

# ESHET / CHILE / 2015

5<sup>TH</sup> LATINAMERICAN CONFERENCE OF THE  
HISTORY OF THE ECONOMIC THOUGHT



**BOOK OF ABSTRACTS  
AND LIST  
OF PARTICIPANTS**

---





## ABSTRACTS

**ADAMS, TOMAS JESSEN**

### **The Problem of Service in Anglo-American Economic and Social Thought**

From the early 1700s to the late 1800s, the concept of service as a category of economic and social thought went through a marked transformation. Long thought of a stand in for man's relationship with God in both Protestant and Catholic economic and social thought, the triumph of capitalist social relations in the Anglo-American Atlantic produced a vision of labor not directly tied to physical commodity production as essentially valueless and parasitic. Drawn from my forthcoming book, *The Servicing of America: Work, Value and Inequality in the Modern U.S.*, this essay focuses on the ways a variety of actors, ranging from economists to husbands to theologians to slaves to politicians reconceptualized service as devoid of both economic and social value.

This process of devaluation was directly tied to three developments in Anglo-American life during the 18th and 19th Centuries. Within liberal economic doctrine, value was increasingly conceived of as part of the collective fruit of physical commodity production. Labor that did not "realize itself in some particular subject or vendible commodity," as Adam Smith wrote in the *Wealth of Nation*, became a backwards vestige of pre-market social relations. Roughly coincident with these ideas, the doctrine of coverture in Anglo-American legal thought and social practice rendered what today is known as reproductive labor—cooking, cleaning, caring, etc.—as the key benefit of the marriage contract and as such, untradeable in the marketplace. Finally, Republican political thought began to imagine such work as antithetical to independence and a virtuous citizenry. If the wage-laborer was likely corruptible in his politics then the server and servant by the very nature of their work were forced to sublimate their essential virtue to their master's desires.

By the end of the 19th Century these three related though distinct strands of economic and social thought had produced in American culture and political economy a distinct agreement that labor and laborers who were not understood to contribute to the production process of physically vendible commodities as corrupt, valueless, and unmanly. The triumph of this vision would have momentous implications for the political economy of the 21st Century as American culture and economics alike refused to produce a politics—unlike in regards to working-class industrial labor—that allowed such work to become avenues to a relatively prosperous and secure life.

## AIDAR, BRUNO

### **Money, Credit and Reform in the Portuguese Old Regime: the writings of D. Rodrigo de Souza Coutinho, 1786-1811**

In the end of 18th century, revolutions and wars brought several fiscal and monetary difficulties to foster the private economic growth and to finance the European States involved in the struggles. The critics of the mercantilist monetary policies, centered in the accumulation of precious metals, gave birth to two opposite sides in the modern debate about money and credit: the neutral money perspective and the credit growth approach, which were better developed by the Currency and Banking Schools in the middle of the 19th century.

In Portugal, the existence of the colonial empire and the decay of the Brazilian gold production added some particularities to the monetary and credit debates regarding the financing of public and private agents. Furthermore, we argue that these questions proved to be central for the survival Portuguese imperial State in the context of Napoleonic Europe as well as the own survival of the Old Regime and the colonial empire. In spite of some clear short-term pressures, the monetary and financial projects tried to change deeply the economic and political dynamics between the Crown and its vassals.

The purpose of this paper is to analyze the ideas about money and credit in the writings of the Portuguese statesman Dom Rodrigo de Souza Coutinho (1755-1812) from the end of the 18th Century to the beginnings of the 19th Century. The first section shows the differences between the mercantilist monetary policy of the Pombaline age and the monetary policies of the enlightened reform, which aimed to develop a diversified agriculture for the Luso-Brazilian Empire. The second section discusses the physiocratic and liberal influences in the Souza Coutinho's ideas regarding money and credit. At last, the third section presents the differences and similarities between the monetary and financial policies suggested by the statesman for the kingdom and those proposed for the renewed overseas domains.

## ÁLVAREZ, ANDRÉS

### **En ausencia de Money Doctors hay que ser profeta en su tierra: ideas económicas y creación de un Banco Nacional en Colombia en el siglo XIX**

A lo largo del siglo XIX las élites políticas e intelectuales colombianas debatieron sobre la necesidad de crear un sistema bancario moderno basado en un banco nacional. La inspiración teórica que soportaba cada propuesta era a veces profundamente anclada en el conocimiento económico y en otras ocasiones totalmente pragmática. En este trabajo exploramos tres pensadores que desde la periferia colombiana intentaron buscar inspiración en los sistemas monetarios Ingleses, franceses y norteamericanos en su búsqueda para justificar la creación de un Banco Nacional que solucionara los problemas del país. Estos tres pensadores fueron William Wills, Aníbal Galindo y Rafael Núñez. El contraste entre sus ideas nos permite mostrar la forma en que la influencia de las ideas teóricas y los grandes debates monetarios del siglo XIX fueron incorporados a las ideas políticas y económicas de una nación que enfrentaba un retraso secular en la organización de su sistema monetario.

## **ARROYO, JUAN PABLO**

### **Monetary policy in the economic liberalization of society in Mexico and Spain**

Mexico and Spain in the last third of the twentieth century and the first decade of the structural adjustment to the installation of an open market economy develops. The processes in both countries have the same intention of incorporating economies to globalization of production, trade and financial system based on the free market. About this stage I wrote a paper presented at Eshet of Bello Horizonte. But in both countries the context of implementation of structural adjustment is different from the perspective of monetary policy and central banking specifically for the branch line and national context in which society evolves; The purpose of this paper is to make a comparison of monetary policy in both countries in the transition towards open, market economy. It is hypothesized that there are similar processes in the structural change in the behavior of the liberalization of the economy, but each nation has its own specifics.

It is to focus both the principles of economic policy, monetary specifically promoted by the IMF and are sustaining the regional integration of Mexico in NAFTA and Integration of Spain in the European Union.

## **BIANCONI, RENATA**

### **Cultural and technological dependence in Celso Furtado's work: discussions on appropriate technology and consumption patterns**

Underdevelopment, according to Celso Furtado, is a specific historical reality engendered in the global diffusion of modern technology. Phenomenon contemporary to development, underdevelopment is not a stage in the formation process of every capitalist economy: being originated from complex relationships of domination and dependence in the capitalist expansion process, underdevelopment does not tend spontaneously to be surpassed through a sequence of stages. Furthermore, Furtado considers that qualitative changes mark the process of industrialization through time; thus, the underdeveloped countries would not benefit from the "advantages of backwardness" (described by Gerschenkron for the late industrialization in Europe) in order to constitute their national economic systems.

Technical progress, a product of the historical evolution of the central economies, is absorbed in the periphery in a subordinate way, mainly through consumption patterns diffused by the central economies. Corresponding to the relative scarcity of labor in the developed economies, modern technology was seen by some authors as inadequate to underdeveloped countries. Furtado – as other authors (e.g. Frances Stewart, Technology and Underdevelopment) – goes beyond the issue of the relative availability of factors when dealing with the problem of technical choice. For him, technology is a means to achieve the objectives of a collective development project. He emphasizes, therefore, the role of modernization of consumption patterns and unequal income distribution in the perpetuation of underdevelopment.

The purpose of this paper is to revisit Celso Furtado's ideas regarding the global diffusion of modern technology and his treatment of the issue of appropriate technologies for underdeveloped countries. Special attention is given to his intellectual production from the mid-1970s (books, articles, and academic discussions), in which he emphasizes the difficulties imposed by cultural dependence to any attempt to change the orientation of technological progress in underdeveloped countries. Furtado affirms the key role of modern technology in overcoming underdevelopment, but he calls attention to

the domination-dependence issues raised in the process of worldwide diffusion of technological progress. An interesting debate held by Celso Furtado and Arghiri Emmanuel (Technologie appropriée ou technologie sous-développée?) illustrates two different views on the role of imported technology (and multinational firms) as a shortcut to development, and will be explored here. In short, this paper intends to contribute to the discussion of Furtado's work, considering that cultural and technological dependence is an important aspect of his theorization of underdevelopment.

## **BLIKSTAD, NICHOLAS (YOUNG SCHOLAR)**

### **The institutional role of the Bank of England: Palmer Rule, Bank Act, 1844, and a critique of Thomas Tooke**

This paper seeks to analyze the dynamic of the accounting balance of the Bank of England (BoE) and its relation to the financial system and the National State during the Palmer rule, in which it had intended to keep fixed the amount of securities, and later with the Bank Act of 1844, dividing the BoE in two departments: the issue and the bank. Finally, the critics from Tooke – a member in the Banking School – in relation to the Bank Act of 1844, as well as his proposal about how should be handled the performance of the BoE will be discussed.

The historical context – highlighting the period after the return of the gold convertibility and the main features of the English financial system, marked by recurrent financial crises – and the theoretical discussions that contributed to legitimize the Bank Act of 1844 (with great importance of the Currency School) are of particular importance to understand the subject. It will be discussed the criticism of the Currency School regarding the Palmer Rule, besides its role to the implementation of the Bank Act of 1844. The theoretical basis of the Currency School as the Currency Principle, the vision of the nature of money and credit, the role that attach to precious metals, the use of monetary principles of Hume and the intention to create a system that would copy a pure currency in circulation will be essential for the proposal to divide the BoE in two departments (the issue and banking), with issuance of bank notes being regulated and giving freedom to the banking system.

Tooke believed that the Bank Act 1844 would not put an end in the financial crisis, and would even contribute to more violent periods of economic transition. The Criticism of Tooke must be confronted with the theoretical basis of the Currency School, regarding the behavior of the financial system. Finally, Tooke's alternative proposal to the performance of the BoE will be analyzed, with more emphasis to the importance of credit instruments, highlighting the importance of the Bank Rate as an instrument, imposing a performance rule for periods of crisis and against the separation of the BoE in two departments.

## **BOFF, EMMANOEL**

### **Tensions Between Theory and History in Von Mises's Critique of Socialism**

The article argues that von Mises's contention about the impossibility of socialism due to the problem of economic calculation under a central government (see Mises 1920; Mises 1932) is overstated in Mises's own terms (see also Caplan 2002). The paper shows the importance that Mises's himself attributed to history and how history was important to give concrete content to praxeology. Building on Mises's position regarding the relation between history and theory in his

“Epistemological Problems of Economics” (1933), “Human Action” (1949) and “Theory and History” (1957), it is shown that his critique of socialism depends crucially on the idea of private property, which is not a category of action (and hence not theoretical a priori), but an idealtype, in Weber’s sense. If this argument is correct, then Mises’s (praxeological) argument against the impossibility of calculation under socialism cannot be said to have a status of an exact law, but a historical regularity which can be observed with a certain degree of probability. It is then suggested that this tension between history and theory (which is neither a contradiction nor an inconsistency) is larger or smaller depending on the stretch of historical time under consideration and the institutional changes which are likely to happen therein. In other words, if Mises’s critique of socialism were confined to the late 1910’s and early 1920’s, it is likely to be valid. However, if we move forward many decades into the XXI century, institutional changes in the way one views the idealtype “property” (and its correlates “property rights” and “private property”) make Mises’s critique less likely to hold. In order to attain the objective of the paper, we will break it into three main sections (plus an Introduction and the Concluding Remarks). Section 2 will explain how Mises understands the relation between history and theory in the aforementioned paragraph, showing how he tries to isolate one from the other by means of several dichotomies (theory vs. history; a priori vs. a posteriori; conception vs. understanding etc.). Section 3 will present Mises’s argument against socialism and will comment on the way he uses different “voices” (see Bakhtin) a historical and a logical voice in order to back up his arguments. Finally, section 4 will present the tension between theory and history in Mises’s critique of socialism, trying to show how it can be understood and addressed in a schematic and coherent way.

## **BOIANOVSKY, MAURO**

### **The Harrod-Domar model and the history of development economics**

Early development economics (1940s-1960s) has been often described as based on “capital fundamentalism”, that is, the notion that capital accumulation is the main determinant of the rate of growth of income per capita. Capital fundamentalism is generally perceived as a corollary of the so-called Harrod-Domar equation that the rate of growth is equal to the propensity to save divided by the (constant) capital-output ratio. However, the view that economic growth is simply a direct positive function of the fraction of income saved cannot be found in R. Harrod or E. Domar, since they both approached growth from the point of view of J.M. Keynes’s principle of effective demand. Domar and (particularly) Harrod discussed economic growth as part of macroeconomic instability, where an increase in the propensity to save usually brings about a reduction of the equilibrium growth rate. The paper documents that development economists (e.g. W.A. Lewis, W. Rostow, R. Nurkse, G. Meier, A. Hirschman, B. Higgins, O. Sunkel) were aware and sometimes critical of the complex implications of Harrod’s and Domar’s models. At the same time, the “Harrod-Domar equation” was extensively deployed as an instrument to calculate capital requirements in development planning, in a different context and often without reference to Harrod or Domar, as if it had a life of its own. A case in point is the interpretation of the concept of ICOR (incremental capital-output ratio), which changed from an independent causal factor in the 1950s to a variable determined by economic growth in the 1960s. The paper also investigates how – under the impact of the growing literature on economic development – Harrod and Domar eventually applied their respective frameworks to the study of the economic growth of underdeveloped countries, differently from their original concerns with dynamic macroeconomic equilibrium and unemployment in industrial economies.

## **BRACARENSE, NATÁLIA AND A. REEVES JOHNSON**

### **Business Cycles as the Foundation of Latin American Structuralism**

The work of Raúl Prebisch is typically summarized by two of his important contributions to international political economy: the centre-periphery paradigm together with his diagnosis of Latin America's development struggles. What is less recognized about Prebisch, as both scholar and bureaucrat, was his continued interest in business cycles in the periphery. In fact, the origins of his two well-known contributions, as we will argue, are rooted in his understanding of business cycles, which he elaborated between the 1920s and the 1940s.

A couple of recent investigations into Prebisch's early life have shed light on the nature of his work over this period. Florencia Sember (2010) considers the connections among Prebisch's theoretical, institutional, and historical background over the years 1920 and 1935, and argues that this triad shaped his policy stance when acting in the capacity of economic adviser to his country. Estebán Perez and Matías Vernengo (2012) illuminate some of the nuances of Prebisch's theories of the business cycle, focusing attention on the evolution of his ideas over a thirty-year period. In contrast to these works, the current paper aims at making the connection between his early work and his implicit structuralism, as well as at showing that this implicit structuralism comes out of his concern with business cycles.

## **BUSTAMANTE, GONZALO**

### **Phronetic science: A Nietzschean Moment?**

The social sciences, from Droysen's nineteenth-century distinction between *naturwissenschaften* and *geisteswissenschaften*, have long been facing the challenge of establishing their own status. Some social sciences, such as economics, have tackled the problem by trying to model themselves as a natural science. As Flyvbjerg pointed out, the practice has diminished the capacity of the social sciences to understand the real world. In his opinion, natural science is not a model for social ones.

The solution proposed by economists such as Klamer and McCloskey, historians such as Skinner and Pocock or political philosophers such as Dunn, is to recover rhetorical analysis. We will argue that this process entails what Flyvbjerg calls "phronetic science" or replacing a univocal view of rationality as mathematically calculative with one that rests on phronesis or prudence in a wide sense. The conceptualization of phronesis from Aristotle to Foucault and Flyvbjerg has also taken the form of case study analysis. In that sense, Flyvbjerg accurately states that we have interpreted phronesis as a narratological rather than epistemological point of view.

In Aristotelian theory, metaphysical aspects should be distinguished from those that involve an idea of rationality that does not necessarily imply a metaphysical vision. Aristotelian theory thus introduces sufficient flexibility to rescue theoretical aspects such as his idea of practical rationality. In other words, practical rationality established a tradition in which it is possible to follow the Western world's understanding of rationality as a continuum of practical wisdom, from Aristotle and Machiavelli to Nietzsche and Foucault.

My hypothesis in this paper is that rhetorical methodology is part of a wider reconceptualization of social sciences from a narratological approach that operates through phronesis, and should assume a power-focus analysis which takes the form

of a Nietzschean moment, where, the only possible way to introduce value-weighted rationality in a social science is by considering power relations and their effects in the world.

### **CALIXTRE, ANDRÉ (YOUNG SCHOLAR)**

#### **Sergio Buarque de Holanda and the Cordial Men: about a radical interpretation from a Brazilian perspective for the Latin American history**

It is proposed an investigation of Brazilian historical formation under the perspective of one of the most important Brazilian historian, Sergio Buarque de Holanda, and it's particular historical subject, classically proposed on the 1930s master piece "Raízes do Brasil" (Roots of Brazil): the Cordial Men, formed by underdevelopment, organized by emotional bonds that built a very particular civilization that differs from the standards commonly known as the occidental rational subject. After several centuries of slavery institutions that organized nationally Brazil's colonial and imperial formation, the abolition process at the end of the 19th Century and the Industrialization of 20th Century's national developmentalism were not able to weed out the cordial roots that constituted Brazilian society. Instead, it reproduced the Cordial Man on a mutual and interdependent process between archaic and modern sector of Brazilian political economy and social relations. This phenomenon is evident in recent decades and causes concerns about the direction of Brazil, as well as the limits and possibilities of national development. Furthermore, the Cordial Men approach delivers an extremely radical perspective under the historical specificities of Latin American formation, allowing a broader comprehension of the occidental expansion that marked the transition between the Ancien Régime and the Industrial Revolutions.

### **CARDOSO, JOSÉ LUÍS**

#### **Practical knowledge and economic reforms in Brazil: the role of an enlightened State Press (1799-1801)**

At the end of the eighteenth century, the Portuguese colonial empire has experienced a process of enlightened reforms, with the aim of limiting the extractive nature of colonial institutions, especially as regards the abuses associated to the tax system. These reforms were fostered by an elite of enlightened administrators, many of them born in Brazilian territory but graduated at the University of Coimbra, in continental Portugal. More than two decades before political independence (1822), the reforms directed to Brazil were influenced by a new attitude concerning the role of science and practical knowledge in order to assure the recognition of natural and human resources that were needed to support a sustainable process of economic growth. In this context, a special role was performed by a State owned Press (Casa Literária do Arco do Cego), largely sponsored by the powerful Minister Rodrigo de Sousa Coutinho. The Press has produced during a very limited period (1799-1801) an impressive number of books and pamphlets devoted to practical instructions on agriculture and manufactures, specifically targeted to Brazilian readers. Illustrated with high quality engravings, the books published by this Press were vehicles of modernization of the allocation of economic resources. Many of them were translations from English or French handbooks and booklets and therefore also serve to explain processes of diffusion and appropriation of ideas and technological knowledge. Although not explicitly addressing traditional economic policies, the printouts of the

Press were a powerful instrument for economic improvement in Brazil and help to understand the changes occurred in the Portuguese empire before Brazilian independence.

## **CASTILLO, MIGUEL ÁNGEL (YOUNG SCHOLAR)**

### **La enseñanza de la Economía desde la perspectiva de Jesús Antonio Bejarano**

Se realiza un recorrido por la producción intelectual del extinto profesor colombiano Jesús Antonio Bejarano en lo referente a la enseñanza de la ciencia económica en las Universidades del país. Además son analizados y descritos otros enfoques contemporáneos frente al tema en lo referido a los métodos y contenidos impartidos en el aula de clase con motivo del inconformismo generalizado por parte de estudiantes y académicos en varias naciones del mundo frente al estado de la Economía y su incapacidad de brindar soluciones reales a los problemas que aquejan a la sociedad. Finalmente como forma de contribuir a la discusión se revisan y comparan las estructuras curriculares (pensum) de los programas de Economía en las principales universidades de varias regiones de Colombia. Se concluye con la importancia de retomar y discutir los aportes de Jesús Antonio Bejarano junto con los de otros en la enseñanza de la economía.

## **CLÉMENT, ALAIN**

### **British Economists and the Defence of the Colonial Empire (1870-1914)**

Over the course of the period running from 1870 to 1914, the United Kingdom had the largest colonial empire in the world. That empire was highly diversified and extremely heterogeneous, and undeniably exerted a significant impact on the British economy. For example, the proportion of Great Britain's exports absorbed by the empire was approximately one third of its total exports. In other words, the empire was a vital outlet for the British economy. The United Kingdom decided to orient its empire toward free trade. During this key period in British colonial history, some 20 of the United Kingdom's 80 or so economists (according to the Biographical Dictionary of British Economists (2004)) took part in the colonial debate. The main recurring questions related to the nature and the duration of the empire: Should the empire be maintained? If so, what types of relationships should there be between the home country and its colonies? Should imperial relations take priority over economic relations with other nations? What economic form should it take: a free trade zone? a protected trade zone? The empire represents substantial costs to the home country; are there any real benefits to preserving it?

Two types of positions emerged in the first two decades (1865-1885). The first was fairly radical, often tantamount to a rejection of the empire. This was the position of liberal authors who were the intellectual heirs to the Manchester School (Cairnes, Fawcett, Rogers, G. Smith and Mallet). Conversely, there was another position that simultaneously favoured free trade and the empire, adopted by economists who, for primarily professional reasons, had some contact with colonial bodies (Ministry of Indian Affairs, Board of Trade, etc.) and/or had travelled to certain parts of the empire (Jevons, Northcote and Macfie).

Over the following three decades, the "English historical school" (Ashley, Cunningham, Gibbins, Hewins and Nicholson), because of their scepticism in respect of free trade, defended the idea of a protected empire similar to the Zollverein.

However, Giffen and Marshall, although they supported the idea of a colonial empire, still advocated for the maintenance of a very liberal structure set up between the members and outside the empire, with other nations. Hobson would remain the only opponent whose objections were truly based on anti-imperialist arguments, which Lenin and the Marxists would take up in turn some years later.

This paper, which closes out a history of economic thought devoted to the question of the colonies in British and French thought during the 16th to 20th centuries, shows once again that the colonies were a laboratory for experimentation through the application of classic economic ideas, as well as new theories still in their gestation stage.

## **CORREA MAUTZ, FELIPE (YOUNG SCHOLAR)**

### **To improve is to change: The recent evolution of the economics curricula in Chile**

This presentation seeks to analyze the recent curriculum reform processes that have taken place in Chilean universities offering economy, characterizing the curriculum frameworks in response to categories and lines of study, and using the “credits” for each subject as weights. Accordingly, it seeks to assess the extent to which these reforms have come to the International Student Initiative for Pluralism in Economics has called an interdisciplinary pluralism.

Between 2012 and 2014, four curriculum reforms in four of the six universities that currently teach economic discipline Chile took place. These reforms changed notoriously the relative importance given to certain lines of study. On the one hand, the trend in all universities is to reduce the time economics students devote to study business administration -marketing, accounting, human resources, finance, etc. At the same time, all the Universities that in 2012 taught economics and they have had processes of curriculum reform, the economy line, which include courses in microeconomics, macroeconomics, introductory economics and lectures in these topics- has decreased, which suggests a decline in the dominance of neoclassical economics in the curriculum.

Thus, the reduction in the lines of business and economics opened space for incorporating courses in other lines. The importance of quantitative methods, especially econometric methods have been the line has increased the most in the process of curriculum reform.

We conclude that there are two types of training in economics: On one side are those universities who attach great importance to the study on management and business; they have a smaller presence of quantitative methods, social sciences and humanities, and greater presence of elective courses. Then there are those who give little space on the study of administration and business, and spend more time in quantitative methods, and social sciences and humanities.

Within the line of humanities and social sciences, the largest increase is given by the study of economic history, also increasing the study of the History of Economic Thought and National Reality. Thus, curricular reforms that have taken place between 2012 and 2014 in Chile have come to the idea of an interdisciplinary teaching pluralism in the economy, but anyway, this change has been very moderate and is still far from what a movement for pluralism in the teaching of economics might expect from these processes of curriculum reform.

## COT, ANNIE

### Through the looking glass. Albert O. Hirschman reader of Jean-Gustave Courcelle-Seneuil: the Chilean mirror

“Courcelle-Seneuil has been accused of so many crimes that his rehabilitation is becoming a tempting task”

Albert O. Hirschman

“Poor Courcelle-Seneuil! His one-man technical assistance mission could hardly have been more successful, according to ordinary standards of performance. His advice was punctiliously followed, the laws he drafted were passed, his bust stands in the University of Chile and his influence as a teacher and publicist came to be widely felt. But just because of that, virtually every serious ill subsequently experienced by the Chilean economy, from inflation to monoexportation, has been traced to him.” (Hirschman, 1963, 166–167).

For Hirschman, Courcelle-Seneuil was the ‘earliest prototype of foreign economic advisers, or, in his terms, ‘visiting-economists’ (Hirschman, 1992, 185). This paper presents Courcelle-Seneuil’s career in France (1. Courcelle-Seneuil in France: a non-academic, liberal, eclectic polemist); his role in Chile (2. Popularizing “the good economic doctrines”: Courcelle-Seneuil’s Chilean experience); and examines the foundations of Hirschman’s thesis (3. An “early ‘foreign expert’?”).

## COUTINHO, MAURICIO C.

### Furtado and his Critics: The ‘Stagnation’ Model

Along 1965 and 1966, Celso Furtado developed several versions of his ‘stagnation model’, that was finally published in Brazil in his 1966 book *Subdesenvolvimento e Estagnação na América Latina* (Underdevelopment and Stagnation in Latin America). The model was based on a ‘stagnation’ hypothesis, developed in order to explain the decrease of the rate of growth of several Latin American countries in the late 1950s and early 1960s. Furtado’s model and his 1966 book underwent a mild reception in Brazil; later on, in the beginning of the 1970s, and under the evidence of Brazilian economy’s recovery, they became harshly attacked. The most important critics were Maria da Conceição Tavares and José Serra, who, apart from proposing an alternative explanation for the ongoing growth of the Brazilian economy, chastised Furtado’s stagnation model in itself, arguing that it was internally inconsistent. For many commentators, Furtado’s sequent books (from 1970 to 1974) were taken as a retreat: Furtado would have produced an explanation to the economic recovery supposedly colliding with the nucleus of the ‘stagnation’ hypothesis.

The proposed paper will briefly review Furtado’s model – that is an application of accelerator-multiplier models, in line with Harrod and Domar models of growth –, explaining its circumstances, as well as its boldest hypotheses and characteristics. Tavares and Serra’s criticism will also be commented on – and it will be argued that it is not entirely consistent in itself. Finally, Furtado’s 1970 to 1974 comments on the characteristics of the military regime’s growth strategy will be reviewed, in order to assess to what extent they represented a radical retreat, or an abandonment of the theoretical underpinning of Furtado’s ‘stagnation’ hypothesis. It will be argued that Furtado’s early 1970’s books cannot be taken as a radical rupture.

They are in line with many features of his ‘stagnation’ hypothesis, and should be seen as a natural evolution, connected to the theoretical and historical framework of Furtado’s interpretations of Latin American economy from the mid 1950s on.

**CRUZ E SILVA, VICTOR (YOUNG SCHOLAR), MARCO CAVALIERI AND MARCELO CURADO**

### **Notes on the transmission of Keynes’s ideas into Brazil through Eugênio Gudin’s “Principles of Monetary Economics”**

Eugênio Gudin can be considered the dean of Brazilian economists. Although he graduated in engineering, Gudin intensely endeavoured to erect an economics academia in Brazil. He was the main character behind the establishment of the first Brazilian economics undergraduate course — inaugurated at the Universidade do Brasil in 1945. Also, in 1943, he published the first Brazilian-authored manual of economics — called Principles of Monetary Economics — and created, within the Getúlio Vargas Foundation, the Brazilian Institute of Economics (1951). Since according to Chacel (1979), Bielschowsky (2001), and Scalercio and Almeida (2012) the Principles of Monetary Economics was the first book to transmit Keynes’ ideas in Brazil, this paper aims to study the transmission of Keynes’ and Keynesian economics to a Brazilian audience. To analyse Gudin’s transmission of Keynes in Brazil, our approach takes the international literature on the Keynesian Revolution and traces the evolution of the content of some succeeding editions of the Principles of Monetary Economics. Hereby, we intend to reveal how Gudin had access and was capable to cope with the edge of knowledge in economics. Our results show he gradually added to the newer editions of the Principles of Monetary Economics fresh information that progressively caught up with the edge of international economics. For instance, in the latest edition researched — from 1952 — he was capable of perceiving different varieties of Keynesian economics — something he had not noticed in earlier editions. Also, another notable facet Gudin acknowledged about Keynes’ economics is that his theories were well-fitted to developed economies but not so much to underdeveloped countries such as Brazil. Moreover, as a staunch laissez-faire economist he criticized Keynes’ social philosophy. Therefore, our research tries to reveal some aspects of the earliest transmission of Keynes’ ideas in Brazil by the hands of the dean of Brazilian economists and, furthermore, a man who was a devoted free-market advocate.

**CUNHA, ALEXANDRE MENDES**

### **François Perroux’s original perspectives on International Political Economy in the 1950s: L’Europe sans rivages and La coexistence pacifique**

The paper reflects on the economic ideas developed by François Perroux in the context of rearrangements in the international political and economic level in the post-World War Two. The main concern is in explain how Perroux’s reflection on the European states within this political and economic context shapes an original thinking with implications for the field of international political economy.

One of the central dimensions of the political and economic reorganization of Europe in the post war is precisely the basis for the process of economic integration of the continent. Perroux was actively involved in this debate, which in many respects demands, to be well understood, a return to the arising of communitarian and federalists ideals in the 1930s, linked to

different economic and political conceptions of “third ways”. The paper deals with Perroux ideas in the interwar period, as well as includes an attempt in analyzing his ambiguous position during the World War II due to his explicit personal connections with the Vichy government in France.

The context of the 1950s was a decisive moment in Perroux’s personnel reflection, stimulating the production of a critical and provocative work on the process of integration that contains a distinctive reflection on the economic development and international economic relations rooted in the application of his domination effect analysis focused on the disparities and inequalities between nations. This is presented in his books *L’Europe sans rivages* (1954) and *La coexistence pacifique* (1958) and in different articles published during this period.

His vision of the world economic dynamic rearrangements in the post-war and Europe’s condition and possibilities are the core of his contribution to the field of international political economy. What he presenting in theses different works during the 1950s is a balanced articulation between different approaches, including his theoretical reflections on domination economies and economic spaces with a myriad of political and geopolitical issues.

The present paper is dedicated to organizing this set of issues, dispersed in different parts of his extensive work, in order to offer a reflection on the originality of the contribution of Perroux during the 1950s to the field of international political economy.

## **DA SILVA, DANILO FREITAS RAMALHO**

### **The First Keynesian Reactions to Lucas’s Macroeconomics of Equilibrium**

This paper describes the first Keynesian reactions to Lucas’s macroeconomic models in the early 1970’s. The referred Lucas’s models are equilibrium models in which the rational expectations hypothesis plays a central role. They imply a complete rejection of what Lucas considered the standard macroeconometric models at the time, in which some kind of adaptive expectations was used. I will show that the first Keynesian reaction to Lucas’s models was a criticism of the adoption of the rational expectations hypothesis, based on the argument that the hypothesis was not reasonable. This criticism reveals the fundamental methodological difference between Lucas and his first critics, since Lucas’s defense of the rational expectations hypothesis was based on its operationality, not on its reasonability. I will also show that Lucas’s complete rejection of what he then called the standard macroeconometric models was firstly considered by the Keynesians an extreme and unnecessary attitude, and that some of the Keynesians actually wanted to incorporate Lucas’s criticism into their own models - when appropriate - instead of just discarding them. Finally, I will show that new keynesians promptly incorporated the rational expectations hypothesis into their models in the mid-1970’s while the old keynesians did not, and this was the result of a move of new keynesians towards the operationality of assumptions and away from the reasonability of assumptions in their models

## **DUARTE, PEDRO GARCIA**

### **A Path Through the Wilderness: Time Discounting in Growth Models**

Although economists have recognized long ago that “time enters into all economic questions”, the ways they treated and modeled time has varied substantially in the last century. While in the 1930s there was a distinctive Cambridge tradition against discounting utilities of future generations, to which Frank Ramsey subscribed, postwar neoclassical growth economists (of the “Ramsey-Cass-Koopmans model”) applied the discount factor either to individual’s or to social planner’s decision-making as a technical requirement of dynamic general equilibrium models. My goal in this article is to analyze the different communities and their interpretative practices towards discounting, communities that are not impermeable but instead overlap. I discuss four of them: first, the economists in Cambridge in the 1920s (Pigou and Ramsey); second, the mathematicians’ community in the US in the 1920s and 1930s (with Griffith Evans and Charles F. Roos); third, a group of economists from the 1930s to the 1950s (Jan Tinbergen, Gerhard Tintner, and Albert Gailord Hart, with the first two pursuing a mathematical approach); finally, the founders of the optimal growth model and those bringing recursive methods to macroeconomics, subdivided in two groups, one including economists such as David Gale, Edmond Malinvaud, Edmund Phelps, Tjalling Koopmans, David Cass, and also the mathematicians Richard Bellman and David Blackwell, and a second including the Cambridgean economists Maurice Dobb and Amartya Sen and the American economist Stephen Marglin. By exploring how the different communities interpreted time discounting and their interconnections, we can better understand how a practice that was condemned as ethically indefensible when applied to intergenerational comparisons became a technical requirement in dynamic models of either a consumer or a planner deciding the intertemporal allocation of resources.

## **FARRANT, ANDREW**

### **James M. Buchanan’s Two Trips to Chile**

This paper provides an account of James M. Buchanan’s early 1980s visits to Chile. Buchanan’s visit to Chile in late November 1981 to participate in the Regional Meeting of the Mont Pelerin Society in the coastal town of Viña del Mar has attracted much attention in the burgeoning literature on neoliberalism. In particular, Buchanan is increasingly being charged with having provided an intellectual defense of the Pinochet junta when he spoke on the topic of limited and unlimited democracy. This paper makes use of previously unknown archival material to explain what happened when he visited Chile and also analyses whether Buchanan provided a defense of dictatorship while in Chile in 1981.

## **FERNÁNDEZ PINTO, MANUELA (YOUNG SCHOLAR)**

### **Learning from Ignorance: Agnotology's Challenge to Philosophy of Science**

The recent commercialization and privatization of scientific research has reconfigured the organization of science worldwide, fostering new scientific practices and new political tools to manage scientific research. Focusing on the mechanisms of ignorance production, the recent literature in agnotology has been a fruitful approach for understanding the social and epistemological consequences of commercialized science today (see, for example, Proctor & Schiebinger 2008). In particular, agnotology has made evident the need for a well-articulated normative approach capable of identifying and evaluating the epistemic concerns raised by the private funding and performance of science. Although philosophers of science have dealt with some of the social aspects of scientific knowledge production (e.g., Longino 2002; Kitcher 2011), they have yet to articulate an appropriate social epistemology to address these pressing issues.

Through the examination of four crucial cases of agnogenesis—i.e., the tobacco industry's support of cancer research, the ongoing debate over global warming, the pharmaceutical industry's influence over clinical trials, and economists' assessment of the financial crisis of 2008—I show that agnotology poses a serious challenge to philosophy of science. Building on the contributions of historians of science (Oreskes & Conway 2010; Proctor 2012) and in particular historians of economic thought (Mirowski and Sent 2008; Mirowski 2013; Mirowski and Nik-Khah 2013; Nik-Khah 2014), I aim to highlight the importance of studying ignorance for understanding the social organization of science today.

My paper is divided into six sections. After the introductory section, the second section presents the recent literature on agnotology and its innovative contributions to science studies. The third section presents the strategies of ignorance production implemented by the tobacco industry to obscure the causal link between smoking and lung cancer. In this section, I also show how the same strategies have been used in cases ranging from climate change to the 2008 financial crisis. The fourth section presents two examples of epistemic consequences of commercially driven research: the pharmaceutical industry's management of research through publication planning and the effects on research results from private funding, also known as “the funding effect”. The fifth section shows that even the most socially engaged approaches in philosophy of science are unable to address the problems that agnotology uncovers. Finally, I conclude by stressing the importance of agnotology for an appropriate understanding of commercially-driven research today.

## **FREDDO, DANIELA (YOUNG SCHOLAR)**

### **The relationship between a post-colonial economy and the development of its financial system: the case of Brazil**

This paper aims to analyze the connection between a post-colonial economy and the development of its financial system. In Brazil's case, it will be argued that the development of its financial system and its productive system did not go *pari passu*. By the beginning of Brazilian Import Substitution Industrialization (ISI), after the 1930s, it could be noticed a complete deficiency of the financial system in satisfying the growing demand for credit. In this context, inflation financing was used as a heterodox mean of providing funds to investment in an economy whose aspiration is to incorporate all the productive channels on a short period of time.

The hypothesis underlying this paper is that the connection between deficient financial system and peripheral economy condition. As analyzed by Celso Furtado

The colony existence main's point was to furnish funds to European development. Once established the exploratory activity in the colony, it would have to keep on going by reinvested profits, which could be easily achieved once the costs to increase and keep the productive capacity were relatively small when compared to the high profitability of those activities. , Brazilian economy was formed with the external objective of providing high value commodities to Portugal, allowing the latter to obtain high levels of mercantile profits. Brazilian economy was a metropolitan commercial enterprise in South-America. Therefore, institutions required to develop modern capitalism, such as the financial system, did not evolve at the colonial space. For the colonial economy was subordinated to European institutions, although completely immersed in the accumulation process of European capitalism.

This economy configuration did not push for long term credits and consequently did not give incentives to the financial system development. The pressure over the financial system will occur during the transition of Brazilian economy from a primary-commodity-exporting model to a domestic oriented industrialization model in a short period of historical time. The quickness of the industrialization process will heavily push the demand for financing and the financial system would not be able to respond promptly, given its institutional framework adapted to the former model. Instruments and mechanisms of financing were being forged along the Brazilian industrialization process. In this context, inflation was an important mean of financing, in the first stage of Brazilian industrialization.

## **GAMBI, THIAGO FONTELAS ROSADO**

### **Bernardo Souza Franco's views on regional and national banking in the Brazilian Empire (1845-1848)**

Bernardo Souza Franco was a prominent politician in Brazil during the Empire. His political influence was particularly felt in the fields of economics and finance. Working as a deputy, a senator and the minister of finance, in both the legislative and executive powers, he actively participated in the Brazilian economic debate in the mid-nineteenth century among the so-called metalistas and papelistas. Consistent with his affiliation with the Liberal party, with roots in the distant province of Pará, Souza Franco joined the papelistas advocating for the plurality of bank issuance, the flexibility of the gold standard and hence the credit expansion to stimulate productive and commercial activities.

In his view, the Brazilian economy was struggling at that time with the lack of investment in productive activities. Simultaneously, part of the capital accumulated by local elites rested away from business. There weren't in the country banks that could do the intermediation, putting in motion the capital. Besides the lack of banks, there was the issue of regulation of their operations. Souza Franco argued that banks should not be guided only by private interests and individual ambition at the expense of the shareholders, customers and the government rights and security. Therefore, the government should regulate banking. Credit institutions, such as banks, combined with appropriate regulation would be the key to the growth of the Brazilian economy. The role model inspiring Souza Franco's steady defense of the credit institutions as engines of economic growth was the United States, where, according to him, the first establishments in the nascent settlements were a church, an inn and a bank.

This study explores Souza Franco's views on bank issues at the regional and national levels. For the regional level analysis, will be considered a series of five articles about the creation of a commercial bank in the province of Pará published between 1845 and 1846 in a local newspaper called Treze de Maio. For the national level analysis, will be considered the diagnosis and the proposal for the Brazilian banking system presented in the book *Os bancos do Brasil* (The Banks of Brazil), first published in 1848. This paper aims to present Souza Franco's diagnosis of the Brazilian banking system; analyze his arguments in favor of the creation of banks in Brazil and in the province of Pará; and identify aspects that indicate the assimilation of foreign ideas and experiences and their adaptation to the Brazilian case.

## **GARRIDO, JOSÉ DE LA CRUZ**

### **Adam Smith on free market education**

In this article I assume two premises for the reading of Adam Smith's *Wealth of Nations* (WN): first, that the System of Natural Liberty (SNL) is a government plan that indirectly promotes prudent and beneficent behaviors, under the sole and strict requirement of the rule of justice, which discharges the sovereign from the duty to regulate trades in what refers to restrict one's own private interests involved in a transaction. On the contrary mercantilist framework lacks both incentives for prudent behavior and rewards for beneficence. This limitation to the sovereign prerogatives have its normative foundation in the natural moral psychology of the Theory of Moral Sentiments (TMS). And, second, the history of private education that Smith exposed in WN V.iii.2 is a case study of the effects of the SNL, insofar as Smith presents there the effects of competitive and free markets incentives, applied in what Smith called the "unproductive labour" (e.g. men of letters, lawyers, etc.).

However this case study is in closely related with the effects which are involved in the division of labor in the "productive labour" (e.g. manufacturer), namely, in which education help to develop dexterity and to obtain knowledge that accompany men's labor specialization, precisely derived from our natural disposition to trade.

In a free market system of education, the scheme proposed by Smith shows us that the teacher plays the role of a benefactor, who faces incentives in the pupil's (beneficiaries) expectations and fees (rewards). That framework promotes the exercise of virtues, prudence and beneficence in a broad sense, what establishes virtuous interactions between the principal and the recipient (in terms of debts of gratitude in the pupil and praiseworthiness in the teacher). On this reciprocity is based the reliable reputation that accompanies the exercises of virtuous actions.

Thus, Smith exemplifies how a SLN makes room for an educational free market system, what produces, in my opinion, the unintended consequences of educational innovation (as a public good oriented to society's welfare), that are given since in its origins in the Greek academic philosophy, which was indeed preceded by the generous Socrates labor who never charged for their lessons.

## **GÓMEZ BETANCOURT, REBECA AND JOSÉ EDWARDS**

### **Guillermo Subercaseaux's historical approach to money and banking (1898-1952)**

Guillermo Subercaseaux [1872-1959] was a Chilean economist, politician and engineer whose theory of money and banking – as exposed in *El papel moneda* (1912) – was widely debated by leading economists of his time. This paper deals with Subercaseaux's historical approach in the following two parts: the first part explores the sources of Subercaseaux's historical approach to monetary economics, beginning with his life and early work on money and banking (1898-1912) and through his later contributions to economics (1912-1952). The second part analyzes Subercaseaux's role in implementing a banking system in Chile, from currency boards to central banking. We highlight his particular position towards the establishment of currency boards and, more generally, we analyze his vision of Bank systems. His approach is analyzed in the context of monetary debates in the region at that time, as for example between the *oreros* and *papeleros*. We also highlight the influence of economists such as D. Ricardo, J.S. Mill, L. Walras, C. Gide, F. Fetter, E.W. Kemmerer and D. Kinley on Subercaseaux's theory.

## **GUALERZI, DAVIDE**

### **Stagnation in a Historical Perspective**

The paper focuses on the recent resurfacing of the question of secular stagnation and its roots in the history of economic thought. Following the recent analysis of the problem by two historians of economic thought, Backhouse and Boianovsky the paper argues that this is a good example of how the history of economic ideas can shed light on current issues, in this case the prospects of the crisis.

Despite being “technically” over the recession that lasted in the US from the fourth quarter 2007 to the third quarter 2009, was not cured by the weak recovery. Despite the differences unemployment rates are high throughout the industrialized economies with little sign that redundant workers will be reabsorbed into employment any time soon. The crisis is therefore “ongoing”.

Underneath much of the discussion there seems to be the idea of a resumption of growth based on a “return to normal” scenario, which implies that growth would resume along similar lines as before the crisis. In fact the question is that of the pattern of growth on which industrialized economies will settle in and whether it will provide the conditions for an expansive transformation. There is little sign that this perspective is penetrating economists' thinking and the solutions offered by the mainstream.

On the other hand we have observed the return to a discussion of secular stagnation, prompted by Lawrence Summers comments at the 2013 IMF conference in honor of Stanley Fisher. The reemergence of what Backhouse and Boianovsky call a “heresy” in macroeconomics suggests a new awareness on a question that almost disappeared from the economic discourse. Backhouse and Boianovsky point out that Alvin Hansen first introduced the concept in 1938. The term was frequently used until the 1950s combined with an important debate on the causes of stagnation. It then became much less used with periodical moments of interest in a long-term declining trend. It never completely disappeared and was back into the economic debate in 2012-2015.

The paper reviews the key concepts and analytical constructs underlying the original stagnationist thesis and his recent rejuvenation by Summers, Krugman and Robert Gordon. It then contrasts them with the views of the crisis that argue that it might well result in a long-term stagnation. This overview highlights that there are distinct and rather divergent views on the underlying causes of stagnation in the history of economic thought.

## **HANDS, D. WADE**

### **The Road to Rationalization: A History of “Where the Empirical Lives (Or Has Lived)” in Modern Consumer Choice Theory**

This paper examines the different ways that economists have characterized the empirical content of modern consumer choice theory. There has been general agreement among economists that each stage in the development of the theory – from early neoclassical, to ordinal utility, and on to revealed preference – has been associated with an improvement in the theory’s empirical content (how the theoretical terms of the theory make contact with the empirical or observational), and yet, as the paper demonstrates, there has been almost no agreement about what exactly the empirical content of consumer choice theory is at any stage in the process. I call this the problem of observational ambiguity. The paper historically documents this observational ambiguity, links it to various theoretical developments, and relates it to debates in contemporary economic theory.

## **HERNANDEZ, MONICA (YOUNG SCHOLAR)**

### **William Stanley Jevons on the role of trade unions: workers’ agency on wage determination and work struggle in the United States of America**

This research examines the ideas about trade unions found in William Stanley Jevons’ works and whether the current situation of such organizations in the United States (US) resembles the collaborative role Jevons envisioned for them as part of a broader cooperative vision between workers and capitalists. Even though Jevons is not a supporter of labor unions and regards them as monopolies with limited power to increase wages, on the one hand, and with great potential for generating dead losses of wages due strikes, on the other, he did not consider indispensable their elimination if they are guided to cooperate with businesses. He envisioned, then, a collaborative type of organization, willing to work with capitalists who were, according to him, those with the resources and abilities to lead to the improvement of the economic and social system. Upon the examination of Jevons’ suggestions about trade unions, and of consideration of the long and sharp decline in the share of US workers in labor unions during the last decades; of the process of adoption of the ‘Right to Work’ Act on twenty five of the fifty states of the US; and of the apparent revival of substitutes of labor unions such as ‘work councils’ and similars, this research is finding that Jevons’ ideal role for labor unions may be materializing in that country. Given that Jevons represents part of the intellectual change that took place around the 1870s with the marginal revolution and the resultant change in the approach of how economics was developed, it is important to consider his thought and influence in terms of labor unions and the resultant policy and political implications regarding workers’ agency in the improvement of their

own conditions. More specifically, through showing that there is a resemblance between Jevons vision of the role of labor unions and the current state of these and similar organizations in the US, this research highlights the political implications that can be derived from that similarity, mainly, that if workers' organization are mainly collaborative of businesses as Jevons suggested, they end up being subsumed to business interests. Thus, instead of having the intended 'collaborative' consequences presumed by Jevons, only businesses end up being benefited by the role assigned to labor unions.

## **HURTADO, JIMENA**

### **Adam Smith and Jean-Jacques Rousseau on Justice as an Attribute of Individuals and Institutions**

Adam Smith and Jean-Jacques Rousseau consider justice as the cornerstone of human society. Without it there is no possibility of enduring social life, and thus of human preservation. This view marks a strong and profound agreement between these authors who stand on opposite sides when evaluating market society. It is well known that whereas Smith underlined the merits of this kind of social arrangement, which he believed brought about interdependence and better living conditions for all its members, Rousseau denounced it for exacerbating artificial inequalities and making freedom impossible.

Their radically different views seem to come together under the idea of justice, as if it were possible to advance that their disagreement stems from the conditions of justice. Smith would show that justice is possible in this society; on the contrary, Rousseau would stress its impossibility. This interpretation would indicate that justice means the same for both. This is the point I would like to examine in this document. I intend to do so not by asking what justice is or how it emerges in each of these authors. No doubt, both questions are relevant, and I will try to explore them in the text. The first question would lead us to define justice as a negative virtue for Smith or a positive commitment for Rousseau. The second would show the difference between sympathy and pity as recognition mechanisms, and hence between the construction of social values in Smith and Rousseau. But these questions seem to overlook an aspect I believe can shed further light onto the radical difference between them and their projects. What I would like to examine here is what it is that justice describes, or in other words, of what is justice an attribute of. I advance that, in spite of their coincidences, Smith and Rousseau ascribe justice to different entities so to speak. In Smith justice describes the individual while in Rousseau it is an institutional feature. Whereas in Smith justice emerges from the sympathetic process, in Rousseau it is a normative ideal that must be attained through the transformation of individual and society.

## **KHODAJI, SHARMIN (YOUNG SCHOLAR)**

### **Bringing the Nation Back In: Conceptualising 'Indian Economics' in Colonial India**

Towards the last quarter of the nineteenth century, colonial India witnessed the rise of a small but influential class of intellectuals, who had been educated in English owing to the policy of the British imperial state to promote English education in the colony. By the middle of the nineteenth century, the establishment of a few universities in major cities of the Indian sub-continent introduced some elite Indians to Western thought, and more specifically to classical political economy. This group of intellectuals became an important component of the burgeoning nationalist movement in India.

These intellectuals strived to create a nationalist approach to the understanding of economic theory and make it relevant to the historical particularities of colonial India. Being exposed to the vast terrain of political economy emanating from Europe and America, some of the economic nationalists were influenced by the nationalist approach to economics being developed in Germany, referring significantly to Friedrich List's National System of Political Economy.

Drawing inspiration from the emphasis upon the nation and its unique historical conditions while formulating economic policy, as espoused by American and German political economists, a few economic nationalists in India sought to create a similar framework for political economy in India. This involved a critique of the abstract and ahistorical free trade theories of Adam Smith, David Ricardo and Richard Cobden, and their interpretation by the colonial administrators. In opposition to the universalism of orthodox political economy, the economic nationalists were looking to develop 'Indian Economics' - a term in use by the end of the 1800s - which would be better suited towards understanding economic conditions prevailing in colonial India and suggest the path for economic development of the nation. Through their engagement and confrontation with doctrinaire political economy, the economic nationalists of that period could begin to conceptualise a domain such as Indian economics. The idea was developed further during the early twentieth century by economists who were a part of the formal education system in India, and it is this conceptualisation of a historically rooted form of economics that this paper will explore further.

## **KRIVOCHIN, CONRADO (YOUNG SCHOLAR)**

### **The Political Economy of Scarcity**

It is very hard to find the meaning for scarcity in economic thought for what the word signifies. It's many synonymous as lack, or depletion, or absence, or exhaustion, or nonexistence and so on, doesn't seem represent scarcity singularly among distinct economic ideas. Although scarcity and its synonymous generally refer to the nonexistence of something, there appears to be a major distinction between the expressions: what is not there from what you don't own. For understanding scarcity in economic ideas it seems important then to distinguish between natural or humanNature relation - as for the absolute idea - and social or humanhuman relation - as for the relative idea of scarcity. The imposition of scarcity in this sense becomes distinguished in a ontological manner since in humanNature relations the problem is identifying low quantities or the nonexistence of something affluent or preexistent before in Nature; and in humanhuman relations, although affluence and existence are identified, the access to something is restricted because of social constraints (property relations, government, income, social class, etc.) The objective of this paper is to present an argument that reinterprets scarcity in economic ideas. This discussion will provide a political economy of it. We will depart from two principles: i) scarcity is viewed in economic ideas by how economics is defined as considering its distinct theories, approaches and worldviews (or ontologies); then ii) the political economy of scarcity depends of what we call political economy, and in this case we will consider John Stuart Mill's (1836) ideas in *On the Definition of Political Economy and the Method of Investigation Proper to It*, since he establishes the basis for scientific inquiry in Lionel Robbins famous definition that broadly influenced the idea of scarcity in economics.

## LAMPA, ROBERTO

### **Crisis in Venezuela, or the Bolivarian dilemma: to revolutionize or to perish? A Kaleckian interpretation**

This paper investigates the evolution of Venezuela's political and economic scenario over the last 15 years. We explore in depth both the achievements and the unsolved problems of the Venezuelan demand-led growth model. Recalling extensively Kalecki's analysis of underdevelopment, we highlight that Venezuela's problems depend on the constraining role played by the existing institutions. We conclude that the real challenge consists of a deep institutional change, possibly along the lines portrayed in the 2007 constitutional referendum.

## MASCAREÑO, ALDO AND HUGO CADENAS

### **Niklas Luhmann's economic theory as a reflexive radicalization of classical liberalism**

Niklas Luhmann is one of the major theoretical sociologists of the late 20th century. With conceptual contributions coming from second-order cybernetics, biology, complexity theories, mathematics, philosophy, and sociology, Niklas Luhmann developed between the late 1960s and middle 1990s a new paradigm of sociological systems theory in which concepts such as self-referentiality, operative closure, and autopoiesis play a pivotal role.

The theoretical foundations of his approach were settled down in two major works, namely *Soziale Systeme* (orig. 1984) and *Die Gesellschaft der Gesellschaft* (orig. 1997). The former established the general underpinnings of self-referential social systems, and the latter offered a universal theory of modern society consisting of four interrelated sub-theories: a theory of systemic differentiation, a theory of communication, a theory of evolution, and a theory of social self-descriptions. Between the first and the second work, Luhmann undertook a systematic reconstruction of different social systems. Science, law, arts, education, politics, religion, intimate relations were on the list. Yet the first social system in being analyzed, described, and reconstructed with the renewed instruments of social theory was the economy in *Die Wirtschaft der Gesellschaft* (orig. 1988).

In this article we advance the hypothesis that Niklas Luhmann's sociological reconstruction of the economy reflexively radicalize main topics of classical liberal economic theories –now in terms of systems theory. By 'reflexive radicalization' we mean not only a conceptual turn as to how to conceive of the economy, but a reconstruction of crucial theoretical relations that emphasize the self-production, autonomy, and differentiated character of the modern economic system.

We argue that this reconstruction can be traced back along three independent yet interrelated lines: a) from a conception of the economy in which productive factors and division of labor are the engines of economy, Luhmann moves into a theory in which payments (and the absent of them) constitute the fundamental, autonomous dynamic of the system; b) from an emphasis on the search for equilibrium in economic operations, Luhmann stresses the significance of instability in the economic dynamics: the instability of payments controls the instability of prices –without this fundamental instability there is no autonomous operation of the economy; and c) from money as a means of interchange of goods and services, Luhmann understands money as a symbolically generalized media that organizes economic communications, transfers freedom of use, motivates a peaceful acceptance of interchanges, and produces internal asymmetries that cannot be met by external critiques.

We conclude that the liberal program underrated the autonomy of the economy. When observed as a system, the economy is radically more autonomous than in classical liberal theories.

## **MATTEI, CLARA ELISABETTA (YOUNG SCHOLAR)**

### **The British “Treasury View”: n Austerity Doctrine**

Since the sovereign debt crisis, austerity has come to affect the socio-economic reality of most EU countries. Yet, surprisingly few scholars have investigated its historical and theoretical origins. Much economic discussion assumes the ahistorical narrative of austerity as a product of neo-liberalism. A few historical studies (Konzelman 2014, Blyth 2013) do recognize the British “Treasury view” of the 1920s as an important forerunner of contemporary austerity. Scholars usually understand the “Treasury view” in a very limited sense, as a means of indicating the Treasury’s theoretical opposition to the expansionary proposals to combat unemployment. In this interpretation, the Treasury view is essentially identified with the so-called “Crowding Out Argument,” an economic reasoning that was developed in reaction to public intervention programs of the time.

This essay analyses the “Treasury view” in a wider framework, in order to grasp its relevance for the understanding of the conceptual roots of contemporary austerity. The “Treasury view” is here acknowledged as a full-blown “austerity doctrine”: it is a regime of truth in which economic theory is indistinguishable from practice, encompassing the moral, the economic and the political. Hence, the reconstruction of the conceptual basis of the Treasury view goes hand in hand with the historical background of the role of the Treasury as a governmental department and its ideological tradition.

The first section of this essay reviews existing scholarship regarding the Treasury. Section Two considers relevant background facts: the drastic changes from post-war expansionary fiscal policies in the name of social reforms to a clear-cut agenda of austerity. A deeper analysis of the Treasury’s institutional position shows that the Treasury had a central role in the enactment of austerity. Section three considers the cultural heritage of the Treasury to argue that, grounded in Victorian roots, the “Treasury view” of the 1920s was nonetheless uniquely embedded in the challenging socio-political relations of the post-war decade. Indeed, the ensuing theoretical contestation between Senior officials and their progressive opponents brought about a strengthened “Treasury view.” In section Four, I show the process of refinement of Treasury’s ideas in the face of expansive unemployment policies. The final section considers an ampler set of conceptual building-blocks that form the essential basis of the Treasury’s austerity doctrine.

## **MCPHAIL, EDWARD**

### **Friedman and Chile**

Making use of previously un-translated foreign language material, speeches, commentary, and interviews we provide the background to Milton Friedman’s 1975 visit to Chile. We rationally reconstruct Friedman’s implicit model of the way in which Chile’s adoption of a bevy of welfare state welfare state measures in the early twentieth century had supposedly set the stage for the events which ultimately culminated in the 1973 coup. Similarly, we analyze the logic which underlay

Friedman's assessment of the situation in Chile both immediately before – and immediately after – his trip. We draw upon several virtually unknown 1975 interviews in which Friedman discusses the Allende regime, the Pinochet regime, and the Chilean experience with 900% inflation. We also discuss some particularly egregious misreadings of Friedman's supposed assessment of the Pinochet junta.

## **MEARDON, STEPHEN**

### **Charles Kindleberger and post-Soviet Hegemonic Stability**

Charles Kindleberger's academic project toward the end of his long career, in the 1980s and 90s, was to reclaim his theory of "leadership" in international political economy – a.k.a. "hegemonic stability theory" – from scholars of the academic field of international relations (IR). Kindleberger had argued for the indispensability of a primary power, one national leader or hegemon, to guarantee the stability of an international economy prone to instability. IR scholars, most notably Robert Keohane, appropriated Kindleberger's arguments for another purpose: to inquire into the possibilities for "post hegemonic cooperation" among nations. Kindleberger was skeptical.

The collapse of the Soviet Union in the early 1990s afforded an opportunity to translate Kindleberger's ideas into practice — the better, perhaps, to advance his academic project. Andrew Marshall, Director of Net Assessment for the U.S. Department of Defense, invited Kindleberger to a small conference at Harvard in March 1992. The conference was intended to inform the composition of a document circulating in the Pentagon that spring and intended to redesign U.S. foreign policy for a unipolar world. The document, titled "Defense Planning Guidance" and written under the supervision of Under Secretary of Defense Paul Wolfowitz, posited the United States as a perfectly Kindlebergerian hegemon. This paper investigates Kindleberger's participation in the conference. It aims to understand Kindleberger's view of the appropriate application of his theory, when world events made its applicability clearer than ever, yet the manner of its application was up for grabs and the stakes for Kindleberger's scholarly legacy were high.

## **MIRANDA CAVALCANTE, CAROLINA (YOUNG SCHOLAR)**

### **The Nature of Critique in the Economic Science**

Science has the social status of being the vehicle of true discourses about reality. Nevertheless, in social science, the truth can be occluded by false, not objective, speeches and be accepted as a true description of social reality. Maybe economic science would be the field in which this divorce from reality is more visible. Accusations about the unreality of the assumptions of mainstream economics have been made since the marginal revolution of the late nineteenth century and the consolidation of the neoclassical research program throughout the twentieth century. How is it possible? Thomas Kuhn told us that science develops itself alternating periods of normal science, in which we have a dominant paradigm, with periods of extraordinary science, in which many paradigms emerge and fight for the acceptance of scientific community. So in normal science we have a unique accepted world view about economic reality. John Kenneth Galbraith also told us that conventional wisdom tends to persist in people's mind until reality puts this conventional wisdom at stake, making it obsolete, incompatible with

reality. Notwithstanding, in economic science, heterodox theories has always lived side by side with orthodox dominant paradigm. And despite of the many heterodox critique directed to orthodox theories, these critical appraisals were always encompassed under orthodox research program terms. It was the case of American Institutionalism critique to orthodoxy in the passage of nineteenth to twentieth century and also the case of the absorption of the General Theory under the IS-LM model, undertaken by John Hicks' famous article published just one year after the publications of Keynes' book. The object of this article is the debates in economic science in the end of nineteenth century concerning institutional economics in American Academy and the rapid absorption of Keynes' ideas within orthodox mode of thinking. We intend to illuminate how economic science uses the critique not to build a more objective view of economic reality, but to enlarge the set of problems presumably explained by orthodox research program.

## **MONTES, LEONIDAS**

### **Friedman's two visits to Chile in context**

This paper will explore Friedman's two visits to Chile in March 1975 and November 1981. The press coverage, his interviews and the lectures Friedman gave, will be analyzed. Also, the Chilean context will be briefly considered. Although Friedman's 1975 visit has been widely discussed, a complete record of what actually happened has not yet been written. And his 1981 visit, just before the 1982 US recession, has been neglected. However, his last visit to Chile was particularly important as the recession was a severe stroke to the Chilean economy. It also put at risk the "Chicago Boys" influence and the economic liberalization process. And contrary to the generalized view, Friedman got more involved with Chilean affairs during his second visit.

## **MONTES, LEONIDAS**

### **Adam Smith on sympathetic persuasion, propriety and self-command**

Abstract: This paper investigates the rather neglected relevance of persuasion in Smith's corpus, and the centrality and distinctiveness of propriety and self-command. Smith's permanent and comprehensive concern with persuasion pervades all his legacy. Fully aware of the risks of this strong "human desire" or "instinct" to "lead and direct other people", Smith develops a sympathetic persuasion that rests upon his original understanding of propriety and self-command. The moral, political and economic implications of Smith's sympathetic persuasion provide a common, consistent and foundational concept for his ideal of a civilized and free society.

**MURCIA ALEJO, CATALINA (YOUNG SCHOLAR)**

**Basic concepts and basic explanations: Proposal to address fundamental notions of the economics science using cartoons**

This paper proposes to explain the basics of the economics science in a simple and colloquial way using self-created cartoons. This is an innovative strategy to address concepts that is complementary to the theory and mathematical formalization, and that responds to the importance of introducing new methods of teaching in the economics field. To develop the objective, 25 fundamental concepts are identified by a count of sentences applied to four manuals of economics principles from the second half of the 20th century and the early 21th. By analyzing the way in which these manuals explain basic economic concepts, it is possible to identify the importance of associating theory with reality, the intention of making daily understanding the base of knowledge and the purpose of diversifying teaching methods in this social science. In line with these trends, the proposal of this paper is materialized in 3 cartoons related to the concepts marginal analysis, inflation and perfect competition, which show how drawings can provide basic explanations for basic concepts.

**PAGANELLI, MARIA PIA**

**We Are Not The Center of The Universe: The Role of Astronomy in the Development of Morality in Adam Smith**

This paper claims that Adam Smith's theory of moral sentiments is deeply indebted to astronomical theories. Smith's interest and knowledge of astronomy are shown in his essay The History of Astronomy. In The Theory of Moral Sentiments, Smith claims that we develop morally by changing our perspective, which smoothes the arrogance of our self-love as we realized that we are not the center of the universe. The realization that we are not the center of the actual universe is achieved in a very similar way in Fontenelle's Conversation on the Plurality of Worlds. By changing perspective with their imagination, Fontenelle's characters too humble their arrogance realizing they are not the center of the universe. Smith's system seems therefore the application of astronomy to morality.

**PICO, CLAUDIA M. (YOUNG SCHOLAR) AND ÓSCAR EDUARDO PÉREZ**

**Wont and historical processes in Colombian scientific communities in the early 21st Century: a review from the theoretical works of Thorstein Veblen**

The reflection about sociology of science presented by Thorstein Veblen in The higher education in America and The place of science in modern civilization reveal one of the many disagreements that he found in the social reality on the early 20th Century. In this case the learning object and method were instilled by the state of industrial arts and the technological situation, facts that demanded a way of teaching focused on pragmatism, but at the same time were marked by the wonts of higher education organizations with a direction toward idle curiosity.

This paper evaluates the persistence of this contradiction by studying two main topics: i) a historical reality of higher

education characterized by scientific productivity standards, a discourse of pertinence and scientometrics, and ii) the transmission of the ideological forms of the mainstream as a reflection of the wont that characterizes the higher education. The proposed revision studies the Colombian higher education system and draws two main conclusions. First, through a documental and historical approach, it argues that Colombia's scientific production is a consequence of the integration imposed by the world's economic system and is based on the principle of publish or perish. Second, it postulates that the local scientific community works mostly on hypothesis validation and less in the production of new knowledge. In consequence, Colombian scientific communities in the early 21st Century are proof of the persistence of the contradictions proposed by Veblen for higher education in the early 20th Century.

## **PIERRE MANIGAT, MATARI**

### **Genealogía y crítica del concepto de superexplotación en Ruy Mauro Marini**

En el presente trabajo discutimos los límites y alcances del concepto de superexplotación de Ruy Mauro Marini —el máximo exponente de la teoría neo marxista latinoamericana de la dependencia— para un estudio “de las leyes de acumulación del capitalismo dependiente”. Tras mostrar la génesis del concepto a partir de la teoría de Marx sobre la reproducción de la fuerza de trabajo, criticamos su estatuto en cuanto “mecanismo estructural” del proceso de acumulación; una vez que la fuerza de trabajo está enteramente sometido a las condiciones mercantiles. De ahí la delimitación de la aplicación del concepto de Marini a cierta etapa de la historia económica de América Latina.

## **PINZÓN-FUCHS, ERICH (YOUNG SCHOLAR)**

### **Reconciling Keynes and Tinbergen? Lawrence R. Klein and the Making of Macroceconometrics**

The Controversy between Keynes and Tinbergen on the role of econometric method to test economic theory has remained an event of paramount importance to understanding not only the historical evolution of econometrics, but also some fundamental methodological discussions in economics. Even after Keynes's (1939) explicit recognition of the arduous and pioneering nature of Tinbergen's work

Statistical Testing of Business-Cycle Theories, a general impression persisted that his critique was not only destructive but also uninformed (Morgan, 1990). And so, the relevance of Keynes's claims are attenuated and his critique sometimes dismissed as one in which “Dear Old Maynard”, overwhelmed by the mathematical and statistical sophistication of the new approaches, would just be grumping about the young economists. I do not “intend to dissect this debate for its lessons” in the spirit of “military historians re-fighting Waterloo”, where “[d]espite the merits of his campaign, Napoleon loses every time the battle is refought, [as] does Keynes” (Pesaran and Smith, 1985); my aim is rather to take a fresher look at the controversy and to assess whether the econometricians' reaction after the critique was to “engage another ten computers and drown [their] sorrows in arithmetic”, as Keynes put it. Lawrence R. Klein's (1950) *Economic Fluctuations in the United States* begins with a clear objective: reconciling Keynes and Tinbergen.

Tinbergen did a great service to the study of economics when he prepared his volumes on the statistical testing and

measurement of business-cycle theories. This book [Klein, 1950] is written in the spirit of Tinbergen's investigations and is intended as an improvement and extension of his results. As a consequence of the extensive theoretical discussions since 1936, when Keynes published his General Theory, it has become possible to formulate more sharply the structure of the economic system and [...] to gain added simplicity and accuracy not available to Tinbergen (Klein, 1950).

In 1944, Jacob Marschak wanted to assemble a team to remake Tinbergen's model (Klein, 1987; 1991; Bjerkholt, 2014). Contrary to Keynes's 1939 fears about the econometricians drowning their sorrows in arithmetic calculations, this attempt to remaking the United States model at the Cowles Commission proved of a constructive reaction to the critique in the hands of a selected group of talented economists. The project was one of high ambitions, not merely because of the sophistication of the mathematical and statistical rigor, but also because of the great care attributed to the role that economic theory should play in the econometric exercise. For this purpose, Marschak recruited, in 1944, the young economist Lawrence R. Klein who had just completed his PhD thesis on The Keynesian Revolution (1947). Klein found himself in a peculiar position only five years after the Keynes versus Tinbergen Controversy (1939-1940) had taken place: on the one hand, Klein was one of the experts of Keynes's thought (at least in the United States), and on the other hand, he was explicitly recruited to improve Tinbergen's work.

The purpose of this paper is to understand how Klein managed to reconcile two visions about the role of econometrics, which were considered as antagonistic. I will argue that despite the fundamental technical and methodological differences in Keynes and Tinbergen's writings, Klein's practice of macroeconometric modeling provided a way for reconciliation. For instance, Klein's vision of econometrics as a useful tool for policy analysis, not for testing economic theories, his recognition of the limited temporal and geographical validity of models, or his concern about the possibility of a changing economic structure, would bring Tinbergen's practices closer to Keynes's critical position.

## **RAMÍREZ GÓMEZ, MAURICIO ANDRÉS**

### **Peasantry partisans and peasantry opponents. An historic debate in the agrarian Colombian context.**

During the last year, an extent debate between scholars and entrepreneurs of the agrarian and cattle sector has taken place in Colombia regarding the implementation of Act 160, 1994. This Act rules the so-called Peasant Reserve Zones and the Entrepreneurial Development Zones. The topic has emerged again in the current peace talks held in La Habana between the Colombian government and the FARC. In those talks, it is evident the existence of two different views regarding the orientation of the peasants' economic activities. On one hand, the Entrepreneurial Development Zones emerged as a great opportunity to turn an antiquated peasantry population into a modern one; a population composed by mid-economic class having the possibility to enter the market's dynamics. On the other hand, the Peasant Reserve Zones are understood as an effective mechanism to neutralize the social conflicts. These Peasant Reserve Zones are defined as homely agricultural units limiting their ownership, which include environmental criteria, social-economic and cultural rights of the peasantry in terms of planning and making decisions affecting their surroundings.

This debate has pointed out the current relevance of the byzantine economic thinking from the late XIXth century's and the early XXth century. Economists, like Alexander Chayanov (1925), argued that peasantry economies have a natural limit to their productive processes. They create own-rationalized economic systems, which do not support the analysis of the capitalist

logic in terms of wage, rent, interest and benefit. However, some authors like Marx, Lenin and Kautsky (late XIXth century's and the early XXth century) believed that the expansion process of the capitalist system should lead to the disappearance of peasantry economies to help the surge of development processes of productive forces, waged relations, the creation of great scale benefits and the progressive advance of science.

This article intends to make a theoretical review on the debate between the so-called peasantry partisans and the peasantry opponents from the late XIXth century's and the early XXth century; it identifies a theoretical relevance to approach the current discussions in Colombia. This article is composed of three parts: the first part provides a theoretical review of the first authors, pioneers of those ideas since their origins to their future developments. The second part identifies the debate's context in Latin America, and specifically in the Colombian context, reviewing the 1935, 1960, 1990 and 2014 agricultural legislations. Finally, some critical and thoughtful considerations about this debate are exposed.

## **RODRÍGUEZ-SICKERT, CARLOS**

### **The evolution of homo economicus**

During the last decades the neoclassical model of human agency usually referred to as homo economicus, has been put into question. In this paper we address both, internal criticisms (anomalies identified by experimental economists) and external criticisms coming from other social sciences regarding the rationality assumption itself and also on the auxiliary hypothesis of self-regardness, stability and exogeneity of preferences. Moreover, we discuss how new perspectives in contemporary research on the psychology of moral motivations in human behaviour have influenced behavioural economics to develop a more plausible model of human agency, specially in the context of social dilemmas.

## **ROJAS, PIERRE-HERNAN (YOUNG SCHOLAR)**

### **The pre-Bretton Woods Monetary Order: A study of Harry Dexter White's Contribution to International Monetary Reforms**

Harry Dexter White is known as the Treasury official leading the US delegation during the Bretton Woods conference in July 1944. But his British counterpart, John Maynard Keynes, the foremost economist during the interwar years, put White in the shade. Nonetheless, far from being solely a bureaucratic and technical economist of the US Treasury, White proved that he was a skillful, hard-worker and a formidable opponent to Keynes during the negotiations (Harrod, 1951, Skidelsky, 2000). Some recent studies portray White as a Keynesian and an international monetary economist (Boughton, 2002, 2004 and 2006), specialist on monetary and banking issues thanks to his carrier in the Treasury from 1934 to 1941 (Rees, 1973 and Steil, 2013), having a key role in the US Treasury proposals for cooperation with western countries in the 1930s (Schwartz, 1997, Bordo and Schwartz, 2001). All of these works shed light on the professional process of White, from his doctorate getting in Harvard in 1930 to his ascension at the Treasury. Nevertheless, none of these works links White's monetary approach with his attempt to restore the stability of the international monetary system in the 1930s. This paper deals with White's monetary reforms proposals in depth during the 1930s in order to promote an open trading system, full employment and economic stability.

From the outset in the Treasury, the core of White's works lies on a gold standard reform proposal both at the national and the international level. He proposed a form of gold exchange standard for the US but also for France and Great Britain: each participating country could hold foreign currencies redeemable in gold to ensure the stability of foreign exchange rates.

The first part points out fundamental elements of White's critics of the traditional mechanism of adjustment of the balance of payments for gold standard countries reformulated by Taussig. The second section focuses on the White's reform proposals for the US monetary and banking system in the 1930s. In his archives located Princeton and College Park in the US, he explicitly proposed a "managed fixed standard" for the US, advocating demonetization of gold and power to modify the gold parity of the dollar to insulate US economy from international shocks in time of stress. In the third section, we highlight that White did not conceive domestic economic stability without a multilateral monetary cooperation to narrow sporadic gold and capital flows. In this sense, White proposed a gold exchange standard to stabilize foreign exchange rates, paving the way to international trade and foreign investments recovery. Keywords: White, Taussig, Currie, gold standard, gold exchange standard, monetary policy.

## **ROMERO SOTELO, MA. EUGENIA**

### **El Debate Ministerial: Una Controversia sobre el Origen de la Inflación en México (1955)**

El problema entre la estabilidad monetaria y el desarrollo económico en América Latina fue un debate que ocupó a los teóricos y profesionales de la economía desde los años cuarenta y tomó fuerza a principios de la década de los sesenta del siglo XX. Me refiero a la llamada la controversia monetarista – estructuralista. Este debate se dio en el campo de la discusión teórica y de la política económica. Dwight S. Brothers la define de la siguiente manera: (...) la posición estructuralista sostiene que las políticas monetarias y fiscal ortodoxas no son aplicables a los países latinoamericanos debido a que en estas naciones la inflación y desequilibrio exterior, más que ser fenómenos de carácter esencialmente monetario, son el resultado de diversas rigideces estructurales e impedimentos al desarrollo inherentes en sus sistemas económicos. Por otra parte, la posición monetarista arguye que la inestabilidad monetaria de América Latina es esencialmente una manifestación de prácticas monetaria y fiscal inflacionarias y que tales prácticas al producir inestabilidad monetaria crónica impiden el desarrollo económico.

En opinión del autor, la controversia se centró en tres puntos básicos: 1) el primer punto gira alrededor de la pregunta, el origen de la inestabilidad monetaria y si ésta era causada por deficiencias estructurales o por políticas monetaria fiscal inflacionaria. 2) el segundo, el efecto de la inestabilidad monetaria sobre el desarrollo económico. 3) y el tercero, se pregunta, cuál es la política apropiada a seguir en el futuro dada la experiencia de los países latinoamericanos.

#### **EL DABATE MINISTERIAL**

Con sus especificidades nacionales, México no estuvo ausente de este controversia y ha sido estudiada a través de lo que Antonio Manero llamó el "Debate financiero ministerial" en su libro *La Revolución Bancaria en México*, quien dio a conocer por primera vez el tema; Francisco Suárez Dávila lo llamó "el debate ministerial" primero en su ensayo *Dos visiones de política económica en México*. Un debate en la historia. Más tarde, construyó una extensa una crónica histórica sobre esta controversia en su ensayo *Desarrollismo y ortodoxia monetaria (1927-1952)*. El historiador Eduardo Turrent en su ensayo

Debate ministerial en México. 1953-1955 levanta varias interrogantes acerca de la manera en que ésta ha sido estudiada a la fecha y la considera una polémica inconclusa.

En la polémica referida participaron cuatro exministros de hacienda: Luís Montes de Oca (1927-1931), Alberto Pani (1924-1926 y 1932-1933), Eduardo Suárez (1936-1946) y Ramón Beteta (1947-1952). Este debate se suscitó a partir de la publicación del provocador libro de Alberto Pani *El problema supremo de México* dado a conocer al público en 1955 y motiva el presente trabajo que busca introducirse en los argumentos de la línea de pensamiento ortodoxo que se desarrolló en México de manera consistente todo el siglo XX.

Alberto Pani es un paradigma en la historia económica por introducir en un momento difícil de la economía nacional una política económica anticíclica (1932). La pregunta que motiva *El problema supremo de México* es ¿por qué este ex ministro de hacienda, después de introducir medidas heterodoxas en la política económica nacional, apoya las medias ortodoxas de política económica (1955) y se manifiesta críticamente contra las medidas heterodoxas de la política económica sostenidas por los ministros de hacienda Eduardo Suárez y Ramón Beteta durante los periodos presidenciales de Lázaro Cárdenas, Manuel Ávila Camacho y Miguel Alemán.?

Es importante subrayar que no se pretende repetir el estudio del debate ministerial que han desarrollado los estudiosos mencionados de una manera extensa, culta e inteligente. Se trata de construir una línea del desarrollo histórico del pensamiento ortodoxo y de los actores que la nutrieron e impulsaron. Los trabajos de Francisco Suárez ha permitido ver la génesis de esta línea de pensamiento, llamada ortodoxa. El trabajo de Eduardo Turrent muestra claroscuros del debate ministerial.

Primero presentaré, el problema alrededor del cual se suscitó el debate, le inflación. En segundo lugar, los argumentos que Alberto Pani levanta contra la política económica desarrollista y en tercer lugar, los argumentos que presenta la corriente desarrollista representada por Suárez y Beteta.

## **SAN JULIAN ARRUPE, JAVIER**

### **Views on progressive taxation in Spanish economists in the 19th century**

Liberal economists in the 19th century rejected progressivity in general as an unfair technique of taxation, as it was widely believed that graduated tax rates betrayed Adam Smith's first maxim of taxation. However, the expansion of the ability to pay approach to taxation in the central decades of the century, particularly since the diffusion of J.S. Mill's *Principles*, led economists to reconsider the possibility of establishing graduated taxes as way to attain a fairer system through which citizenship contributed to the common effort of the state. This might satisfy those supporting proportionality as the right technique of taxation (progressive rates in some taxes could redress a supposedly general regressivity of the tax system caused by the noticeable presence of indirect taxation, particularly consumption taxes), and also those defending that proportionality could not be a fair system of allocation tax burden, as marginal utility of money diminished.

Spanish economists were not alien to this general discussion. This paper explores the evolution of their positions on the debate on progressive taxation. Despite the fact that there were some exceptions (economists accepting J.B. Say's opinion in favor of progressive taxes), the majority of Spanish economists in the central decades of the century leant to proportionality as the right and just technique for taxation. Progressivity was deemed unfair, arbitrary, confiscatory, and a socialist tool to

equalize fortunes, which was not the attribution of the state. However, as the century approached its end, some economists slowly changed their positions, leaning to a partial acceptance of graduation as a suitable practice for taxation, on behalf of a better application of the principle of fair taxation: A debate on the tradeoff between tax justice and arbitrariness emerged. It is interesting how economists involved in politics were particularly prone to adopt less rigid positions in this debate, more concerned for the political side of the matter.

## **SCALZO, GERMÁN (YOUNG SCHOLAR)**

### **Suarez and modern economic theory**

The influence of the School of Salamanca in modern economics is already well known, but the School of Coimbra is still surrounded by some misunderstanding. This article intends to show that the influence of an author from this Portuguese School is precisely the most important in the development of modern economics. The Jesuit Francisco Suarez (1548-1616), in his attempt to develop a doctrine that reconciles Catholic and Protestant theologies, is considered majorly influential in the scholastic theology of the seventeenth and eighteenth centuries. His notion of law and politics exerted great influence on the Río de la Plata revolutionary movements of the early nineteenth century. The paradigm shift marked by Ockham's nominalism prioritized developing a theological and legal framework to ensure freedom for men of different beliefs and cultures, thus inspiring the concept of "pure nature," which can be considered a forerunner of the "homo economicus" and which was later essential for the development of the "natural economy" in the eighteenth century. Through a comparison of the Thomist tradition -collected from the School of Salamanca- and the Ockamist one, this article opens up a debate on the real medieval origins of modern economics.

## **SCHWEMBER, FELIPE**

### **Volenti non fit iniuria: consentimiento, intercambio productivo y precio justo en Anarquía, Estado y utopía de Robert Nozick.**

Al formular su teoría del título válido (entitlement theory), Robert Nozick sostiene que los intercambios son justos cuando son realizados de modo libre y voluntario. Conforme a esa exigencia, basta con que un intercambio no sea producto de la fuerza o no haya sido celebrado por error o bajo engaño para que pueda ser tenido por justo. Por tal motivo, al momento de allanarse a la costumbre de expresar su propia teoría de la justicia bajo una fórmula de justicia distributiva, Nozick lo hace diciendo que "de cada quien como escoja, a cada quien como es escogido".

El presente trabajo pretende precisar el sentido y alcance del principio sobre el que descansa esta fórmula y que puede expresarse bajo el principio volenti non fit iniuria. Para ello, me detendré, primero, en el requisito general de "voluntariedad" que se exige a los intercambios. En este sentido se sostendrá que la definición de Nozick de voluntariedad es insuficiente en la medida en que no permite hacerse cargo de ciertas situaciones bajo las que, de hecho, suelen tener lugar los intercambios; en segundo lugar, me detendré en el requisito de productividad recíproca de los intercambios que Nozick introduce para hacer frente a algunos de los problemas derivados de la justificación hipotética del Estado mínimo. Sostendré que la introducción

de este requisito, que conduce al problema de justo precio es no solo consistente con las premisas sobre las que se levanta Anarquía, Estado y utopía sino que, incluso, es necesario según ellas.

Se concluirá, finalmente, que aunque estos dos problemas —el de la voluntariedad y el de la productividad— introducen una cuña en el proyecto libertario de Nozick, por otra parte permiten evitar algunas de las conclusiones contraintuitivas del mismo Nozick y, en fin, presentar el principio de su propia teoría de la justicia, de modo no solo más atractivo sino también más plausible.

## **SEMBER, FLORENCIA**

### **Raúl Prebisch, The Economic Cycle and the Performance of the Central Bank of Argentina in its First Years (1935-1943)**

The Central Bank of Argentina (BCRA) was established in 1935, based on a project developed by the British expert Sir Otto Niemeyer. The project was widely modified by Raúl Prebisch, who was appointed general manager of the new bank. The anti-cyclical policies followed by the bank in the second half of the thirties were considered an example of anti-cyclical policies for primary exporting countries. The main instruments used by the bank were open market operations, which were not taken into consideration in the British project.

The aim of the article is to show that the so praised anti-cyclical policies followed by the bank in its first years, even if accomplishing the mandate of the BCRA of maintaining the external value of money, didn't consent to take advantage of the favorable international situation to promote economic growth. Prebisch failed to recognize that by the thirties, structural changes were taking place in the Argentine economy. Later on, in his *Conversaciones en el Banco de México*, he recognized that the Central Bank was behaving like an orthodox institution, introducing some new ways to intervene in the market to stabilize the value of money, without supporting economic activity.

There were two main ideas that guided the bank's policy, which stemmed from Prebisch's conception of the economic cycle. The first one was the belief that in the economic cycle, the magnitude of the contraction in the descending phase is proportional to the intensity of growth in the ascending phase. The intense absorption policy of the bank sought to avoid "artificial" support of the economic activity in prosperity phases, which would only make the subsequent fall more severe. The second idea was that banks should not make long terms investment loans, since investment had to be financed with savings. Following this idea, the bank had an explicit policy of preventing the banks to increase their investment loans, which would increase the circulating medium more than it was necessary and stimulate imports. The banks could only grant short term loans or rediscount "real documents".

Prebisch's ideas on the cycle and on monetary and banking policy were at odds with the promotion of industrial growth. The lack of an institution that could grant long term loans was solved only in 1944 with the creation of the Bank of Industrial Credit. Finally, in 1946, under a completely different economic project, the Central Bank was nationalized and the banking system entirely reformed.

## **SUPRINYAK, CARLOS EDUARDO AND RAMÓN GARCÍA FERNÁNDEZ**

### **Funding Policy Research Under “Distasteful Regimes”: The Ford Foundation and the Social Sciences at the University of Brasília**

The Ford Foundation’s initial effort to assist in the development of the social sciences in Brazil coincided with the early years of the military regime that ruled the country between 1964 and 1985. Given the Foundation’s expressed goal of fostering research that was of potential relevance for public policy, the Brazilian political context posed a difficult dilemma. The issue came to the forefront amid discussions over a proposal for the creation of a Master’s Program in Economics at the University of Brasília (UnB). Although UnB’s modern institutional structure was ideally suited for the Foundation’s purposes, the university had been subject to repeated military interventions in late 1960’s. Moreover, its geographical closeness to the seat of Brazilian political power arose concerns that it could become an instrument in the hands of the military government. Using evidence from the Ford Foundation archives, the paper attempts to illuminate the institutional context surrounding the development of academic economics in Brazil in the late 1960s and early 1970s, in its relations to the deeper social and political currents in effect at the time.

## **TRAUTWEIN, HANS-MICHAEL AND MAURO BOIANOVSKY**

### **Prebisch and Neisser on the transnational propagation of cyclical fluctuations**

In the late 1920s and the 1930s the Argentinian economist Raúl Prebisch and the German economist Hans Neisser developed structural approaches to business cycle theory, in which they set the focus on the transnational propagation of cyclical impulses from the centres of the world economy to the peripheries. Independently of each other, Prebisch and Neisser made clear distinctions between the propagation mechanisms within and between the “industrial countries” on the one hand, and those affecting the “raw stuff” and “food stuff” countries (the peripheries in Neisser’s terminology) on the other. In this they differed from most other writers in the field of business cycle theory at the time. They also held specific views on the foreign trade multiplier in peripheral countries, especially in regard to the employment effects of trade and capital flows. In sections 2 and 3 of our paper, we describe the different biographical and theoretical backgrounds of Prebisch and Neisser, and take stock of their respective writings on the transnational propagation of cyclical fluctuations. In section 5 we compare the approaches of the two writers in the context of the literature on business cycle theories in the 1930s. In section 6 we look at further developments and changes of ideas in the later work of both writers (e.g. in Neisser’s and Modigliani’s *National Incomes and International Trade* of 1953). We conclude with a brief analysis of the impact of Prebisch’s and Neisser’s ideas on the development of development economics.

## **VALENZUELA, RICARDO; ROBINSON LOBOS AND FRANCISCO OJEDA (YOUNG SCHOLARS)**

### **Regulatory problems in contemporary society: A theoretical approach.**

The following presentation looks to problematize the concept of regulation from a theoretical perspective. The economic system is presented to the observer as a complex system, which in the last decade has experienced a series of crises, to which the self-regulatory capacity of the system itself is questioned. Simultaneously the regulatory mechanisms of Nation - states have been undermined by the characteristic complexity of the economic system as affected by the operation of diverse functional systems. It is argued that beyond the practical measures that have attempted to regulate this system, the failure of the regulatory mechanisms to deal with the growing complexity of social systems is a problem of misunderstanding of the conditions of possibility of regulation social systems itself.

To develop this hypothesis, We will at first to reconstruct the main theories around the regulation of complex systems approaches. In particular, We will focus on the observations on the obstacles facing the problem of regulation in social systems. In a second section, the principal assumptions of these approaches will be contrast with the concept of regulation of systemic theory developed by the German sociologist Helmut Willke. Finally, in the third part the very conditions of possibility of regulation in social systems will be discussed from a politico-philosophical perspective. We will focus here on the difficulties of the regulator (usually a political institution provided with legitimacy) to problematize their own situation as a power that determines the terms of the regulation it generates. Our main authors here will be Carl Schmitt and Michel Foucault.



## PARTICIPANTS

<b>AUTOR</b>	<b>INSTITUTION</b>	<b>EMAIL</b>
Adams, Thomas	University of Sydney, Australia	thomas.adams@sydney.edu.au
Aidar, Bruno	Federal University of Alfenas, Brazil	profbrunoaidar@gmail.com
Alvarez, Andres	Universidad de los Andes, Colombia	ca.alvarez967@uniandes.edu.co
Arroyo, Juan Pablo	Universidad Nacional Autónoma, México	jparroyo@unam.mx
Bianconi, Renata	UNICAMP, Brazil	renatab@rocketmail.com
Blanco, Alfredo Félix	Universidad Nacional de Córdoba, Argentina	alfredoblanco@eco.uncor.edu
Blikstad, Nicholas (YS)	UNICAMP, Brazil	nicholas.blikstad@gmail.com
Boff, Emmanoel	Universidade Federal Fluminense, Brazil	emmanoelb@gmail.com
Boianovsky, Mauro	Universidade de Brasilia, Brazil	mboianovsky@gmail.com
Bracarense, Natalia	North Central College (IL), US	nbracarense@noctrl.edu
Briones, Ignacio	Universidad Adolfo Ibáñez, Chile	ignacio.briones@uai.cl
Bustamante, Gonzalo	Universidad Adolfo Ibáñez, Chile	gonzalo.bustamante@uai.cl
Calixtre, André (YS)	IPEA, Brazil	andre.calixtre@ipea.gov.br
Cardoso, José Luís	Institute of Social Sciences, University of Lisbon, Portugal	jcardoso@ics.ulisboa.pt
Castillo, Miguel Ángel (YS)	Universidad Pedagógica y Tecnológica de Colombia	the3boy@gmail.com
Clement, Alain	University of Tours, France	alainclem@numericable.fr
Cordero, Macarena	Universidad Adolfo Ibáñez, Chile	maria.cordero@uai.cl
Correa, Felipe (YS)	CEPAL, Chile	Felipe.CORREA@cepal.org
Cot, Annie	Université Paris 1, France	annie.cot@univ-paris1.fr
Coutinho, Mauricio	UNICAMP, Brazil	coutinho@unicamp.br
Covarrubias, Francisco José	Universidad Adolfo Ibáñez, Chile	francisco.covarrubias@uai.cl
Cruz e Silva, Victor (YS)	Federal University of Paraná, Brazil	victor.cruzesilva@gmail.com
Cunha, Alexandre	Universidade Federal de Minas Gerais, Brazil	alexzebu@gmail.com
da Silva, Danilo	Universidade Federal do ABC, Brazil	danilofrs@gmail.com
Diaz, José	Pontificia Universidad Católica de Chile	jdiazb@uc.cl
Drago, Mario	Universidad Adolfo Ibáñez, Chile	mario.drago@uai.cl
Duarte, Pedro	Universidade de Sao Paulo, Brazil	pgduarte@usp.br
Estefane, Andrés	Universidad Adolfo Ibáñez, Chile	andres.estefane@uai.cl
Farrant, Andrew	Dickinson College (PA), US	farranta@dickinson.edu
Fernandez, Manuela (YS)	Universidad de los Andes, Colombia	manuferpi@gmail.com
Freddo, Daniela (YS)	University of Brasilia	freddo.daniela@gmail.com
Gambi, Thiago	Universidade Federal de Alfenas, Brazil	thiago.gambi@uol.com.br

García, Ramón	Universidade Federal do ABC, Brazil	ramon.garcia.fernandez@gmail.com
Garrido, José de la Cruz	CPP, Facultad de Gobierno, Universidad del Desarrollo, Chile	jpgarrido@udd.cl
Gomez Betancourt, Rebeca	Université Lyon II, France	rebecagomez@gmail.com
Gualerzi, Davide	University of Padua, Italy	davide.gualerzi@unipd.it
Hands, Wade	University of Puget Sound (WA), US	hands@pugetsound.edu
Hernandez, Monica (YS)	New School for Social Research (NY), US	hernm794@newschool.edu
Hurtado, Jimena	Universidad de los Andes, Colombia	jihurtad@uniandes.edu.co
Khodajji, Sharmin (YS)	Jawaharlal Nehru University, India	sharminkhodajji@gmail.com
Krivochein, Conrado (YS)	Fluminense Federal University, Brazil	conradokrivo@gmail.com
Lampa, Roberto	CONICET and IDAES-Unsam, Argentina	robertolampa@gmail.com
Lobos, Robinson (YS)	Universidad Adolfo Ibáñez, Chile	robinson.lobos@gmail.com
Loewe, Daniel	Universidad Adolfo Ibáñez, Chile	daniel.loewe@uai.cl
Martinovic, Héctor	Universidad Adolfo Ibáñez, Chile	hector.martinovic@uai.cl
Mascareño, Aldo	Universidad Adolfo Ibáñez, Chile	aldo.mascareno@uai.cl
Mattei, Clara (YS)	Scuola Superiore Sant'Anna, Pisa, Italy	clara.mattei@gmail.com
McPhail, Edward	Dickinson College (PA), US	edward.mcphail@gmail.com
Meardon, Stephen	Bowdoin College (ME), US	smeardon@bowdoin.edu
Miranda, Carolina (YS)	Universidade Federal do Rio de Janeiro, Brazil	cmcavalcante@gmail.com
Montes, Leonidas	Universidad Adolfo Ibáñez, Chile	leonidas.montes@uai.cl
Murcia, Catalina (YS)	Universidad de los Andes, Colombia	dc.murcia152@uniandes.edu.co
Ojeda, Francisco (YS)	Universidad Adolfo Ibáñez, Chile	francisco.ojeda@uai.cl
Ossa, Juan Luis	Universidad Adolfo Ibáñez, Chile	juan.ossa@uai.cl
Paganelli, Maria Pia	Trinity University (TX), US	mpaganel@trinity.edu
Pico, Claudia (YS)	Universidad de La Salle, Colombia	clapico@unisalle.edu.co
Pierre, Matari	UACM, México	mataripierre@gmail.com
Pinzón Fuchs, Erich (YS)	Université Paris 1, France	Erich.Pinzon-Fuchs@univ-paris1.fr
Ramirez, Mauricio	EAFIT, Colombia	maramire@eafit.edu.co
Robles, Claudio	Universidad Adolfo Ibáñez, Chile	claudio.robles.o@uai.cl
Rodríguez-Sickert, Carlos	CICS, Facultad de Gobierno, Universidad del Desarrollo, Chile	carodsic@gmail.com
Rojas, Pierre-Hernan (YS)	Université Paris Dauphine, France	pierre.rojas@hotmail.fr
Romero, Eugenia	UNAM, México	maeroo5@hotmail.com

San Julian, Javier	University of Barcelona, Spain	jsanjulian@ub.edu
Scalzo, Germán (YS)	Universidad Panamericana, México	german.scalzo@gmail.com
Schwember, Felipe	Universidad Adolfo Ibáñez, Chile	felipe.schwember@uai.cl
Sember, Florencia	Universidad de Buenos Aires y CONICET, Argentina	florencia.sember@gmail.com
Suprinyak, Carlos	Universidade Federal de Minas Gerais, Brazil	suprinyak@cedeplar.ufmg.br
Trautwein, Hans-Michael	Carl von Ossietzky Universität Oldenburg, Germany	michael.trautwein@uni-oldenburg.de
Valdés, Nieves	Universidad Adolfo Ibáñez, Chile	nieves.valdes@uai.cl
Valenzuela, Ricardo (YS)	Universidad Adolfo Ibáñez, Chile	rivalenzuela@alumnosuaicl.onmicrosoft.com