



Two sides of the same coin? Liberal-conservative ideologies in IPES' letters

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Resumo:

The present study aims at comprehending the role of business elites in society through the analysis of the IPES. The Institute founded in the early 1960's was devoted to organizing and spreading ideologies favoring liberal markets and opposing any communist values in society. In this research we will use the letters exchanged between the IPES and many parties to find out what those communications show us about some pre-designed categories: IPES' self-definition; definition by third parties; the role of labor in society; the role of business people in society; relationship with governments; core themes (agrarian and land reform, labor laws, electoral laws, etc.); IPES' relationship with foreign governments and agents. Those letters are a portion of a larger archive comprehending many of the documents produced by the Institute. They are archived at the Arquivo Nacional (National Archives) in Rio de Janeiro and were digitalized by requisition of the National Truth Commission. With this research, we hope to take the first step to advance the way the relationship between business and societies takes place.

Palavras-chave: *Management & Organizational history; archival history; IPES; Business & Society*

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Abstract

The present study aims at comprehending the role of business elites in society through the analysis of the IPES. The Institute founded in the early 1960's was devoted to organizing and spreading ideologies favoring liberal markets and opposing any communist values in society. In this research we will use the letters exchanged between the IPES and many parties to find out what those communications show us about some pre-designed categories: IPES' self-definition; definition by third parties; the role of labor in society; the role of business people in society; relationship with governments; core themes (agrarian and land reform, labor laws, electoral laws, etc.); IPES' relationship with foreign governments and agents. Those letters are a portion of a larger archive comprehending many of the documents produced by the Institute. They are archived at the National Archives in Rio de Janeiro and were digitalized by requisition of the National Truth Commission. With this research, we hope to take the first step to advance the way the relationship between business and societies takes place.

Introduction

The *Instituto de Pesquisas e Estudos Sociais* [Institute for social research and studies] (IPES) was a Brazilian think tank financed mainly by Brazilian business people and Brazilian companies aimed at producing a new consensus in society. It existed between 1961 and 1971 and during that time, was an important center of production of anti-communist propaganda and also for discourses supporting economic liberalism. Since its beginning, IPES opposed the then Brazilian president João Goulart in line with hegemonic Cold War dichotomies. After the 1964 coup, the IPES started working as a facilitator for the communications between the government and the business people.

The institute played an important role in bringing together Brazilian business elite, Brazilian and US based corporations, portions of the middle class, and the military that were discontent with the democratic regime. As a space that articulated and produced discourses and made them circulate through courses, movies, movie exhibitions, textbooks, among other supports, the IPES helped to strengthen a certain frame to understand the period (Pereira, 2013). That frame was especially strong amongst business people but also circulated through Brazilian medium classes and media outlets.

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In its founding chart, the IPES claimed to have its ideas inspired both by the Alliance for Progress and the Papal Encyclical *Mater et Magistra*.

This research dialogues with other works that analyzed the twin relations between managerial ideologies and the Cold War (Cooke, 2006; Kelley, Mills, & Cooke, 2006; Landau, 2006; McLaren & Mills, 2008). It also allows us to better understand one of the actors that played a part in delineating Brazil's scenario during the early 1960s, and that may be understood as a "businessmen movement" (Skidmore, 1967). During that period, Brazil drifted towards a more independent stance in relation to the US, especially in the international arena (Hilton, 1981; Weis, 2001). Also, there is a hint of a patronizing approach towards Brazil, which is also an important feature of how the 'third world' was managed (Cooke, 1997), that was part of the most important aiding program executed by the US at the time: the Alliance for Progress (Dewitt, 2009).

Management ideologies played a part in the process since they were contemplated in technical agreements between Brazil and the US under the Alliance for Progress (Barros & Carrieri, 2013). Management techniques are usually a way to ensure that a certain society will move towards a frame that is favored by the dominant powers, especially the US (Cooke, 2004, 2010), that often uses international organizations to move a framework forward. In this sense, it is interesting to note that after the arrival of João Goulart to the presidency the US would often recur to technical arguments to exert pressure on the Brazilian government, in spite acting differently towards the previous president who were seen as more sympathetic to the US than Goulart (Loureiro, 2014).

The US – Brazil relations

Even though there is not a consensus about when did the US started favoring the fall of João Goulart, it is clear that the country played a role in the overthrow of his government (Dewitt, 2009; Loureiro, 2014). At least since the renounce of former president Jânio Quadros in 1961, when the US offered a sympathetic ear to the military personnel who wanted to block Goulart's ascension to the presidency, it was obvious that president Kennedy's support for democracy in Latin America was smaller than his fear of a new Cuban Revolution (Loureiro, 2014).

Branding the old, but effective, slogans of the country, God, family and liberty, the US, usually indirectly, helped financing mass demonstrations and oppositionist campaigns using the CIA when that help could not be given in open daylight (Weis, 2001). The US government was also keen to use the powerful image of Brazilian housewives marching against the government, in a way that it could portrait the overthrow of a constitutional government as a democratic act (Power, 2015). Finally, the US also used the Alliance for Progress to lend money to oppositionist governors in order to build alliances in the case of a crisis (Dewitt, 2009; Loureiro, 2014; Weis, 2001).

The Alliance for Progress once were president Kennedy's great promise to tackle anti-Americanism and communism in Latin America (Loureiro, 2014). The aims of the Alliance were close to those proposed by former Brazilian President Juscelino Kubitschek in the late 1950s. Kubitschek for a broad compromise between the US and Latin American countries in order to assure development and avoid radicalizations in the hemisphere (Weis, 2001). Kubitschek's Operation Pan America (OPA) was an important hallmark that pushed the US towards a new approach in relation to its situation in Latin America (Darnton, 2012).

The Kennedy administration was willing to try to combine not only negative measures against that country but also steps towards economic development that would secure other Latin American countries from the Soviet influence (Hakim, 2011). This was of major importance since the economic scenario was deteriorating quickly with most countries in the region facing some sort of difficulty in their balance of payments (Loureiro, 2014; Sewell, 2010).

However, the new approach, which supposedly would favor development instead of austerity, and tackle the region's problems from a more supportive point of view quickly flirted with total failure (Sewell, 2010). In part, that is because the countries in the region, including Brazil, were pursuing a neutralist position in the Cold War conflict that was developing, in order to be less vulnerable to the US, while exerting a leading position towards other "Third World" countries and being able to sell its product to the Eastern markets (Weis, 2001).

This neutralist position pursued by the Brazilian government at least since the final years of Kubitschek's (1956-1961) presidency had its costs, as his successors Jânio Quadros and especially João Goulart would perceive more clearly (Darnton, 2012). The gradual separation between Brazil and the US was not only an ideological move but also a necessity since the country was having a difficult time in achieving monetary balance (Loureiro, 2014; Sewell, 2010).

Part of the Kennedy administration and many Brazilian extremist oppositionists saw this distance as a clear sign of a break up towards the eastern hemisphere and its values. It is not by chance that one of the best period of Brazil-US relations happened in the years following the coup, when the first military dictator, Humberto de Alencar Castelo Branco, allowed an almost full alignment between the two countries (Hilton, 1981). The goodwill was rewarded with a spike in the amount of funds made available by the US, with a 140% increase in 1964 in comparison to the previous year (Caterina, 2015).

It is important to highlight that the Brazilian coup was not a product of US intervention or from the military eagerness for power only. It was linked to the economic conditions and the social struggles that the country was facing at that time and involved other elite fractions such as conservative woman, the church, big landowners and the various capitalist groups (Dreifuss, 1980; Power, 2015; Ramirez, 2012). The rapid incorporation of large masses of people in the urban proletariat challenging the ancient order, summed

with the diminution in State control by urban industrialist political power were also factors that have to be considered.

In other words, the coup was reactionary: it was a movement from Brazilian elites, including the military, aimed at reinforcing the power of the new business elites in the country politics, while maintaining an elitist democracy with conservative values and liberal economic policies (Dreifuss, 1981; Spohr, 2012). It may be understood as a civic-military coup since the participation of the upper classes and certain portions of the medium classes were of fundamental importance to the successful overthrow of Goulart's government (Dreifuss, 1980; Ramirez, 2012; Spohr, 2011).

The IPES assembled an important pro-western group, although not necessarily in favor of subservience to the US in foreign politics. Although nationalists IPES members tended to see the US as a model for Brazilian development. They were strictly anti-communist and pro-market, although not necessarily anti-State which may be a Brazilian peculiarity. Usually, they would be Catholics and support conservative values, labeling themselves as Christians in order to amass ecumenical support (Moraes, 2010). The IPES made use of the religion to amass more support, for example, printing commented copies of the papal encyclicals *Mater et Magistra* and *Pax in Terris*, to support its positions (Ramirez, 2012). The labeling of João Goulart as communist and of communism with atheism and the curtailing of religious freedom was one of the strongest elements in mobilizing people against him, especially women (Power, 2015).

IPES

The IPES represented the ideas and discourses from the economic elite of the Brazilian society, and clustered diverse discourses against social reforms and enforcing an authoritarian view of liberal economics and conservative politics (Dreifuss, 1980). It was created by various conspirators. The institute was organized in different regional branches and the most important were in São Paulo, Rio de Janeiro, Belo Horizonte and Porto Alegre. There were also many divisions, responsible not only to produce discourses that would support the new government, but also to monitor and intervene in the academic field since its beginning (Cardoso, 2011). One of its branches was also responsible for denouncing 'communist infiltration' in the government.

The business owners and business managers united at the IPES created the most influential group among those trying to overthrow the Brazilian constitutional government (Dreifuss, 1980, 1981; Spohr, 2011). They also counted with support from the military in its ranks that helped in organizing the putschists in the armed forces and blockade the spread of support for the reforms that João Goulart's presidency was trying to implement.

Although the IPES received money from Brazilian business owners, managers and companies it also counted with support from multinationals and funds from the US government (Dreifuss, 1980; Ramirez, 2009). The US channeled funds to IPES in order to support their activities, but also to help the institute in influencing Brazilian regional elections, which is a signal of the strategic relevance achieved by the IPES, while also showing that the US had little concern in bypassing Brazilian sovereignty.

Receiving money either from foreign multinationals or foreign governments was a double-faced problem for the institute (Ramirez, 2009): on the one hand, since many of their supporters were fierce nationalist, accepting help from alien powers could affect its legitimacy. On the other hand, after the congressional hearings on the form of actuation and financing of the institute and its sibling (IBAD), which led to the closing of the IBAD, the IPES had to deal with those funds with more caution, trying to hide its origins.

Since some of the money channeled by the US came from the Alliance for Progress, the Business people associated to the IPES tried to influence the delineating of the Alliance for Progress (Spohr, 2012). They wished to guarantee that their interest would move forward, but also to increase the collaboration with their American counterparts (Spohr, 2011, 2012).

Having to balance itself between the need not to appear anti-American and nationalist at the same time, the IPES dedicated lot of effort to discuss the Brazilian economic scenario and the supposed communist menace. Due to the high participation of business people as its financial supporters, the IPES would also have a great deal to say about their role in society (Loureiro, 2014). That's way the institute which was first found as a research center and a think tank turned to open propaganda, trying to achieve some level of legitimacy for the ideas they espouse among the medium classes, government officials, the military and other business people.

To achieve that, the Institute sponsored newspapers articles, pamphlets, and books before and after the 1964 coup, the IPES also received help from the US Embassy book program to edit and distribute publications (Black, 1977). It also counted with the sympathy of the U.S. media towards the IPES objectives (Weis, 1997) and of the Brazilian main newspapers.

The Brazilian business people involved with the IPES were not alone in the hemisphere and pushed to create an international alliance with their pairs from other Latin American countries (Spohr, 2012). They were willing to occupy a political space in the hemisphere, granting more direct support from the governments towards the ideologies they espouse. This movement can be understood as a reshuffling of the emerging political forces in Latin America (Ramirez, 2009). Their objective was to make some concessions towards the workers to undermine the support towards the labor parties. It is important to mention that there was an asymmetry between the economic power held by the business elites and the political power they had over the Brazilian State in the

beginning of the 1960s (Dreifuss, 1980). It is also worth mentioning that ‘laborism’ was an important political movement all over Latin America at that time.

The putschists embraced the discourse that they were saving Brazilian democracy, fighting corruption, reinforcing religious freedom and combating subversion, which, as will be shown, are themes that appear in communications produced by the institute (Bortone, 2014; Cardoso, 2011; Power, 2015). The IPES crafted its discourse as a battle between the good men and the bad guys.

Methodology

The IPES’ documents are organized in the Arquivo Nacional under ten different categories: courses, movies, pictures, budget and finances, the organization and its functioning, patrimony, human resources, communications and correspondence. After analyzing some samples from each category, it was decided that we should focus on the correspondences to and from IPES. This choice is justified because we expect to find communications that would be outside the rigid patterns of the formal language enunciated in other documents. We could also have a better understanding about the organizations and the people who were involved with the IPES through the years.

After reading a larger sample of those documents, seven categories were created to classify text extracts, understanding that each extract could refer to more than one category at the same time. The categories are:

- I. IPES’ self-definition. To position itself clearly in society it would be important that people involved with the institute shared a certain meaning for it. How is the Institute defined and portrayed in the communications sent from the organization?
- II. Definition by third parties. Organizations who want to influence society, largely depend on the way they are seen by it. How people refer to IPES in the letters received by the institute?
- III. The role of labor in society. The IPES propagated the idea of a harmonious society, where the interest of business and the labor could converge. What can be understood as the role of labor in society in the communications received by and sent from IPES?
- IV. The role of business people in society. In its statutes, the IPES defend the active role of business people in achieving and advanced society. This category tries to clarify what can be understood as the societal role of business people and business organizations in the communications received by and sent from IPES.
- V. Relationship with governments: in its first years, the IPES was a fierce oppositionist against João Goulart. After the coup, the institute assumed a more collaborative instance. What were the relations between the institute and the

Brazilian federal and local governments? What were the relations between the IPES and public organs and agents? What role did the IPES expect the State agents to perform?

- VI. Positioning about core themes (agrarian and land reform, labor laws, electoral laws, etc.). The IPES was known by campaigning strongly for reforms in various laws. How the IPES positioned itself about those themes in the letters it sent? How the agents with which the institute interact see those problems?
- VII. IPES' relationship with foreign governments and agents. One of the many "accusations" against the IPES is based on the idea that it operated as a proxy for foreign interests, especially US ones. The questions this category tries to answer is then: with which international agents the IPES interacted? What was the view of the IPES about those agents? Which was the nature of those interactions?

The letters that were kept and then handed over to the Arquivo Nacional, are just a fraction of all the communications of the IPES. As it happens to every other collection chance and the fact that people may just forget to file something or file things that should not be kept are a component in the data that survived. It is important to highlight as in every archive there is the need to recognize that many different logics may operate to led to the action of choosing something to be kept while other things are thrown away. I am aware of that, but this is not the main questioning that I will be doing in this text.

On the other hand, it is important to reflect why only files from IPES Guanabara were kept in the Arquivo Nacional, other regional branches outside the documented history. There were IPES branches in São Paulo, Porto Alegre, Belo Horizonte, Fortaleza and probably others. The fact that the documents from those places didn't reach the national brings many questions to mind. However, many of them may not be answered without recurring to reasoning without data contained in the documents analyzed.

However, we may rely on various works that analyze with more or less detail those specific branches or the functioning of the IPES as a whole, to and keep our understanding from being over-biased towards the Guanabara branch of the IPES (Bortone, 2014; Dreifuss, 1981; Moraes, 2012; Ramirez, 2009; Spohr, 2012; Starling, 1986). For example, Lamarão (n.d.) argues that the Rio de Janeiro branch was the liberal facet of the institute while the IPES in São Paulo was fiercely anti-communist.

In any case, it is important to reinforce that archives are always partial, and that while it is important to be aware of that, one cannot refrain from building narratives with the data it has (Barros, 2016). That does not mean that it is necessary to dive in science fiction to write history, but that while seeking for a truthful account it is necessary to avoid the idea that the data is transparent to anyone.

Expected Results

In its final moments, the IPES was in a certain sense a victim of the success it experienced, but also of its inability to adapt to the new context that the government it helped putting in charge contributed to bringing about. Various members of the institute left to occupy governmental positions, especially directing reforms in the national and local governments (Bortone, 2014; Ramirez, 2009). This loss of qualified people was added up with the difficulty to attract professional technicians that could frame their ideological arguments in a more neutral wording also contributed to the weakening and later closure of the IPES (Ramirez, 2009). It is also important to note that the statist and authoritarian road was taken by the regime, which was even more enforced in the second presidency, may have contributed to the weakening of the institute since it had economic liberal roots (Bortone, 2014). After the coup and since the common enemy was weakened, internal struggles that already existed also contributed to the emergence of feud fights in the Institute (Ramirez, 2009).

Without the common enemy, João Goulart, the institute that was already experiencing some divide about the tactics it should use to combat communism and press for a more liberal economy had to reorient itself. The number of associates fell year by year and even after becoming an organization of public interest, the IPES could not sustain itself, closing its doors in early years of the 1970's. However brief IPES' existence I understand it as a paradigmatic case of the way business people can operate in the public arena to influence governments and society.

After analyzing the letters to and from the Institute I expect to come up with a narrative of its existence in relation to other agents, to achieve a better understanding of the way it operated through the relations it sustained.

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