
HISTORY OF ECONOMIC THEORY AND POLICY OF THE 20TH CENTURY

CeHistMet – CENTRE FOR THE HISTORY AND METHODOLOGY OF ECONOMIC SCIENCE

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DEVELOPMENT ECONOMICS IN PRACTICE: THE CASES OF CHILE AND BRAZIL

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FIELD WORK

- The missionary spirit
 - Transfer of knowledge
 - The 'visiting economist syndrome'
 - How to channel decision-making capacity, political will and administrative skills?
- Another kind of import-substitution
 - Human capital and manpower planning
 - Academic cooperation agreements
 - Training the modernizing elite

President HARRY S. TRUMAN
*...in his inaugural address on January 20, 1949
said in ...*

POINT 4

"We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas... We should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations **FOR A BETTER LIFE**"



THE CHICAGO-CATÓLICA AGREEMENT

- An ICA venture under Eisenhower
 - Negotiated in 1955, signed in 1956
 - Antidote to left-leaning ideologies in Chilean economics
- The Klein-Saks mission (1955-58)
 - Diagnosing Chilean inflation
- The Catholic University of Chile
 - A small, modest-reputed institution
 - An alternative to the University of Chile
- Chicago in the 1950s
 - A difficult transition
 - Patterson-Schultz

THE LONG ROAD TO THE CHICAGO BOYS

- ECLA structuralism ruled the day for most of the 1950s and 60s
 - Economics at Católica: a small and isolated enclave
- Harberger and the cozy Chicago environment
 - Strong personal and professional links
- Ford picks up the program in the 1960s
 - One of many similar initiatives in Latin America
 - A diversified portfolio → Escolatina
- The 1973 coup
 - Ford withdraws, but the work remains





THE VANDERBILT-SÃO PAULO AGREEMENT

- Sponsored by Ford and USAID
 - Signed in 1966
 - Since 1964, Brazil was ruled by a military government
 - A 'modernization' program
 - Reynold Carlson
- The University of São Paulo
 - A large and prestigious institution with prominent scholars
- Vanderbilt
 - A small, second-tier economics program
 - Graduate Program in Economic Development, Center for Latin American Studies

A CHANGING ENVIRONMENT

- Institutional Act No. 5 (1968)
 - Increased political repression in Brazil
- Project Camelot
 - Exposure of military-social science connections
 - Renewed suspicions in Latin America
- Civil rights and pacifism
 - McGeorge Bundy and Ford's makeover
- The Brasília grant
 - Interventions and government connections
- The commitment to pluralism
 - A long shadow on Brazilian economics



ONE STORY, MULTIPLE STORIES

- A broad common framework
 - Cold War, modernization, economics, Latin America, authoritarian governments, philanthropic foundations
- The intricacies of history
 - Different political rhythms
 - Different institutional actors
 - Different social contexts
 - Drastically different results!
- A parable and a cautionary tale

