Preface

This book grew out of discussions between the editors that began more than twenty years ago when Verónica Montecinos was working on her doctoral dissertation on the management of the Chilean economy from the presidency of Alessandri to the government of Pinochet. We were fascinated by the trend toward an increasing presence of professional economists in high political office, including the occupancy of roles that were not limited to what one might have imagined as a delimited set of economic affairs. When Montecinos launched her dissertation research, this was not a subject many people were writing about. The dissertation was completed in 1988.

We then realized that the Chilean story was an instance of a much broader trend that showed up with interesting variations in country after country and not only in Latin America. We did not find that much was being written about the striking entry of members of this particular academic discipline into positions of political power, not in the literature on Latin America or elsewhere. We did not find that the sociological literature on the professions, which was entering a very creative period in the 1980s, was paying much attention to professional economists. Some economists thought a lot about economic ideas and the history of economics in some countries, but those of a historical bent were not writing much about Latin America and not much about the changing relationship of that profession to political power. While there was growing attention to the web of transnational connections that everybody seemed to be calling ‘globalization’, there were not many people who were writing about the important role of economists in forging these connections. Our conversations about all these matters turned into an essay on ‘The Ubiquitous Rise of Economists’ that appeared in the Journal of Public Policy in 1993. In the Spanish version that appeared the next year in Desarrollo Económico we made it ‘Irresistible’ rather than ubiquitous. It was clear that, as the ultimate purveyors of policy initiatives for what was spoken of as the ‘reform’ of Latin American economies, economists had gained a political status they had not previously held.

By then others were increasingly addressing that professional history. There was an exciting efflorescence of what was being called ‘economic sociology’, some of whose many able practitioners were writing about not
only economies but economists, for example, Richard Swedberg or Robin Stryker. Some economists were studying themselves as a profession and turning an empirical and, it turned out, critical eye on professional education. (The research of David Colander and Arjo Klamer and others was very valuable.) And the comparative and transnational dimensions began to be opened up. The work of Bob Coats in particular was a resource, a model and an inspiration. He sponsored important research and edited collections that energized the comparative study of professional economists in a variety of institutional contexts, moving the study of the profession beyond the national framework because that is where the profession was moving. Still more recently, Marion Fourcade, author of one of the chapters in this volume, summed it up in the title of her recent essay, ‘The Construction of a Global Profession: The Transnationalization of Economics’.

We returned to these themes in several papers and examined the interplay of the changing character of public policy and the increasing role of Latin America’s economists in the forging of that policy. It seemed to us that one useful way to address the Latin American policy changes was to see those changes in relation to the emergence of this global profession and we conceived this book accordingly. We focus on the Americas in the geographically broad sense of all the countries of the Americas as one component of the globalization of economics. To explore the transborder connections we brought together experts on particular countries. Their task would be twofold. They were to write about the history of the economics profession in one national case and about the role of that changing profession in national politics. We imposed no overarching framework for each chapter to follow and left it to our experts’ judgment what to stress. Our own mission would be to tease out the similarities between and differences among the national instances, the traditional tasks of comparative analysis, but it would also be to examine the connections among those cases, the processes that connected national professions across national borders.

Throughout the Americas, North and South, broadly similar challenges to previous economic policies emerged, which we, like many, would sum up as ‘more market, less state’. When the new prescriptions included dismantling previously established social safety nets, ending previously established protections for certain economic activities (sheltering industry from transborder competitions though tariff barriers, for example), eliminating previous barriers to transnational flows of investment, privatizing previously state-owned or state-managed enterprises, and loosening previously established mechanisms and agencies of state regulation of economic life, critics spoke of ‘neoliberalism’, a term used by practically no one to
identify one’s own position, and never used (as far as we have been able to
discover) by professional economists as a self-description. A second com-
monality among all the cases in this book is that everywhere such shifts
in policy occurred, the role of professional economists in political life was
on the rise. And a third common feature of all the Latin American cases:
the professional world of economics was changing, whether we look at
training, or careers, or academic standards, or the forms of professional
association. We could sum up these changes as a professional convergence
on a common pattern, and if we are willing to call that model ‘American’,
we can speak of the Americanization of Latin American economics. But in
every Latin American country the process was uneven, and it advanced to
different degrees and with a somewhat different timing in each.

But the chapters that follow also demonstrate that these are not simply
parallel processes replicated, perhaps after some delay, in case after case,
independently. For the cases are connected, not merely by some amor-
phous southward diffusion of ideas from the hegemonic north, but by
connections forged as economists met at international conferences, as
students from one country got educated in another, as Latin American
economists learned to read journal articles in English, and to write them,
too, as professors spent time in university appointments abroad and
also in think tanks, consultancy firms, international banks and multilat-
eral agencies. And, we think, and here our conclusions go against some
common views of our global age, the picture of US-imposed patterns is
too simple, partly because local actors had their own reasons for profes-
sionalization and for policy shifts (the main processes under study in this
volume), and partly because not all important parts of the story invariably
start in the US. Neoliberalism, if one accepts the term, may not have had a
single birthplace at all. If one were to claim it did, it would make as much
sense to call that place Chile as it would the US.

Early versions of some of these chapters were brought together in a
panel at the 2001 meetings of the Latin American Studies Association a
few days before the attack on the World Trade Center was a catastrophic
reminder of the importance of transnational processes. Other papers were
then invited to expand the range of cases. The rather long time between
that date and the completion of the project altered the work. When we
formed the project, our authors took it as their mission to explain where
those neoliberal practices had come from and how they were connected
across borders. We have a series of country studies, then, of the role of
professional economists in forging new economic policies during a period
in which their professions were changing and in which, in case after case,
their political role in economic affairs, and beyond economic affairs,
was expanding. We took as basic the shift from policies founded on the
wisdom of the state’s beneficent role in correcting the undesired potential consequences of the capitalist market to the view of the state as stupid or malign, a view commending much caution before interfering with the market’s cunning.

How this change in dominant ideas played out differs significantly from case to case, as our country chapters show. For Mexico, Sarah Babb shows us, it is important to distinguish the economics taught in one important locale, UNAM, from the economics taught in another, ITAM. She stresses the profound transformative effect of the debt crisis of the early 1980s on Mexican economics. The relative standing of the most internationalized segments of the profession was enhanced, to the detriment of those whose policy influence and intellectual legitimacy had hitherto rested on the postwar developmentalist consensus and on academic degrees from public universities. Advancing hand in hand, the Americanization of economics in Mexico and the country’s embrace of neoliberalism contributed to an over-crowded professional labor market for US-educated economists. In a nutshell, Mexico managed to generate more professional economists with the newly desired credentials than desirable positions for them. Babb predicts further declines in state patronage and an unprecedented exodus of economists seeking employment outside Mexico.

In Argentina, by contrast, brain drain has been the historical norm and its economists were known for their vast and visible networks abroad. By the 1960s, at any international agency full of Spanish-speaking economists you would surely have run into many Argentines. As Glen Biglaiser reports, that country’s profession suffered the consequences of lengthy, repeated government attacks on academic freedom and other forms of official malice toward and neglect of higher education. Despite their success in Chile, early US efforts to transform the profession failed in Argentina. The number of foreign-trained economists rose only with the more recent proliferation of private universities and research centers.

The relative delay in the political ascent of cohesive pro-market economic teams during and after Argentina’s military regime is traced by Biglaiser to political survival strategies and appointment patterns within fragmented governing institutions and to entrenched anti-US sentiments at the Universidad de Buenos Aires and elsewhere. By contrast, in Brazil economics was built against a strong tradition of state centralism. Maria Rita Loureiro explains how class and regional differences shaped enduring divisions in the profession’s formative phases. Not until the 1970s did Brazil look toward the US, not France, for academic models. From the late 1960s on, the newly reformed university system began to replace the previously dominant influence of government and private institutions over the education of economists. Heterodox economics, despite its overall
decline even under the presidency of Lula, longtime leader of the Workers’ Party, has retained a remarkably vibrant presence within the Brazilian profession, as illustrated by the curriculum and faculty profile at the University of Campinas and other public institutions. It is sometimes said of this huge, varied country that one can find pretty much anything somewhere, and one might take Loureiro’s detailed specification of the ways in which different Brazilian institutions harbor different kinds of economics and different kinds of economists’ careers as a case in point.

Brazilian graduate-level economics programs, not surprisingly, vastly outnumber their counterparts in the rest of Latin America, but it was Chile where generations of economics students from all over Latin America flocked to study. Chile has played an outsized, even legendary, role in the diffusion of professional models in and beyond the region. Verónica Montecinos explores some of the reasons behind that country’s unexpected centrality in the forging of successive waves of transnational convergence in economics education and policy-making as well as the unique paths leading so many Chilean economists to occupy positions of power. ‘Unexpected’, that is, if what you expect is that the US invents and those to the south mimic.

The evolution of the economics profession in Colombia and Uruguay has received less previous scrutiny than our other cases. Luis Bernardo Flórez, the only economist among our authors, depicts Colombia’s pragmatic policy environment as the backdrop for the emergence of a largely depoliticized profession with a persistent propensity for gradualism. Only recently, as Colombia experienced great crises, have its economists’ influence and internal divisions increased. For over a decade, as the country turned to pro-market policies, the public Universidad Nacional remained the only option for those seeking an economics doctorate. Exemplifying Colombian distinctiveness, the program was structured along European, not US lines. The more orthodox Universidad de los Andes did not initiate the country’s second doctoral program in economics until 2008. Colombia has come to resemble the other cases in which multiple sites for the practice of economics sustain some multiplicity in the kinds of economics that are practiced.

As late as the 1980s, economists in Uruguay were trained in the country’s single institution of higher education. The profession was slow to gain a clearly separate identity and credentials, Adolfo García tells us. To the dearth of members, Uruguayan economics added an equivocal relationship with parties and politicians that constrained its influence. Education abroad was very circumscribed. Only in the past couple of decades has US-style economics made some inroads. After the military regime ended in 1985, a few private universities were created and Uruguay’s preeminent
university opened a second economics department with more international connections and more foreign-trained faculty.

In case after case, readers will find that central banks pushed decisively in favor of the Americanization of Latin American economics. If by cosmopolitan we mean openness to ideas from afar, in the adoption of certain economic ideas central banks often turn out to be beacons of cosmopolitanism, far ahead of many academic departments. Supplemental resources aimed at greater professional resemblance also came from local and international business interests, as well as foundations and public agencies.

Sometimes the terms and timing of this north–south hemispheric confluence occurred more or less in tandem with the US profession’s own successive metamorphoses, the subject of Marion Fourcade’s research. As portrayed by Fourcade, economic ideas, including economists’ ideas, are pervasive in US culture and debates about policy, from criminal law to public health questions, despite a very limited occupancy of positions of formal political power, far more limited than in any of our Latin American cases. Her chapter on US economics shows an early and successful association of economics and science, undergirding the enormous, perhaps unparalleled influence of economists’ ideas in that country. It is through the strict enforcement of the claims of science that US economics preserves its privileged standing. This chapter shows us a number of things about the US profession that not only distinguish that case from Latin American ones, but, as elaborated in Fourcade’s other work, from Britain and France as well. Despite economists’ relatively modest capture of positions of formal political power within US borders, our opening chapter suggests that their powerful abstract and universal formulations help account for the seemingly unobstructed international transmission of their ideas, which has done much to catapult to power economists abroad, as evidenced in this book.

But beyond these very important national particulars is a sense of the costs of three decades of reconfiguring the relationship of state and market that peeks out at us within those chapters. The critiques were present when our authors began their assignments, but in the 1990s the ‘Washington Consensus’ as it is commonly known was enjoying its still-recent triumph over the prevailing interventionism of not very long before. Just a few years after we conceived this book, that consensus is looking very frayed and people in many quarters are wondering what’s next. As we were completing our preface, the financial crash of 2008 made a major pendulum shift in economic ideology look unavoidable. The sophistry of extreme deregulation seemed finally exhausted as the US conferred with other panicked governments on how to quell a fast developing global recession. Facing the specter of 1929, following the lead of the British
government, US banks were partially nationalized. Market intervention was thus making a most spectacularly sudden comeback. This was all the more dramatic in that it was carried out by the most ostensibly pro-market administration of President George W. Bush. Coincidentally, the 2008 Nobel Prize in Economics was awarded to Paul Krugman, the academic economist turned public intellectual, a vocal advocate for a new direction in economic policy.

In Latin America, some sort of left party had been winning at the ballot box in quite a number of countries with promises to protect their societies from neoliberal globalization. Between the time we began this project and the writing of this preface, left parties of some sort won elections in four of the countries we take up, lost a bitterly contested election in a fifth, and are only without hope of electoral victory in the near future in the one remaining case. Our country cases have told the interesting tale of the rise of neoliberalism but in only one of our cases is that Washington Consensus not beginning to look like yesterday’s news. Yesterday’s news is well worth understanding and we hope our collection makes a contribution. But having found ourselves bringing this collection to a conclusion at this particular point, we thought we had to add a speculative epilogue that looks beyond that neoliberal moment because it is beginning to appear that it was but a moment.

In working so long on this project we have of course gone into debt for which ‘thank you’ is the conventional but inadequate form of academic repayment. We thank our country authors for their tolerance of how long we took as editors. We thank our universities for financial and our colleagues for intellectual support. We thank Florencia Tateossian for wonderful research assistance at an early stage until she took a job with the World Bank and María José Álvarez for research assistance that mutated into welcome co-authorship of chapter one. In the final stages of manuscript preparation, we relied on Javier Vázquez-D’Elia’s skills for word-processing. Despite the long-delayed completion of this book, and in fact because of it, it is quite clear that the work of understanding the political roles of economists in the hemisphere, not to mention the world, is hardly complete. The themes addressed here deserve and will no doubt receive further examination. As national and transnational political and economic circumstances change we expect a future flurry of historical and comparative research on the commanding stature of economists, their ideas and networks.

Verónica Montecinos and John Markoff