

# The ‘Vanderbilt Boys’ and the Modernization of Brazilian Economics

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**Abstract:** Economics as a scholarly discipline in Latin America was transformed during the 1960s and 1970s, when many countries in the region received financial and academic support from U.S. institutions ostensibly aimed at “modernizing” the standards of training and research in the field. Even though Chile remains the most well-known case, similar developments took place in Argentina, Colombia, Mexico, and elsewhere. In Brazil, the restructuring of economics derived much of its strength from a cooperation agreement signed between Vanderbilt University and the University of São Paulo, financially backed by USAID and the Ford Foundation. The paper recovers the early postwar origins of this partnership, the process through which it was implemented during the 1960s, and its influence in reshaping Brazilian scholarly standards. Just as the University of Chicago left a lasting mark on Chilean economics, Vanderbilt also became a pervasive point of reference for the future development of the discipline in Brazil. Different actors, institutions, and contexts, however, ultimately produced quite distinct results in each case.

**Keywords:** Vanderbilt University, Ford Foundation, University of São Paulo, USAID, sociology of economics



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## 1. Introduction

In March 1966, a group of prominent Brazilian economists gathered in the cozy and secluded mountain retreat of Itaipava, just 50 miles outside of Rio de Janeiro, with the purpose of critically evaluating the standards of training and research that currently prevailed among their peers. Mário Henrique Simonsen, the intellectual leader of the Getúlio Vargas Foundation's recently created School of Graduate Economics (EPGE), posed the problem bluntly: "As generally known, the teaching of economics in Brazilian universities is as superabundant in quantity as it is deficient in quality" (1966, p. 19). Antonio Delfim Netto, who at the time spearheaded the establishment of the University of São Paulo's Institute of Economic Research (IPE), argued that "economists themselves were scarce resources with alternative uses, whose allocation was extremely important to accelerate the process of economic development" (1966, p. 9). In the Brazilian case, part of the solution envisaged by Delfim Netto involved the creation of balanced undergraduate programs that "covered the essential parts of modern economic theory with equal proficiency" (p. 11). The training of better professionals, more attuned to the "modern" standards ruling the field, thus became a rally point for an influential subset of the community of scholarly-minded economists in the country.

Among the attendees at Itaipava were two U.S. economists, Reynold Carlson and Werner Baer, who worked at the time as Ford Foundation emissaries to Brazil. The Foundation was by then engaged in a large effort to assist the development of the social sciences in Latin America, while brokering two large grants to the economics programs at the Vargas Foundation and the University of São Paulo. It agreed to sponsor the meetings at Itaipava hoping to identify, in the words of the head of its Brazilian mission, "the priorities for immediate action" in support of Brazilian economics (Widdicombe Jr. 1966, pp. 7–8). Carlson and Baer had something else in common, however, besides providing their services to the Ford Foundation: their ties with Vanderbilt University. The small but

wealthy university in Tennessee had recently signed cooperation agreements with both Vargas and São Paulo, jointly funded by Ford and USAID. This would mark the beginning of a long and prolific partnership, through which a core group of Vanderbilt economists spent considerable time in Brazil—teaching courses, helping redesign curricula, and advising research projects—and a much larger group of Brazilians went to Nashville to pursue graduate training in economics.

The role played by Vanderbilt University in the development of Brazilian economics naturally calls to mind the much better-known episode of the Chicago Boys in Chile.<sup>1</sup> In both cases, U.S. foreign-policy institutions, universities, and philanthropic foundations joined forces in a project to improve scholarly practice in an underdeveloped Latin American country, mostly through emulation of the standards prevailing in North America.<sup>2</sup> Nevertheless, both the conditions surrounding the implementation of Vanderbilt’s initiatives in Brazil, and the subsequent development of the economics profession in the country, point toward important differences between these two experiences. For one thing, the training of Brazilian economists was envisaged as an integral part of the drive toward state-led, planned economic development. The expectations held by the Brazilian government were clearly articulated by João Paulo dos Reis Velloso, who attended the Itaipava meetings as head of the Ministry of Planning’s Office for Applied Economic Research (EPEA).<sup>3</sup> Velloso referred to the “mechanism of economic planning and coordination” that the military regime desired to introduce in the country, and argued it would be possible to “quickly elevate productivity in the public sector by means of training programs, especially in the field of economics” (1966, p. 45). He wished to capacitate public servants through advanced courses

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<sup>1</sup> For a detailed assessment of the role of economists from the University of Chicago in the development of the profession in Chile, and the subsequent involvement of Chicago-trained economists with the dictatorial regime of Augusto Pinochet, see Valdés (1995).

<sup>2</sup> For a characterization of these experiences as part of larger, worldwide process of “Americanization” of economics in the postwar era, see Loureiro (1997) and Montecinos & Markoff (2010).

<sup>3</sup> The Office was later renamed—and remains to this day—the Institute for Applied Economic Research (IPEA).

in economic programming and intermediate courses in economic planning, the latter of which could be jointly offered by EPEA and CEPAL.<sup>4</sup> All of this, of course, was a far cry from both the toolbox analytical approach and the commitment to free markets that were such hallmarks of Chicago economics at the time.

The Vanderbilt Boys were thus not simply a less glamorous version of their Chicago counterparts, but rather a group of economists who struggled to establish themselves professionally under a quite different set of circumstances. This paper will show how the institutional and academic support provided by Vanderbilt eventually led to outcomes that distinguish the Brazilian experience from similar developments elsewhere. In section 2, we will recover the origins of Vanderbilt's involvement with Brazil in the immediate postwar years, focusing on the key role played by Reynold Carlson in this process. Section 3 then moves forward to the 1960s, when USAID and the Ford Foundation enlisted Vanderbilt as the academic linchpin of its fledgling program for the "modernization" of Brazilian economics. Section 4 explores the nature of the scholarly training offered by Vanderbilt to a generation of Brazilian economists who were reaching professional maturity during the 1970s. We then conclude by reflecting on some of the longer-term implications of the Vanderbilt legacy in Brazilian economics.

## **2. The Vanderbilt-Brazil connection**

On May 18, 1949, Brazilian president Eurico Gaspar Dutra arrived in Washington, D.C. for a 10-day official visit to the United States. This was ostensibly meant to reciprocate U.S. president Harry Truman's visit to Brazil two years earlier, which consolidated the rapprochement between the two countries in the aftermath of both World War II and the *Estado Novo*, a Brazilian

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<sup>4</sup> Spanish and Portuguese acronym for the United Nations Economic Commission for Latin American and the Caribbean (ECLAC).

nationalist political regime that ended with the deposition of Getúlio Vargas in 1945. During his sojourn in Brazil in 1947, Truman signed the Inter-American Treaty of Reciprocal Assistance, which brought Latin America more firmly into the Cold War. In the eyes of U.S. foreign policy, Dutra was perceived as a loyal anti-communist ally, and thus became the first Brazilian president ever to visit the United States as part of an official mission. The program for the visit included three days in Tennessee, where Dutra would survey the works of the Tennessee Valley Authority Program. As noted then by a Brazilian newspaper, this would be the first time a foreign dignitary went beyond the New York-Washington axis to visit the heartland of the United States.<sup>5</sup> He was accordingly received in Nashville with much pomp and circumstance.

There was another reason for Dutra's visit to Tennessee, however, besides the planning experiments of the Tennessee Valley Authority. In 1947, seeking to explore the growing interest in Brazil among the U.S. public, Vanderbilt University had founded the first Institute for Brazilian Studies in the country. The project was the brainchild of university chancellor Harvie Branscomb, a theologian and educator with close ties to the foreign-policy establishment. His work on the pedagogical value of library materials, outlined in *Teaching with Books* (1940), led to his chairing a 1945 mission by the American Library Association in charge of reorganizing the National Library of Brazil.<sup>6</sup> He was later decorated for his services with the Order of the Southern Cross, the highest honor bestowed by the Brazilian government on foreign citizens—the first of a series of individuals connected with Vanderbilt to receive such distinction.<sup>7</sup>

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<sup>5</sup> "Pela primeira vez um chefe de estado estrangeiro visitará o interior dos Estados Unidos," *A Noite*, May 18, 1949, p. 10.

<sup>6</sup> Branscomb was affiliated with Duke University while on this mission. Upon his return, he tried to convince Duke's administration to develop a program in Brazilian studies, but to no avail. He then took the project with him when relocating to Vanderbilt one year later. Vanderbilt University Archives [henceforth VUA], 'Letter from Harvie Branscomb to Rubens Borba de Moraes,' February 13, 1947; RG 300, Box 271, Folder 19, 'Institute for Brazilian Studies, 1947–1948.'

<sup>7</sup> The list includes two of the central characters in our story: Reynold Carlson and Werner Baer.

When striving to obtain the resources necessary to fund the new institute, Branscomb turned to the Carnegie Corporation, whose then president Oliver Carmichael had preceded him as chancellor of Vanderbilt University. Carnegie offered a counterproposal. The Corporation, Carmichael said, was “keenly interested in the development of area studies programs.” As far as Latin America was concerned, it wished to favor initiatives hosted in southern U.S. universities, “not only because some of the most promising work on Latin America is being done in southern institutions, but because the South as a region has exhibited a natural interest in the Latin American area.”<sup>8</sup> Carnegie thus proposed to fund a consortium of southern universities that would work collaboratively to promote Latin American studies. Subsequent negotiations led to a grant in which Vanderbilt, through its embryonic Brazilian studies program, joined forces with three other universities, each taking on a different slice of the region: the University of Texas at Austin, which led the field in Mexican studies; Tulane University, responsible for the Caribbean; and the University of North Carolina at Chapel Hill, in charge of Spanish South America.<sup>9</sup>

The Institute for Brazilian Studies was conceived as a multidisciplinary training and research unit on the humanities and social sciences. Brazil had “a land area larger than that of the United States and a population constituting half that of South America,” and yet it was subject to relative neglect in area programs dedicated to Latin America—a gap Vanderbilt now sought to fill.<sup>10</sup> Between 1947 and 1948, the university hired four professors to staff the new institute: T. Lynn Smith, a sociologist; Alexander Marchant, a historian; Earl W. Thomas, a specialist in romance

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<sup>8</sup> VUA, ‘Letter from Oliver Carmichael to Harvie Branscomb,’ January 21, 1947; RG 101, Box 24, Folder ‘Centennial History.’

<sup>9</sup> VUA, ‘Letter from Oliver Carmichael to Harvie Branscomb,’ May 27, 1947; RG 300, Box 271, Folder 19, ‘Institute for Brazilian Studies, 1947–1948.’ ‘Proposal to the Carnegie Corporation for Support of Cooperation in the Latin American Field,’ May 3, 1947; RG 300, Box 371, Folder 25, ‘Institute for Brazilian Studies (originally “Latin-American Institute”), 1946–1947.’

<sup>10</sup> VUA, ‘Application for the Ford Foundation on Behalf of the Institute for Brazilian Studies of Vanderbilt University,’ March 1951; RG 300, Box 271, Folder 17, ‘Institute for Brazilian Studies: application to Ford Foundation.’

languages; and Reynold E. Carlson, an economist.<sup>11</sup> Smith was the author of *Brazil: People and Institutions* (1946), an ambitious and encompassing study that raised his profile as a pioneer “Brazilianist,” making him an obvious choice to head the institute. Internal conflicts, however, led Smith to relocate to the University of Florida in 1949, thus creating a temporary void in leadership.<sup>12</sup> After some delay, Branscomb finally decided to appoint Carlson as the institute’s new director, a position he occupied until 1953.<sup>13</sup>

Carlson was a Harvard PhD in economics who had displayed an early interest in the problems of economic development in backward regions. He held a position as Assistant Professor of Political Economy at Johns Hopkins University since 1940, and in 1946 began working as a consultant on Latin America for the United Nations. After spending two years in Brazil with the U.S. Army between 1943 and 1945, he participated in eight U.N. missions to Central America and the Caribbean throughout 1947, before being stationed at the Santiago CEPAL headquarters in 1948.<sup>14</sup> Carlson relocated to Vanderbilt in 1949, where he taught courses such as Economic Development and National Policy in Latin America and Introduction to the Economy of Brazil.<sup>15</sup> His new appointment also provided the occasion for returning to Brazil in 1950, under a grant from the Social Science Research Council, to study the relation between banking and economic development in the country.<sup>16</sup>

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<sup>11</sup> VUA, ‘Untitled Manuscript,’ August 1947; RG 300, Box 271, Folder 19, ‘Institute for Brazilian Studies, 1947–1948.’

<sup>12</sup> VUA, ‘Letter from T. Lynn Smith to Alexander Marchant,’ July 8, 1949; Box 820, Folder 11, ‘Smith, T. Lynn’; ‘Letter from Harvie Branscomb to Lewis Hanke,’ September 5, 1949; RG 300, Box 191, Folder 35, ‘Luso-Brazilian Colloquium 1950.’

<sup>13</sup> VUA, ‘Letter from Harvie Branscomb to Mauricio Nabuco,’ May 17, 1950; RG 300, Box 271, Folder 16, ‘Reynold E. Carlson, Director – Brazilian Institute, 1950–1953.’

<sup>14</sup> VUA, ‘Reynold E. Carlson,’ undated [c. 1949]; Box 819, Folder 7, ‘Carlson, Reynold E.’

<sup>15</sup> VUA, ‘Courses Opened to Graduate Students Offering Brazilian Studies as the Minor,’ undated [c. 1950]; Box 819, Folder 94, ‘Miscellaneous.’

<sup>16</sup> VUA, ‘Annual Report of the Institute for Brazilian Studies, Vanderbilt University, as of May 1, 1950,’ undated [c. May 1950]; Box 819, Folder 84, ‘Carnegie Grant – Report on the Work of the Institute.’

Dutra's visit to Nashville in 1949 culminated with the Brazilian president receiving the title of Honorary Chairman of the Institute for Brazilian Studies.<sup>17</sup> In reciprocity, the Brazilian government invited Branscomb to visit the country as an official guest, accompanied by the institute's director.<sup>18</sup> When Branscomb finally went to Brazil in August 1950, Carlson was already there working on his SSRC project, and could thus lay the groundwork for the mission.<sup>19</sup> The itinerary included visits to Rio de Janeiro, São Paulo, Belo Horizonte, Petrópolis, and Volta Redonda, and meetings with the higher strata of state bureaucracy in education and foreign affairs. The episode seems to have generated a lot of goodwill toward the institute, prompting the Brazilian government to agree to fund a scholarship program for Vanderbilt students who wished to visit the country as part of their studies. During the early 1950s, under Carlson's directorship, the institute took advantage of the favorable circumstances to establish its place as a center for expertise on Brazilian affairs. Among its notable initiatives at the time, one might mention the cohosting, with the Library of Congress, of the Luso-Brazilian Colloquium of 1950; the publication of *Brazil: Portrait of Half a Continent* (1951), a broad compilation of essays edited by Smith and Marchant; a research partnership with Harvard University to study the role of entrepreneurship in Brazilian economic development; and the publication of *Four Papers Presented in the Institute of Brazilian Studies* (1951), a multi-disciplinary collection of essays written by scholars who visited the institute in 1949–50, featuring contributions by Charles Wagley, Stanley Stein, Carleton Sprague Smith, and Octávio Gouveia de Bulhões.

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<sup>17</sup> VUA, 'Resolution of the Board of Trust,' May 16, 1949; RG 300, Box 271, Folder 24, 'Brazilian Institute – President Dutra's Visit, 1949–1950.'

<sup>18</sup> VUA, 'Letter from Mauricio Nabuco to Harvie Branscomb,' December 2, 1949; RG 300, Box 271, Folder 24, 'Brazilian Institute – President Dutra's Visit, 1949–1950.'

<sup>19</sup> VUA, 'Letter from Reynold Carlson to Harvie Branscomb,' June 27, 1950; RG 300, Box 271, Folder 18, 'Institute for Brazilian Studies, 1947–1952.'

Meanwhile, however, Carlson's involvement with Brazil was taking another direction. In June 1951, Vanderbilt signed a contract with the Department of State's Technical Cooperation Administration that sent Carlson away once again, this time to work with the Joint Brazil–U.S. Economic Development Commission in Rio de Janeiro.<sup>20</sup> A high-profile initiative under Truman's Point Four Program,<sup>21</sup> the commission gathered two equal-sized teams of experts from both countries to draw a plan of priorities for Brazilian economic development. Carlson's contribution to the project made an immediate impression in Washington. Merwin Bohan, the U.S. ambassador who chaired the commission during its first year of operations, portrayed him as "one of the most valuable members of the Commission," whose "ability to get down to the grass roots of a problem is really amazing."<sup>22</sup> While Carlson was originally supposed to be in Brazil only during the second semester of 1951, the Department of State requested his return to Rio after the end of the spring term in 1952, to help the commission wrap up its work.<sup>23</sup> After some hesitation, he decided to accept the invitation, lured by the possibility of "operating at a high policy level" and being "in a position to exercise some small influence on the course of economic development in Brazil."<sup>24</sup>

As it turned out, Carlson's work with the Joint Commission opened the way to bigger things. On March 13, 1953, shortly after his return from the latest sojourn in Brazil, he wrote to inform Branscomb of his decision to accept a position as a senior economist working for the

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<sup>20</sup> VUA, 'Letter from Harvie Branscomb to Johnston Avery,' November 8, 1951; RG 300, Box 271, Folder 16, 'Reynold E. Carlson, Director – Brazilian Institute, 1950–1953.'

<sup>21</sup> The Point Four Program was the cornerstone of Truman's policy toward underdeveloped areas during his second presidential term. It focused on providing foreign aid through technical advisory missions, responsible for transferring U.S. knowledge and expertise to assist in the economic development of the recipient nations. See, for instance, Pakenham (1973, pp. 43–9).

<sup>22</sup> VUA, 'Letter from Merwin Bohan to Harvie Branscomb,' October 11, 1951; RG 300, Box 271, Folder 18, 'Institute for Brazilian Studies, 1947–1952.'

<sup>23</sup> VUA, 'Telegram from John Finlator to Harvie Branscomb,' April 21, 1952; RG 300, Box 271, Folder 16, 'Reynold E. Carlson, Director – Brazilian Institute, 1950–1953.'

<sup>24</sup> VUA, 'Letter from Reynold Carlson to Harvie Branscomb,' August 30, 1952; RG 300, Box 271, Folder 16, 'Reynold E. Carlson, Director – Brazilian Institute, 1950–1953.'

International Bank for Reconstruction and Development. He left Vanderbilt, so he assured the chancellor, “with the greatest of goodwill,” willing to be “an enthusiastic booster for the University wherever I may be.”<sup>25</sup> His departure, however, coincided with a difficult moment for the Institute for Brazilian Studies.<sup>26</sup> Contrary to Vanderbilt’s expectation, the Carnegie Corporation decided not to renew the institute’s grant in 1952, thus putting its medium-term survival at risk.<sup>27</sup> Concerned with diversifying their sources of funding, Branscomb and Carlson had already prepared an application to the Ford Foundation the year before, which was equally rejected.<sup>28</sup> Sharing the news about Carnegie’s decision with Stanley Stein, who then worked on the Harvard-Vanderbilt entrepreneurship project, Carlson noted that “things look dark” at the institute, since the university would only temporarily absorb its operation costs “while we beat around the bushes for support elsewhere.”<sup>29</sup> In his reply, Stein pondered: “One by one, it seems, the courses on Latin American studies disappear as interest focuses on European, Russian, Middle Eastern and Far Eastern areas.”<sup>30</sup> Branscomb himself had begun questioning, by then, whether the decision to develop a program specialized in Brazil, rather than the whole of Latin America, had been a mistake.<sup>31</sup> Shortly thereafter, the decision was finally made: the institute was “temporarily suspended... as an integrated

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<sup>25</sup> VUA, ‘Letter from Reynold Carlson to Harvie Branscomb,’ March 13, 1953; RG 300, Box 271, Folder 16, ‘Reynold E. Carlson, Director – Brazilian Institute, 1950–1953.’

<sup>26</sup> The less-than-auspicious prospects facing the institute also played a role in Carlson’s departure. In a letter to the directors of the three other Latin American programs funded by the Carnegie consortium, he stated: “The fact that the Brazilian Institute has been reduced to a small reed at Vanderbilt with no relief on the horizon was one of the factors which induced me to leave.” Further on, he referred to the “drying up of interest” in Latin America, “at least at the administrative level.” VUA, ‘Letter from Reynold Carlson to Charles Hackett, William Griffith and Sturgis Leavitt,’ April 1, 1953; Box 822, Folder 30, ‘Cooperating Universities, 1951–1952.’

<sup>27</sup> VUA, ‘Letter from John Gardner to Harvie Branscomb,’ June 5, 1952; RG 300, Box 271, Folder 17, ‘Institute for Brazilian Studies: application to Ford Foundation.’

<sup>28</sup> VUA, ‘Letter from Harvie Branscomb to Reynold Carlson,’ June 10, 1951; RG 300, Box 191, Folder 35, ‘Luso-Brazilian Colloquium, 1950’; Application for the Ford Foundation on Behalf of the Institute for Brazilian Studies of Vanderbilt University,’ March 1951; RG 300, Box 271, Folder 17, ‘Institute for Brazilian Studies: application to Ford Foundation.’

<sup>29</sup> VUA, ‘Letter from Reynold Carlson to Stanley Stein,’ June 11, 1952; Box 822, Folder 48, ‘Stein, Stanley J.’

<sup>30</sup> VUA, ‘Letter from Stanley Stein to Reynold Carlson,’ June 16, 1952; Box 822, Folder 48, ‘Stein, Stanley J.’

<sup>31</sup> VUA, ‘Letter from Harvie Branscomb to John Gardner,’ June 12, 1952; RG 300, Box 271, Folder 17, ‘Institute for Brazilian Studies: application to Ford Foundation.’

unit” after the end of the 1952–53 academic year, and affiliated faculty returned to their respective departments.<sup>32</sup>

### **3. The Brazil Program**

If the Ford Foundation had shown little interest in supporting a Brazilian studies program by the early 1950s, the situation had changed considerably toward the end of the decade. Recent geopolitical developments, chief among them the Cuban Revolution, had turned Latin America once again into a privileged concern for U.S. foreign policy and organized philanthropy.<sup>33</sup> When the Foundation decided, under these new conditions, to channel its energies into an assistance program for Brazil, they turned to none other than Reynold Carlson to lead the way. Carlson had returned to Vanderbilt in 1958. Called into the Foundation’s service, he departed once again in 1959, first participating in a reconnaissance mission, and later becoming the first Ford Foundation representative in Brazil, and head of its Rio de Janeiro office, between 1961 and 1965 (Station & Welna 2002, pp. 390–1). This time, however, Carlson seemed persuaded to make good on his promise to Branscomb to be a booster for Vanderbilt wherever he might be.

Even though the Institute for Brazilian Studies had been discontinued, part of its legacy lived on during the intervening years. As one of his last acts before his first departure, Carlson had drafted a project for the long-term development of the institute, intended to serve as a backbone for future funding campaigns. The draft built on an insight that had occurred to Carlson while working with the Joint Brazil–U.S. Commission, alongside experts from the International Bank, the Point Four Program, and the Getúlio Vargas Foundation. He anticipated his approach in a letter to

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<sup>32</sup> VUA, ‘The Institute for Brazilian Studies, 1952–53,’ April 30, 1953; Box 825, Folder 28, ‘Institute’s Annual Reports.’

<sup>33</sup> For a detailed analysis of how the Cuban Revolution changed U.S. policy and cultural propaganda toward Latin America, see Iber (2015, pp. 116–44).

Branscomb: “I have the feeling that this whole field of economic growth is one of the coming things insofar as foundations are concerned and Vanderbilt is in a good position to get in on the ground floor.”<sup>34</sup> The unsuccessful proposal submitted to the Ford Foundation a year earlier already offered a glimpse of Carlson’s views on the strategic importance of economic development, one of the work areas singled out in the project:

This is the sector where most of the current misunderstandings, resentments, and tensions are being generated. Hence the need for basic research and above all a reappraisal of our current policy....Moreover, a conflict between two economic philosophies of trade and economic development is rapidly emerging and has not yet been publicly recognized. Reconciliation of these divergent interests will not be easy, yet some *modus vivendi* must be found if we are to avoid aggravating the tensions now being generated by unequal standards of living, economic insecurity, and mass poverty while the entire social structure is split with conflicting theories and beliefs. One indication of the unsatisfactory state to which affairs have drifted is the present Point Four program; so far as Latin America is concerned, it offers a veritable *mélange* of conservative and ‘radical’ ideas with no attempt to provide a synthesis of the divergent views.<sup>35</sup>

Carlson had a broad understanding of the nature of this synthesis, should it ever come: “The complex nature [of the problem] calls for joint attack by scholars from several disciplines. The economist working alone will miss many facets of his problem which might be caught by the anthropologist or sociologist.” These ideas were further developed in his project sketch, entitled “The Process of Economic Growth in Latin America.” The motivation for the proposal had come from Carlson’s participation in a conference sponsored by the Social Science Research Council in April 1952. The event purported to discuss the obstacles to economic growth in underdeveloped countries by focusing on three national experiences: Japan, India, and Brazil.<sup>36</sup> Upon hearing of the plans for the conference, Carlson contacted Simon Kuznets, then chairman of the SSRC’s

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<sup>34</sup> VUA, ‘Letter from Reynold Carlson to Harvie Branscomb,’ August 30, 1952; RG 300, Box 271, Folder 16, ‘Reynold E. Carlson, Director – Brazilian Institute, 1950–1953.’

<sup>35</sup> VUA, ‘Application for the Ford Foundation on Behalf of the Institute for Brazilian Studies of Vanderbilt University,’ March 1951; RG 300, Box 271, Folder 17, ‘Institute for Brazilian Studies: application to Ford Foundation.’

<sup>36</sup> The conference proceedings were later published in Kuznets (1955).

Committee on Economic Growth, to offer the services of the Institute for Brazilian Studies.<sup>37</sup> He was subsequently invited by Charles Wagley, in charge of organizing the Brazilian section of the meeting, to deliver a paper on capital formation, money, and credit.<sup>38</sup> During the conference, Carlson was struck by the incipient level of research on Brazil, when compared with the two other countries under discussion:

The Brazilian delegation looked weak in comparison with the Japan and India groups because the latter had been working for a long time on problems of the magnitude of economic growth, and the conditions thereof, and had made progress in isolating some of the ultimate determining factors in economic development. No such spade work has been done on economic growth in Brazil and the topic remains virgin territory to be explored by economists, sociologists and historians.<sup>39</sup>

Accordingly, this became the motto of the long-run strategy he envisaged for the Institute for Brazilian Studies. The “process of economic growth” was a broad enough topic to allow exploration “in several dimensions: historical, political, sociological, economic, and humanistic”—which, of course, sat well with the institute’s multidisciplinary nature. Moreover, given the political instability prevailing in Southeast Asia and the Middle East, and the still “too primitive” character of Africa, Latin America appeared as “the one available laboratory in which these problems may be analyzed.”<sup>40</sup> Even though the institute did not live nearly long enough to implement this project, Carlson’s vision bore fruit in another initiative pursued by Vanderbilt shortly thereafter: the Graduate Program in Economic Development. Created in 1956 through a grant from the International Cooperation Administration (one of USAID’s predecessor agencies), and later continued with Ford Foundation support, the program was geared toward the specific needs and

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<sup>37</sup> VUA, ‘Letter from Reynold Carlson to Simon Kuznets,’ April 12, 1951; Box 825, Folder 40, ‘Meeting: Conference on Underdeveloped Countries.’

<sup>38</sup> VUA, ‘Letter from Charles Wagley to Reynold Carlson,’ May 10, 1951; Box 825, Folder 40, ‘Meeting: Conference on Underdeveloped Countries.’

<sup>39</sup> VUA, ‘Letter from Reynold Carlson to Bryce Wood,’ May 2, 1952; Box 822, Folder 32, ‘Dept. of State Contract.’

<sup>40</sup> VUA, ‘The Process of Economic Growth in Latin America,’ June 9, 1952; RG 300, Box 271, Folder 18, ‘Institute for Brazilian Studies, 1947–1952.’

interests of foreign students coming from underdeveloped countries.<sup>41</sup> Its curriculum, in the words of one of the first directors, was “based on the principle that economic theory is the same the world over but the institutional background and the policy problems of the developing countries are so different that it is a mistake to confine foreign students to courses designed for Americans.”<sup>42</sup> This was the program through which, a decade later, a host of Brazilian economists would receive their advanced training in the field.

By the end of the 1950s, Vanderbilt’s reputation as a center of excellence in Brazilian studies had fallen well below its peak. One of the members of the institute’s original core faculty, Alexander Marchant, participated in a meeting organized by the Department of State with the Brazilian Ambassador in 1959, where the latter disclosed his government’s plans to help establish new Brazilian institutes in the United States. Reporting to Branscomb, Marchant explained how the ambassador was “extremely enthusiastic about the new Brazilian Institute of New York University,” and how he wished to “establish one at Stanford University, one in Washington, and one somewhere else.” To Marchant, however, the interview offered little ground for enthusiasm: “He did not refer to Vanderbilt University.” After the meeting was over, he tried to rekindle some memories of Vanderbilt’s not-so-distant achievements in the field:

After the Ambassador had departed from the reception, I deemed it wise to remind Mr. Bernbaum [from the Department of State] that Vanderbilt University had made some contributions to Brazilian studies. I indicated to him that he should not be unaware of our work on those occasions when he might be discussing with the Ambassador any of the Ambassador’s plans for more institutes.<sup>43</sup>

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<sup>41</sup> One of the program’s most distinguished alumni is Mohammad Yunus, the Bangladeshi financier who won the Nobel Peace Prize for his work on microcredit.

<sup>42</sup> VUA, ‘Letter from Rendigs Fels to Robert Elmore,’ January 12, 1965; Box 693, Folder 32, ‘USAID – Brazil.’

<sup>43</sup> VUA, ‘Letter from Alexander Marchant to Harvie Branscomb,’ January 18, 1959; RG 300, Box 271, Folder 21, ‘Brazilian Studies, Institute of, 1959.’

Despite the difficulties, Vanderbilt had not entirely abandoned its interest in Brazilian Studies as a field of expertise. After Carlson relocated to Brazil in 1961 to head the Ford Foundation's mission, the opportunity for a fresh start soon came along. As part of its early engagements in the country, the Foundation started working closely with the University of São Paulo in 1964 to develop a project for a graduate program in economics. Nicholas Georgescu-Roegen, the brightest star of Vanderbilt's economics department at the time, was invited by Ford to visit São Paulo and assist the local economists who led this initiative—Antônio Delfim Netto and Dorival Teixeira Vieira—in formulating a curricular structure.<sup>44</sup> This served as the basis for a grant proposal submitted in August 1964, which led to a five-year grant from the Ford Foundation and the subsequent establishment of the university's Institute for Economic Research (IPE).<sup>45</sup> The Agency for International Development also supported the project with an initial two-year grant, and immediately began to explore the possibility of signing a larger contract with a U.S. university that could assist the São Paulo team. In December, Vanderbilt was officially asked whether it would like to be considered for this undertaking.<sup>46</sup>

By February 1965, the search had been narrowed down to two candidates: Vanderbilt and Northwestern. Georgescu-Roegen had established good relations with Delfim Netto during his visit to São Paulo, and this was accordingly used as an argument both to induce the Brazilians to push for Vanderbilt and to convince USAID of the appropriateness of this choice. As the person responsible for allocating the Ford Foundation funds granted to IPE, Carlson was very active in the background. After hearing from Rendigs Fels, then chairman of the economics department, that

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<sup>44</sup> VUA, 'Proposal by Vanderbilt University to U.S.A.I.D. for Developing Graduate Work in Economics in Brazil,' October 25, 1965; Box 693, Folder 32, 'USAID – Brazil.'

<sup>45</sup> Rockefeller Archive Center [henceforth RAC], 'Letter from Antonio Delfim Netto and Dorival Teixeira Vieira to Reynold Carlson,' August 24, 1964; PA65-007, reel 5335; RAC, 'Letter from the Ford Foundation Secretary to Luis Antonio da Gama e Silva,' October 15, 1964; PA65-007, reel 5335.

<sup>46</sup> VUA, 'Letter from Robert Elmore to Rendigs Fels,' December 15, 1964; Box 693, Folder 32, 'USAID – Brazil.'

Vanderbilt was officially applying for the USAID contract, he asked whether there was “anything I can do at this juncture to give it a push from my end.” Delfim Netto would soon visit the United States, and this presented a unique opportunity. “He was one of the key men,” he told Fels, “in the negotiations which Nicholas carried on for us last August and when I told him about the possibility of an AID-Vanderbilt contract which would bring Nicholas back to Brazil he was enthusiastic”. Carlson suggested it could be “useful to have him visit the appropriate office in AID when he is in Washington to give a boost to the Vanderbilt proposal,” and also encouraged Fels to “consider the possibility of bringing Delfim Netto to Nashville for a couple of days.” After lamenting that Vanderbilt was “not yet on the ‘gravy train’” of Ford support to universities involved in Latin America, he then listed the amounts granted to such projects over the past 18 months—“just to whet your appetite,” he told Fels.<sup>47</sup>

Carlson took to himself to contact Delfim Netto suggesting a visit to Vanderbilt.<sup>48</sup> USAID delayed the decision, but by May there were already clear indications that all the lobbying had been successful. Vanderbilt was invited to send a small team to Brazil in October to assess the feasibility of a project for developing a graduate program in economics at the University of São Paulo.<sup>49</sup> By November 1965, the imminence of an official engagement with what came to be called the “Brazil Program” gave rise to discussions about its larger implications among faculty. Georgescu-Roegen confirmed his opinion that “the São Paulo Department of Economics represents an exceptional opportunity for a smooth and successful collaboration between an American university and a local institution,” while pointing out the “special advantages” the contract offered to a university such as Vanderbilt, “which already has a Graduate Program in Economic Development and a Center of Latin

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<sup>47</sup> VUA, ‘Letter from Reynold Carlson to Rendigs Fels,’ February 15, 1965; Box 693, Folder 32, ‘USAID – Brazil.’

<sup>48</sup> VUA, ‘Letter from Reynold Carlson to Antonio Delfim Netto,’ February 20, 1965; Box 693, Folder 32, ‘USAID – Brazil.’

<sup>49</sup> VUA, ‘Letter from Rendigs Fels to Robert Young,’ July 6, 1965; Box 693, Folder 32, ‘USAID – Brazil.’

American Studies.”<sup>50</sup> The program, however, would put a significant strain on the modest-sized economics department, which would have at least two senior professors on leave to Brazil at any given time. After some deliberation, the department decided to support the initiative, under condition that its overall administration be put under the jurisdiction of the Graduate Center for Latin American Studies.<sup>51</sup>

Created in 1962 from the remaining fragments of the Institute for Brazilian Studies, the center retained the latter’s multidisciplinary approach while extending its coverage to include Spanish America. Since early 1965, the unit had been under the directorship of William Nicholls, an agricultural economist and Harvard PhD specializing in Brazil, who had previously participated in a 1960 Ford Foundation mission to assess the state of Brazilian education in the field. Nicholls had also been the recipient of a Rockefeller Overseas Professorship that allowed him to spend 17 months at the Getúlio Vargas Foundation in 1963–64, studying the problem of agricultural productivity in Brazil (William H. Nicholls, 1978). Georgescu-Roegen once referred to him as “the originator of the field of regional development,” an approach “which has attracted numerous doctoral students to our Economics Department, and has enhanced the prestige of the University.”<sup>52</sup> As part of the negotiations surrounding the AID contract, Nicholls agreed to become director of the Brazil Program, thus assuming full responsibility for “staffing,” “operating,” and “managing” its activities.<sup>53</sup>

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<sup>50</sup> VUA, ‘Memorandum from Nicholas Georgescu-Roegen to James McKie,’ November 4, 1965; Box 693, Folder 32, ‘USAID – Brazil.’

<sup>51</sup> VUA, ‘Memorandum from James McKie: Proposed AID Contract for Brazil,’ undated [c. November 1965]; Box 693, Folder 32, ‘USAID – Brazil.’

<sup>52</sup> Quoted from the entry on Nicholls available on Vanderbilt University’s Department of Economics website, *In Memoriam* section. <https://as.vanderbilt.edu/econ/documents/nicholls-bio.pdf> [accessed on November 25, 2017].

<sup>53</sup> VUA, ‘Memorandum from James McKie: The Brazil Program,’ November 19, 1965; Box 693, Folder 32, ‘USAID – Brazil.’

Even though the program was officially placed within the multidisciplinary setting of the Center for Latin American Studies, it was clear to all those involved that the burden would fall almost entirely on the economics department. Nicholls feared this might come to have an adverse effect on the center's other areas of interest and tried to hedge his bets, telling Carlson he would be hard-pressed to back the project unless the Ford Foundation agreed to offer "a substantial institutional grant to Vanderbilt's Latin-American Center for complementary travel, research and graduate teaching in the fields of Political Science, Sociology, Anthropology, History and Languages."<sup>54</sup> His strategy seems to have paid off. By February 1966, the AID-Vanderbilt contract had been signed, and in 1967 the center was already receiving the first appropriations under a generous six-year Ford grant.<sup>55</sup> The Brazil Program was ready to go into full swing, under the joint auspices of the Center for Latin American Studies and the Graduate Program in Economic Development.

#### **4. Training the Vanderbilt Boys**

Back in Vanderbilt in 1975, after having served as U.S. Ambassador to Colombia between 1966 and 1969, Carlson undertook to assess how influential the university had been so far in training Brazilian economists. He was able to list 30 Vanderbilt alumni who were then professors of economics all around the country—in Fortaleza, Recife, Brasília, Belo Horizonte, Curitiba and, of course, São Paulo (see Appendix 1).<sup>56</sup> Since many of these had only managed to complete their studies toward an MA degree, the record fell short of the goal contained in the original proposal to

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<sup>54</sup> VUA, 'Letter from William Nicholls to Reynold Carlson,' May 27, 1965; Box 693, Folder 32, 'USAID – Brazil.'

<sup>55</sup> VUA, 'Memorandum from Roberta Brandon to James McKie,' February 4, 1966; Box 693, Folder 32, 'USAID – Brazil'; 'Graduate Center for Latin American Studies, Vanderbilt University – Annual Report of the Director: The Academic Year 1971–72,' August 7, 1972; Box 822, Folder 75, 'V.U. Center for Latin American Studies – Annual Report of the Director, Academic Years 1971–72 + 1974–75.'

<sup>56</sup> VUA, 'Vanderbilt Economics Alumni in Selected Brazilian Universities,' July 1975; Box 391, Folder 23, 'Latin American Center, Visit to Brazil, 1975.'

USAID, which stipulated “the dispatch of at least 50 Brazilians to the United States for Ph.D. training between 1966 and 1970 and the return of at least 30 with the degree by 1972.”<sup>57</sup> It was a significant achievement, nonetheless, which testified to Vanderbilt’s ability to create a widespread network covering large portions of the country. When signing the São Paulo contract, the university was also asked to administer a pre-existing bilateral agreement between AID and the Getúlio Vargas Foundation for the development of the latter’s School of Graduate Economics (EPGE). Shortly thereafter, through an extension of the AID contract and a series of supplemental grants by the Ford Foundation, Vanderbilt extended its work to cover economics programs in other, less prominent institutions (Fernández & Suprinyak 2014). By the mid-1970s, as a result, its fingerprints were everywhere.

The outlines of the Brazil Program, polished during the Itaipava meetings, called for a modernization of the economics profession in the country. Vaguely defined, however, modernization could mean different things to different people. It could refer, for instance, to the adoption of theoretical and analytical standards characterizing the frontier of knowledge in economic science, as it certainly did for Delfim Netto and Mário Henrique Simonsen. It could also allude—as it did to early Ford consultants to Brazil like Theodore Schultz—to the need for replacing the traditional, continental European style of graduate training, in which students worked on their own “at a gentle philosophical pace,” with the model prevailing in “modern graduate institutions,” requiring students “to immerse themselves in rigorous analytical courses.”<sup>58</sup> Finally, the language of modernization also fit well within the larger philosophy of social, political, and economic

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<sup>57</sup> VUA, ‘Proposal by Vanderbilt University to U.S.A.I.D. for Developing Graduate Work in Economics in Brazil,’ October 25, 1965; Box 693, Folder 32, ‘USAID – Brazil.’

<sup>58</sup> VUA, ‘Ford Foundation, Request for Grant Action: Development of graduate economics program (Faculty of Economics and Administration),’ September 18, 1964; RG 300, Box 278, Folder 9, ‘Brazil: Wm. D. Carmichael (Ford Foundation) (1966–69).’

development that underlay much of the work done by philanthropic foundations such as Ford during the 1960s, under the aegis of the Alliance for Progress. Taking its practical cue from Max Millikan and Walt Rostow's *A Proposal: Key to an Effective Foreign Policy* (1956), and its intellectual legitimacy from the works of social scientists such as Edward Shils, Bert Hoselitz, Lucian Pye, Gabriel Almond, and Seymour Martin Lipset, "modernization theory" advocated development through a broad, albeit stable and gradual, process of social reform that would guide underdeveloped nations along the path already trailed by their wealthier brethren.<sup>59</sup> Crucial for the success of this strategy was the training of a modernizing elite that could both exercise leadership and fill the technocratic positions responsible for implementing reform.<sup>60</sup> That such was the spirit animating the Ford Foundation's work with Brazilian economics is made abundantly clear by the following excerpt from an internal memorandum dating from 1968:

We admit to a baldly elitist approach to our work in Brazil. We work at the apex of the educational pyramid and depend on a trickle-down effect for development. Our perhaps saving grace is that we choose to work with a modernizing, rather than traditional elite, which will try to encourage greater applicability of and accessibility to their fields.<sup>61</sup>

At least one of the people in the Brazil Program team had more than a passing acquaintance with modernization theory. A German-born economist who emigrated to the US with his family during World War II, Werner Baer had pursued his graduate studies at Harvard during the late 1950s, where he became involved in the activities of the so-called Charles River School—a group of scholars spanning Harvard and MIT who, together with Rostow and Millikan, helped prepare the

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<sup>59</sup> For the place of modernization theory within U.S. postwar social science, and its influence over foreign policy toward Latin America, see Latham (2000), Gilman (2003), and Iber (2015, pp. 174–95).

<sup>60</sup> For a more detailed assessment of the Ford Foundation's emphasis on training economists engaged in "policy-relevant" research, see Suprinyak & Fernández (2015). This concern often led to reliance on the manpower planning approach to human capital formation, another point of contact with modernization theory (Berman 1983, pp. 111–8). See VUA, 'Proposal by Vanderbilt University to U.S.A.I.D. for Developing Graduate Work in Economics in Brazil,' October 25, 1965; Box 693, Folder 32, 'USAID – Brazil.'

<sup>61</sup> VUA, 'Memorandum from Peter Bell, Narrative Statement for Fiscal Year 1969 Budget,' March 12, 1968; RG 300, Box 278, Folder 9, 'Brazil: Wm. D. Carmichael (Ford Foundation) (1966–69).'

foreign aid plan for the Kennedy administration (Klüger 2017, pp. 176, 381). Baer established close relations with two members of the group, Alexander Gerschenkron and John Kenneth Galbraith, the latter of whom indicated him for a research project on the industrialization of Puerto Rico. This was followed by an invitation to join the Yale Economic Growth Center, where he turned his attentions to Brazil. By 1965, his reputation as a prominent “Brazilianist” was already established enough to lead to an associate professorship offer by Vanderbilt.<sup>62</sup> Baer accepted the offer, but due to his previous commitment to an SSRC project to study the Brazilian steel industry, his appointment was postponed until 1966.<sup>63</sup> He spent the entire 1965–66 academic year in Brazil where, among other things, he lectured on international trade theory and economic development at the Getúlio Vargas Foundation.<sup>64</sup>

Baer went on to become, with Nicholls, one of the linchpins of the Brazil Program. His academic profile proved to be uniquely suited for the task. That Vanderbilt’s ideas of modernization were somehow different from those of Simonsen and Delfim Netto was already clear from the original proposal to AID, where Georgescu-Roegen, Nicholls, and Fels chastised the Vargas Foundation’s incipient MA program for “overemphasizing a mathematical approach.”<sup>65</sup> With the combined experiences of the Graduate Program in Economic Development and the Center for Latin American Studies, Vanderbilt brought a different approach to bear on the project: analytical technique had to share pride of place with a sensibility to institutional constraints and historical contingency. One can have a sense of the type of expertise offered by Vanderbilt by glancing at a list of courses offered by the economics department, submitted as part of the application for the AID

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<sup>62</sup> VUA, ‘Letter from Rendigs Fels to Reynold Carlson,’ February 19, 1965; Box 693, Folder 32, ‘USAID – Brazil.’

<sup>63</sup> VUA, ‘Letter from Rendigs Fels to Louis Rouse,’ April 2, 1965; Box 693, Folder 32, ‘USAID – Brazil.’

<sup>64</sup> See VUA, ‘Proposal by Vanderbilt University to U.S.A.I.D. for Developing Graduate Work in Economics in Brazil,’ October 25, 1965; Box 693, Folder 32, ‘USAID – Brazil.’

<sup>65</sup> *Ibid.*

contract, and covering topics such as Statistics for Economic Development, Soviet Economic Development, Programming Economic Development, Policies for Economic Development, and Agriculture and Economic Development.<sup>66</sup>

Apart from Nicholls and Baer, the other Vanderbilt professors more actively engaged with the Brazil Program seemed equally concerned with adapting economic knowledge to suit local realities. The appointed Chief of Party in Brazil was William O. Thweatt, another development economist who already had a long experience working in underdeveloped areas, having taught for three years at the American University in Beirut, and later working as a consultant to the government of Nepal between 1958 and 1963, on commissions from AID and the Ford Foundation.<sup>67</sup> Other visitors during the late 1960s included Douglas Graham, an agricultural economist working on rural credit as a tool for regional development; Gian Sahota, an Indian economist who studied the relation between tax structures and economic development; and Andrea Maneschi, a specialist in public finance who had worked with Baer at Yale's Economic Growth Center, having co-authored a paper with Celso Furtado at the time (Furtado & Maneschi 1968).

It was Baer, however, who came to epitomize the Vanderbilt involvement with Brazilian economics. He was appointed by Ford as program advisor for Brazil in the field of economics, in which capacity he quickly became the principal articulator of the scholarly network being constructed in the country (Fernández & Suprinyak 2014). He remained intimately associated with the Brazilian community until his recent passing, which provided the occasion for many tributes by

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<sup>66</sup> VUA, 'Letter from Rending Fels to Robert Elmore,' January 12, 1965; Box 693, Folder 32, 'USAID – Brazil.'

<sup>67</sup> Later in his career, Thweatt turned to the history of economics as a field of research, having served as Vice President of the History of Economics Society between 1978 and 1979. Information extracted from the entry on Thweatt available on Vanderbilt University's Department of Economics website, *In Memoriam* section. <https://as.vanderbilt.edu/econ/documents/in-memoriam-thweatt.pdf> [accessed on November 25, 2017].

his former disciples in the country.<sup>68</sup> Baer had been drawn to the theories of CEPAL since his PhD years at Harvard, where he recalled listening to Gottfried Haberler's invectives against Raúl Prebisch: "The more Haberler attacked, the more I read and sympathized with Prebisch" (quoted in Klüger 2017, p. 381). The rigorous critique presented in his 1962 paper "The Economics of Prebisch and ECLA" already indicated his profound admiration for the subject. Even though Prebisch's thesis about the deterioration of the terms of trade had been "attacked from the most reputable quarters of the profession," said Baer, "it is my impression that his theory has never been fully evaluated" (Baer 1962, p. 169). It was his purpose, then, to "present and interpret the theory as a whole," an exercise which led him to conclude there was significant empirical corroboration in favor of Prebisch's theory.

Baer's initial acquaintance with the practices and values of the economics community in Brazil led him to write "On the Relevance of Traditional Analytic Tools in Studying Brazilian Economic Problems," published by the Vargas Foundation's *Revista Brasileira de Economia* in 1966. In this paper, he postulated the existence of "two types of intellectually frustrated economists in Brazil": those who believed the "analytic apparatus" of the discipline was "irrelevant in analyzing and coming to grips with current Brazilian problems," and those who felt that "Brazilian policy makers have mostly ignored what would be sensible policies based on rational economic analysis" (Baer 1966, pp. 7–8). By showing that neither was "completely justified in its position," Baer wished to "throw some cold water on the extreme ideological positions" that characterized such discussions. In so doing, he hoped to convince his new Brazilian colleagues that "traditional theory is not wrong

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<sup>68</sup> Werner Baer passed away on March 31, 2016. This provided the occasion for the seminar "What now, Werner?" convened in Brasília in September 2016 by Brazilian Senator Cristóvam Buarque. The announcement for the event noted that "Werner Baer was obsessed with "developmentalism," economic ideas capable of helping the poorer countries to overcome their basic difficulties." Obituary notes have also been published in a few Brazilian scholarly journals (Costa 2016; Martins 2016; Sampaio 2016).

or irrelevant, but that it is often not wholly sufficient in order to understand the functioning of developing economies and in shaping development policies” (pp. 14–15). “What is needed,” said Baer, “is a widening of the scope of economic analysis rather than a rejection of a body of theory.” In typical modernization theory style, he argued that a proper understanding of the “institutional milieu” found in developing nations required economists to “widen their horizons, to work with sister disciplines which can provide the techniques for understanding the behavior patterns looked for” (p. 16). This notion of development as a broad social process, combined with awareness of the conditions peculiar to Latin America and faith in the capacity of properly-trained social scientists to be the leaders of change, were some of the hallmarks of the training received by the Vanderbilt Boys at the time.

## **5. Concluding remarks**

The Vanderbilt-AID contract expired in 1973. Vanderbilt sought alternative ways to sustain its Brazil Program, but these would never be nearly as successful as the original enterprise.<sup>69</sup> Even though the Vanderbilt-Brazil connection never disappeared completely, it gradually lost its prominence for both sides. Baer left in 1974 to accept a professorship at the University of Illinois at Urbana-Champaign, taking his accumulated social and academic capital with him. Back in Brazil, however, the Vanderbilt Boys kept carrying the torch. Brazilian economics was modernized, though perhaps not exactly as some of the protagonists in Itaipava had envisioned. Increased analytical proficiency in the canons of economic theory coexisted with a steady concern for the specific problems and challenges facing underdeveloped nations, and of the need to creatively adapt

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<sup>69</sup> VUA, ‘Letter from Alexander Heard to Frederick Bolman,’ January 25, 1974; Box 391, Folder 23, ‘Latin American Center, Visit to Brazil, 1975.’

imported theories to suit local reality. This paved the way to one of the most distinguishing features of the Brazilian community of economists to this day: its commitment to pluralism.<sup>70</sup>

When compared to the Chilean case, the Vanderbilt Boys experiment illustrates how the personal inclinations of key individuals, located in specific institutional contexts, can lead to very different outcomes arising out of similar initiatives. In the case of the Chicago-Chile partnership, Albion Patterson and Theodore Schultz saw the human capital approach as a way of undermining the hypotheses advanced by CEPAL to interpret economic development in Latin America (Valdés 1995, pp. 93–113). Moreover, in the words of Arnold Harberger, “it was not the area interest which predominated over the disciplinary orientation” in the training offered to the Chicago Boys, “but the disciplinary interest that predominated over the area orientation” (p. 191). The Vanderbilt-Brazil project, on the other hand, was spearheaded by Reynold Carlson, a development economist *avant la lettre*, and a specialist in Latin America with a penchant for overstepping disciplinary boundaries. Carlson’s take on the problems of the region lived on as part of Vanderbilt’s academic environment through the Graduate Program for Economic Development and the Center for Latin American Studies. The Brazil Program being jointly operationalized by these two bodies guaranteed that attention was given to analytical approaches tailored to the needs of developing economies, and that contributions offered to the study of development by social sciences other than economics were not to be neglected.

One must not lose sight, moreover, of the different political contexts surrounding both cases. In Chile, the ascent to power of the Chicago Boys only became possible under the exceptional political circumstances prevailing during the early 1970s. After the 1973 military coup, the Ford Foundation suspended all its funding to Chilean universities. By then, however, the training of the

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<sup>70</sup> For more on the role played by Werner Baer and some of the Vanderbilt-trained economists in instilling the values associated with pluralism in Brazilian economics, see Fernández & Suprinyak (2016).

economic experts who would assist the Pinochet regime was essentially over. In the case of Brazil, the initiatives jointly pursued by USAID, Ford, and Vanderbilt took place almost entirely within the context of a military government that wished to take the process of economic development into its own hands, and demanded economists who were trained to do so. The willingness to put analytical technique at the service of economic planning, combined with its accumulated expertise in Brazilian affairs, made Vanderbilt uniquely suited for the task. As the project unfolded, however, the parties involved could observe first-hand the unsavory consequences of their actions.<sup>71</sup> Since the Communist threat had been decisively eliminated by the 1964 coup, the Cold War modernizers working in Brazil could now side with the enlightened opposition to the military regime, and preach values such as tolerance, pluralism, and academic freedom.

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<sup>71</sup> For an analysis of the attitudes and reactions of Ford Foundation personnel when confronted with deteriorating political conditions in Brazil toward the end of the 1960s, see Suprinyak & Fernández (2015).

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## APPENDIX 1

Vanderbilt Economics Alumni in Brazilian Universities (Reynold Carlson, July 1975)

<b>Place</b>	<b>Name</b>	<b>Place</b>	<b>Name</b>
Fortaleza	Agamenon de Almeida	Brasília	Paul R. Casperson
	Paulo de Tarso Costa		Flavio Versiani
	Ricardo Duarte		Maria T. Versiani
Recife	Renato Santos Duarte		Elca Rosenberg
	Jorge Jatobá		Luis Rosenberg
	Helio Augusto de Mora		Charles Mueller
	José Oliveira		Egas Moniz Nunes
	Antonio Jeová Pereira-Lima		Walter Gomez
	Alfredo da Costa Soares		Ricardo Lima
Belo Horizonte	Thompson Almeida Andrade		São Paulo
	Roberto Vasconcelos Rocha	Francisco Salles de Souza	
	Ricardo Luis Santiago	Claudia Cunha Campos	
	Antonio M. Licia	Klaus G. Hering	
		Sergio Buarque de Holanda	
Curitiba	Ivo Torres	Jose Augusto Savasini	
		Ibrahim Eris	

Source: Vanderbilt University Archives, 'Vanderbilt Economics Alumni in Selected Brazilian Universities,' July 1975; Box 391, Folder 23, 'Latin American Center, Visit to Brazil, 1975.'