What is Washington Consensus in Economics?

This is a set of neoliberal economic prescriptions made by the International Monetary Fund, the World Bank, and the U.S. Treasury to developing countries that faced economic crises. It recommended structural reforms that increased the role of market forces in exchange for immediate financial help. The term was coined by British economist John Williamson in 1989. While some said that the Washington Consensus was used to impose harsh conditions that were unhelpful for economic recovery, others have argued that although not perfect, it was favourable to long-term economic growth in developing economies.

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President’s plan

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