

Back to Basics: The Great Recession and the Narrowing of IMF Policy Advice

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First published: 02 July 2014

<https://doi.org/10.1111/gove.12098>



Abstract

This article contributes to the literature on the dynamics of change and continuity in the International Monetary Fund's (IMF's) policy paradigm. The IMF embarked on a process of “streamlining conditionality” during the 2000s, but many observers have argued that the IMF's policy paradigm from the 1990s remains intact. This article examines whether the scope of the IMF's policy advice to borrowers during the Great Recession narrowed in comparison to its advice to borrowers during the heyday of the Washington consensus in the 1980s and 1990s. The article uses qualitative content analysis to establish the frequency of a series of policy dialogue indicators in four sample sets of countries requesting IMF stand-by arrangements over three decades. The evidence suggests that contemporary IMF policy advice to borrowers continues to stress the importance of fiscal consolidation, with reduced emphasis on promoting the structural economic reforms associated with the Washington consensus era.

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