

Daily Editorial Analysis 14 March 2026

March 14, 2026 • vajiramandravi.com



The Fate of the Washington Consensus, Once Talisman

Context

- In the late twentieth century, the **Washington Consensus** emerged as a dominant framework guiding economic reform in developing countries.
- Coined by John Williamson in 1989, the term described ten policy prescriptions widely supported by institutions in Washington as remedies for economic crises.
- These reforms emphasised **fiscal discipline**, **market liberalisation**, **privatisation**, and **deregulation**, aiming to stabilise economies and stimulate growth.
- Today, the Washington Consensus is seen less as a universal blueprint and more as a historically specific framework whose legacy continues to shape debates about development and global economic governance.

Origins and Core Principles of the Washington Consensus

- The Washington Consensus emerged during severe debt crises in Latin America and other developing regions.

- International institutions such as the International Monetary Fund and the World Bank promoted reforms intended to restore **macroeconomic stability** and encourage **market-driven growth**.
- The ten policy prescriptions included:
 - Fiscal discipline
 - Reordering public expenditure,
 - Tax reform, interest rate liberalisation,
 - Competitive exchange rates,
 - Trade liberalisation,
 - Foreign direct investment liberalisation,
 - Privatisation of state enterprises,
 - Deregulation, and Secure Property Rights.
- Together these reforms formed a policy framework often summarised as **liberalise, privatise, and deregulate**.

Implementation and Global Impact

- The Washington Consensus operated largely through loan conditionalities imposed by international financial institutions.
- Countries facing fiscal or balance-of-payments crises often adopted **structural reforms** in exchange for financial assistance from the IMF or the World Bank.
- These reforms reshaped national economies by encouraging **trade openness, financial liberalisation, and private sector expansion**.
- In some countries they contributed to improved macroeconomic stability and renewed growth. Yet outcomes varied widely across regions.

Critiques and Structural Limitations

- A major criticism of the Washington Consensus was its rejection of **industrial policy**, which involves state support for strategic domestic industries.
- Trade rules under the World Trade Organization restricted policy tools such as subsidies and investment regulations, limiting the ability of developing countries to nurture emerging sectors.
- This restriction contrasted sharply with the historical experience of successful industrial economies.
- Countries such as **South Korea, Taiwan, and Japan** relied heavily on **state-led development, strategic protection, and targeted industrialisation** during their formative years.
- Structural adjustment policies also produced significant social consequences. Cuts in public spending weakened **public services**, increased **economic inequality**, and intensified **poverty** in several regions.

Political Backlash and the Decline of the Consensus

- By the late 1990s, dissatisfaction with the Washington Consensus had grown widespread.
- Protests against globalisation and international financial institutions spread across many parts of the Global South.

- The divisions were also visible in global trade negotiations, including the **1999 Seattle WTO protests and the 2003 Cancún WTO Ministerial Conference**.
- These confrontations highlighted tensions between developed and developing nations over trade rules and development priorities.
- After the 2008 financial crisis, scepticism toward liberalisation expanded within advanced economies as well.
- Political movements expressing frustration with globalisation emerged in the West, including the Make America Great Again movement and the referendum leading to Brexit.
- These developments revealed widespread disillusionment with economic globalisation and its perceived social costs.

The Emergence of a Post-Washington Consensus

- The twenty-first century has witnessed the gradual emergence of a **post-Washington consensus**, which recognises that markets alone cannot ensure inclusive development.
- Contemporary economic thinking emphasises institutional strength, public investment, social safety nets, and redistributive policies.
- Governments increasingly focus on education, healthcare, infrastructure, and innovation systems to support long-term development.
- Strategic **industrial policy**, once dismissed, has regained importance in fostering technological capabilities and competitive industries.
- Alternative models have also gained prominence. The state-led development strategy associated with China demonstrates how **state intervention**, **industrial strategy**, and **controlled liberalisation** can drive rapid economic transformation.

Conclusion

- The Washington Consensus once offered a **seemingly universal formula** for development based on liberalisation, privatisation, and deregulation.
- Over time, however, financial crises, inequality, and political resistance revealed the limitations of a single policy template.
- Contemporary economic governance reflects a more **pragmatic**, **context-sensitive**, and **policy-diverse**
- Governments now combine **market mechanisms** with **state intervention**, adapting strategies to their institutional capacities and national priorities.
- The decline of the Washington Consensus therefore marks not the end of globalisation, but the end of the belief in a single universal model of development.

The Fate of the Washington Consensus, Once Talisman FAQs

Q1. What is the Washington Consensus?

Ans. The Washington Consensus is a set of economic policy prescriptions introduced in 1989 to promote fiscal discipline, market liberalisation, and economic stability in developing countries.

Q2. Who coined the term Washington Consensus?

Ans. The term Washington Consensus was coined by economist John Williamson in 1989.

Q3. Which institutions promoted the Washington Consensus policies?

Ans. International institutions such as the International Monetary Fund and the World Bank promoted the policies associated with the Washington Consensus.

Q4. Which major crisis exposed weaknesses in the Washington Consensus model?

Ans. The Global Financial Crisis exposed major weaknesses in the market-driven policies promoted by the Washington Consensus.

Q5. What is meant by the post-Washington consensus?

Ans. The post-Washington consensus refers to a newer development approach that combines markets with state intervention, social protection, and strategic public investment.

Source: **The Hindu**

LPG Cylinder - Energy Access, Social Justice and Global Geopolitics

Context

- The Liquefied Petroleum Gas (LPG) cylinder and pressure cooker have become enduring **symbols** of modern domestic life in India since the mid-20th century.
- Access to LPG not only represents technological progress and household welfare but also reflects deeper **social dynamics** related to class mobility, gender roles, and public policy.
- Government initiatives such as the Pradhan Mantri Ujjwala Yojana (**PMUY**) have attempted to expand access to clean cooking fuel.
- However, global geopolitical developments—particularly tensions in West Asia and disruptions (around the Strait of Hormuz)—continue to affect LPG **supply and affordability** in India.

LPG in India - From Household Symbol to Welfare Instrument

- **LPG cylinder as a marker of modernity**
 - Since the 1950s, LPG cylinders have become a cultural symbol of modern domestic life and rising living standards.
 - In popular culture, the presence of LPG and pressure cookers signifies **economic mobility**, family well-being, and urban aspirations.
 - Conversely, traditional wood-burning chulhas are often used in cinema and literature to portray poverty and deprivation.
- **LPG as a tool of welfare policy**
 - The Government of India launched the PMUY in **2016** to provide clean cooking fuel connections to poor and rural households, particularly women.

- Objectives include reducing indoor air pollution, improving women's health, reducing drudgery associated with firewood collection, and promoting clean energy transition.
- The scheme also carries strong political and welfare **symbolism**, presenting LPG access as a marker of **development and dignity**.

Global Geopolitics and India's LPG Security

• Dependence on imports

- India relies heavily on imported LPG to meet domestic demand.
- Approximately **90%** of LPG imports pass through the Strait of Hormuz, a crucial maritime energy corridor.

• Geopolitical risks

- Conflicts in West Asia, including tensions involving Iran and Israel, threaten supply routes.
- Any disruption in the Strait of Hormuz can trigger supply shortages, price volatility, and energy security concerns.
- These risks highlight the **vulnerability** of welfare schemes like PMUY to global energy geopolitics.

• Economic impact beyond households

- LPG shortages affect not only households but also the service economy, including restaurants, hotels, and small food businesses.
- These sectors may have to curtail operating hours, highlighting the broader economic importance of LPG supply stability.

Social Dimensions of Energy Access

• Class and poverty

- Poor households are more dependent on biomass fuels (wood, dung, crop residues).
- Burning biomass contributes to indoor and outdoor air pollution, disproportionately affecting the poor due to crowded settlements, poor ventilation, and high population density.

• Caste-based inequality

- Access to LPG shows stark disparities across social groups. For example, upper-caste households have significantly higher LPG adoption.
- SC/ST households face barriers such as marginalised settlements, poor infrastructure and transport, and difficulty in accessing LPG distribution networks.
- Thus, energy access intersects with caste and spatial inequality.

• Gender dimension

- Women and girls bear the greatest burden of biomass fuel usage due to their traditional role in cooking.
- Consequences include higher exposure to indoor air pollution, and respiratory illnesses and long-term health risks.
- Despite this, household fuel decisions are often taken by men, reflecting gendered power structures.

Women's Empowerment Through LPG Access:

- **Health benefits:** Reduced exposure to smoke and particulate matter lowers risks of respiratory diseases, eye irritation, and cardiovascular problems.
- **Time and labour savings:** LPG reduces the time spent on collecting firewood and long cooking processes.
- **Economic and social empowerment:**
 - Saved time allows women to pursue income-generating activities, participate in community life, and enjoy leisure and better health.
 - Control over time enhances **personal autonomy** and life opportunities for women.

Challenges and Way Forward:

- **Import dependence:** Heavy reliance on LPG imports exposes India to global supply disruptions and price shocks.
 - **Diversification of energy sources:** Reduce import dependency by expanding domestic LPG production, and alternative clean fuels (biogas, electric cooking).
- **Infrastructure and distribution gaps:** Remote and marginalised settlements often lack efficient LPG distribution networks.
 - **Inclusive energy access:** Improve LPG distribution infrastructure in remote and marginalised communities.
- **Social inequality:** Persistent caste, class, and gender disparities in access to clean fuel.
 - **Promote clean cooking alternatives:** Encourage solar, induction cooking, and community biogas systems in rural areas.
- **Affordability of refills:** Even with subsidies, refill costs discourage sustained usage among poor households.
 - **Strengthening PMUY implementation:** Ensure affordable refills and continuous usage, not just connection coverage.
- **Geopolitical vulnerability:** Disruptions in energy chokepoints like the Strait of Hormuz can undermine domestic welfare policies.
 - **Strategic energy security:** Develop strategic LPG **reserves** and diversify import **routes** to mitigate geopolitical risks.

Conclusion

- The LPG cylinder represents far more than a household utility in India—it embodies public health, gender justice, social mobility, and development aspirations.
- Programmes such as PMUY have expanded access to clean cooking fuel, yet structural inequalities and geopolitical vulnerabilities continue to shape outcomes.
- Ensuring reliable, affordable, and equitable access to clean energy is essential not only for improving household welfare but also for **advancing inclusive development** and energy security in India.

LPG Cylinder FAQs

Q1. How does access to LPG contribute to improving public health and gender equality in India?

Ans. It reduces indoor air pollution, improves women's health, and saves time spent on fuel collection.

Q2. What are the socio-economic inequalities in access to clean cooking fuel in India?

Ans. Access is shaped by class, caste, gender, and rural-urban disparities, with SC/ST and poorer households facing greater barriers.

Q3. What is the significance of the PMUY in India's clean energy transition?

Ans. The scheme has expanded LPG access to poor households, improved health and welfare outcomes for rural women, etc.

Q4. Why is India's LPG supply vulnerable to global geopolitical developments?

Ans. India imports a large share of its LPG, with about 90% of supplies passing through the Strait of Hormuz.

Q5. What is the role of clean cooking fuel access in promoting inclusive development in India?

Ans. Clean cooking fuel access improves health, reduces gender drudgery, enhances productivity, and bridges socio-economic inequalities.

Source: **IE**

The India-Canada Turnaround is About Deliverables

Context

- Canadian Prime Minister Mark Carney's visit to India marked a significant improvement in bilateral relations after tensions during Justin Trudeau's tenure. The visit focused on practical outcomes while avoiding contentious past issues.
- Canada has adopted a pragmatic approach, managing domestic political sensitivities while cautiously rebuilding its relationship with India.
- This article highlights the renewed momentum in India-Canada relations following Prime Minister Mark Carney's visit, focusing on economic cooperation, critical minerals, energy partnerships, and pragmatic diplomacy.

Economic Focus in the India-Canada Engagement

- The renewed engagement between India and Canada comes amid significant global geopolitical and economic disruptions.
- Canada faces pressure from the United States due to **supply-chain dependence** and **evolving tariff policies**, while conflicts in Europe, West Asia, and the Levant have unsettled global economic stability.
- **Shared Interest in Stability and Growth**
 - India and Canada share a common objective of avoiding geopolitical conflicts and focusing on economic growth and national development.

- However, given the interconnected nature of global supply chains, both countries recognise that they cannot remain completely insulated from global disruptions.
- Both nations view diversification in trade, energy, investment, and security partnerships as essential to reducing vulnerabilities and strengthening economic resilience.

Key Outcomes of the Carney Visit

- Prime Minister Mark Carney's visit resulted in at least eight agreements and contracts across important sectors.
- A major development was the signing of terms for the Comprehensive Economic Partnership Agreement (CEPA), establishing a framework for future trade negotiations.
- Another important outcome was a memorandum of understanding under the Australia-Canada-India Technology and Innovation Partnership.
- This is aimed at promoting collaboration in technology and innovation and strengthening Canada's engagement with Indo-Pacific partners.

Expanding Strategic Cooperation Between India and Canada

- **Broader Areas of Collaboration** – India and Canada signed additional agreements to strengthen cooperation in research partnerships, cultural exchanges, and food and nutrition sectors, expanding the scope of bilateral engagement beyond trade and investment.
- **Key Agreements on Uranium and Critical Minerals** – Two major outcomes of the visit were a commercial contract between India's Department of Atomic Energy and Canada's Cameco for **uranium ore supply**, and an **MoU on critical minerals cooperation**.
- **Importance of Critical Minerals** – Critical minerals are essential for advanced technologies, clean energy systems, and modern industries. With global demand rising, countries are increasingly seeking to secure stable supply chains for these resources.
- **Reducing Dependence on China** – Currently, supply chains for many critical minerals are concentrated in a few countries, particularly China. China's use of mineral supply chains as geopolitical leverage has prompted other nations to diversify sources and reduce strategic dependence.
- **Alignment with Emerging Strategic Initiatives** – India-Canada cooperation on critical minerals aligns with broader initiatives such as the U.S.-led **Pax Silica coalition**, aimed at strengthening collaboration in semiconductors, artificial intelligence, and secure technology supply chains.

Energy Cooperation at the Core of India-Canada Engagement

- Energy cooperation emerged as a key focus in India-Canada relations, with both conventional and renewable energy gaining importance.
- Canada's resource wealth complements India's rapidly growing energy demand.
- India aims to expand clean energy usage to meet its **sustainable development and zero-emission targets**.
- Reducing dependence on external energy imports while increasing domestic production is crucial for long-term energy security.

- **Expanding the Role of Nuclear Energy**

- One effective strategy for achieving energy sustainability is expanding nuclear power in India's energy mix.
- The Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Bill, 2025 represents a step toward strengthening nuclear energy development.
- Canada's agreement to supply uranium ore concentrates provides long-term fuel security for India's nuclear energy programme.
- Along with potential nuclear reactor cooperation with the United States, it can enhance India's energy stability.

- **Reducing Energy Vulnerabilities**

- India's heavy reliance on external energy sources has increased vulnerability amid global conflicts.
- The uranium deal with Canada supports India's goals of reducing external risks, sustaining development, and achieving 100 GW of nuclear power capacity by 2047.

Conclusion

- Overall, the India-Canada reset reflects a shift toward pragmatic, deliverable-driven cooperation in trade, energy, technology, and critical minerals, strengthening strategic resilience amid evolving global economic and geopolitical challenges.

Source: TH

Source: <https://vajiramandravi.com/current-affairs/daily-editorial-analysis-14-march-2026/>

© Vajiram & Ravi. For personal use only.