has existed and thrived in the realm of global financial governance through institutions like the IMF. While there is a large amount of existing research on this topic of neoliberalism and the IMF, the case study of Ecuador and the interaction Ecuador has had with the IMF in recent years and preceding decades provides a real-life perspective on this topic. Ecuador was the country chosen for this case study because of a recent 2019 IMF Extended Fund Facility that implemented a variety of economic reforms aimed to ensure sustainable and equitable growth. While language used in documents pertaining to this loan program is less blatantly riddled with neoliberal principles and policies, further analysis contradicts any understanding of neoliberalism as absent from the IMF’s agenda. The 2019 loan to Ecuador reveals how deeply entrenched neoliberalism remains in the global economy and provides insight to how the IMF continues to incorporate neoliberalism into their interactions with the global community through the language used and reforms detailed in relevant documents. Specifically, when conducting research for this case study, I read, analyzed, and picked apart various aspects of available IMF Article IV documents for Ecuador. These documents detail the discussions between IMF and Ecuadorian officials on the current economic situation in the country and what reforms should be implemented to encourage development. In doing this, I was able to more appropriately understand how the IMF's development strategies in the region have and have not changed over recent decades and what reforms are continuing to be prioritized.

Alongside looking at the case of Ecuador to grasp the prevalence of neoliberalism in recent IMF policy, I also wanted to understand whether the intended social reforms detailed in this agreement held any weight. After combing through Article IVs from 2003, 2005, 2015, 2016, 2019, and 2021, I noticed a stark shift in language in the 2019 Consultation which focused more significantly on social assistance measures and reforms that would improve the lives of the most vulnerable people in Ecuador. This dramatic change made me question the reliability of these statements and led my research to various local indigenous organizations that were actively speaking out against this loan package. Through looking at issued statements, tweets, and various other forms of protest, it became clear that there exists a disconnect between the intended results of the IMF reforms and the actual results that are already causing significant damage to impoverished groups in the country.

Before diving into the theoretical discussion of neoliberalism and the case study of Ecuador, Chapter 1 will provide an overview of the relevant literature on the progression of economic policies – namely those that make up the Washington Consensus – pursued by the IMF and other Washington institutions since the 1980s. This chapter will lay the foundation for the following sections as it will reveal how the IMF's economic agenda has shifted over recent decades and how neoliberalism is relevant in this progression.

Chapter 1: Literature Review

One avenue of scholarly discussion on the IMF traces the institution's role in driving global economic governance with particular focus on the evolution and ongoing presence of neoliberal policies within the IMF's agenda. A hallmark piece in this discussion is John Williamson's "What Washington Means by Policy Reform", in which Williamson lists 10 economic policies (often deemed neoliberal policies within relevant scholarship) being pursued by Washington organizations like the IMF and World Bank in the 1990s (Williamson, 1990) – these policies make up the Washington Consensus. Since the creation of this 10-point economic agenda**,** there have been several academics who have attempted to understand how far the IMF has diverged from this agenda and where the institution's pursuit of these policies stands today. To gauge where scholarly consensus lies in regards to the IMF's promotion of the Washington Consensus, this section will review the literature that follows the evolution of these policies from the 1990s to today. Specifically, this chapter will review how scholars perceive the changing nature of the IMF through the post-Washington Consensus era and the 2008 financial crisis. Despite varying opinions on the influence of neoliberalism within the IMF framework and policies — with some arguing little change from the original Washington Consensus and others arguing more notable change — this section will highlight different sides of the debate and introduce the case of Ecuador as a missing piece in the literature. Ecuador is a useful case study to explore as analysis of Ecuador's interaction with the IMF not only reveals how deeply embedded Washington Consensus policies remain in IMF policy advice for the region, but it also reveals a disconnect between the social reforms pursued by the IMF and the actual social impacts expected to occur as a result of these neoliberal economic policies.

Before moving on to discuss the origins of this Consensus and how it has remained relevant in the field of economic development, it is important to note that the Washington Consensus is not synonymous with neoliberalism. While this Consensus arguably captures the essence of neoliberal ideology, any interchanging use of the terms within this chapter and the remainder of this assignment stems from the conflation of the terms within the relevant literature. That being said, this section focuses more specifically on the changing nature of economic policies being pursued by the IMF while Chapter 2 will take a deeper dive into the complexities of neoliberal ideology.

The Washington Consensus: laying the foundation

Much of the research on the connection between the IMF and neoliberalism stems from the 1980s when IMF conditionality saw the IMF attach policy reforms to loans for indebted countries – this new system saw recipient nations being forced to implement certain policies in exchange for funds (Forster et al., 2019: 85). The “desirable set of economic policies” often pursued under IMF conditionality are those that make up the Washington Consensus as these reforms were viewed as integral to achieving sustainable economic growth by Washington officials (Williamson, 1990). Some of the policy instruments under this Consensus are: trade import liberalization, privatization of public entities, competition through deregulation of market economies, and increased tax revenues (Williams, 1990). All 10 policies that make up this Consensus are listed in Table 1 below.

The Washington Consensus
1. Fiscal discipline 2. Redirection of public expenditures to education, health, and public infrastructure 3. Tax reforms 4. Interest rate liberalization 5. Competitive exchange rates 6. Trade liberalization 7. Liberalization of foreign direct investment (FDI) 8. Privatization 9. Deregulation 10. Securing property rights

Table 1: 10 Policies that make up the Washington Consensus (Williamson, 1990)

While there was no intention on Williamson's part to establish any connection between these policies and neoliberalism (Williams, 2000: 2; Williamson, 2004: 251), different understandings of the term subsequently became adopted in the scholarship and the Consensus quickly became associated with the IMF's promotion of neoliberalism. Joseph Stiglitz is among those scholars whose analysis of the Washington Consensus broke away from the terms original purpose — his discussion of the concept does not prescribe to Williamson's use of the term as a mere descriptor for economic reforms in Latin America and instead established its link to neoliberal policy prescriptions (Stiglitz, 1999: F588). Another common term used in connection to this Consensus (and one that was not intended in the original meaning) is *market fundamentalism*. Other academics alongside Stiglitz like George Soros argue the policies laid out in the Consensus promote market fundamentalism, or *laissez-faire* economics, in which the market is given the power to freely operate (Soros, 2008: x). The terms *market-fundamentalism* and *neoliberalism* are often used synonymously by scholars like Stiglitz due to their mutual focus on free, unregulated markets as key to economic development (Stiglitz, 2009: 348). Despite Williamson and other academics maintaining the Washington Consensus as merely a group of attractive economic reforms embraced by Washington organizations (Williamson, 1996: 15; Burki & Perry, 1998: 1-2), analysis of the policies ineffectiveness in promoting equitable economic development alongside their similarities to neoliberal policies pursued under United States (US) President Ronald Reagan and UK Prime Minister Margaret Thatcher encouraged connection within other literature (Williams, 2004: 2; Fine, 2001: 3; Broad and Cavanagh, 1999: 79).

The Era of the Post-Washington Consensus

The post-Washington Consensus (PWC) followed two periods Stiglitz called "Washington Consensus Plus" and "Washington Consensus Plus Plus" which saw the continuous addition of reforms to the original Washington Consensus that aimed to improve development results and social outcomes in developing countries; these reforms placed more focus on equity, social safety nets, and building up public institutions (Stiglitz, 2008: 9). As it became clear in the 1990s that free market neoliberal reforms under the umbrella of the Washington Consensus (and the subsequent 'plus plus' Consensuses) were failing to provide sufficient economic growth to developing countries (Stiglitz, 2004; Serra and Stiglitz, 2008; Güven, 2018), this PWC emerged to set a new path for IMF development strategies. Conceptualized by Joseph Stiglitz, the post-Washington Consensus pointed out problems with the Washington Consensus policies that placed too much emphasis on the market's role in dictating development outcomes and ignored country-specific characteristics that made these strategies largely ineffective (Stiglitz, 2008: 53-54). Through the PWC, Stiglitz (2008: 47) also called-out the lack of concern over distribution in the Washington Consensus which left a growing gap between the rich and the poor in countries subjected to these policies. To summarize, the original conception of this Consensus argued the following: development strategies should go beyond Washington to include input from developing nations, one-size-fits-all policies will not succeed, more emphasis should be placed on improving poverty and other social issues (Stiglitz, 2009: 12).

While the post-Washington Consensus denounced the neoliberal agenda pursued under the Washington Consensus and offered a more inclusive and democratic development approach to be undertaken by the IMF, its emergence sparked scholarly debate on whether the PWC actually initiated a shift away from neoliberalism through altering core values of international financial institutions (IFIs). One overwhelming argument when researching the impacts of the PWC is that despite its focus on improving social conditions, it did not stray far enough from the Washington Consensus agenda. One review by Jonathan Perraton (2004: 898) of Stiglitz's book *Globalization and its Discontents* states that Washington Consensus policies and PWC policies have fewer differences than what the rhetoric states; Perraton argues that even during the PWC era the IMF still operated alongside a neoliberal policy agenda. Other scholars like Charles Gore hold a similar sentiment to Perraton. While acknowledging the broader, more socially-focused goals of the PWC, Gore (2000: 800) notes the creation of this paradigm as potentially upholding the tenants of the Washington Consensus, marking little change in the development agenda for the IMF. Similarly, Ziya Öniş and Fikret Şenses (2005: 265) argue the PWC offered improvements to the Washington Consensus but lacked an appropriate framework to address issues of poverty, the standard of living, and income distribution in developing countries. In their analysis, they highlight how the PWC attempts to break away from the neoliberal attitude of the Washington Consensus but lacks a foundation to do so. While the PWC recognizes that states and public institutions should have a greater role in determining development strategies (which contradicts neoliberalism's market-focused route for development), Öniş and Şenses (2005: 278) argue the updated Consensus fails to explain how this new agenda would allow state intervention to triumph over the established neoliberal policies that bolster the market's power. A slightly different approach to the PWC takes a deeper look at the intellectual foundation and analytical context in which this Consensus emerged. While similarly acknowledging the PWC's broadening approach to development, Ben Fine (2000: 3-4) makes a compelling argument about the Consensus' "intellectual narrowness and reductionism" that generalizes the impacts of market imperfections on all of society; Fine notes the Consensus' model as uninventive and weak.

One analysis of the PWC that is particularly critical is by Dani Rodrik who disregards any merit behind the agenda of Stiglitz's new Consensus and labels it a "broader 'augmented Washington Consensus.'" Rodrik (2002: 1) argues the Augmented Washington Consensus (AWC) as an "impossibly broad, undifferentiated agenda of institutional reform" and discounts Stiglitz's goal of including developing nations in the conversation as he sees this new Consensus as "insensitive to local context and needs." That said, through Rodrik's understanding of the PWC as "infeasible, inappropriate, and irrelevant", IFIs like the IMF did not experience a significant deviation from policies pursued under the Washington Consensus when this new Consensus was introduced (Rodrik, 2002: 1; Rodrik, 2006). Rodrik's argument is supported in one discussion by Mark Beeson and Iyanatul Islam that looks at the IMF's actions towards the East Asia crisis during the PWC/AWC era and found little change in the institution's pursuit of neoliberalism. During the 1997 financial crisis in East Asia, the IMF and impacted countries of Thailand, Korea, and Indonesia came to an agreement that PWC policies were the best route for recovery and development — this meant that liberalization, privatization, and deregulation policies were pursued alongside social policies targeting poverty reduction (Beeson and Islam, 2005: 204). In their analysis of PWC/AWC policies being pursued in East Asia, Beeson and

Islam (2005: 204) argue that this reform strategy was merely "an experiment in reinventing neo-liberalism in the region."

Arguments in line with Rodrik, Beeson, and Islam are compelling and arguably best encapsulate the failures of the PWC to initiate a meaningful move away from the Washington Consensus that IMF and other IFIs were attempting to make. This is because the mere broadening of the Washington Consensus policy agenda to include concerns on social well-being does not suffice as sufficient change if the results aren't reflective of progress. Up until this point, the scholarship reviewed and referenced has been skewed towards the belief that the PWC did not initiate a change in the course of the IMF's pursuit of neoliberalism and instead affirmed the Washington Consensus agenda embraced in the 1990s. The next section will move past the PWC era and discuss the 2008 financial crisis and how this event impacted the IMF's policy agenda.

The IMF and Neoliberalism after the 2008 Financial Crisis

Critical review of the post-Washington Consensus indicates flaws in its proposed development strategy as lacking in substance, direction, and difference from its predecessor, the Washington Consensus; a wide agreement among the scholarship is that the PWC failed to push the IMF away from its 1990 neoliberal agenda and initiate a new course of development in the Global South (Rodrik, 2000; Beeson & Islam, 2005; Srinivasan, 2000; Güven, 2018). A more recent historical event (following the PWC/AWC era) that marked a shift in the course of global development and reignited focus on the IMF's promotion of neoliberalism was the 2008 global financial crisis as this event saw a drastic rise in IMF activity. Not only did the IMF almost immediately funnel US$250 billion into the global financial system to encourage recovery but from 2008 to 2016, IMF loan commitments increased from SDR (special drawing rights)[3] 2 billion to over SDR 500 billion (Güven, 2018: 399; IMF, 2016a; IMF, 2009). Reviewing what the scholarship says about the IMF's response to this crisis and whether this event pushed the IMF towards or away from its neoliberal policy agenda is important as it gives a more recent and updated understanding of how neoliberalism is intertwined and pursued in the modern global economic landscape.

One set of literature focuses on the overall changing nature of the IMFs policy paradigm and internal structure in response to 2008. For instance, André Broome reviewed how the IMF's policy advice shifted after the 2008 financial crisis and indicated that a "back to basics" approach was adopted by IMF staff. According to Broome (2015: 161), the IMF narrowed its attention towards fewer monetary policies thus restricting its scope of reform. While Broome makes no specific reference to the involvement of neoliberalism or the Washington Consensus in IMF policies post-2008, his argument contributes to the idea that the IMF did not experience significant change from the Washington Consensus era after the financial crisis and actually regressed from the PWC due to the institutions restricted focus on certain monetary (not social) policies. Another look at the Fund's policy practices before and after 2008 is by Sarah Babb who traced the evolution of the Washington Consensus from its origin to predict its potential successor. Despite arguing that the IMF has experienced little diversion from the 1990s Washington Consensus, Babb acknowledges that the IMF made important changes to its intellectual environment through placing less focus on free markets (one key neoliberal policy); she also notes that since 2008 the IMF has toned down its stance on eliminating inflation and has

[3] Special Drawing Rights is an international reserve asset created by the IMF and determined based on a number of international currencies: the U.S. dollar, Euro, Japanese yen, British Pound, and Chinese Yuan. See https://www.imf.org/en/Topics/special-drawing-right

instead pushed for taxing private banks (Babb, 2013: 287). In their analysis of IMF change post-2008, Cornel Ban and Kevin Gallagher (2015: 132) argue that this event initiated an internal review of how the Fund would participate in economic governance but did not actually change the official policy advice given by the IMF. Despite shifts in IMF staff politics and emerging powers gaining a greater voice in the institution, Ban and Gallagher maintain that policy conditions pursued by the IMF remain closely linked to the neoliberal conditions under the Washington Consensus and few changes have occurred to the institutions procedures, practices, and goals (Babb, 2013; Chorev & Babb, 2009; Ban & Gallagher, 2015).

Other scholarship focuses more specifically on how the IMF's Washington Consensus agenda was impacted post-2008. Al Burak Güven's (2018: 401/411) review of IMF lending programs for developing countries before and after 2008 found that the institution remained heavily focused on fiscal and monetary policies at least partially consistent with neoliberal policies pursued under the Washington Consensus and PWC. Another one of his findings indicates that after 2008, less focus was placed on social policies that were meant to be pursued under the PWC — he defends this argument by discussing the IMFs increased hesitation to intervene in the areas of healthcare and labor markets in Argentina and Brazil after the crisis (Güven, 2018: 403). In her review of how the IMF bolsters hegemony and neoliberalism, Julie Mueller (2009: 401) supports Güven's point and argues that the IMF "continues to promote neoliberal policy because it truly believes it will work." Not only does she suggest the ongoing pursuit of neoliberalism within the IMF throughout the 1990s and 2000s, but indicates the 2008 crisis as giving the IMF a "new lease on life" while having little impact on the institution's development strategies and policies (Mueller, 2009: 400).

On the other side of the argument are scholars like Liam Clegg (2012: 62) who argue the Fund has experienced significant change in response to the 2008 crisis. Clegg's analysis indicates that the Fund increased its focus on poverty reduction and social spending after 2008 making it a more attractive development partner. Susanne Lütz and Matthias Kranke (2014: 321) largely agree with Clegg that the IMF experienced a meaningful shift from the original Washington Consensus after 2008 by giving the example of IMF and EU lending to European countries. They state that in this case of European lending, the IMF proposed flexible policies while the EU aimed to pursue more orthodox Washington Consensus policies which indicates a shift for the IMF away from the traditional Consensus. Without discounting this claim by Lütz and Kranke, it is important to acknowledge the Western leadership structure of the IMF and how this may have impacted the specific case of lending to European countries – the IMF may have been more lenient in their development approach to the EU because three of 10 largest IMF members are France, Italy and Germany (IMF, 2016a: 108) While some scholars like John Williamson (2003: 1475) claim the Washington Consensus has been replaced with a new list of economic policies, evidence suggests that the tethers holding the IMF to the original Washington Consensus agenda were not eroded after the 2008 global financial crisis but were, in many cases, strengthened.

The Missing Piece: the disconnect between IMF language and action

One area of focus that is lacking within the existing research on the IMF's role in global governance is the disconnect between the policy language used in the Fund's loan agreements and the expected impacts of the reforms. When analyzing changes in IMF development strategies through this lens it becomes more apparent the lack of change the IMF has undergone since the Washington Consensus and how the institution's newfound focus on social spending doesn't hold much weight. The 2019 loan agreement to Ecuador is a good example of this. First, when comparing the policy advice in earlier IMF Article IV Consultations[4] from 2005, 2015, and 2016 to more recent Article IVs issued during and after the loan agreement was implemented in 2019, there is little change in the primary aims of IMF policies — the IMF has remained consistent in its push for policies revolved around competitiveness, trade-openness, privatization, and tax reform (IMF, 2005/2015/2016b/2019). For instance, the 2019 Article IV Consultation explicitly states support for Ecuador to join the European Free Trade Association (EFTA), encourages the country to restore fiscal discipline and become more competitive within the financial system, and pushes for a private sector led growth model (IMF, 2019). All of these policies align with the 10 original tenants of the Washington Consensus listed above in Table 1.

Second, while the 2019 Article IV marked a shift in IMF language towards social issues (i.e., protecting vulnerable groups and investing in social protection programs), evidence is showing that these reforms are causing more harm including raising unemployment and widening the gap in social inequality (Weisbrot and Arauz, 2019: 1; CONAIE, 2022a). While the changing nature of IMF language for Ecuador seems to be in line with Stiglitz PWC — as the Fund appears increasingly concerned with social assistance — the damaging impacts of these reforms proves otherwise and discounts any progress made from the Washington Consensus. Chapter 3 will embellish on these disconnects and highlight further evidence of the IMFs lack of change since the 1990s but it is important to acknowledge that the words and actions of the IMF are not aligning and that the main tenets of the original Washington Consensus seem to remain heavily embedded within the Fund's current loan programs.

[4] After joining the IMF, a country's economic and financial status is assessed by IMF economists. After discussions between IMF staff and local government and central bank officials regarding the economic policies in place and the country's current development trajectory, a report is made by the IMF which details the findings from the visit. See https://www.imf.org/external/about/econsurv.htm

Chapter 2: Theoretical Discussion of Neoliberalism

Neoliberalism emerged as the primary model for economic development in the 1980s under a specific set of circumstances. In the 1970s, economic growth in the Global South was stagnating as economic policies under the umbrella of “import substitution industrialization” (ISI) were failing to produce sustainable development — this method of development embraced trade protectionism and the boosting of domestic industries and production to achieve economic independence (Kiely, 2017: 7). When oil prices began to rise in the late 1970s and countries in Latin America became unable to repay loans received to alleviate the financial burden of higher oil prices, weaknesses of this development strategy began to show (Brett, 1985: 127; Kiely, 2005: 94). The culmination of these events led to the 1982 Latin American debt crisis which made way for neoliberalism to infiltrate the global financial system. This is true because as the debt crisis took hold of the Global South, leadership in the West (primarily Ronald Reagan in the U.S. and Margaret Thatcher in the U.K.) adopted a new neoliberal agenda to aid in development — this development strategy embraced trade liberalization, deregulation, industry privatization and sought to reduce the role of the state in market activity (William, 2008: 117). This is largely when the relationship between the IMF and neoliberalism began as the Fund stepped in to mediate the crisis through providing loans with neoliberal policy reforms attached as a means to encourage economic recovery and growth.

Since the 1980s neoliberalism has had a foothold on global financial governance and the IMF has been the vehicle driving its implementation around the world. That said, it is important to explore the evolution of neoliberalism from the 1980s to now, its relevance in today’s global development trajectory, and why it has remained the prominent model for economic growth despite its previous failures to foster sustainable growth. This chapter will first establish what the core of neoliberalism is by discussing key neoliberal ideas and debates. In explaining the theoretical basis of neoliberalism, it will become clear how it differentiates from the Washington Consensus which, as established in Chapter 1, is merely a set of economic policies that is often conflated with neoliberal economics and neoliberal development theory. This dive into the essence of neoliberalism will reveal its complexities and how it connects to multiple facets of life and society. The next section will look at the IMF as the Washington institution primarily responsible for introducing and maintaining neoliberal economic policies abroad despite their consistent failures to foster sustainable growth; this section will discuss what Ray Kiely calls the "neoliberal paradox" which captures how neoliberalism has persisted through moments of crisis and why it remains central to global development practices. Discussing how neoliberalism has remained an integral part of economic development strategies raises the question: can neoliberalism be overcome? The aim of this chapter is not to answer this question but to encourage consideration of this question through offering an understanding of neoliberalism as currently engrained in modern economic practices.

Neoliberalism: the core arguments

Neoliberalism has consistently remained dedicated to free-market reforms and deregulation practices (Stedman-Jones, 2012: 14-15) — more specifically, the core of neoliberal ideology stems from the belief that markets can produce superior development outcomes and thus should be given priority over state intervention (Kiely, 2018: 36). In describing the early years of neoliberalism, Stedman-Jones (2012: 15) highlights the difficulty in narrowly defining neoliberalism prior to the 1970s due to its complicated origin but presents a useful definition that articulates the overarching premise of the term. He states that neoliberalism is the "free market ideology based on individual liberty and limited government." Other scholars like David Harvey

(2005: 2) similarly point towards neoliberal thought as centered around individual freedom and liberation which are both uplifted by certain economic policies that reduce government intervention in regulating markets. This pursuit of neoliberalism through economic reforms will be discussed at greater length later in this chapter but as stated previously, while these policies (arguably those listed under that make up the Washington Consensus) represent the values of neoliberalism but they are not one in the same. Nonetheless, the two main tenets of neoliberal ideology — ones that have influenced its presence and implementation globally — that will be discussed below are: importance of individual freedom and the restriction of state intervention throughout society.

Within the neoliberal paradigm, maintaining one's freedom is crucial. In his discussion of the "free man" Milton Friedman states that people should be able to freely operate in society, choose their own responsibilities, and pursue their personal goals without intervention from the government or other public institutions (Friedman, 1980: 2). Alongside this pursuit of freedom is the pursuit of individualism. Friedrich Hayek (1980: 6) articulates what he calls "true individualism" to be a theory of society in which people develop their unique characteristics from what surrounds them. Within his theory of true individualism is an argument similar to the one adopted by Friedman in which the coercion and persuasion by others on an individual (i.e., the state) should be limited — people should be able to exercise their own free-will as independently as possible (Hayek, 1980: 16-18). While economists like Hayek and Friedman were advocating for these principles in prior decades, it wasn't until the economic downturn in the 1970s when this idea of a global society operating on the foundations of individualism and freedom became a more attractive agenda to pursue in the West. This was particularly true for Prime Minister Margaret Thatcher and President Ronald Reagan who saw failures in the economy during this period as an opportunity to bolster these values. They pulled upon the ideas of Hayek and began to pursue free-market reforms as a means to encourage economic growth (Steger & Roy, 2021: 20; Garland, 2016: 102). This neoliberal belief that embraces personal autonomy and freedom was then more widely adopted into the modern economic landscape and has continued to be a primary goal for institutions like the IMF whose free-market policies are reflective of these very ideals. The next neoliberal argument that will be explored is one that is closely linked to the pursuit of personal freedom due to its intrinsic nature of reducing infringement on individual rights: lessening the role and power of the state.

Limiting the role of the state is another foundational aspect of neoliberalism and plays an important part in preserving personal freedom through reducing the impact that states and governments have on citizens' rights and actions. Referring back to (and adding onto) Hayek's philosophy on individualism, he believes it is necessary to reduce government power over the individual as much as possible and argues that "under the Rule of Law the government is prevented from stultifying individual efforts by *ad hoc* action" (Hayek, 2008: 112). The basis for his argument is rooted in the neoliberal idea that people have the right and ability to freely pursue their own goals and should not be unnecessarily inhibited by government action. This desire to reduce government power in various facets of society is apparent in modern economic development strategies that have been pursued since the 1970 economic recession and the subsequent administrations of Thatcher and Reagan. Some of these include: the deregulation of industries which removes state restrictions over certain societal sectors; the privatization of entities which transfers power from the government/state to private corporations; and other free-market measures that allows the market to operate with limited government interference

(Harvey, 2005: 64-66). Going back to the previous discussion on freedom, all of these neoliberal measures operate to support the inherent rights awarded to individuals.

The ideas of freedom and limiting the state are concrete (and widely uncontested) aspects of neoliberal thought but there are many different uses and interpretations of the term. For instance, neoliberalism is used to describe a philosophy, a principle or doctrine, an economic agenda, or an ideology and there exists many variations of the term that include: religious or secular neoliberalism, far-right political neoliberalism, parliamentary neoliberalism (Kiely, 2018: 95; Connell and Dados, 2014: 118). Neoliberalism is both a theory and a practice. Another area of research on neoliberalism sees the conflation of the term with *financial capitalism*; this comparison to capitalism is one that appears often as scholars note the shared beliefs between the two on free-market policies and market competition (Bresser-Pereira, 2010). The main point to take from this is that neoliberalism is a complex term and its presence spreads over multiple societal spheres: it impacts the economic, political and social realms and has significant influence over how international systems, institutions, and individuals operate and make decisions. Now that the complexities of neoliberalism have been more established, the next section will explore how neoliberalism has remained relevant since the 1980s despite challenges to its philosophy and conflicting responses to its results.

Neoliberalism: persisting through the decades

Before discussing the journey of neoliberalism since the 1980s (noting its prevalence in institutions like the IMF and its failures to foster sustainable growth), it is important to acknowledge that there are two perspectives on how neoliberalism was introduced and how it exists in the global community. While the dominating narrative in the scholarship looks at neoliberalism from the Global North's perspective, — focusing on its origin in Western culture and subsequent imposition of neoliberal economic agendas on countries in the Global South — the experience and perspective from the Global South is also crucial to recognize. Raewyn Connell and Nour Dados explore neoliberalism from the Southern perspective and challenge the idea that neoliberalism was pushed onto countries by Western political figures and institutions. In their discussion they note that the first neoliberal regime existed in Chile prior to the Reagan presidency and point out that other neoliberal agendas were being pursued throughout South America as early as the 1960s (Connell & Dados, 2014: 122) — Chile specifically was already engaging in international trade and other neoliberal strategies as a means to expand their economic growth before and during the 1970s. Around the same time, countries and communities in the south-west Pacific were experiencing a similar move towards neoliberalism when New Zealand and Australia implemented deregulation policies to boost economic growth (Connell & Dados, 2014: 127-128). These instances of neoliberal agendas being pursued in the Global South prior to Western societies adopting similar neoliberal economic reforms in the 1970s are important to highlight because they provide a necessary addition to the neoliberal narrative — one that challenges the Global North's stance. For the purpose of this chapter and the entire assignment, the next section (and ones to follow) discussing neoliberalism's persistence as the primary model for economic development will remain focused on the IMF's adoption of a neoliberal agenda and its role in implementing neoliberal policies in Global South countries, specifically in Ecuador. While some may argue this perspective as centering a Western narrative, it is the chosen approach due to the specific case of Ecuador and the recent IMF loan package implemented in the country.

Quickly after neoliberalism's universal introduction to the political economy, empirical evidence that pointed towards flaws in neoliberal orthodoxy began to raise concerns about the efficacy of these economic policies. One example of this was the economic success of interventionist and protectionist policies in East Asia — policies that directly resist the neoliberal belief that state intervention inhibits sufficient economic growth (Öniş and Şenses, 2005: 266). Another more blatant instance that revealed issues with the neoliberal framework was apparent in the lack of growth experienced by Central and Latin American countries in the 1990s. A particular instance that raised concern was the 1994 Mexican crisis which occurred after Mexico had implemented various structural reforms that prioritized deregulation, privatization and liberalization policies (UNCTAD, 1995: 27). Throughout the decades, scholars and economists have questioned neoliberalism's stance in the economy, calling on its failures to produce adequate and universal growth, and have analyzed its ability to prevail despite economic crises. One recent global event that simultaneously called to question neoliberal practices while also strengthening its standing and legitimacy in the political economy was the 2008 financial crisis.

Before explaining the relationship between neoliberalism and the 2008 financial crisis, it is useful to understand the context for which this crisis occurred. In short, this global financial recession resulted from the burst of a "housing market bubble" after mortgage companies issued large volumes of high-risk loans which pushed financial institutions into bankruptcy and forced them to turn towards government bail-outs to recover (Hemmelgarn and Nicodeme, 2010). Initial response to the crisis saw people condemn the system of "financial self-regulation" that neoliberalism had established to enhance economic growth because the system had failed to produce the intended outcomes and instead sent the global economy into a detrimental financial meltdown (Welch, 2012: 221) — the reduced role of government in directing the financial system was originally believed to be a major mistake. Despite this crisis blatantly revealing flaws within the neoliberal paradigm (that placed too much confidence in markets and too little in states), the narrative was eventually switched and state intervention became the target of criticism. This "neoliberal paradox" is one that Ray Kiely (2018: 1) explores in which a "neoliberal crisis actually strengthened neoliberalism." In his book he looks at the redefining of neoliberalism in the post-2008 era noting the initial blame placed on free-market strategies followed by blame shifting which placed the public-sector under fire — essentially, neoliberalism was at first blamed for the crisis but then further neoliberal reforms were implemented to fix the fallout. While this crisis may have raised questions on the reliability of neoliberalism, it ultimately reaffirmed its position in the global economy as its key values of freedom and reduction in state power held strong.

One candid account of the 2008 crisis by Colin Crouch provides a simple yet accurate reflection of how neoliberalism was impacted: he states, "What remains of Neoliberalism after the financial crisis? The answer must be virtually everything" (Colin Crouch cited in Mirowski, 2014: 14). This statement encapsulates the reality of neoliberalism post-2008 and can arguably be applied to more recent global events like the COVID-19 pandemic. Similar to the fall-out from the financial crisis which directly confronted the effectiveness of neoliberal policies, the COVID-19 pandemic also challenged the neoliberal stance on government regulation. In looking at the response to COVID-19 by Western capitalist countries heavily invested in regulatory governance, the systematic flaws of their neoliberal designs became clear. Lee Jones and Shahar Hameiri (2021: 15-16) look at the failures of the British state in response to Covid-19 and note that the regulatory system in place made them unprepared for the pandemic — some of what contributed to this unpreparedness was the privatization of state positions and the decision-making authority placed in the hands of corporations over the state. Through further exposing the ineffectiveness of neoliberal ideology and policies, this pandemic created an opportunity for the global community to depart from its deep-rooted attachment to neoliberalism. Nonetheless, this opportunity has so far failed as privatization measures continue to be prioritized and reliance on the market remains (Briggs et al., 2020; Davies & Gane, 2021).

Neoliberalism's persistence through major global events like the 2008 financial crisis and the COVID-19 pandemic reveal how deeply embedded it is in global society and raises the question: can neoliberalism be overcome? While this question requires extensive analytical research and deep engagement with the relevant scholarship, – both of which cannot be done in the confines of this assignment – the examples provided in this chapter that detail the triumphs of neoliberalism should be considered when trying to determine what impact it will have in the future.

Chapter 3: Economic Policies in the 2019 IMF Loan to Ecuador

As established in Chapter 2, neoliberalism has remained heavily embedded in the global economic system as evident in the IMF's pursuit of economic policies that help advance a neoliberal agenda abroad; and while neoliberalism has continuously failed to produce satisfactory and long-term economic development, neoliberal ideology has persevered and still has significant influence in modern development strategies. The case of Ecuador (particularly the recent 2019 IMF loan package implemented in Ecuador) sheds light on this idea that neoliberalism remains triumphant through institutions like the IMF. For one, the economic policies in the recent IMF Extended Fund Facility (EFF) to be implemented in the country are in line with the neoliberal goal to reduce the role of government in the economy. Specifically, economic policies that encourage the restriction of state power through the deregulation of industries and privatizing of corporations (as discussed in Chapter 2) are continuing to be prioritized by the IMF. The loan package also pushes other free-market reforms and encourages Ecuador to enter into a free-trade agreement: the European Free Trade Association (EFTA). Both of these policies are reflective of the core neoliberal argument around the importance of individual freedom from institutional intervention.

This chapter will explore the current presence of neoliberalism in Ecuador's economic development model as pursued by the IMF. To do this, various economic policies embedded in the 2019 IMF loan will be picked out and analyzed to reveal how neoliberal goals show up in each of them. These economic policies will then be compared side-by-side to the 10 Washington Consensus policies pursued by the IMF in the 1990s. In analyzing and comparing these reforms to those pursued in prior decades, this chapter will reveal that neoliberalism has not been abandoned by Washington institutions like the IMF and continues to be prioritized in global development strategies.

Economic Reforms in Ecuador: then and now

Before discussing what policies specifically stand out in the 2019 IMF Article IV Consultation and loan package to Ecuador, it is useful to provide context as to how this analysis was conducted. Policy advice from the IMF to Ecuador is spelled out in IMF Article IV Consultations which assess the economic situation of a country and provide policy advice to enhance economic growth and development. These documents are extensive and dense with economic jargon but are crucial to understanding what recommendations were discussed between the IMF and Ecuador and what economic reforms were chosen to be implemented. After combing through available Article IVs for Ecuador (2003/2005/2015/2016/2019/2021), paying particular attention to shifts in language and policy advice in 2019 after an Extended Fund Facility loan agreement was implemented in the country, I was able to grasp the IMF's economic trajectory for Ecuador. As the goal of this analysis was to understand how far the IMF has deviated from its neoliberal economic agenda and specifically those policies listed under the Washington Consensus, policy advice prioritized in the 2019 loan agreement was then compared to the 10 policies under the Washington Consensus.

As presented in Table 2, a few policy recommendations in the 2019 IMF agreement stand out when placed side-by-side with the Washington Consensus policies. Starting at the top of the WC list, the IMF encourages efforts by Ecuador to restore fiscal discipline as a means to lower the country's public debt; back in the 1990s Williamson noted that the IMF "made the restoration of fiscal discipline a central element of the high-conditionality programs" — this goal remains today and is apparent in this agreement with Ecuador (IMF, 2019: 112; Williamson, 1990). The next WC policy focusing on the redirection of public funds to education, health care, and public infrastructure, is also pursued in the 2019 loan agreement. Specifically in Ecuador, the IMF aims to strengthen the government program *Plan Toda Una Vida*[5], which in part sees the use of government funds to increase social assistance and access to education and health services. Next is the IMF's stance on tax reforms. In this loan agreement, the IMF encourages the implementation of a comprehensive tax reform to boost Ecuador's fiscal standing — this reform aims to help establish fiscal discipline through increasing revenue and lowering the country's debt-GDP ratio (IMF, 2019: 3). The Fund's approach towards interest rates in Ecuador is another reform in line with the approach taken during the Washington Consensus era. Specifically, the IMF aims to remove interest rate ceilings and accept market interest rates to help the country become more competitive in the international system (IMF, 2019: 26/31) — these measures encourage the liberalization of interest rates from government control. In relation to the fifth policy on competitive exchange rates, the IMF assessed Ecuador's exchange rate and found it to be overvalued which has a direct impact on competition. Through this loan, the Fund aims to devalue Ecuador's real effective exchange rate (REER) in an effort to increase international competitiveness (IMF, 2019: 70-71).

The next policies to discuss revolve around the IMF's pursuit of trade liberalization and privatization measures. Within this Article IV is a large focus on the removal of trade barriers which the IMF believes will "create opportunities for greater private sector involvement" (IMF, 2019: 7). Also along the lines of trade policy is the push for Ecuador to enter into the European Free Trade Agreement (EFTA) which the IMF sees as an opportunity to encourage private

[5] *Plan Toda Una Vida* is a government program that aims to improve living conditions for vulnerable Ecuadorians. It is dedicated to social protection reforms that assist individuals through resource allocation and reducing risk factors. See https://www.infancia.gob.ec/plan-toda-una-vida/.

investment — yet another policy goal directly relating to the sixth Washington Consensus policy of trade liberalization. Boosting private sector growth in Ecuador is also a primary economic strategy for the IMF — one statement that encapsulates this is the commitment to “restoring competitiveness and catalyzing private sector-led growth” (IMF, 2019: 4). As has been established throughout this essay, privatization policies are crucial to neoliberalism as they help limit the role of the state and encourage a free-market economy. After listing some of the main IMF policy recommendations for Ecuador in this 2019 Article IV and analyzing them alongside the 10 Washington Consensus policies laid out by John Williamson in the 1990s, it is evident that little has changed in terms of the IMF’s policy agenda in the past three decades.

The Washington Consensus	2019 IMF Policy Recommendations for Ecuador
1. Fiscal discipline 2. Redirection of public expenditures to education, health, and public infrastructure 3. Tax reforms 4. Interest rate liberalization 5. Competitive exchange rates 6. Trade liberalization 7. Liberalization of foreign direct investment (FDI) 8. Privatization 9. Deregulation 10. Securing property rights	1. Restoring fiscal discipline 2. Directing government funds to social assistance (education and health care) through *Plan Toda Una Vida* 3. Interest rate liberalization 4. Tax reform to reduce ratio of debt-to-GDP 5. Devalue the exchange rate to encourage international competition 6. Trade liberalization through removal of trade barriers and entering the EFTA 7. Prioritizing growth of private sector

Table 2: Washington Consensus Policies vs Policies in the 2019 IMF Agreement for Ecuador

Economic Policies in Ecuador: reminiscent of neoliberalism

Not only are many of the IMF’s economic policies for Ecuador the same (literally, not figuratively) as those pursued under the Washington Consensus, but they are symbolic of neoliberalism and the ideals it embraces. The 2019 Article IV lays out four main goals for the IMF in Ecuador: “boosting competitiveness and job creation; strengthening fiscal sustainability and institutional foundations of Ecuador's dollarization; protecting the poor and most vulnerable; and improving transparency and bolstering the fight against corruption" (IMF, 2019: 6). On the surface these are not necessarily reflective of neoliberal beliefs but a further look into the spirit behind some of these goals, what policies the IMF believes will achieve these goals, and how these policies are justified indicates how deeply embedded neoliberal thought is in the IMF's approach towards Ecuador's development.

When trying to understand how neoliberalism shows up in the IMF's economic agenda for Ecuador, the first two goals to boost competitiveness and strengthen fiscal sustainability should be given extra attention (the second goals pertaining to protecting poor communities and social assistance will be discussed in the following chapter). First, encouraging international competitiveness has remained an integral policy goal for the IMF as improving a country's competitive standing in the international arena is seen by the Fund as a driver for macroeconomic developments like lower prices and a better functioning market economy (Georgieva, 2021); increasing competitiveness is also seen as a way to reduce national vulnerabilities and support job growth according to multiple statements throughout the 2019 Article IV (IMF, 2019). While increasing competitiveness is not inherently neoliberal, the reforms in place to help Ecuador achieve this goal are the hallmarks of neoliberal economic practice. For instance, this Article IV Consultation in Ecuador explicitly states that restoring competitiveness requires "fundamental changes on a number of fronts" — these changes include improving flexibility of the labor market, building-up of capital markets, and opening up to international trade (IMF, 2019: 113-114). Through improving competitiveness, the IMF hopes to achieve another quintessential neoliberal goal which is the privatization of the public sphere. As continuously stated throughout the 2019 Article IV, the IMF sees the pursuit of competitiveness as a way to bolster a private sector-led growth model for Ecuador (IMF, 2019: 38); this movement of power and services away from the public sector to the private sector as a means to promote economic development is one of the overarching themes throughout this discussion between the IMF and Ecuador and thus requires additional attention when thinking about the IMFs pursuit of neoliberalism today. This is because lessening the role of the state is deeply embedded in neoliberal orthodoxy and has remained an important goal for neoliberal policy makers and institutions.

The second goal to strengthen fiscal sustainability should also be emphasized when considering the role of neoliberalism in this loan package. Similar to the aim of improving economic competitiveness of Ecuador, this desire to restore fiscal sustainability has a hidden (or not so hidden) neoliberal agenda in which growth of the private sector is given priority. Not only is the agenda behind fiscal sustainability neoliberal but the policies that are deemed critical to achieve it are also reminiscent of neoliberal ideals. Some of these include reducing fuel subsidies (which is one reform that encourages free trade) and reducing public spending (which ties to the neoliberal effort to reduce the size and role of the state) (Ostry et al., 2016; IMF et al., 2022).

The 2019 loan package to Ecuador is riddled with neoliberal policies and neoliberal themes as the Article IV makes numerous references to privatizing Ecuador's industries through reallocating power and resources away from the government, eliminating various trade restrictions to promote free-trade, and increasing market access (IMF, 2019). In a sense, this 2019 Article IV is arguably a neoliberal manifesto in which the IMF is making clear its deep-rooted commitment to neoliberalism and its ideals around freedom from the state and the strength of a market economy. After analyzing the agreed upon reforms within this discussion between Ecuador and the IMF and the intended economic goals from the loan, it became clear that not only is neoliberalism still being pursued by institutions like the IMF, but little has changed from the neoliberal economic agenda that was praised and embraced in the 1980s and 1990s under prominent neoliberal politicians like Reagan and Thatcher. That being said, this case study of Ecuador sheds light to the truth that despite historic challenges to neoliberalism's foundation, it remains the primary economic model for development and still plays a significant role in the economic trajectory of countries globally. Now that it has been established that the IMF has *not* abandoned its neoliberal economic agenda, the next chapter will shift focus towards the third goal mentioned above in the 2019 Article IV: protecting the poor and most vulnerable. Chapter 4 will explore the social issues addressed in the loan to present a contrast between the language used by the IMF indicating an increased focus on social assistance and the reality on the ground in Ecuador which calls to question the reliability of these reforms.

Chapter 4: Social Impacts of the IMF Loan to Ecuador and Societal Resistance

Previous chapters have made clear the continued presence of neoliberalism within the IMF's economic agenda abroad, especially in the case of a 2019 IMF loan package which saw the push for neoliberal policies (trade liberalization, privatization, tax reform, etc.) in Ecuador to boost the country's economic development. While the case of Ecuador reveals how little has changed in terms of the IMF's neoliberal agenda, something that has changed significantly is the Fund's increased focus on social issues like protecting society's most vulnerable individuals, improving social programs, and dedicating more resources to health care and primary education. When looking at the 2016 Article IV next to the 2019 Article IV it is apparent that the IMF's goals for the region became more heavily focused on social issues as the Fund suddenly committed itself to reforms that center around social assistance. The Fund's recent commitment to bettering the lives of Ecuadorian citizens paired with its ongoing commitment to neoliberalism presents a few important questions: is the IMF actually more concerned with social issues? And will the lives of Ecuadorians be benefited by these reforms in the ways that the IMF states? This chapter will explore these questions by first listing the specific social reforms that are most highlighted throughout the 2019 Article IV document — the aim of this section is to set up the later comparison that will be made between how the reforms were intended to impact Ecuador (as stated explicitly in the Article IV) and how they are actually impacting Ecuador's citizens. The next section will shift focus away from the IMF documents and highlight voices of citizens in Ecuador to understand whether the IMF's promises to improve social assistance hold true; this section will review statements by local indigenous organizations to gauge their response to this loan package. The final part of this chapter will summarize the findings and reveal a major disconnect between the IMF's words and actions. The overall purpose of this chapter is to show that despite the IMF focusing more on the social well-being of Ecuador's society, their words don't hold weight because of the harm that has already been caused by the neoliberal reforms in place.

Social Reforms in the 2019 Article IV

As was stated in Chapter 3, one of the four main goals of this loan program was to "protect the poor and most vulnerable" through promoting universal and shared prosperity (IMF, 2019). Before discussing what plan of action was presented in the 2019 Article IV to ensure increased protection for poor and vulnerable individuals, a brief synopsis was provided detailing the social context within Ecuador prior to the implementation of this loan package. The Consultation specifically points towards high poverty rates, high infant mortality rates, and high malnutrition rates among indigenous rural populations in years preceding this IMF-Ecuador loan agreement as all requiring action and repair (IMF, 2019: 17-18). A few ways the IMF stated it would achieve the previously mentioned goal of increasing protection for vulnerable groups and how it would address the high poverty rate is by: expanding coverage and benefits under the *Bono de Desarrollo Humano* which is a government subsidy intended to help impoverished families through reducing malnutrition, encouraging continued education for children, and assisting individuals with disabilities (Ecuador Legal, 2022); improving financial targeting of social programs so that the poorest receive the most benefits; and improving primary education and health spending through bettering the quality of the labor force (IMF, 2019: 26).

In terms of social assistance, the primary plan for this loan program was to improve and expand the benefits under existing social protection programs so that those in the most vulnerable positions could gain access to more benefits (IMF, 2019: 4). Paired with this push to prioritize social assistance programs were efforts to promote betterments to education and health spending — the Fund stated its commitment to redirecting goods and services to the healthcare and education sectors to enhance the labor force and offer better and more equitable services to individuals lacking adequate access. While at face value these efforts to protect and support poor communities within Ecuador seem like progress, — especially as previous Article IV consultations between the IMF and Ecuador make little to no mention of these issues — understanding how these reforms fit into the full picture of the loan package reveals a conflicting reality. A reality in which the social reforms have been suppressed by neoliberal reforms in place.

Community Response to IMF Social Reforms

After the 2019 Article IV Consultation was released which detailed the Extended Fund Arrangement to be accepted in Ecuador, there was immediate push back from indigenous groups and local activist organizations who saw how damaging the reforms were going to be. As discussed above, through this loan agreement the IMF intended to prioritize structural reforms that would offer increased social assistance and improvements to the health system and education for vulnerable groups (IMF, 2019: 4). The reality in Ecuador is much different than this idealized image of reform that the IMF presented in these documents. Pablo Iturralde, the director of the *Center for Economic and Social Rights, Ecuador,* is one person who has reported on the glaring disparities between what the IMF reported would occur from this loan program and what has actually occurred. In his exploration of the IMF's role in Ecuador, Iturralde focuses on the IMF's approach towards social spending as particularly damaging to the public work sector — despite avoiding explicit mention of cuts to social spending, the Fund's plan to improve Ecuador's account deficit (namely through realignment of public sector wage bill) has resulted in thousands of layoffs for public health workers (Iturralde, 2020). Other reforms in this loan agreement, like the intention to improve fiscal consolidation (a policy that reduces government debt accumulation) have also hurt social spending in the country (Iturralde, 2020; OECD, 2001).

Aside from the already negative impacts of these cuts to social spending which have forced thousands of public workers into unemployment, these measures will continue to disproportionately impact impoverished communities. This is being proven true as recent reports are showing that the reduction in public expenditure is reducing wages and lessening the allocation of goods and services to education, healthcare, and social service sectors (which directly contradicts one of the four primary goals detailed in the 2019 Article IV) (ECLAC, 2021, 1-2). The stripping of public funds is only expected to further destabilize the lives of marginalized groups and will continue to disrupt any hope for a fairer distribution of wealth throughout Ecuador's society.

One organization in Ecuador that is dedicated to protecting the lives of indigenous people from various forms of colonial exploitation and humanitarian crises is the *Confederación de Nacionalidades Indígenas del Ecuador*[6] (CONAIE, 2022b). As an activist organization dedicated to defending vulnerable groups, CONAIE was vocal about the struggles of indigenous communities as a result of this IMF loan. A recent announcement of resistance released by CONAIE listed a number of concerns regarding the IMF's policy agenda in Ecuador that is widening the wealth gap and increasing social inequality amongst impoverished communities. In this statement, CONAIE representatives indicate that the neoliberal policies being implemented (mainly privatization measures) favor large corporations and multinationals as opposed to the majority of Ecuadorians who require the resources and financial assistance that is being stripped from state institutions (CONAIE, 2022a). They note the IMF's pursuit of a private sector growth

[6] The English translation of this is: Confederation of Indigenous Nationalities of Ecuador

model as worsening the social exclusion of local communities through channeling wealth and capital to large corporations already in the top income brackets. All of this presents uncertainty over the reliability of IMF's goals pertaining to social assistance — the most vulnerable groups are being overlooked while the wealthiest are being funneled additional resources and capital.

Alongside CONAIE are other indigenous organizations all participating in the fight against the neoliberal policies being pursued by the IMF and the government of Ecuador. Some of these include: *Movimiento Indígena y Campesino de Cotopaxi (MICC), Movimiento de Unidad Plurinacional Pachakutik Lista (Pachakutik Nacional), La Unión de Organizaciones Campesinas del Norte de Cotopaxi (UNOCANC),* and *Consejo de Pueblos y Organizaciones Indígenas Evangélicas del Ecuador (FEIN).*[7] These activist groups (along with others) are currently participating in the *Paro Nacional Ecuador 2022* which is a national strike organized by indigenous communities in Ecuador to protest the neoliberal economic agenda being pursued in the country. According to an opinion piece by María Sol Borja in The Washington Post, this current national strike ensued as a response to ongoing child malnutrition, lack of support and aid to rural farming communities, and a general neglect of impoverished communities throughout the country (Sol Borja, 2022); in her commentary, Sol Borja highlights a need for government to address both the widening economic gap in Ecuador and the lack of access to healthcare services and education for poor communities.

The sentiment of Maria Sol Borja holds true amongst the indigenous groups listed above who have remained vocal with their discontent towards the actions of their government and the IMF who they see as actively ignoring the needs of their communities. One primary example of

[7] The English translation of these organizations is as follows: *Cotopaxi Indigenous and Peasant Movement, Pachakutik Unity Movement, Union of Peasant Organizations of North Cotopaxi, and Council of Evangelical Indigenous Peoples and Organizations of Ecuador*

this push back is a document detailing the 10 main demands that the organizations presented to the government — some of these demands included ending the privatization of industries, channeling more money and resources to public health care and education, and making various improvements to the labor market (CONAIE et al., 2022). Another example of engagement by these groups can be seen on Twitter — shared tweets between CONAIE and MICC often indicate their efforts to alleviate the struggles amongst vulnerable groups who lack affordable access to necessary health services and education and who remain severely economically disadvantaged (CONAIE, 2022c). The people within these organizations are the core of Ecuador's society and the people who are most impacted by the current economic agenda being pushed by the government and IMF. Because of this fact, consuming the dialogues between these organizations and exploring where their demands stem from is crucial to understanding how this loan package is impacting individuals on the ground.

At this point it is important to refer back to one of the primary goals of the IMF's 2019 Extended Fund Arrangement which was to "protect the poor and most vulnerable" (IMF, 2019). As evident in the response by indigenous groups, this goal has not been achieved as the current economic situation is encouraging further oppression of impoverished communities and leaving the country in a state of social unrest. The neoliberal policies that have privatized industries and redirected funds away from the public sector have caused significant damage to the lives of Ecuadorians. On one hand, the reduction of public spending has driven thousands of low-wage public workers into unemployment leaving them with less opportunities to climb up the income ladder. On the other hand, the lessening of resources and funding to the public-sector has left even more people with reduced access to affordable health care and education, both of which are contributing to the widening inequality gap. The IMFs intention to "increase social assistance spending and provide greater support to the most vulnerable" has failed because the neoliberal economic agenda that was imposed boosts the financial standing of multinationals while worsening the financial standing of local indigenous communities (IMF, 2019: 82).

Conclusion

Through reviewing the evolution of neoliberalism as an economic framework employed by the IMF in tandem with the IMF's economic agenda in Ecuador, it is clear how deeply ingrained neoliberalism remains in the trajectory for global development. This is particularly apparent when comparing the policies pursued by the IMF in the 1980s and 1990s during the height of the Washington Consensus and those pursued in Ecuador when the 2019 Extended Fund Arrangement was implemented. As seen through the Article IV reports for Ecuador, the IMF continues to prioritize privatization, deregulation and liberalization policies and remains committed to a free-market agenda. So, despite growing consensus of opinion amongst economists and scholars regarding neoliberalism as dead or *at least* inefficient in encouraging equitable growth, it still remains the primary model of economic development pushed by Washington institutions like the IMF (Ostry et al., 2016). The lack of change in how neoliberalism shows up in IMF policies answers the first part of the research question presented at the start of this assignment: has the IMF abandoned its neoliberal agenda? The IMF has not abandoned its neoliberal agenda and there is little indication that this agenda is fading or will be replaced anytime soon.

Now to shift focus towards the second part of this research question: has the IMF become more concerned with social issues? As was discussed in depth throughout Chapter 4, recent years have seen the IMF redirected its attention towards improving social assistance programs; some ways the IMF attempts to better support vulnerable populations is through improving access to health care, education, safe housing and safe water. In Ecuador specifically, the IMF stated its "strong commitment to ensure that all Ecuadorian citizens have access to equal opportunities and a decent and fulfilling life" (IMF, 2019: 82). On paper this language indicates a significant improvement from prior decades in which little emphasis was placed on social reforms by the IMF, but the reality presents a completely different narrative. As was proven true through the voices of indigenous communities in Ecuador, the lives of the most vulnerable are not being improved but are rather being further disadvantaged due to the growing gap in social inequality. The neoliberal reforms that have privatized industries, pushed public employees out of work, and limited spending on public health care and education have offset any intentions to create a more equitable society. While the IMF may be attempting to improve its stance on social reforms, the institution does not seem legitimately committed to making these improvements.

The establishment of how little the IMF has changed in terms of its neoliberal agenda and approach to social reforms has raised new questions for further research. One question that should be asked moving forward is why aren't the IMF's actions aligning with their words? If the Fund is not doing what it says it is (moving away from neoliberalism and focusing more on social assistance) then what are the reasons for why it's not? Another question for further consideration is one raised in Chapter 2: can neoliberalism be overcome? If neoliberalism was able to survive numerous major global events, is there a future in which neoliberalism ceases to exist? These avenues of research will provide a useful contribution to the existing scholarship as they will help better understand the complexities of the IMF and what its interaction with the global community may look like in future decades.

Citation: Sorgi, Kate (2022) Has the International Monetary Fund abandoned its neoliberal economic agenda and become more concerned with social issues? A look at the 2019 IMF Extended Fund Facility in Ecuador. The Mathurin Hybrid Initiative, Global Economy, 4-44: https://www.mathurinhybridinitiative.org/global-economy

Bibliography

Ahmed, Syed and Sukar, Abdulhamid (2017) "A Critical Evaluation of IMF History and Policies", *Management and Economics Research Journal* 4(1): 60-66.

Altamura, Carlo and Zendejas, Juan (2021) "Politics, International Banking, and the Debt Crisis of 1982", *Business History Review* 94: 753-778.

Babb, Sarah (2013) "The Washington Consensus as transnational policy paradigm: Its origins, trajectory and likely successor", *Review of International Political Economy* 20(2): 268-297.

Ban, Cornel and Gallagher, Kevin (2015) "Recalibrating Policy Orthodoxy: The IMF Since the Great Recession", *An International Journal of Policy, Administration and Institutions* 28(2): 131-146.

Beeson, Mark and Islam, Iyanatul (2005) "Neo-liberalism and East Asia: Resisting the Washington Consensus", *The Journal of Development Studies* 41(2): 197-219.

Boas, Taylor and Gans-Morse, Jordan (2009) "Neoliberalism: From New Liberal Philosophy to Anti-Liberal Slogan", *Studies in Comparative International Development* 44(2): 137-161.

Bresser-Pereira, Luiz (2010) "The 2008 financial crisis and neoclassical economics", *Brazilian Journal of political Economy* 30(1): 3-26.

Briggs, D., Ellis, A., Lloyd, A., Telford, L. (2020) "New hope or old futures in disguise? Neoliberalism, the Covid-19 pandemic and the possibility for social change", *International Journal of Sociology and Social Policy* 40(9/10): 831-848.

Broad, Robin and Cavanagh, John (1999) "The Death of the Washington Consensus?", *World Policy Journal* 16(3): 79-88.

Broome, André (2015) "Back to Basics: The Great Recession and the Narrowing of IMF Policy Advice", *Governance: An International Journal of Policy, Administration, and Institutions* 28(2): 147-165.

Burki, Shahid and Perry, Guillermo (1998) *Beyond the Washington Consensus: Institutions Matter* (Washington DC: World Bank).

Centro Latinoamericano de Análisis Estratégico (CLAE) (2019) "Recetas del FMI: Arma de destrucción masiva, inestabilidad social, pérdida de soberanía", CLAE, 13 October, accessed at https://www.nodal.am/2019/10/recetas-del-fmi-arma-de-destruccion-masiva-inestabilidad-social-perdida-de-soberania/, 10 July 2022.

Chorev, Nitsan and Babb, Sarah (2009) "The crisis of neoliberalism and the future of international institutions: A comparison of the IMF and the WTO", *Theory and Society* 38(5): 459-484.

Clegg, Liam (2012) "Post-crisis Reform at the IMF: Learning to be (Seen to be) a Long-term Development Partner", *Global Society* 26(1): 61-81.

Confederación de Nacionalidades Indígenas del Ecuador (CONAIE) (2022a) "Resoluciones Del Consejo Ampliado De La CONAIE", CONAIE, 18 January.

CONAIE (2022b) *Somos CONAIE ¡En Unidad!* [Powerpoint Presentation], accessed at https://drive.google.com/file/d/18q96LeltfUspYP5RaMdAmszHp81PaoBD/view, 23 August, 2022.

CONAIE (2022c) [Twitter] 30 June, accessed at https://twitter.com/CONAIE_Ecuador/status/1542598828024553478, 24 August 2022.

CONAIE, FENOCIN, FEINE, and FENOC (2022) "Demandas de la Movilización Nacional, Popular Y Plurinacional", CONAIE, 13 June, accessed at https://conaie.org/2022/06/20/demandas-de-la-movilizacion-nacional-popular-y-plurinacional/, 24 August, 2022.

Connell, Raewyn and Dados, Nour (2014) "Where in the world does neoliberalism come from?", *Theory and Society* 43: 117-138.

Davies, William and Gane, Nicholas (2021) "Post-Neoliberalism? An Introduction", *Theory, Culture, & Society* 38(6): 3-28.

Economic Commission for Latin America and the Caribbean (ECLAC) (2021) "Ecuador", ECLAC, accessed at https://repositorio.cepal.org/bitstream/handle/11362/47193/77/EI2021_Ecuador_en.pdf, 22 August, 2022.

Ecuador Legal (2022) "Consultar Bono De Desarrollo Humano Por Cédula 2022", Ecuador Legal Online, 1 August, accessed at http://www.ecuadorlegalonline.com/consultas/consultar-bono-de-desarrollo-humano/, 16 August 2022.

Fine, Ben (2001) "Neither the Washington nor the post-Washington consensus: An introduction", in Fine, B., Lapavitsas, C., and Pincus, J. (eds) *Development Policy in the Twenty-first Century: Beyond the post-Washington consensus* (London: Routledge).

Forster, T., Kentikelenis, A., Reinsberg, B., Stubbs, T., King, L. (2019) "How structural adjustment programs affect inequality: A disaggregated analysis of IMF conditionality, 1980-2014", *Social Science Research* 80: 83-113.

Friedman, Milton (1962) *Capitalism and Freedom,* 40th anniversary edition, (Chicago: The University of Chicago Press).
Garland, David (2016) *The Welfare State: A Very Short Introduction,* 1st edition (United Kingdom: Oxford University Press).
Georgieva, Kristalina (2021) *From Fragmentation to Cooperation: Boosting Competition and Shared Prosperity*. 6 December, OECD Global Forum on Competition.
Gobierno del Encuentro, "Plan Toda Una Vida: Lifetime Plan", Gobierno del Encuentro, accessed at https://www.infancia.gob.ec/plan-toda-una-vida/, 1 August 2022.
Gore, Charles (2000) "The Rise and Fall of the Washington Consensus as a Paradigm for Developing Countries", *World Development* 28(5): 789-804.
Güven, Al Burak (2018) "Whither the post-Washington Consensus? International financial institutions and development policy before and after the crisis", *Review of International Political Economy* 25(3): 392-417.
Harvey, David (2005) *A Brief History of Neoliberalism,* 1st edition (Oxford: Oxford University Press).
Hayek, Friedrich (2008 (1944)) *The Road to Serfdom,* 1st edition (London: Routledge).
—— (1980 (1948)) *Individualism and Economic Order* (Chicago: The University of Chicago Press).
Hemmelgarn, Thomas and Nicodeme, Gaetan (2010) "The 2008 Financial Crisis and Taxation Policy", CESIFO Working Paper No. 2932.
IMF "Surveillance", IMF accessed at https://www.imf.org/external/about/econsurv.htm.
IMF (2005) *Ecuador: 2005 Article IV Consultation—Staff Report; Staff Statement; Public Information Notice on the Executive Board Discussion; and Statement by the Executive Director for Ecuador* (Washington, DC: IMF).
IMF (2009) "Press Release: IMF Executive Board Backs US$250 Billion SDR Allocation to Boost Global Liquidity", Press Release No. 09/264, 20 July.
IMF (2015) *Ecuador: 2015 Article IV Consultation—Press Release; Staff Report; and Statement by the Executive Director for Ecuador,* (Washington DC, IMF).
IMF (2016a) *IMF annual report 2016: Finding solutions together,* (Washington, DC: IMF).
IMF (2016b) *Ecuador: 2016 Article IV—Press Release and Staff Report,* (Washington, DC: IMF).
IMF (2019) *Ecuador: Staff Report for the 2019 Article IV Consultation and Request for an Extended Arrangement Under the Extended Fund Facility—Press Release; Staff Report; and Statement by the Executive Director for Ecuador,* (Washington, DC: IMF).
IMF, Organization for Economic Co-operation (OECD), World Bank, and World Trade Organization (WTO) (2022) *Subsidies, Trade, and International Cooperation,* (Washington, DC: IMF, OECD, World Bank, WTO).
Iturralde, Pablo (2020) "The IMF's role in the devastating impacts of Covid-19 — the case of

Ecuador", Bretton Woods Project, 16 July, accessed at https://www.brettonwoodsproject.org/2020/07/the-imfs-role-in-the-devastating-impacts-of-covid-19-the-case-of-ecuador/, 13 July 2022.

Jones, Lee and Hameiri, Shahar (2021) "COVID-19 and the failure of the neoliberal regulatory state", *Review of International Political Economy*: 1-27.

Kiely, Ray (2005) *Empire in the Age of Globalization,* (London: Pluto Press).

—— (2018) *The neoliberal paradox* (United Kingdom: Edward Elgar Publishing Limited).

Lütz, Susanne and Kranke, Matthias (2014) "The European rescue of the Washington Consensus? EU and IMF lending to Central and Eastern European countries", *Review of International Political Economy* 21(2): 310-338.

Marangos, John (2009) "What happened to the Washington Consensus? The evolution of international development policy", *The Journal of Socio-Economics* 38: 197-208.

Mirowski, Philip (2014) *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown* (London: Vero).

Mueller, Julie (2009) "The IMF, Neoliberalism and Hegemony", *Global Society* 25(3): 377-402.

Öniş, Ziya and Şenses, Fikret (2005) "Rethinking the Emerging Post-Washington Consensus", *Development and Change* 36(2): 263-290.

Organization for Economic Co-operation and Development (OECD) (2001) "Fiscal Consolidation", OECD, 25 September, accessed at https://stats.oecd.org/glossary/detail.asp?ID=984, 22 August 2022.

Ostry, J., Loungani, P., Furceri, D. (2016) "Neoliberalism: Oversold?", International Monetary Fund, June, accessed at https://www.imf.org/external/pubs/ft/fandd/2016/06/ostry.htm, 12 August 2022.

Peck, Jamie (2010) *Constructions of Neoliberal Reason* (New York: Oxford University Press).

Perraton, Jonathan (2004) "Review Article: Joseph Stiglitz's *Globalization and its Discontents", Journal of International Development* 16: 897-905.

Rodrik, Dani (2002) "After Neoliberalism, what?", paper presented at the Alternatives to Neoliberalism Conference sponsored by the New Rules for Global Finance Coalition, Washington, DC, 23-24 May 2002.

Rodrik, Dani (2006) "Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's Economic Growth in the 1990s: Learning from a Decade of Reform", *Journal of Economic Literature* 44: 973-987.

Serra, N., Spiegel, S., and Stiglitz, J. (2008) "Introduction: From the Washington Consensus Towards a New Global Governance", in Serra, N., and Stiglitz, J. (eds) *The Washington Consensus Reconsidered: Towards a New Global Governance* (New York: Oxford University Press).

Sol Borja, María (2022) "Lo que 18 días de protestas dejaron en Ecuador", The Washington

Post, 14 July, accessed at https://www.washingtonpost.com/es/post-opinion/2022/07/14/paro-nacional-protestas-en-ecuador-2022-guillermo-lasso/, 24 August 2022.

Soros, George (2008) *The New Paradigm for Financial Markets: The Credit Crisis of 2008 and What it Means,* 1st edition (New York: Public Affairs).

Srinivasan, T.N. (2000) "The Washington Consensus a Decade Later: Ideology and the Art and Science of Policy Advice", *The World Bank Research Observer* 15(2): 265-270.

Stedman-Jones, Daniel (2012) *Masters of the Universe* (New Jersey: Princeton University Press).

Steger, Manfred and Roy, Ravi (2021) *Neoliberalism: A Very Short Introduction,* 2nd edition (United Kingdom: Oxford University Press).

Stiglitz, Joseph (1999) "The World Bank at the Millennium", *The Economic Journal* 109(459): F577-F597.

—— (2004) "The Post Washington Consensus", *The Initiative for Policy Dialogue:* 1-15).

—— (2008) "Is there a Post-Washington Consensus Consensus?", in Serra, N., and Stiglitz, K (eds) *The Washington Consensus Reconsidered: Towards a New Global Governance* (New York: Oxford University Press).

—— (2009) "Moving Beyond Market Fundamentalism to a More Balanced Economy", *Annals of Public and Cooperative Economics* 80(3): 345-360.

United Nations Conference on Trade and Development (UNCTAD) (1995) *Trade and Development Report, 1995* (New York and Geneva: United Nations).

Welch, Levin (2012) "Neoliberalism, Economic Crisis, and the 2008 Financial Meltdown in the United States", International Review of Modern Sociology 38(2): 221-257.

Williams, David (2008) *International Development and Global Politics,* 1st edition, (New York: Routledge).

Williamson, John (1990) *Latin American Adjustment: How Much Has Happened?* (Washington, D.C.: Institute for International Economics).

—— (2000) "What Should the World Bank Think about the Washington Consensus?", *The World Bank Research Observer* 15(2): 251-264.

____ (2003) "The Washington Consensus and Beyond", *Economic and Political Weekly* 38(15): 1475-1481.

—— (2004) "A Short History of the Washington Consensus", *Law and Business Review of the Americas* 15(1): 7-23.