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## Article

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*Suggested Citation:* Fernández, Ramón García; Suprinyak, Carlos Eduardo (2018) : Creating academic economics in Brazil: The Ford Foundation and the beginnings of ANPEC, EconomiA, ISSN 1517-7580, Elsevier, Amsterdam, Vol. 19, Iss. 3, pp. 314-329, <https://doi.org/10.1016/j.econ.2018.03.004>

This Version is available at:

<https://hdl.handle.net/10419/266926>

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# Creating academic economics in Brazil: The Ford Foundation and the beginnings of ANPEC

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Available online 4 April 2018

## Abstract

The development of academic economics in Brazil received a major boost during the 1960s, when US institutions such as USAID and the Ford Foundation began to fund the first graduate programs in the field. An important moment occurred in 1973 with the creation of ANPEC, the national association responsible for promoting institutional interaction among the fledgling research centers. The paper explores material from the period 1964–74 held at the Ford Foundation archives, shedding some light on the conflicting motivations behind the creation of ANPEC, and indicating how the association affected the future course of the economics profession in Brazil.

**Keywords:** ANPEC; Ford Foundation; USAID; Getúlio Vargas Foundation; University of São Paulo

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## 1. Introduction

The Brazilian Associação Nacional de Centros de Pós-Graduação em Economia (National Association of Centers for Post Graduate Economics, ANPEC) was formally created in 1973, and has since then exerted a leading role in the development of the economics profession in Brazil. It has done so using mainly two instruments: the annual meetings sponsored by the association, where recent original works in different fields are presented and discussed by economists from all over the country; and a unified national exam for admission in graduate programs in economics, which is organized by the association and adopted by all its members. Both instruments have very clear normative content. The annual meeting establishes the standards of academic excellence within the country, thus signaling which research avenues are worth pursuing. The national exam, on the other hand, influences the patterns of graduate and undergraduate training in economics, defining which subjects and contents students willing to enter graduate school must master (Haddad, 1997).

The creation of ANPEC, however, was only part of a larger effort to nurture the development of Brazilian centers for graduate training and research in economics. Several actors played important roles in this process, therein including

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Peer review under responsibility of National Association of Postgraduate Centers in Economics, ANPEC.

the Ford Foundation, commissioned at the time to improve the quality of human resources in Latin America and thus help to promote economic development in the region. The purpose of this paper is to uncover the strategies adopted by the Foundation in her program to develop the economics profession in Brazil, and the extent to which its involvement influenced the institutional structure of academic economics in the country. To accomplish this goal, extensive use will be made of documents relating to the social sciences program implemented by the Foundation in Brazil, currently held in the Rockefeller Archive Center.

The institutionalization of academic economics in Brazil during the 1960s and 1970s has been previously discussed in other works, with emphasis on topics such as the emulation of North American standards of scholarly practice, and the close relationship between economists and the Brazilian government (Haddad, 1981; Loureiro, 1997a; Loureiro and Lima, 1996). Likewise, the influence exerted by the Ford Foundation on the development of postwar social science has been the subject of frequent inquiry (Leonard, 1989; Pooley and Solovey, 2010; Sutton, 1987). This paper advances on existing scholarship by tackling both issues at the same time, exploring how the Foundation's approach to the social sciences was pragmatically adapted to fit the peculiarities of the Brazilian case. By examining the interaction among Foundation personnel, both in New York and Rio de Janeiro, we will show how US philanthropy-mongers adjusted their premises and strategies when confronted with the reality of an underdeveloped Latin American society, and how the results ultimately achieved illustrate the amalgamation of foreign and local perspectives.

The paper is divided into five sections, besides this brief introduction and some concluding remarks. Section 2 offers an overview of the early development of the economics profession in Brazil. Section 3 then discusses the efforts to 'modernize' Brazilian higher education in general, and economics in particular, which gained strength in the 1960s. Section 4 analyzes the Ford Foundation's initial involvement with economics in Brazil, focused on the development of strong national institutions that could provide high-level graduate training and research. Section 5 then pictures the maturing of a new strategy more adequate to the Brazilian reality, involving the creation of a network of complementary national and regional centers. Finally, Section 6 shows how ANPEC arose as an outgrowth of previous initiatives that fostered active exchange and collaboration among the members of this institutional network.

## 2. Modernizing Brazilian economics

Economics as an academic discipline only arose in earnest in Brazil by the middle of the 20th century, when the field had already been firmly established elsewhere for quite a long time. The late development of economics reflected the sluggish progress made by the Brazilian university system before then — the first Brazilian university, Universidade do Rio de Janeiro, was only created in 1920<sup>1</sup> (Favero 2006). Schools of commerce began to offer college degrees in economics during the 1930s, but these carried much less prestige when compared to traditional careers such as law, medicine, and engineering. As they gathered in recently created professional associations, these pioneer 'bachelors' increased the pressure for the establishment of properly *academic* training in economics, leading to the inauguration, between 1945 and 1946, of new programs at Universidade do Brasil and Universidade de São Paulo, the two leading Brazilian universities at the time<sup>2</sup> The process culminated, in 1951, with the passing of federal legislation recognizing and regulating the economics profession in the country (Castro, 2001; Saes et al., 2014, 19–29).

Despite these improvements, however, many obvious problems still remained. Most of the professors who taught at the recently created college programs were either lawyers or accountants, working only part time at the universities and equipped with dubious knowledge of economic theory. It would be unfair to say there was an absolute lack of quality work in economics being done in Brazil at the time; most of it, however, took place outside of the academic environment. Both in the government and in the private sector, there were many self-educated people who had a practical knowledge of economic affairs. Some of these self-educated economists, of course, are today regarded as founding fathers of the profession in Brazil, Roberto Simonsen (1889–1948) and Eugenio Gudín (1886–1986) being perhaps the paradigmatic examples. On average, however, the academic standards of the period were rather low, as

<sup>1</sup> The university was called Universidade do Rio de Janeiro until 1937, when it was restructured and renamed Universidade do Brasil. In 1965, it was once again renamed, this time to Universidade Federal do Rio de Janeiro (UFRJ), a denomination it retains until today.

<sup>2</sup> The economics program at the Universidade do Brasil built on the experience of a prior private school created in 1938: the Faculdade de Ciências Econômicas e Administrativas do Rio de Janeiro (School of Economic and Administrative Sciences of Rio de Janeiro).

evidenced by the absolute lack of any graduate training — one could submit a supervised thesis and become a ‘Doctor in Economics’ without taking any further courses after graduation.

In terms of institutions, it would be difficult to exaggerate the important role played by the Fundação Getúlio Vargas (Getúlio Vargas Foundation, FGV), a think tank created in 1944 to support the modernization of Brazilian public administration, and which had the above-mentioned Gudín as one of its leading figures.<sup>3</sup> The Foundation, whose original purpose was to train high-level public employees, soon took the lead in designing the Brazilian system of national accounts, especially after the creation, within its structure, of the Instituto Brasileiro de Economia (Brazilian Institute of Economics, IBRE), in 1951. The Vargas Foundation was also responsible for launching the first Brazilian scholarly journal of economics — *Revista Brasileira de Economia* — in 1947.

Improvements in the academic standards of Brazilian economics were already visible during the 1950s. The Vargas Foundation had established connections with international organizations and foreign universities, and leading economists such as Gottfried Haberler, Nicholas Kaldor, Gunnar Myrdal, Ragnar Nurkse, Raúl Prebisch, and Jacob Viner visited the institution during those years. The Foundation also hired people who held part-time positions at Universidade do Brasil, thus strengthening the links between Brazilian academia and the leading independent think tank of the time (Loureiro, 1997c). Within public administration, the creation in 1953 of the National Bank for Economic Development made it possible to assemble a highly qualified technical team, hired through rigorous admission exams. Similar expert groups were also created in other government sectors, especially during Juscelino Kubitschek’s presidential term (1956–61). As shown by Bielschowsky (1988), the 1940s and 1950s were characterized by a plurality of approaches to economic knowledge, and by vivid discussions about socioeconomic issues both among Brazilian intellectuals and the public at large. Most of this, however, remained essentially detached from the universities.

By the beginning of the 1960s, there was a rather widespread belief among Brazilian economists that something should be done to improve professional standards, and that this required strengthening connections with foreign institutions. Among the ‘developmentalists’, for instance, many people either went to Santiago to take courses at ILPES, a graduate school operated by ECLAC, or else attended one of the short-term courses offered by the latter in Rio. The Vargas Foundation, on the other hand, opened a new school in 1960 — the Center for the Improvement of Economists — whose courses were perceived as a natural path toward getting accepted to a graduate program in the U.S. (Bacha, 1996). By that time, the Vargas Foundation was still only a research institution: no undergraduate training was offered, though many of its researchers taught part-time at Universidade do Brasil (Tavares, 1996).

Different U.S. organizations, both public and private, assisted in the development of Brazilian research institutions during this period. The Ford and Rockefeller foundations were very important for economics, public administration, and the social sciences, while the USDA played a crucial role in the creation of a center for agricultural studies at the Vargas Foundation. These and similar initiatives took place against the backdrop of the Cold War, receiving a boost from the shift in U.S. foreign policy toward Latin America that occurred in the aftermath of the Cuban Revolution, as symbolized by the Alliance for Progress. They also ran parallel to the increasing polarization in Brazilian politics that ultimately led to the military coup of 1964. During the early years of military rule, important changes were introduced in the Brazilian educational system through the so-called MEC-USAID agreements, which sought to promote structural reforms on all levels of education with technical and financial assistance from the US government.<sup>4</sup> The agreements sought to introduce a bias toward more technical and applied training in Brazil, with the purpose of improving the qualification of the labor force and thus fostering economic development. They were complemented by a more systematic engagement of the Brazilian government with the funding of scientific and technological research, implemented mainly through the National Bank for Economic Development, the National Council for Research (CNPq), and the Commission for Improvement of Higher Education Personnel (CAPES).<sup>5</sup>

Graduate level studies had existed, somehow chaotically, since the creation of the first Brazilian universities. Given the very different structure, purposes, and requirements adopted by the several graduate programs that existed at the time, the Federal Council of Education issued a norm in 1965 (Parecer CFE 977/65) establishing criteria to guide the development of graduate education in Brazil. The norm created a distinction between two kinds of graduate studies:

<sup>3</sup> For a more detailed account of the Vargas Foundation’s history, see D’Araújo (1999).

<sup>4</sup> For critical assessments of these agreements, see Alves (1968) and Arapiraca (1979).

<sup>5</sup> For a classic discussion of the changes introduced in the Brazilian scientific environment during the period of military rule, see Schwartzman (1979, ch. 9).

the so-called post-graduate programs, offering advanced training and research at the Master's and Doctoral levels, and the several extension or 'specializing' programs that provided complementary professional training for people who already held a university degree. Regarding the former, the norm established that the presentation of a thesis or dissertation could not be a sufficient requirement for obtaining a degree — a minimum amount of course load was also mandatory (Cury, 2005).

The reforming crusade implemented by the Brazilian government naturally extended to economics, an academic field that offered the promise of useful expertise at the service of public administration. Two groups of economists were at the forefront of this effort: one in Rio de Janeiro, at the Vargas Foundation, centering around Issac Kerstenetzky, Julian Chacel, and Mário Henrique Simonsen, the other led by Antonio Delfim Netto at the University of São Paulo. By the mid-1960s, both USAID and the Ford Foundation were already toying with the idea of large scale support for the development of Master's level programs in these two institutions (Baer, 1997). An important landmark in this process was a meeting held in 1966 in Itaipava, a favorite holiday retreat for the wealthy in the hilly area outside of Rio de Janeiro. Sponsored by the Ford Foundation, the meeting gathered several prominent economists from different institutions to discuss the current state of economics education in the country. A consensus clearly emerged among all participants, who uniformly qualified the level of undergraduate training as very weak — in the words of Mário Henrique Simonsen, 'as overabundant in quantity as deficient in quality' (1966, 19).<sup>6</sup> Most of the programs offered an excessive number of classes on subjects such as law and accounting, which thus made them much closer in spirit to business schools, rather than centers for academic economics (Loureiro, 1997b). The profession needed to be 'modernized', a goal which, in the language of Itaipava, involved the establishment of a minimum curriculum 'covering the essential parts of modern economic theory with the same proficiency' — a task to be accomplished 'with the collaboration of foreign professors' (Delfim Netto, 1966, 11).

As argued by Maria Rita Loureiro and Gilberto Tadeu Lima, the goal of 'modernizing' Brazilian economics meant, in practice, the emulation of international scholarly standards, with special emphasis on the model provided by the United States (Loureiro, 1997a; Loureiro and Lima, 1996). Accordingly, one of the most important conclusions reached during the Itaipava seminar was the need to create something like the American Economic Association in Brazil, with the purpose of raising the academic standards of the profession. However, the possibility that such an association could be regarded as a competitor to the legally based Federal Council led to a different move: rather than offering membership to individual economists, the new association would gather institutions engaged in graduate training in economics (Baer, 1997). This decision would later culminate in the creation of ANPEC.

In 1966, both the University of São Paulo and the Vargas Foundation inaugurated the first year of courses of what would later mature into their respective Master's programs in economics — the first of their kind in Brazil. Other institutions beyond the Rio-São Paulo axis soon decided to join the movement, trying to benefit from connections with foreign institutions to improve their own programs. Research in economics thus began gradually to move into the universities, a significant departure from the reality that had prevailed in the country so far. This newly created academic environment soon intensified institutional interaction and mobility: professors started moving across universities and establishing collaborative networks, a stream of foreign visiting researchers brought different perspectives to bear upon the Brazilian reality, and an increasing number of young Brazilian economists went abroad for advanced graduate training.<sup>7</sup> ANPEC was formally created in 1973 with the purpose of coordinating part of these initiatives, thus providing a common point of reference for its members. As such, it bore the marks of the process that had led to the emergence of the new Brazilian centers for graduate training and research in economics — a process in which the Ford Foundation played a prominent role.

### 3. Building institutions in Brazil

The Ford Foundation's efforts to develop graduate training and research in economics in Brazil began in the early 1960s, as part of a general developmental strategy for Latin America and the Caribbean that stressed improvements in the quality of human resources and the production of reliable inputs for public policy. These initiatives fell under the general responsibility of the Office for Latin America and the Caribbean (OLAC) in New York, while being managed

<sup>6</sup> All the translations into English of the texts originally written in Portuguese were made by the authors

<sup>7</sup> On the experiences of Brazilian students seen from the perspective of their professors in the U.S., see Goodwin and Nacht (1984).



on-site by the Foundation's office in Rio de Janeiro, established in 1961 under the supervision of Reynold Carlson, a Vanderbilt development economist and Harvard Ph.D. who specialized in Latin American studies.<sup>8</sup> Initial grants were made, on an experimental basis, to a few selected academic institutions, but throughout the decade, the Foundation's commitments in the area grew substantially in size, structure, and diversity. Even though these were part of a larger program for the social sciences in Brazil, the relative weight given to economics within Ford's grant-making was clearly lopsided (Miceli, 1993, 251–258).<sup>9</sup> This reflected a pervasive attitude among foreign aid experts during most of the 1960s, who tended to attribute the ultimate causes of development to economic factors, and thus focus on economic expertise as the key variable in their efforts to 'modernize' underdeveloped societies (Packenham, 1973, 56–67). Cold War considerations, of course, also played a major part in sustaining the quest for a technically-managed economy that could avoid ideological extremes (Iber, 2015, 174–210).

Support for the social sciences in general, and for economics especially, followed the general lines of the Foundation's so-called 'institution-building' approach. The overall stated purpose was to help create and/or consolidate a few high-level institutions for graduate training and research that would subsequently fulfill a 'seeding' role — supplying well-trained economists for other academic institutions, government agencies, and the private sector, while at the same time leading the way in advanced research specifically geared towards addressing the developmental problems of the recipient nation. With substantial support from the Ford Foundation and other sources such as USAID, it was expected that these carefully chosen institutions would exert a trickle-down effect over the whole economics profession in the area under consideration.

This general strategy, however, very quickly came into conflict with Brazilian reality. As Werner Baer, OLAC's program advisor in economics, would later state in a background report, the initial grants to economics in Brazil produced dismal results because 'the archaic nature of the host institutions made effective use of the funds difficult' (Baer, 1974).<sup>10</sup> The archaism, from the Foundation's perspective, rested mainly on the faculty structure of Brazilian universities, dominated by *catedráticos*<sup>11</sup> whose strong vested positions gave them enormous institutional power and influence, usually not accompanied by equivalent academic credentials. Additionally, most of the university lecturers were only part-time, thus channeling their energy to other professional engagements. This state of things, it was felt, 'made reform almost impossible' (Baer, 1974).

Ford stumbled upon a solution while laying the groundwork for a grant to the University of São Paulo. In August 1964, Nicholas Georgescu-Roegen visited Brazil, invited by Ford's Reynold Carlson, to assist Delfim Netto and Dorival Teixeira Vieira in developing a curriculum for a graduate program in São Paulo (Georgescu-Roegen, 1964). He arrived amidst final talks for the creation of the Instituto de Pesquisas Econômicas (Institute for Economic Research, IPE), later inaugurated in October of the same year (Rocca et al., 1984, 230–231). The institute provided a local template more suited to Ford's ambitions, which was promptly seized: creating new institutional spaces, within the universities, where a different, 'modern' kind of training and research could be developed. The purpose of the new 'centers' of graduate studies and research was to strike a balance between institutional flexibility, on one hand, and fruitful interaction with university life in general, on the other. Regarding the latter, a particularly important goal was to promote gradual changes in undergraduate training, both through the direct influence of highly qualified professors over their students, and the indirect demonstration effects of the requirements for success in advanced graduate training. The new centers were thus conceived as 'semi-autonomous appendices to faculties' (Baer, 1974) — halfway between genuine think tanks and more traditional university departments.

To pursue its institution-building goals, the Foundation made use of a variety of instruments and tactics. The budgets of grant proposals approved during the period usually contained some or all the following items: fellowships for graduate students at the recipient center; salary supplements for staff members; support for visiting professors; fellowships for Brazilian graduate students in North American universities; library acquisitions and general administrative expenses.

<sup>8</sup> For an overview of the history of the Ford Foundation's office in Rio de Janeiro, see Brooke (2002).

<sup>9</sup> Berman (1983, 8) argues that, within the division of labor established among the big three US postwar philanthropies — Ford, Rockefeller, and Carnegie — in their overseas operations, Ford focused in the social sciences and public administration. The importance of the social sciences, economics included, within the Ford Foundation's early action programs has been discussed in Leonard (1989) and Pooley and Solovey (2010).

<sup>10</sup> The three original grantees were the Getúlio Vargas Foundation and the federal universities of Ceará and Rio Grande do Sul.

<sup>11</sup> The term '*catedrático*' referred to professors who held *cátedras*, or chairs. In the Brazilian university system of the time, the position stood at the top of the academic hierarchy and conferred upon its holder very large institutional powers, including the right to influence educational standards and hiring practices.

The main lines of action, though, clearly revolved around two axes: high-level graduate training in North American universities, and absorption of returning MAs, ABDs and Ph.Ds. within the Brazilian centers. This is clear from the evaluative reports presented by Foundation staff, which usually put a great emphasis on ‘staff development’ — a concept that, in this context, invariably meant graduate training in the United States. The hopes deposited on the graduates sent for study abroad obviously involved the potential influence they could have, upon their return, on the quality of training and research in Brazil, but much more was at stake. Given the institutional structure in which Brazilian academia was immersed, the return of economists who had experienced the environment of a top-level graduate program abroad also brought with it the promise of increased pressure for change and reform — a drive for ‘modernization’ patterned after the North American model.<sup>12</sup>

The two institutions originally chosen to spearhead the development of the economics profession in Brazil were, quite naturally, the University of São Paulo and the Getúlio Vargas Foundation. The mission envisioned by Ford for the new Institute of Economic Research was to become a ‘first class graduate center of economics where teaching and research will be combined into a single operation,’ and to ‘develop a cadre of well trained individuals to furnish the teaching staff for other universities, multiplying the innovation function, while others will be rapidly absorbed by the demand of government and private enterprise’ (Baer, 1974). IPE was also the object of a specific contract signed between USAID and Vanderbilt University in 1966, which brought several visiting professors to Brazil to teach graduate courses and engage in collaborative research. Some of the Vanderbilt economists who participated in this exchange program were Nicholas Georgescu-Roegen, William Nicholls, Werner Baer, William Thweatt, Gian Sahota, Douglas Graham, and Andrea Maneschi. Besides providing assistance by foreign visiting professors, the USAID-Vanderbilt contract also created opportunities for IPE’s faculty and graduates to pursue advanced studies in North American universities.

Conditions at the Getúlio Vargas Foundation, on the other hand, were quite different. As a private foundation with substantial access to public funding, it already had a more flexible institutional structure on which to build. Moreover, the institution-building effort would not have to start from scratch, since the Vargas Foundation already offered a one-year non-degree graduate program in economics, and had a solid reputation as a research center. The latter was due to the activities of Brazilian Institute of Economics, which specialized in applied research on policy-oriented topics — in particular the collection of economic data and the publication of regular economic indicators. The Ford Foundation saw this hybrid institutional nature as a virtue, resulting in a ‘long-established tradition of independence from either government or private sector control of its research and training programs’ (Widdicombe, 1967). The Vargas Foundation had also received one of Ford’s original grants to Brazil in 1960, and by the time a second grant was being discussed, around 1967, it already offered a two-year Master’s level program, led by Mário Henrique Simonsen. Given this state of affairs, the new grant was geared mainly towards supporting two large research projects — one exploring ‘Brazilian manpower problems’, and the other focusing on the sources of growth in the Brazilian economy (Widdicombe, 1967).

Two very distinct situations thus confronted Ford in its attempt to develop high-level centers of academic economics in Brazil. At São Paulo, all sorts of institutional barriers had to be overcome. Delfim Netto had left IPE in early 1966 to work for the state government, thus temporarily leaving the institute without effective leadership. After returning from a new stint in São Paulo, Georgescu-Roegen reported that everything from gasoline to bilingual secretarial help was missing (Widdicombe, 1966). The Vargas Foundation, on the other hand, was widely regarded as the most prominent and accomplished Brazilian center for training and research in economics. Its second grant proposal to the Ford Foundation received strong backing by such imminent (and diverse) economists as Chicago’s Arnold Harberger and Harvard’s Albert Hirschman (Widdicombe, 1967). The same Georgescu-Roegen thus expressed, in early 1967, his impressions about the two programs:

During my visit for some lectures at the Vargas Foundation last summer, I had occasion to convince myself of how well their graduate program is progressing under the direction of Mario Simonsen. I even wrote to Rey Carlson

<sup>12</sup> One of the clearest examples of this kind of ‘institutional’ expectations can be found in a memorandum written by Werner Baer on January 6, 1970. In the document, Baer discusses some recent problems with the staff at the University of São Paulo, arguing that Miguel Colasuonno, then director of its Institute for Economic Research, had ‘institutionally loyal friends’ who were ‘rather weak intellectually’, whereas the ‘intellectually strong people were opportunists’ who tried to ‘undermine the institution’ and ‘use it when it suits their purpose’. In Baer’s perspective, a solution for that problem could already be foreseen: ‘Once the first crop of Ph.D. returns, Miguel will have a core on which to build’ (Baer, 1970).

my disappointment to see the São Paulo program, by comparison, lagging so far behind (Georgescu-Roegen, 1967)

Indeed, it was a common argument among Ford's staff at the time that a closer cooperation with the Vargas Foundation would be of great help for the satisfactory development of IPE. Accordingly, the two centers established in 1967 a program for joint recruitment of graduate students, and Isaac Kerstenetzky — one of Vargas' research directors — was invited to serve as a permanent research consultant to IPE. Reporting on a recent agreement for a joint research project, Baer stated: 'I hope this will be the beginning of many such cooperative efforts' (Baer, 1968).

#### 4. Regional outreach and institutional networks

Towards the end of the decade, however, a new strategy for the development of Brazilian economics was beginning to take shape among the Ford Foundation's staff, especially due to first-hand knowledge of Brazilian conditions acquired by the Rio office. Although the standard institution-building approach called for the nurturing of one or two high-level centers of national scope, it was gradually felt that the specificities of Brazilian society made necessary the adoption of a more regionalized alternative. Ford's representatives in Brazil constantly repeated the rationale behind this new strategy, almost like a mantra: in a country as large and diverse as Brazil, and with such regional disparities in socioeconomic development, it was necessary to support a few smaller regional centers that could help addressing local problems. Northeast Brazil, especially, deserved a differential treatment that catered to its chronic and severe developmental challenges.<sup>13</sup> A memorandum written by William Carmichael, head of the Rio office from 1968 to 1971, indicates the extent to which this argument had, by the early 1970s, turned into a standard defense for a regional strategy to Brazil:

As stated *ad nauseam* I'm afraid, Brazil is a very large country with pressing human resources and research requirements in each of its several important regions. The situation is further compounded by problems of internal brain drain, which generate serious doubts about relying on a geographical "trickle outward" approach. Specifically, we believe that the pressing developmental needs of the 30,000,000 Northeasterns make it strongly desirable that we include institutions in that region in the network of Foundation-supported activities in such fields as agricultural economics and economics [emphasis in the original] (Carmichael, 1970)

There were precedents for the direct involvement of the Ford Foundation in the Brazilian Northeast. The Federal University of Ceará, one of the region's most solid academic institutions, had been one of the original Ford grantees in the early 1960s. In 1964, an agreement was signed between the university, USAID, the Ford Foundation, and SUDENE — a Brazilian governmental agency created in 1959 with the specific purpose of fostering the development of the Northeast — which led to the creation of the Centro para o Aperfeiçoamento dos Economistas do Nordeste (Center for the Improvement of Economists in the Northeast, CAEN). Reports supporting this grant stated that, in Northeast Brazil, 'manpower skills are scarce in all forms, but conspicuously absent is a cadre of professionally trained people to undertake studies and provide actionable programs in economic development' (Unidentified author, 1964). The main purpose of the new center would thus be to 'provide some postgraduate training which is geared to the lower starting level of the Northeast universities, for graduates expected to remain in the Northeast to staff the various regional and state agencies' (Unidentified author, 1964).

The underlying reasoning was twofold. On one hand, northeastern economists desperately needed graduate training — the level of their undergraduate studies was simply too low to capacitate them to properly tackle the intricate developmental problems of the region. They should not be *overtrained*, however, to avoid internal brain drain toward more developed areas and thus guarantee an adequate supply of qualified economists to local universities and governmental agencies. In other words, the area required graduate training and research initiatives of a different *nature* than those provided by high-level centers such as IPE and the Vargas Foundation. Ford staff in Brazil accordingly started to plea for a change in strategy, but their campaign initially met with considerable resistance from New York.

Throughout 1969, there were negotiations surrounding a possible Ford grant to support the creation of a joint program in economics and sociology at the Federal University of Pernambuco — what would later become the Programa Integrado de Mestrado em Economia e Sociologia (Integrated Master's Program in Economics and Sociology, PIMES).

<sup>13</sup> See, for instance, Bell (1969a), Bell (1969b), and Carmichael (1969).



In a memorandum from September 16, 1969, Carmichael told Harry Wilhelm, from the New York office, that he and his colleagues ‘were disappointed to learn of your initial reaction to our proposed grant’ (Carmichael, 1969). A few days earlier, Wilhelm had communicated to him that ‘the proposed grant to Pernambuco would take us in the opposite direction from the one we want to travel’ (Wilhelm, 1969), a position reflecting reservations recently expressed by some of the Foundation’s staff and consultants. Nita Manitzas, Program Officer for Latin America, recognized that, given the peculiar nature of the Brazilian case, ‘the spread of our institutional involvements must be judged accordingly’; in the case of Pernambuco, however, she wondered ‘whether the issue is one of spread or simple scatteration’ (Manitzas, 1969). Kalman Silvert, the NYU Latin Americanist who served as general consultant for the Foundation’s social sciences program, argued that ‘one can persuasively state that this grant is not justified in terms of alternative ways of spending monies’ (Silvert, 1969a). Wilhelm subsequently picked up these arguments: ‘I wonder whether the same monies invested in moving toward a doctoral program elsewhere in Brazil [...] would likely yield greater dividends’ (Wilhelm, 1969).

The Rio personnel, however, were already committed to their new stance. On his reply to Wilhelm, Carmichael discussed at some length what he termed the ‘concentration-diffusion issue’:

This, of course, is a familiar issue, especially for those of us who are working in Brazil. Whether the field is agricultural economics, or (general) economics, or sociology, we find ourselves returning to the question of whether we should channel our investment exclusively into one or possibly two strong national centers in central Brazil, or whether modest portions of the total sum applied would better be allocated directly to institutions serving the needs of important regions of Brazil (Carmichael, 1969)

Carmichael’s answer to this question was emphatic: ‘I remain more convinced than ever that we need inter-locking national and regional programs’ (Carmichael, 1969). His position eventually triumphed. In a memorandum to Wilhelm shortly thereafter, Silvert noted: ‘Bill [Carmichael] is making an issue of the case, and the grant is not of sufficient size or so patently one thing or another as to warrant our going to the wall with the Brazil office’ (Silvert, 1969b). The grant proposal was revised and finally approved, although doubts still lingered. Silvert warned that Carmichael ‘does not tell us when a sufficiency of “regionalization” of a program has occurred, merely that we have spread grants geographically before, and should do so again’ (Silvert, 1969b). A few months later, when approval was imminent, he still asked for a grant proposal that ‘does not relate this humble undertaking to the entire problem of poverty and underdevelopment in the Northeast’ (Silvert, 1969c), clearly indicating the political undertones attached to the argument for regional outreach by Foundation staff in Brazil.

The subsequent expansion and spread of Ford support to academic economics in Brazil bears testimony to the success of the strategy pursued by the Rio office, and puts in evidence the Foundation’s capacity to adjust its policies to local circumstances. By the early 1970s, grants had been offered to five centers other than São Paulo and Rio de Janeiro: besides Ceará and Pernambuco, other beneficiaries included the University of Brasília, the Centro de Desenvolvimento e Planejamento Regional (Center for Regional Development and Planning, CEDEPLAR), in Minas Gerais, and the Núcleo de Altos Estudos Amazônicos (Center for Advanced Amazonian Studies, NAEA), in Pará.<sup>14</sup> The success of this regionalized approach, however, depended crucially on a second element: the establishment of an effective institutional network connecting the grantees, through which the high-level national centers could help foster the development of their smaller, regional counterparts, while also making it possible to capitalize on potential gains from specialization and complementarities in research.

As mentioned above, by the late 1960s Ford was already actively stimulating cooperation between IPE and the Vargas Foundation as a way of leveling the perceived imbalance between the two leading programs in economics. In 1968, a new round of negotiations around the Ceará grant formally established that IPE would provide visiting professors to the northeastern center under the USAID-Vanderbilt agreement, and the best students from Ceará would be eligible for finishing their studies at the Vargas Foundation (Bell, 1968; Braga et al., 1968). The joint recruitment of students between IPE and Vargas was partially extended to Ceará in 1969, and Baer reported that the center expected to receive, later that year, a visiting professor with ‘wide experience in project analysis’, either from the Vargas Foundation

<sup>14</sup> There was also, at the time, an active grant in agricultural economics to the Instituto de Estudos e Pesquisas Econômicas at the Federal University of Rio Grande do Sul. According to a report written by Werner Baer in 1974, the Institute ‘now has a substantial non-agricultural economics portion’, which brought it in close connection to the other grantees in ‘general’ economics (Baer, 1974).

or from Minas Gerais (Baer, 1969a). This grand vision of an integrated network of complementary centers for training and research in economics was explicitly brought forward by Peter Bell, who served temporarily as head of the Rio office between 1967 and 68:

[...] we believe that modest support for regional institutions like CEDEPLAR at Minas Gerais and the program at Pernambuco can importantly strengthen the national network of social scientists. Such institutions can complement, question, and inform at the regional or local level the theories and policies conceived for the nation; they can also in turn draw on the national institutions for staff training, visiting lecturers, and research consultants (Bell, 1969b,c)

Nevertheless, as the Foundation tried to consolidate an institutional network connecting its growing number of grantees in Brazil, changes were quickly taking place within the two leading centers. Reports on São Paulo became increasingly positive and optimistic as the decade wore on. To Baer, despite some lingering problems, IPE had recently made ‘much better progress than any of us had hoped’ (Baer, 1968). The background report for a supplemental grant in 1969 thus presented the case: ‘During the period of the initial grant IPE developed a strong graduate training program, completed several research projects of good quality, and became the key institution in a network of economic research and training centers in Brazil’ (Bell, 1969a). The latter point was a reference to a fledgling initiative that Ford regarded as crucially important: the so-called IPE extension program. A more detailed description was given a few paragraphs below:

Largely through the efforts of IPE’s staff, a national network of economics training and research centers has been developed in Brazil. Besides providing advanced training for professors from regional centers, IPE has initiated an extension program under which its staff and that of IBRE teach short-term intensive courses and lend assistance to the research activities at regional economic centers such as the Center for the Improvement of Economists in the Northeast in Ceará, CEDEPLAR in Minas Gerais, and the Institute of Human Sciences in Pernambuco — all present or prospective Foundation grantees. IPE also finances and coordinates professional staff interchanges among the regional centers (Bell, 1969a)

The extension program accordingly became a specific item of financial support in subsequent grants, and the successful enlargement of IPE’s regional outreach and influence went hand-in-hand with the strengthening of its role as the Ford Foundation’s main instrument for implementing its policy for Brazilian economics. Already in 1974, Baer could state:

IPE’s successful growth has greatly contributed towards fulfillment of the Foundation’s objectives in helping to develop the Brazilian economics profession. IPE has come through as the “king-pin” in the effort to build a system of institutions with a self-generating capacity in high-level economics training and research (Baer, 1974)

Meanwhile, developments at the Vargas Foundation were far from encouraging. Whereas in 1967 Baer could speak of its ‘unassailable position within Brazil as a research and teaching institution of the highest intellectual caliber and integrity’ (Baer, 1967),<sup>15</sup> his assessment two years later was that ‘new financial support [...] should only be made after a thorough institutional evaluation and possible agreement on changes in the institutional structure’ (Baer, 1969b). In November 1970, Carmichael pondered: ‘Unfortunately, the development of [Vargas] has been impaired by a host of leadership and administrative problems’ (Carmichael, 1970). The problems included the over-centralized decision-making structure of the Vargas Foundation; an excessive focus on collective research projects, with little room for personal initiative and a resulting lack of in-depth analysis; and deteriorating conflicts of leadership between its research directors — Isaac Kerstenetzky, Julian Chacel, and Anibal Villela.

The so-called ‘Manpower Project’ had been divided in two components: one dealing with the industrial-services sector, under the guidance of Kerstenetzky, and the other dealing with the agricultural sector, led by Chacel. After noting, in a memorandum from August 1969, that the project should be ‘much further along than it is today’, Baer stated: ‘Part of the difficulty is due to the organizational structure of IBRE and due to jurisdictional disputes between

<sup>15</sup> In the same document, Baer stated: ‘In my travels around the country and in my current activities at the University of São Paulo, I am always struck by IBRE’s tremendous prestige and by the way everyone always looks to IBRE for intellectual leadership in economics’. He then concluded: ‘I would even go so far as to say that its standing within Brazil is similar to Harvard’s standing within the U.S.’.

Kerstenetzky and Chacel' (Baer, 1969b). After Kerstenetzky left Vargas, in 1970, to become president of the Brazilian Institute of Geography and Statistics, Chacel took over the entire project, but his performance was the subject of harsh criticism by Ford's Brazilian staff. Commenting on a report submitted by the Vargas Foundation in 1973, Baer told Nicholson that 'the 2 ½ pages reporting on the manpower study, which was supposed to be the major project, makes pathetic reading'. The document contained only descriptions of problems encountered during the project's execution, but Baer found 'none of the stated reasons for the delay to be convincing' (Baer, 1973b).

The 'History Project',<sup>16</sup> on the other hand, had been developed quite satisfactorily by Villela, who had since left Vargas to work at the Institute for Applied Economic Research. Baer believed the resulting work, 'Sources of Brazilian Economic Growth, 1889–1945', would become a 'standard reference work' on the economic history of Brazil (Blitzer, 1973). However, personality conflicts between Chacel and Villela also prevented this project from becoming a triumph for the Vargas Foundation's research program. Faced with sluggishness in the publication of results, and Vargas' willingness to present them as an anonymous research report, Villela decided to take the matter into his own hands and publish the work through his new employer. He was chastised for that by both Chacel and Luiz Simões Lopes, the Vargas Foundation's president at the time (Lopes, 1972); to Baer, however, his decision was perfectly reasonable, given the circumstances (Baer, 1973b).

In stark contrast with the situation prevailing a few years earlier, Baer thus concluded his comments on Vargas' final report:

I am afraid that this grant to the Vargas Foundation's IBRE was one of the most ineffective ones we have made in Brazil. The one bright spot – the economics history project – is dismissed due to personal problems. To stop the agony, I suggest we accept this unsatisfactory report as the necessary narrative report for grant closing purposes. I also suggest that no further grants be made to Vargas until structural changes are made which are necessary to turn the institution once again into a respectable research center (Baer, 1973b)

On his final evaluative report, Donald Blitzer echoed Baer's judgment: 'The grant file makes depressing reading – depressing enough to dishearten anybody who would seek the redeeming features, spin-off effects, and long term benefits that the Foundation expects even the most abysmal grants to have' (Blitzer, 1973). He also pondered that, in retrospect, the separation between research and graduate training at the Vargas Foundation had been 'unfortunate'. Closer links could have led to 'more serious dedication towards analytical research', but such symbiosis seemed unlikely now that 'Mário Simonsen was determined to keep "his" training program separate' (Blitzer, 1973).

## 5. From the extension program to ANPEC

With the Vargas Foundation temporarily out of the picture, the responsibility for leading the process of building and strengthening a network of Brazilian centers of academic economics fell on IPE's shoulders. By the early 1970s, however, other institutions had begun to emerge as possible candidates for the post of high-level national centers. Ford Foundation staff commonly regarded the University of Brasília, in particular, as the heir apparent to the Vargas Foundation. On the background report to a grant proposal to Brasília, after noting Vargas' disappointing performance, Gregory Treverton stated that 'the University of Brasília is an increasingly attractive alternative to the Vargas Foundation' (Treverton, 1971). Due to its more flexible institutional structure, Brasília had even been able to recruit many of the brightest Vargas students who had gone abroad for advanced graduate training (Baer, 1971b). Baer and Nicholson concurred with Treverton's assessment: 'The likelihood is great that the group [of Brasília economists] can perform a number of the analytical and critical functions which the economists at the Vargas Foundation have performed' (Nicholson, 1971).

Another prominent center at the time was Minas Gerais' CEDEPLAR, described by Baer in 1974 as 'one of Latin America's leading institutions in regional economics', which had 'experienced impressive growth in the quantity and quality of its staff' and 'developed a degree of efficiency [in research] which is unique to Brazil' (Baer, 1974). In this long background report on the current state of Brazilian economics, Baer argued that further support should fall under three main headings: (1) terminal, consolidating grants to the three 'more advanced centers' – IPE, Brasília, and CEDEPLAR; (2) continuing support to centers whose structure was 'still fragile' – Ceará, Pernambuco, Pará, and

<sup>16</sup> This is how the research project on the sources of growth in the Brazilian economy had come to be called in Ford Foundation documents.

Rio Grande do Sul; and (3) support for the National Association of Graduate Centers, with the purpose of fostering ‘inter-center cooperation’ (Baer, 1974). This structured, layered type of assistance reflected the renewed strategy for Brazilian economics that Ford had developed over the course of recent years, in response to local conditions and hurdles. This strategy had the IPE extension program as one of its pillars.

By the end of the 1960s, as the new centers reached greater institutional stability and cooperation among them increased, meetings of representatives were periodically held to discuss matters of common interest. The third of these meetings took place in January 1970, and its records indicate great concern with issues of scholarly exchange and mobility. IPE’s leading role was taken for granted, but other centers were also expected to participate more actively in the extension program. One goal was to offer ‘improvement’ courses for lecturers in economics across the country, geared toward the new curricular requirements for undergraduate education that would soon be approved. It was suggested, however, that these courses should be gradually ‘regionalized’, with each center assuming responsibilities for a given area. Similar concerns underlay the promotion of short-term advanced courses – a national pool of professors being created for that purpose – and graduate seminars on special topics — these would be organized locally by each center, but foreign visitors should be shared with other centers whenever possible (Unidentified author, 1970).

Shortly thereafter, discussions began to address the perspective of a Ford grant to help the emerging National Association to reach a more formal status. In a letter written to Baer on May 1970, Nicholson reported on a recent encounter he and Carmichael had with Colasuonno to go over the details of a grant proposal. Most of the budgeted items were very similar to those found on grants to individual centers: ‘re-entry funds’ for graduates returning from abroad, fellowships for foreign visiting professors, funds for collaborative research efforts, and support for Ph.D. students at the thesis-writing stage (Nicholson, 1970). The rationale was simply that the association would become responsible for allocating these resources among the centers, according to its first-hand knowledge of their conditions. In Colasuonno’s view, collaborative research was an especially important instrument for solidifying a stratified, coherent interaction between first- and second-tier centers: ‘[...] coordinated research will demonstrate the capacity of the “secondary” centers to do research and preserve the delicate balance between the principal and secondary centers’ (Nicholson, 1970). Two items in the proposal, however, represented departures from past practice: post-doctoral fellowships for Brazilian professors in foreign universities, and financial support for national conferences in economics.

Although IPE, through Colasuonno, was clearly the lead player in this first round of negotiations, the process also involved other centers. The 1970 grant proposal resulted from a joint effort by Colasuonno, Kerstenetzky, and Paulo Haddad — the latter representing CEDEPLAR. The grant was approved in October 1970, and the following January Baer already reported on the plans for a national exchange program in economics. The document attests Kerstenetzky’s imminent departure:

Since Isaac is so busy, Miguel and Paulo will suggest to him that [Hamilton] Tolosa act as a stand-in for him in more routine planning matters. Although I think that this is a good idea, I suggested to Miguel that he deal carefully with Isaac in this matter (Baer, 1971a)

The initial concrete measures to be undertaken by the association were stated in a letter to all members and other interested parties. The introductory paragraph stated the associations’ goals and challenges, while making it clear how IPE should play a leading role at this stage:

The Brazilian Association of Centers for Training and Research in Economics, through the Institute of Economic Research at the University of São Paulo, has been promoting growing interchange among Brazilian institutions dedicated to graduate training and research in economics. The association’s basic goals are reinforcing the economics profession in Brazil, consolidating the organization of a few centers of training and research in economics, increasing efficiency in the allocation of resources through the promotion of complementarity among different centers, developing specialists in fields where the country has chronic shortage, and promoting interaction among Brazilian and foreign institutions (Colasuonno et al., 1971)

The letter then proceeded to stress the important role played by the Ford Foundation in fostering the development of the member centers, stating that its recent grant to the association aimed at ‘reinforcing activities with a multi-institutional scope’. It concluded by establishing a clear connection between IPE’s current leadership and its acquired experience in similar extension and exchange programs:

The Ford Foundation has chosen the Institute of Economic Research at the University of São Paulo to manage the grant on account of the considerable organizational competence already demonstrated by the center in different experiences in the promotion and control of joint programs involving several research and training institutions (Colasuonno et al., 1971)

But if Kerstenetzky's involvement in the fledgling association was curtailed due to his other professional commitments, a similar development would soon put IPE's leadership in check. After Colasuonno left his duties at the Institute in 1971 to become Planning Secretary, and later Mayor of the city of São Paulo, both IPE and the association were brought under the direction of Affonso Celso Pastore. The new director, however, found it difficult to reconcile his new responsibilities in both institutions, and the association accordingly suffered. In a January 1972 memorandum to Nicholson, Baer already referred to 'the Foundation's disappointment about the slow start the Association had been making' (Baer, 1972). A few weeks later, the association held a meeting in which new patterns of leadership became apparent. An executive committee was created with representatives from four member centers — besides Pastore, Kerstenetzky, and Haddad, the committee also included Edmar Bacha, representing Brasília. An important issue at the meeting was the preparation of a proposal for reforming the undergraduate curricular requirements in economics, and the association decided to hold a gathering along the lines of the Itaipava seminar to discuss the matter in depth. Flávio Versiani, from Brasília, was put in charge of organizing the new seminar, which should take place at CEDEPLAR (Unidentified author, 1972).

Another topic broached at the 1972 meeting was the perspective of giving a formal institutional status to the association, although it was then agreed that it was still 'too soon' for such a measure. The Ford Foundation, however, was far from satisfied with the concrete results obtained thus far, and started pushing for structural changes that could put 'more life into the grant'. Reporting on the first meeting of the new board of directors, Baer referred to 'experimental nature' of the grant, which had the purpose of seeing 'how a consortium of economic centers would be able to use such funds in a collaborative way'. The results, however, had been 'a general disappointment to all of us' (Baer, 1972). Although several disturbing factors had interfered with the association's activities, Baer believed the inadequate leadership exercised by Pastore was a fundamental reason for the dismal performance so far. Given this assessment, the members themselves worked, throughout the last months of 1972, on a proposal for restructuring the association in a more functional way.

The proposal was given concrete expression in the first meeting of the new Council of Representatives, held at CEDEPLAR in February 1973.<sup>17</sup> The association, it was decided, would be led by an executive secretary — a post to be occupied on a rotating basis by the different centers. The Council of Representatives, contemplating seats for all members, should meet twice a year to deliberate on the course of activities to be implemented by the executive secretary. The council also established important new directives for the kinds of initiatives that should fall within the competence of the association. According to the report, 'the Association should be, fundamentally, an organ for fostering exchange among centers dedicated to graduate training in economics' (*Associação Nacional dos Centros de Pós-Graduação em Economia*, 1973). More specifically, this meant the association should not sign contracts in the name of its members, nor serve as an instrument for collecting and distributing funds.

Two important tasks attributed to the association helped give more clearly defined contours to its new institutional role: the annual meeting of Brazilian economists, and the unified admission exam for graduate programs. The annual meeting was devised as a forum for the presentation and discussion of original research papers, thus fostering academic interaction among Brazilian economists. The admission exam, on the other hand, had its roots on similar initiatives developed by the Vargas Foundation and IPE during the late 1960s, with the double purpose of standardizing requirements for prospective graduate students and leveling conditions of access to the different programs. Under the association's auspices, the unified exam would be jointly elaborated by all member centers, thus providing a general criterion for admission to the graduate programs that could either be adopted exclusively or complemented by auxiliary instruments of evaluation. From the perspective of the association's larger ambitions, the unified exam was also important because it provided a clear signaling of the contents that should be covered in undergraduate economics education.

<sup>17</sup> Present at the meeting were Pastore (IPE), Bacha (UnB), Haddad (CEDEPLAR), Thompson Almeida Andrade (CEDEPLAR), Renato Duarte (PIMES), Maurício Filchiner (IEPE), and José Hamilton Gondim (CAEN). Although invited, the Vargas Foundation did not send any representatives.



Embracing this new direction, and under the leadership of Paulo Haddad, the new executive secretary, the association finally began to gain momentum.<sup>18</sup> Reporting on the recent meeting of the new Council, Baer stated: ‘I am very encouraged by the results of this meeting, and it seems that at last the Association is on its way to function as we originally had envisaged’ (Baer, 1973a). Reynold Carlson was present at the first national meeting, held in São Paulo in November 1973, and reported that discussions were ‘lively and often provocative’, and that ‘the audience was composed overwhelmingly of young people, graduate students or younger professors, who provided spirited discussions from the floor that spilled over into the corridors after the sessions’ (Carlson, 1973). Ten centers were represented at the meeting, eight of which already offered graduate work at the Master’s level. In his closing address, Colasuonno stressed ‘the advantages of having several decentralized centers of research working on a variety of topics which provide an exceptional opportunity for integration on a nationwide basis’ (Carlson, 1973). The first ANPEC meeting, in this sense, was evidence that the revamped strategy adopted by the Ford Foundation and its grantees was finally reaching maturity.

## 6. Concluding remarks

In early 1974, the Ford Foundation was engaged in a wide-ranging assessment of its involvement with Brazilian economics. Summarizing the conclusions reached by several staff members, Stanley Nicholson stated:

Our review of the economics program has led us to conclude that three of the programs supported by the Foundation have matured to the point that they constitute a firm base for high-level graduate training and research and that a second level of institutions are rapidly developing their capacity to serve regional needs. All of those involved in the review agree that a critical role in linking the institutions at both levels may be played by the newly-formed Association, though it remains fragile and in need of carefully monitored support (Nicholson, 1974)

Indeed, the state of academic economics in Brazil in the mid-1970s clearly embodied some of the principles that had come to structure the Ford Foundation’s strategy for developing the economics profession in the country. To the extent that it fostered scholarly interaction and exchange among its members, ANPEC was an integral part of this strategy. Its origins lay in the recognition, during the late 1960s, that successful regionalization necessarily involved coordinated research activities and faculty mobility. The IPE extension program was a crucial link in the historical development of the association, which partially explains the prominent role played by the University of São Paulo in its early years. On this point, Baer’s testimony is revealing:

The role of IPE [...] has been crucial in helping start a National Association. Under the leadership of Miguel Colasuonno, with the support of the Vanderbilt-AID group, an extension program was developed in which IPE professors gave short-term intensive courses at various centers in fields where staff availability was lacking. This extension service gradually developed into a regular short-term staff exchange program among the centers. Collaboration also extended into research [...], the sharing of visiting foreign professors, the distribution of AID scholarships, and library development programs (Baer, 1974)

‘The Association’, concluded Baer, ‘grew out of this interchange program’. As the new Brazilian centers matured, however, and became independently able to access new sources of funding, the institutional role envisaged for ANPEC also changed. Rather than serving as a hub for collecting and distributing funds, the association began to focus on two other goals: stimulating academic interaction among Brazilian economists, especially by way of its annual meeting; and establishing normative standards for graduate and undergraduate training in economics, mainly through the unified admission exam. Along precisely these lines, it would exert a marked influence over the course of Brazilian economics for decades to come.

Establishing an integrated, layered network of research centers was not, however, part of the Ford Foundation’s plans for Brazilian economics when it first arrived in the country, in the early 1960s. On the contrary, this outcome resulted from the adaptation of Ford’s goals and strategies to meet the concrete possibilities and limitations posed by

<sup>18</sup> In a 1974 memorandum to Nicholson, Bruce Bushey stressed his confidence on Haddad’s leadership, saying that he was ‘unusually competent at sorting out the conflicting interests which arise – or become apparent – among member centers as they begin to work more closely together’ (Bushey, 1974).

Brazilian reality. Vested institutional interests, regional disparities, personality conflicts, underperformance — these and other contingencies explain the choices made by the Ford Foundation concerning its Brazilian program. This was thus neither a straightforward story of institutions being transposed across different social contexts, nor a case of recalcitrant reality resisting all attempts of reform. Rather, the episode should be read as a tale of creative adaptation in the face of conflicting purposes and expectations — a clash of two very distinct institutional cultures, and the unique results thereby produced.

## Acknowledgements

Preliminary versions of this paper were presented at the 4th ESHET Latin American Conference (Belo Horizonte, 2014), the History of Economics Society Annual Meetings (Montreal, 2014), the ANPEC Annual Meetings (Natal, 2014), the Graduate Economics Seminar at UFABC (2014), and the History and Methodology of Economics Seminar at FEA/USP (2015). The authors are thankful for the comments received from participants at these events, especially Gerardo Serra, Claudia Sunna, and Marcelo Curado. We would also like to thank the late Craufurd Goodwin for his comments concerning the involvement of the Ford Foundation with the social sciences in Latin America, and Mauro Boianovsky for his close reading and useful suggestions. Paulo Haddad and the late Werner Baer offered their valuable inside perspective on the events narrated in this paper. Two anonymous referees from *Economía* helped us improve and sharpen important aspects of the argument. Ramón García Fernández would like to thank CAPES and CNPq for financial support at different moments of his research, and the Ford Foundation (especially Mr. Jonathan Green) for kindly allowing access to its archives. Carlos Eduardo Suprinyak would like to thank FAPEMIG, CNPq, and Universidade Federal de Minas Gerais for their financial support.

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