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From Modernization and Development to Neoliberal Democracy: A History of the Ford Foundation in Latin America 1959-2000

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ABSTRACT

This thesis analyzes how shifts in United States foreign policy influenced the Ford Foundation's relationship with the United States government in terms of how they defined and brought ideas of "development" to Latin America. Focusing specifically on Chile, it argues that the Ford Foundation conveniently shifted from a national focus in the early twentieth century to an international focus in the wake of the Cold War and the threat of the spread of communism. Its efforts to spark intellectual pluralism in Latin American state universities in the late 1960's were an effort to promote modernization by combating radical ideologies. Finally, their shift to a focus on reestablishing "popular democracy" and ensuring human rights through enhancing civil society in the early 1990's was deeply influenced by the rise of neoliberalism as a worldview. This thesis uses scholarly secondary sources, United States government documents, and several accounts from Ford Foundation representatives in Latin America to argue that although the Ford Foundation attempted to manipulate their association with United States foreign policy at times in the last fifty years, their identity as an international philanthropic organization with the intention of spreading democracy is inherently and unavoidably political, and therefore deeply influenced by the context of the people they choose to work with and places they choose to work in.

INTRODUCTION

"Have you heard the story of why the Foundation was established?" Ramon Daubon asked me excitedly during a phone conversation about his work for the Ford Foundation in the late twentieth century. Although I had already done plenty of research on the Foundation prior to the phone call, I played along, intrigued by his enthusiasm. "Edsel Ford, Henry's son, selfishly did not want the government to take his money through inheritance taxes. Isn't that fascinating," he asked, more as a statement than a question. After a brief pause he continued, "Who would have ever guessed the Foundation would be what it is today." Daubon, currently the President of The Esquel Group, has been removed from the Ford Foundation for several years now. However, his enthusiasm to talk about the mission and to talk about his experience working for Ford is telling of the Foundation's importance.[1] At the same time that the political, economic, and social contexts of the places the Ford Foundation chooses to develop influence how it fulfills its mission, the Ford Foundation has made and will continue to make a tremendous impact on the people it gives money to and on the people it hires.

As Daubon alludes to, to protect Edsel Ford's inheritance from the looming income and inheritance taxes of the late 1930's Henry Ford established the Ford Foundation. For the first two decades of its existence the Foundation's philanthropic activity was limited to local projects in Detroit, Michigan. However, following the historic Annual Report of 1950, today known as the

[1] Ramon Daubon, Interview by Author, Phone Interview, Lewiston, ME, February 8, 2013.

Gaither Report, the Ford Foundation soon became one of the largest and most influential international philanthropic organizations in the world. Annually it accepts roughly 1,400 of the 40,000 grant proposals it receives. Since its founding, the Foundation has given over $16.3 billion dollars in grants to people, organizations, and programs all over the world. Today it has offices in Africa, Asia, Latin America, the Middle East, and the United States.[2] As a nongovernmental organization the Foundation claims to, "represent no private, political, or religious interests," which allows the Foundation to be, "a great positive force, and enables it to play a unique and effective role in the different and sometimes controversial task of helping to realize democracy's goals."[3] The Ford Foundation believes that democracy and human welfare are inextricably linked. Its primary and consistent mission is to eliminate "causes of war" through the advancement of democracy and the safe guarding of human rights. It promotes the idea that "every person must recognize a moral obligation to use his capabilities, whatever they may be, so as not merely to avoid being a burden on society if he can help it, but to contribute positively to the welfare of society."[4] The Foundation strongly believes that through democracy the world can be a better place for everyone.

Although the Ford Foundation promised to stay ideologically and politically neutral and independent from the state and market, many critics of American philanthropy argue that the Foundation often broke this promise by getting too involved as a political actor in United States foreign policy. In his book about the Big Three Foundation's role in the rise of American Power, Inderjeet Parmar, suggests that, "the 'Big 3' (Ford, Rockefeller, Carnegie) have been extremely influential in America's rise to global hegemony over the past century," and that, "they are

[2] "Overview of History," *The Ford Foundation Website,* accessed November 22, 2012, http://www.fordfoundation.org/about-us/history.
[3] "Report of the Study for the Ford Foundation on Policy and Program," Detroit: The Foundation, 1949, 23.
[4] Report of the Study for the Ford Foundation on Policy and Program, 18.

intensely political and ideological and are steeped in market, corporate, and state institutions – that they are part of the power elite of the United States."[5] Because Ford Foundation representatives, including Peter Hakim, a former Ford representative in Latin America, confirm this sentiment that "It is impossible to avoid politics"[6], this thesis acknowledges truth in the argument that the Ford Foundation's work often crossed the line into political action. However, through the lens of the Ford Foundation's work in Chile, this thesis takes this argument one step further and asks the more complicated historical questions: why and how?

Over the last fifty years the Ford Foundation's mission to promote democracy has remained relatively constant. However, many scholars of United States philanthropy argue that the Foundation's method of promoting its mission of democracy and development have shifted dramatically. This shift has occurred in the context of the World Wars, the rise and fall of communism, and with the changing perception of democracy in the United States. As Oliver Zunz, an expert on the rise of American philanthropy argues, these shifts have been directly influenced by United States foreign policy and have gone on to influence the people and organizations funded by the Ford Foundation.[7] In order to understand the influences of philanthropy and the Foundation's role in Latin America specifically it is necessary to understand the political and economic theories that shaped society through the last half of the twentieth century.

In the midst of World War Two and in response to the Great Depression, President Franklin D. Roosevelt created a "patchwork welfare state" through a series of "New Deal" policies. These policies, promoted and supported by the state, soon transformed into promises of

[5] Inderjeet Parmar, *Foundations of the American Century: The Ford, Carnegie, and Rockefeller Foundations in the Rise of American Power,* (New York: Columbia University Press, 2012), 2.
[6] Peter Hakim, Interview by Author, Phone Interview, Santa Cruz, CA, February 19, 2013.
[7] Oliver Zunz, *Philanthropy in America: A History,* (Princeton: Princeton University Press, 2012) *146.*

a "poverty free America and a non-stigmatized, community-based, and easily accessible system to social welfare."[8] To uphold this promise the Johnson administration designed program after program to mobilize community resources and ensure "equality of opportunity and a redistribution of social, economic, and political resources."[9] Inspired by New Deal policies in the United States, the period from the 1930's through the 1960's in Latin America was consumed by what some refer to as "populist governments" or "national popular regimes." Simply, the emphasis was on building community to enhance nationalism. These theories were reflected in government that mimicked the United States New Deal policies with an emphasis on creating welfare states to support the people, enhancing the domestic economies, and building stronger nations independent of foreign influence.

In the aftermath of the Second World War and the beginning of the Cold War in Europe the United States administration started to pull back on some of the state funded and supported social welfare programs. The focus then became to increase defense expenditures and look more critically at what was going on in the rest of the world. The fear of communism sparked the formation and implementation of modernization theory in "developing countries" all over the world.

According to Colin Cavell, a scholar on the notion of exporting democracy, theorists of modernization thought that the best way to "protect" countries vulnerable to the spread of communism was to encourage the development of a political system that looked like the United States model.[10] This system needed to be democratic, liberal, pluralist, and socially just.[11] The

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[8] Howard J. Karger and David Stoesz, "Retreat and Retrenchment: Progressives and the Welfare State," *National Association of Social Workers, Inc.*, (1993): *213.*
[9] Karger and Stoesz, 213.
[10] Colin S. Cavell, *Exporting 'Made in America' Democracy: The National Endowment for Democracy and US Foreign Policy,* (New York: University Press of America, 2002), 54.
[11] Howard Wiarda and Esther M. Skelly, *Dilemmas of Democracy in Latin America: Crisis and Opportunity,* (New York: Rowman and Littlefield, 2005), xiv.

nationalist and populist governments in Latin America started to look a little too much Moscow's communism at this point. There was enough concern that the United States made the decision to intervene in Latin America. They intervened first in Guatemala in 1954 to infuse these ideas of development into the political frameworks and economies of this "vulnerable region" and later through the Kennedy Administration's decision to implement the Alliance for Progress.

While the United States administration implemented their theories of development, Latin American theorists were promoting their own definitions that worked more closely with the national popular governments already in place. This Latin American theory of development was coined by Raul Prebsich, one of Latin America's most influential economists, as "dependency theory." Prebsich agreed that progress through industrialization was necessary, especially because it did not exist in Latin America in the same capacity it existed in other world super powers like the United States. However, instead of achieving this progress through adopting United States policies and becoming dependent on United States economies, Prebisch argued that progress had to be with, for, and about the people. He argued against foreign competition and international economic colonialism.[12]

Quite obviously these theories of progress and development differed greatly. As the United States was attempting to implement their ideas of modernization theory against Prebisch's dependency theory as a security measure against the spread of communism, the Ford Foundation entered in Latin America with a mission to promote human welfare and democracy. The Ford Foundation believed heavily in empowering people, but it implemented programs and became involved in state universities to empower people to think, act, and govern in specific pluralist, centrist and critically, non-radical ways. Because radical thought was equated to

[12] Raul Prebisch in Nystrom and Haverstock, *The Alliance for Progress: Key to Latin American Development,* (Princeton: Van Nostrand and Company, Inc., 1996), 141.

communist thought for the United States at the time, the Foundation in other words implemented programs to quell communist thinking by bringing scholars more toward the center of the political spectrum. The Foundation believed that the work it did was always for the best interest of the people it worked with. However, it is important to keep in mind that its actions were always influenced by the United States government's policies regarding development and modernization and therefore may have strayed away from the desires of the Latin American people at times. This trend would continue until late in the 1970's.

After the Alliance for Progress and United States theories of modernization failed to positively enhance economic development throughout Latin America, ideas of socialism and nationalism began to creep back into political ideology.[13] These ideas especially concerned the United States administration, resulting in more United States intervention. Latin American historians agree that United States intervention, specifically in Chile, sparked the 1973 military coup. The coup controversially resulted in the destruction of Chile's historically strong democratic institutions and began what was to be a horribly repressive military regime under Augusto Pinochet. Paul E. Sigmund, the author of *The Overthrow of Allende*, in conjunction with several other prominent scholars in the field, argues that the new policies implemented by Pinochet and severely influenced by the United States were products of the new push to shrink state control, deregulate the economy, open up the markets, and give power to individuals and private corporations. This shift represents the next phase in United States foreign policy, the rise of what today has been defined as "neoliberalism."[14]

Neoliberal democracy as it is defined by David Harvey in his "Brief Discussion of Neoliberalism" and as it is analyzed in Wendy Larner's article, "Neo-liberalism: Policy,

[13] Nystrom and Haverstock, 110.
[14] Paul E Sigmund, *The Overthrow of Allende and the Politics of Chile 1964-1976*, (Pittsburgh: The University of Pittsburgh Press, 1977), 286.

Ideology, Governmentality," would take the place of the 'popular democracy' that had consumed Latin America for much of the mid-twentieth century. Many experts argue that although the state assumed the market would solve the issues of poverty and the widening wealth disparity gap throughout Chile, neoliberal thinking often pushed these people further down in its efforts to engage in the global economy. The foundations and smaller nongovernmental organizations with missions to promote the people disadvantaged by neoliberalism found themselves in a complicated cycle of giving, association, and staying true to their mission.

As discussed earlier, the Ford Foundation continued to stay true to its mission of enhancing human welfare through popular democracy. The mission also emphasized the value of having the people effected by decisions present in the decision making process. The neoliberal policies gradually adopted by the Chilean government with encouragement from United States foreign policy, dramatically shifted the Foundation's ability to fulfill this mission in the way that it had been previously. As the state became less and less responsible for funding social welfare programs, the responsibility fell to private organizations like the Ford Foundation. By picking up this responsibility and funding smaller organizations to cure the side effects of the neoliberalism the Ford Foundation became a political actor in neoliberal democracy. However, instead of getting closer to their mission, the Foundation simply enabled the neoliberal policies to continue to widen the wealth disparity gap and to continue to expand the depth of the issues faced by the poorer classes.

This cycle is a phenomenon that has not been completely flushed out in scholarship yet. The rise of nongovernmental organizations has surely drawn attention to the cycle, but scholars have yet to touch the complexities of the political relationship between the United States neoliberal foreign policies and the Ford Foundation's work and definitions of development. This

thesis works to track the changes in the relationship through these current ideas about neoliberal policies, which extend into how the world is continuing to function today.

The thesis begins with a broad analysis of United States philanthropy in a global context. It uses Chile to show how shifts in United States foreign policy have impacted the Ford Foundation's attempts to fulfill its mission. I understand that Chile is one unique country in one complicated region and I do not intend to use it as a representation of what the Ford Foundation was doing in the rest of the world or even in the rest of Latin America. By focusing on one country and tracking the relationship the Foundation has with the people, the ideas, and the political changes in that country it is easier to think critically and make conclusions about specific and important trends.

I refer primarily to Chile throughout the thesis for several reasons. First, the Ford Foundation chose Chile early on in its involvement with Latin America as a good place to establish a regional office. This choice, I argue, is significant because it has to do with the fact that Chile had the longest standing and most developed network of democratic institutions in the region. This network would affect the implementation of United States' policies in the region, especially in regards to the political and ideological shift that would occur in Chile late in the twentieth century. Consequently, this would dramatically affect the Ford Foundation's work in the Santiago Office. Furthermore, after an initial survey of the available primary and secondary sources on the Ford Foundation, the most accessible research had to do with the Ford Foundation in Chile. This included conversations with three former Ford Foundation representatives who either worked in or led the Santiago regional office in times of tremendous importance for Chile. Lastly, Chile is the perfect example of how adjustments of the United States foreign policies and

intervention strategies affected Latin America and in turn how these shifts effected how the Ford Foundation implemented its mission.

To bring some consistency and clarity to tracking the shifts in how the Ford Foundation worked to fulfill its mission I have organized each chapter in a similar way. Each chapter begins with the historical context in Latin America and how, if at all, the United States policy influenced that context. I continue each chapter with an explanation of the major political and economic concepts associated with the time, both from a United States and Latin American perspective. In the final part of every chapter I bring in the Ford Foundation. I use this section to analyze how the concepts and context have impacted the Foundation's decisions about the best way to fulfill its missions. I use a combination of secondary and primary sources to depict the context and incorporate the ideas and theories of many experts to solidify the definitions of the political and economic concepts located in the context.

In chapter one I introduce philanthropy in the United States in general and how the new policies of inheritance for large corporations, like the Ford Motor Company, influenced the beginning of the Ford Foundation. I argue that the Ford Foundation's decision to go international in their 1950 Annual Report, most commonly known as the "Gaither Report," was closely connected to the beginning of the Cold War and the threat of communism in Europe. In the early 1950's the Ford Foundation started to establish programs and offices in places vulnerable to the spread of communism in order to enhance United States security by advocating for democracy.

In chapter two I discuss the entrance of the Ford Foundation in Latin America shortly after the threat of communism had crept into the western hemisphere, first in Guatemala and later in Cuba. At the time, the United States, obviously worried about the security of their border, established the Alliance for Progress to bring new policies of development and modernization to

the vulnerable Latin American region. While the United States promoted these ideas through the Alliance, the Ford Foundation promoted these same ideas through an emphasis on the value and enhancement of intellectual pluralism in the state universities. This chapter tracks the Foundation's support specifically of the social science departments at the University of Chile in Santiago.

Chapter three analyzes the Ford Foundation's shift in focus due to the United States involvement in the 1973 military coup in Chile. With so much negative sentiment towards United States intervention, the Foundation had to navigate their association with the United States to stay welcome in the region. The chapter also discusses the reasons for the closing of the Santiago office in 1974 and the transition from an emphasis on economic development and modernization through universities to an emphasis on enhancing democratic policies and ensuring human rights. The Foundation at this point in its history had to find creative ways to "save" the displaced scholars and intellectuals after the coup. By getting involved in the navigation of these new policies, the Ford Foundation became a political actor in the struggle against Pinochet.

Chapter four addresses the aftermath of the coup through the reestablishment of democracy, not as Chile had known it before, but instead, democracy involved in the neoliberal world view in the 1990s. Hoping to expand their influence with the 1991 reopening of the Foundation office in Santiago, the Ford Foundation at this point looked to support the growing lower class left unsupported by these new neoliberal policies and left out of the "progress" made during the "Chilean miracle". This chapter attempts to reflect on the multi-dimensional and complex neoliberal framework. Although the Ford Foundation attempted to stay out of this framework, as an international philanthropic organization and as connected to the United States

ideas of development and modernization, the Ford Foundation was automatically a crucial player in the development of neoliberal policies.

CHAPTER ONE

The Growth of the Ford Foundation 1937-1959

As Daubon alludes to, in order to tell the story of the Ford Foundation's involvement in Latin America it is necessary to understand where the Foundation started. In this chapter I discuss the growth of philanthropy in the United States to paint the context for the Ford Foundation's beginning. I look extensively into the Foundation's 1950 Annual Report, which famously led to international and national expansion. This report represents Ford's transition from a locally based family foundation to a major player in world politics in the context of the Cold War. Even though the Foundation agreed to remain separate from all political, private, and religious activity, their use of education to spread theories of development were inherently political. A serious tension existed within the Foundation about how much involvement it should have in United States foreign policy surrounding the Cold War. In the end, involvement was inevitable because the United States emerged as one of the world's super powers in the aftermath of World War Two. The Foundation, as a promoter of democracy, became an important architect for a large part of the ideological framework surrounding the Cold War. By the time communism crept into the western hemisphere, first to some extent in Guatemala, and second through Cuba, the Ford Foundation had already established itself as a major political player and a serious promoter of worldwide democracy. The establishment of the first regional office in Latin America would be a direct response to the growing concern in the United States about the emergence of communism in Cuba.

The origins of United States philanthropy date as far back as the early 1800's. The author of *American Philanthropy*, Robert H. Bremmer, suggests that, "the rich didn't form a distinct class, but were connected to the rest of the people by a thousand secret ties."[15] These ties were based mostly on religion as charity was considered a good deed by God. At this point "philanthropy" and "charity" had relatively the same meaning. Both were associated with religion and both were carried out on a relatively small scale. However, at the turn of the twentieth century, the United States was going through a time of massive industrialization, mass immigration, and rapid urbanization. Although on the surface positive, extreme, concentrated change can often lead to chaos. The enormous concentration of production in the cities, the closing of the frontier, and a growing suspicion of corruption and instability led to a fear of open market closure and instability. The Rockefeller Foundation and the Carnegie Foundation, two of the earliest predecessors of the Ford Foundation, fed on these fears and stepped in to solve this crisis through social reform.[16]

The Rockefeller Foundation began its work under the leadership of John D. Rockefeller in 1913 with a grant to the American Red Cross. For many of the early years, the Rockefeller Foundation focused primarily on advancing and supporting research in the medical field.[17] Similarly, the Carnegie Corporation, established in 1911 by Andrew Carnegie, was created to spread knowledge and understanding specifically through research of the natural sciences.[18] As Zunz suggested, "Carnegie and Rockefeller, however, were limited only to the advancement of knowledge and human welfare. Reviving the needy was not their objective. They would attack

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[15] Robert H. Bremmer, *American Philanthropy*, (Chicago: The University of Chicago Press, 1960), 57.
[16] Parmar, 37.
[17] "Our History A Powerful Legacy," The Rockefeller Foundation Website, accessed November 22, 2012, http://www.rockefellerfoundation.org/who-we-are/our-history.
[18] "Founding and Early Years," *The Carnegie Foundation Website*, accessed November 22, 2012, http://carnegie.org/about-us/foundation-history/founding-and-early-years/.

misery at its source through the weapon of research."[19]Although Zunz asserts that there were limits to Carnegie and Rockefeller's work, what they did was absolutely monumental at the time in terms of providing international aid and resolving international crises through research, specifically about epidemics. The philanthropic trend continued to grow later into the twentieth century.

With the United States in the spotlight as one of the world's super powers in the post-World War Two era, the Ford Foundation gained momentum and took its place as one of the "Big Three" foundations in the world. Godfrey Hodgson, a historian of this era, suggests that, "the Establishment from the WWII era is a group of men who know each other, have a lot of power, and use their power to put a stop to things they don't like or to promote things or men they like."[20] This so called "Establishment" includes the founders of philanthropic foundations, which Henry Ford, the owner of the Ford Motor Company, had just become a part of. However, Ford's story goes deeper than just a desire to promote things that he liked and get rid of things he did not like.

The Ford Foundation was born around a time of intense controversy surrounding inheritance, income, and corporation taxes.[21] In 1936 the New Deal Inheritance Tax was passed allowing for a seventy percent tax on fortunes over fifty million dollars, this included Henry Ford's. The Ford Foundation was created as a legal way to skirt around this inheritance tax and to ensure that the company could be passed on to the next generation of Fords.[22] It all started with a $25,000 gift from Edsel Ford, Henry's son.[23] Soon after, Henry and Edsel Ford signed

[19] Parmar, 17.
[20] Ibid.
[21] Bremmer, 174.
[22] Zunz, 173.
[23] Frank Emerson Andrews, *Philanthropic Foundations,* (New York: Russell Sage Foundation, 1956), 28.

over their class A stock in the Ford Motor Company to the Foundation. This move, according to Zunz, "proved to be a turning point in the history of the nonprofit sector."[24]

The Foundation started as the stereotypical family foundation would at the time. It did most of its work in Detroit, Michigan with grounds to use the money for "scientific, educational, and charitable purposes."[25] Over fifty percent of its grants were made to educational and charitable institutions that Henry Ford had established between 1936 and 1948 – the most prominent of these being the Henry Ford Hospital and the Edison Institute.[26] These institutions although important to the local and national community were relatively small in scale compared to the programs the Ford Foundation would fund later on. After Edsel and Henry Ford's deaths in the mid 1940's, Edsel's son, Henry Ford II, took control of both the Motor Company and the Foundation. Under a lot of pressure because many argue that the Foundation had the ability to, "spend on a larger and broader front than any other foundation,"[27] Ford II began to broaden the Board of Trustees, confirming that the Foundation was about to become a national and potentially international organization.[28]

According to Ford II, "when new, vast funds were in prospect we thought that the amount of funds that would be available in this public instrument was of such magnitude that it would hardly be right for one family to have the decision as to the distribution in how they should be spent."[29] In other words, Ford II recognized that the United States was in a period of vast prosperity and power at the beginning of the Cold War. This recognition is significant because it symbolized the Ford Foundation's realization that it could be an influential player in this

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[24] Zunz, 173.
[25] "Overview of History," *The Ford Foundation Website,* accessed November 22, 2012, http://www.fordfoundation.org/about-us/history.
[26] Frank Andrews Emerson, *Philanthropic Foundations,* (New York: Russell Sage Foundation, 1956), 28.
[27] Bremmer, 178.
[28] Francis X. Sutton, "The Ford Foundation: The Early Years," *Daedalus,* (1987): 45.
[29] Henry Ford in Frank Emerson Andrews, *Philanthropic Foundations,* (New York: Russell Sage Foundation, 1956), 28.

important time of development in global politics. With this sentiment, Henry Ford II put H. Rowan Gaither, a San Francisco lawyer, in charge of forming and leading a committee to get a sense of what the people of the United States thought that the Foundation should use its money for. This process of surveying people was too tedious and unproductive from Gaither's perspective, so in 1948 he began work on a report to restructure and redirect the Ford Foundation. This report would later be known formally as The Gaither Report.[30]

The study committee in charge of coming up with the internal report was made up of, Thomas Carrol, Syracuse University and later President of George Washington University; T. Duckett Jones, Harvard Medical School; Donald Marquis, University of Michigan; William DeVane, Dean of Yale University; Charles Lauristen, California Technical Institute; Peter Odegard, University of California; and Francis Spaulding, Commissioner of Education in New York State. The fact that all members of the committee came from backgrounds in Education and Science would critically influence the path of the Ford Foundation in the coming years.[31] The report they developed would separate Ford from the major philanthropic foundations of the time: instead of focusing on one or two areas of concern, it focused on solving all of human kind's most pressing problems. The committee members agreed that the only way to solve human kind's most pressing issues was through the enhancement of democracy.

The committee outlined its vision of democracy at the beginning of the Gaither Report. It, "agreed at the outset that it should view the needs of mankind in the broadest possible perspective, free from limitations of special professional interests, if it was to discover the most important problems and opportunities of human welfare."[32] This theme of human welfare and

[30] Sutton, "The Ford Foundation: The Early Years," 47.
[31] John Krige, "The Ford Foundation, European Physics, and the Cold War," *Historical Studies in the Physical and Biological Sciences,* (1999): 337.
[32] "Report of the Study for the Ford Foundation on Policy and Program," (Detroit: The Ford Foundation, 1949),10.

human dignity defined as, "man must be regarded as an end in himself, not as a mere cog in the mechanisms of society…. Implicit in it is the conviction that society must accord all men equal rights and equal opportunity to develop their capabilities and must, in addition, encourage individuality and inventive and creative talent,"[33] appeared over and over again throughout the report. The committee members believed that the only way that human welfare and human dignity could be enhanced and supported was through the reaffirmation of democratic principles.[34] The Ford Foundation's emphasis on the individual in this segment, human welfare throughout the entire report, and democracy as human kind's salvation is significant in the context of the time. The take home message from the Gaither report was that democracy would save the world from conflict.

It was the beginning of the Cold War and this very idea of democracy for individuals that the Ford Foundation presented in the Gaither Report was being opposed by communism in Europe. To the Ford Foundation as with the United States, "human kind's most pressing issues" at this point in the early 1950's looked a lot like communism. Not only did the Ford Foundation support these ideas of democracy, but it also argued that, "We must take affirmative action toward the elimination of the basic causes of war, the advancement of democracy on a broad front, and the strengthening of its institutions and processes."[35] The basic causes of war referred directly to the Cold War context. The focus on the individual rather than the collective was in direct response to the collective framework of the communist regime. Furthermore, although Ford claimed to be disconnected from politics and therefore the United States government's response to the Cold War they wrote in their report, "When democracy is threatened by war we must be prepared to defend it by military action. But military strength is not enough. We must at

[33] Ibid., 17.
[34] Ibid., 14.
[35] Ibid., 21.

the same time press democracy forward by reaffirming its principles in action."[36] The fact that the Ford Foundation echoed United States foreign policy in the Gaither Report places it on the Cold War's political stage. However, it is one thing to support democracy as a solution and be on the stage, but it is another thing to take action to enhance democracy.

The committee wrote extensively on the fact that inherent in democracy is action. They affirmed that every man has a moral obligation to use his capabilities to enhance democracy and to become an active citizen rather than a burden on society.[37] By finding creative ways to enhance democratic principles in individuals the Foundation believed that it could enhance democracy on both a national and global level. Going forward the committee members established five different program areas to organize how the Foundation would work to promote democracy. In short they were: the establishment of peace, the strengthening of democracy nationally and internationally, the strengthening of the economy, the advancement of education in a democratic society, and improvement of scientific knowledge about human behavior and human relations. The board of trustees unanimously approved these five program areas and in 1950 the report went public. Through these program areas the focus of the Foundation shifted from dealing with several local issues, to primarily promoting democratic values through education. The Foundation's action to enhance education they hoped would help to achieve world peace on a much bigger scale. One who takes action is an actor. Therefore, the Ford Foundation's promise to take action made it a political actor in the creation of the ideological framework the United States used in opposition to communism in the Cold War.

The fact that the Foundation was emerging as a political actor in the social, political, and economic climate at the time of the report's release created quite a stir. Before taking action and

[36] Ibid., 22.
[37] Ibid., 18.

using education to promote democracy, the committee members needed to make sure that the rest of the Foundation was on board with the program areas and the plan going forward. Gaither consulted his colleague George Keenan, who was on leave from the State Department in 1950, for advice. Dyke Brown, a Vice President of the Ford Foundation with a focus on the Public Affairs program, in conversation with Keenan wrote, "George Keenan's view, as I understand it, is that the Foundation should not support Cold War activities…for two reasons a. it is not appropriate to the charter of the Foundation to do so and b. that the Foundation could not have any immediate effect on the world crisis of the USSR."[38] Unfortunately, by making the goal to bring democracy to the rest of the world through education at the same time that an enormous super power was also trying to spread communism and the United States government was doing all they could to stop the spread of communism, it was impossible for the Foundation to remove itself from the Cold War context and logic. Although Keenan's advice may have made sense in another context, I argue that it became quite clear that it was impossible to do philanthropy at this time without being political, as the basis of philanthropy at this point in United States history was to enhance a political ideology.

To carry out the Ford Foundation's new program areas, the report also called for a re-organization of the Foundation's board and executive structure. With this reorganization Henry Ford II appointed Paul G. Hoffman, a former businessman and leader of the Marshall Plan, as the President of the Ford Foundation.[39] Ford II's choice in Hoffman was by itself political as he was arguably an architect of post-war reconstruction, ideas that would soon influence the Ford Foundation's "action." Hoffman immediately set up a headquarters in Pasadena, California for planning and directing activities, an office in New York for receiving and approving grants, and

[38] Sutton, "The Ford Foundation: The Early Years," 60.
[39] Sutton, "The Foundation: The Early Years," 74.

one in Detroit for fiscal management of the Foundation.[40] Hoffman began using education to enhance democracy in three steps.

First, he set up a fund for the Advancement of Education and a fund for Adult Education. These funds were created to support social science education in the United States for both American scholars and international scholars studying in United States universities. By educating United States scholars with scholars from the East (i.e. Germany) about United States political and economic policies the Ford Foundation hoped it could help to spread a democratic ideology.[41] Inderjeet Parmar, a critic of the Big Three Foundations in the United States, suggests that also by bringing people from abroad into the United States, allowing them to live the American way, teaching them about the positive pieces of American heritage, and showing that America was about more than just material prosperity, the international scholars were persuaded about the benefits of democracy. The idea of this program was to then send these scholars back to their home countries to preach the benefits of democracy and aspire to modernize institutions to look like those in the United States.[42]

In addition to promoting the establishment of modern institutions, inspired by the United States model, through these programs foundations at the time had the power to define what should be considered legitimate and illegitimate knowledge. Legitimacy for the Ford Foundation's programs was determined by how rooted the knowledge was in democracy. Ford, already so deeply connected to the highest level of United States educational institutions, to every aspect of United States foreign policy, and to all the major economic centers of power in the United States, achieved more power to establish what should be considered legitimate knowledge on a global scale with its inclusion of international scholars in its programs through

[40] Zunz, *Philanthropy in America,* 146.
[41] Sutton, "The Ford Foundation: The Early Years," 58.
[42] Parmar, 105.

United States universities. This put them in an extremely powerful role, which they proceeded to use strategically and politically as the Cold War heated up.[43]

Hoffman further used education to enhance United States ideas of democracy and development through international programs like the Harvard University International Summer Seminar, which taught elite and well educated Americans about other places in the world.[44] As Milton Katz, a former Marshall Plan ambassador in Europe and an associate director of the Foundation, stated in a Ford Foundation Report, "A primary task of this psychological warfare is to analyze the beliefs and attitudes of the people of each area and develop techniques for manipulating these factors to evoke desired behavioral responses."[45] Katz affirms here that the goal of these programs was to understand why other people believe what they do in order to develop strategies to make them believe in democracy. It is important to note here that Katz' use of "psychological warfare" to describe this phenomenon is extremely provocative. With this phrase he implies that the Foundation used its development of education through these programs as its political weapon, reaffirming the Foundation's role as a political actor in the Cold War.

Lastly, Hoffman and the Ford Foundation supported the funding of universities in other parts of the world whose goals were to promote democracy. The most famous example is the Free University in West Berlin, which in 1951 had 5,500 students and was located in a very important spot in the context of the Cold War.[46] These programs abroad, according to Oliver Zunz, were part of a larger European program created by the State Department and the CIA. The goal here was to promote Western culture and democracy as well as redefining American culture

[43] Ibid., 9.
[44] Ibid.,97.
[45] Katz in "Report of the Study for the Ford Foundation on Policy and Program," (Detroit: The Ford Foundation, 1949), in [45] Oliver Zunz, *Return to Philanthropy in America: A History,* (Princeton: Princeton University Press, 2012) , 149.
[46] Zunz, *Philanthropy in America,* 148.

in the eyes of the Europeans.[47] Ford's neglect to hide its involvement in programs designed by the State Department and the CIA, which functioned on behalf of "freedom" from communism, confirmed all allegations that Keenan's previously mentioned advice had been discarded. At this point Hoffman made no effort to cover up the fact that the Ford Foundation was part of the development of the United States' ideological framework in the Cold War. Many argue that this crosses the line into political action and therefore goes against the promise made in the Gaither Report.

After only twenty six months, Hoffman's international work strayed from what Henry Ford II thought was right for the Foundation.[48] After Hoffman returned from a three-month leave to work on the Eisenhower presidential campaign, Ford II made the decision to let him go from the Foundation. Overall, his reign as President had revolved around Area I established in the Gaither Report. He had set the "international course that the Foundation was to follow to the present."[49] However, his more flexible approach of dealing directly with political leaders potentially put him in too central of a position, one that Henry Ford II was not comfortable with. Ford II felt as though Hoffman's actions were too political and arguably too involved in United States foreign policy concerns about the Cold War. Sutton, a former employee of the Ford Foundation in France, suggests that "he was not alone in his fascination with the problems of under developed countries, but, as we have seen, judgment differed greatly as to how important a role development could play in reaching the overriding aim of establishing the conditions of peace."[50] Henry Ford II understood how big a role the Ford Foundation could play in establishing peace and containing communism because of their place in the political, economic,

[47] Ibid, 148.
[48] Sutton, "The Ford Foundation: The Early Years," 74.
[49] Ibid.
[50] Ibid., 74.

and international centers of power in the United States. However, acting on these power positions to carry out political activity, as Hoffman did, strayed from the promises to stay separate from political, private, and religious activity that the Foundation agreed to initially. Letting go of Hoffman was Ford II's way of trying to hold on to these promises. Needing someone to fill in for Hoffman, Ford II looked once again to H. Rowan Gaither.

Soon after Gaither became president of the Ford Foundation in 1953 he consolidated the offices in New York.[51] Unfortunately, Gaither walked into a situation more complicated than he could handle, further deteriorating his already poor health. It was the beginning of the McCarthy Era, a time when people lived in fear and paranoia about the spread of communism and rejected intellectualism more intensely than ever before.[52] Many criticized the Foundation for bringing so many "outsiders" from the East into the United States universities and for funding programs, especially in communist territories, like the Free University in West Berlin. However, Gaither stayed true to the initial report and the mission. He increased the Foundation's international activities in the early 1950's, especially in regards to research, claiming that "they were serving important national interests through Ford's international programs."[53] In other words, he strongly believed that everything the Ford Foundation did was for the benefit of the nation. Moreover, the Foundation was indirectly and directly connected to United States foreign policies. In most cases in a hierarchy of power, the Ford Foundation was above the countries it worked to bring peace to. As Peter Bell reminds us, "the harmony-of-interests assumption underlying the belief that more knowledge promises peace may be ingenuous; it almost certainly coincides with the interests of

[51] Richard Magat, *The Ford Foundation at Work: Philanthropic Choices, Methods, and Styles,* (New York: Plenum Press, 1979), 166.
[52] Magat, 31.
[53] Sutton, "The Ford Foundation: The Early Years," 84.

an industrial power in relation to less developed countries."[54] This could certainly have been the case for Ford especially as the focus went from action to research and knowledge enhancement.

Gaither made his interest in research clear with his development of the Center for Advanced Study in the Behavioral Sciences, under Area IV,[55] in 1954, the development of the Center for International Legal Studies at Harvard in 1955, the establishment of the National Merit Scholar program also in 1955, and the major efforts to strengthen business education in the United States towards the end of the same year. Also, during his time as President he led a charge to do some financial rearranging, including the public sale of a large percentage of Ford Motor Company stock yielding around $640 million dollars.[56] This move enhanced the Foundation dramatically and put it well on its way to becoming one of the biggest and most influential foundations in the world. With his stress on the enhancement of United States education through research Gaither attempted to shy away from international education as a weapon in the Cold War. Although his less outward approach made his time in charge less controversial than Hoffman's presidency, the Ford Foundation's mission remained securely involved in United States foreign policy. Research was certainly a form of action.[57] In 1956, because of poor health, Gaither stepped down and Henry Heald became President of the Foundation.[58]

Heald focused mainly on the national agenda, establishing and funding programs that related to the betterment of lives in the United States, specifically with children. However, in 1958 the calmness of the previous five or so years was lifted with the appointment of John J.

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[54] Peter D. Bell, "The Ford Foundation as a Transnational Actor," *International Organization*, (1971): 471.
[55] Area IV, as outlined in The 1950 Gaither Report, focused on the advancement of education in a democratic society.
[56] Magat, 166.
[57] Zunz, *Philanthropy in America*, 185.
[58] Magat, 167.

McCloy as chairman of the Board of Trustees of the Foundation. Hoffman originally brought McCloy into the Ford Foundation as a member of the Board of Trustees in 1952. He had previously been the United States High Commissioner to Germany and administered the Marshall Plan aid. When he became chair of the board in 1958 he went immediately back to Area I, to increase the Foundation's role internationally. This included the extension of the Overseas Development Program to Africa, the establishment of the International Institute for strategic studies in 1959, and eventually late in 1959 the extension of the Overseas Development Program to Latin America and the Caribbean.[59]

McCloy's return to Area I proved to be just as controversial as Hoffmans. The extension of the Overseas Development Program to Latin America and the Caribbean happened in conjunction with the arrival of communism in the western hemisphere through the Cuban Revolution.[60] Looking to enhance democracy and contain communism, the Ford Foundation immersed itself once again in international education as a means to spread ideas of modernization to hopefully spark economic development. It hoped economic development would ideally lead to more political stability and would therefore decrease Latin America's vulnerability to communism. I explore this relationship between Ford and the Cold War in Latin America in the next chapter.

The Foundation's early years were undoubtedly controversial. The story suggests that the boundaries that the Ford Foundation had promised to keep in the Gaither Report of 1950 between their work and the work of the United States government against communism were crossed time and time again for many of the early years. Although it agreed to stay separate from all political, economic, and religious activity, its mission to promote democracy as opposition to

[59] Magat, 168.
[60] Bell, 470.

communism in the midst of the Cold War era was significantly intertwined into United States foreign policy, and was therefore certainly political.

CHAPTER TWO

Through the Lens of the Alliance for Progress and the Ford Foundation: Latin America in the Cold War 1960-1973

Following World War Two, "containment" or the need to stop the spread of communism consumed United States foreign policy. Because the threat appeared to be more immediate in Eastern Europe and Asia through the late 1940's and into the early 1950's the United States focused most of its attention, work, and aid in those regions. However, the climate of radical political and social change throughout Latin America led to Arbenz' regime in Guatemala and the fear of communism spreading to the western hemisphere. This climate of radical change caught the attention of the United States government and resulted in severe political, economic, and social instability throughout the region. Instability equated to vulnerability and weakness. From the perspective of United States government officials this instability could be especially inviting to communism.

Obviously concerned about the proximity of this region to their own borders, the United States began to invest more in its relationship with Latin America towards the end of the 1950's. This trend is evident by United States intervention in Guatemala in 1954 and Vice President Nixon's tour of Latin America in 1958. As this relationship shifted, the Ford Foundation, also dedicated to the spread of democracy through human welfare as outlined in the 1950 Gaither report, extended the Overseas Development Program to Latin America and the Caribbean. By 1962 a permanent office had been established in Rio de Janeiro, Brazil and Ford placed several representatives throughout Latin America in hopes of reinforcing United States efforts and policies to enhance democracy in the region.

Regardless of how much representatives of the Foundation wanted to be associated with the United States government in the mid-twentieth century, as argued in Chapter One, this association was inevitable. The Foundation's mission in terms of development and democracy in Latin America paralleled United States foreign policy at the time. Although the association was inevitable, the Foundation had to constantly be conscious of how it skirted the line between simply association and political action. To understand how the Ford Foundation became involved as a political actor in the implementation of modernization and development in Latin America it is important to understand the context surrounding the Ford Foundation's relationship with United States foreign policy.

In this chapter I analyze the entrance of the Ford Foundation in Latin America in the context of the Cold War. To understand the Ford Foundation's place in the region I look deeply into the Alliance for Progress, a program implemented in 1961 by the Kennedy Administration that is arguably the most tangible representation of the changing relationship between the United States and Latin America in this period. The Kennedy Administration claimed that the Alliance for Progress was meant to encourage economic development in Latin America. However, many argue that the enhancement of this relationship through the Alliance was directly related to the need to stabilize Latin America to stop communism from spreading. With this understanding of the changing relationship and Latin America in a Cold War context, I dig deeper into how the Ford Foundation adapted the framework and concepts present in the Alliance for Progress to make its own mark on Latin America. I argue that although the Ford Foundation attempted to look for ways to stay out of the "retailing business" or the "politically sensitive fields," that made the Alliance so controversial, its interaction with several institutions of higher education and its

use of education to spread the United States goals of modernization, development, and therefore democracy was the Foundation's "weapon" of choice as a political actor in the Cold War.[61]

The Alliance for Progress represents a great place to start to understand the United States-Latin America relationship in a Cold War context. Historians begin the conversation about the Alliance for Progress from several different angles depending on what they are hoping to prove. I will start the story with Vice President Nixon's visit to Latin America. Although the Alliance is implemented by a different administration, Nixon's visit in conjunction with United States intervention in Guatemala is representative of the increase of United States curiosity and worry about the region. President Eisenhower sent Nixon down to Latin America for the Inauguration of President Kubitschek in Brazil and to tour Uruguay, Argentina, Paraguay, Bolivia, Peru, Ecuador, Colombia, and Venezuela in 1958. Eisenhower asked him to pay specific attention to the countries that were particularly politically unstable and to analyze the potential of enhancing United States- Latin American relations in these countries.[62] Throughout his trip he ran into several nationalist and anti-United States demonstrations, mostly student run, who expressed anger about United States intervention in Guatemala in 1954 and questioned United States motives.[63]

For example, having been warned that Caracas could be a dangerous spot for the Vice President to visit, the United States government had called for backup security to take Nixon throughout the city. Upon arrival an enormous mob of more than 4,000 people took over the line of cars, sending the Venezuelan police running, and causing much damage to the Vice

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[61] Magat, 49.
[62] Department of State, "Letter from the Secretary of State to the Vice President," United States Department of State: Office of the Historian, Document 42, March 6, 1958 , accessed November 20, 2012, http://history.state.gov/historicaldocuments/frus1958-60v05/d42.
[63]Department of State, "Memorandum From the Acting Assistant Secretary of State for Iner-American Affairs (Snow) to the Secretary of State," United States Department of State: Office of the Historian, May 9, 1958, accessed November 20, 2012, http://history.state.gov/historicaldocuments/frus1958-60v05/d64#fn1.

President's brigade. Although Nixon was not physically injured, it shook up the entire team and sent a powerful and worrisome message to the United States about Latin American sentiment towards their neighbors.[64]

When Nixon returned he comforted the American's waiting for him at the airport saying that:

> While there were incidents, incidents in which a very small violent vocal minority were able to enlist the support of some innocent peoples who were misled as to what United States motives really were. While those incidents occurred I can tell you that from my observations in each one of the countries we visited that the vast majority of the people are friendly to the United States today.[65]

Although Nixon's speech may have been reassuring, according to the Memorandum from the Acting Assistant Secretary of State for Inter-American Affairs to the Secretary of State it was made perfectly clear that this attack was cause for concern. The tour found that, "a number of factors have combined in Latin America to provide a fertile background which the communists could exploit."[66] Nixon may have masked the significance of this incident to the public, but the administration did not take this attack or the findings of this report lightly.

This report brought to light exactly what was at stake for the relationship between the United States and Latin America in the context of the Cold War. After the United States had been involved in the overthrow of a democratically elected government in Guatemala four years earlier and in the midst of the threat of communism in Cuba, the sense of anti-United States

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[64] Department of State, "Memorandum from the acting assistant secretary of state for inter-american affairs (snow) to the secretary of state," United States Department of State: Office of the Historian, Document 54, May 15, 1958, accessed November 20, 2012, http://history.state.gov/historicaldocuments/frus1958-60v05/d54.
[65] "Vice President Nixon is Attacked," *History Channel*, accessed December 2, 2012, http://www.history.com/this-day-in-history/vice-president-nixon-is-attacked.
[66] Department of State, Document 54, May 15, 1958.

sentiment throughout the region was growing.[67] On top of politically, economically, and socially unstable countries this sense of nationalism translated to hatred towards the United States, which worried Eisenhower and his administration tremendously. Although the United States government had chosen to focus on Europe and Asia in their efforts to stop the spread of communism, the effects of the Cold War in Latin America where equally as daunting and concerning as those in the Eastern Hemisphere. I argue that the proximity of the region to the United States border heightened the concern. This visit confirmed that the United States did not have control of this region. Control or power is what they would work tremendously hard to gain in the coming decade.

Between Nixon's visit in 1958 and the creation of the Alliance for Progress in 1961, from the United States perspective Latin America was growing even more unstable. Milton Eisenhower surveyed and outlined some of these concerns in a report to his brother, the President of the United States at the time.[68] He noted that there had been a sharp decline in world trade, the issue of mass migration was still growing,[69] illiteracy, especially in the rural areas, had spread rampantly, and most economies relied on single products for export, which added significantly to the enormous wealth disparity gap. Furthermore, agricultural growth fell behind population growth. The population grew so exponentially that at one point in the 1960's over half of the population was under twenty years old and was approaching a job market in economies that

[67] Cavell, 70.
[68] Department of State, "Memorandum From the Special Assistant in the Bureau of Inter-American Affairs (Hoyt) to the Assistant Secretary of State for Inter-American Affairs (Rubottom)," United States Department of State: Office of the Historian, Document 64, June 23, 1958, accessed November 20, 2012, http://history.state.gov/historicaldocuments/frus1958-60v05/d64.
[69] In the 1960's over 40 million people would move into the cities and only 5 million jobs would be created.

could barely generate employment opportunities. [70] These factors all resulted in instability, which increased both Latin America's vulnerability, and consequently United States concern.

The United States President Eisenhower's foreign policy in this post-war or Cold War era, attributed this lack of development and instability to a preference within Latin America for traditional institutions and a failure to take advantage of the transfer of technology from western, developed countries. This, many theorists argued, hindered the expansion and productive functioning of Latin American economies. Further, they affirmed that in order to bring stability to the region, social structures, cultural values, and political institutions needed to be revamped to look more like the institutions, policies, and values of modern, developed nations like the United States.[71] The United States attempted to attack the "root causes of backwardness or traditionalism," and revamp these structures by infusing ideas of liberal, non-revolutionary democracy in the region through the Alliance for Progress.[72]

Although President Eisenhower and the United States government had a heightened concern about Latin America, the conversation about the Alliance was actually initiated by Kubitcheck, the President of Brazil from 1956 through 1961. Kubitcheck reached out to the United States to ask for financial support because he could not find enough in his own country. Eisenhower expressed immediate interest in this request.[73] Brazil had been singled out as a country to watch because of its geographical size, location, and population of over seventy million people. Eisenhower feared that if they lost Brazil to communism it would be comparable

[70] Edward Kennedy, Forward, in Ronald Scheman ed., *The Alliance for Progress: A Retrospective*, (New York: Praeger, 1988), 5.
[71] Colin S. Cavell, *Exporting 'Made in America'* Democracy, (New York: University Press of America, 2002), 44.
[72] Daniel Levy, *To Export Progress: The Golden Age of University Assistance in the Americas*, (Bloomington: Indiana University Press, 2005), 24.
[73] Ronald Scheman, *The Alliance for Progress: A Retrospective,* (New York: Praeger, 1988), xvi.

to losing China, a risk they could not take. [74] Through correspondence with Kubitchek at the end of the decade, Eisenhower agreed to the establishment of the Inter-American Development Bank and later to the Operation Pan America. Modeled after the Marshall Plan, the goal of the Operation Pan America was to jump start the Latin American economy just as the Marshall Plan had done in Europe.[75] To support these efforts, Eisenhower immediately sent $500 million dollars to Latin America through the Inter-American Development Bank.[76] With these programs, the United States appeared to gain some semblance of control in Brazil. Stabilizing the economy and building this relationship, Eisenhower hoped, would be the first step to modernization.

In 1961 both the United States and Brazil transitioned to new leadership, John F. Kennedy, the new United States President expressed even more concern than his predecessor about the state of Latin America. However, the new president of Brazil, Janio Quadros, expressed much less enthusiasm about relations with the United States. While Kennedy worked to officially implement the "Alliance for Progress," Quadros reestablished diplomatic relations with the Soviet Union and refused to support the United States efforts to invade Cuba. This "progress" alluded to in the Alliance's goals did therefore not get as much support from Brazil and was quite clearly modeled after the United States meaning of the word entrenched in theories of developmentalism and modernization.[77]

In his inauguration address President Kennedy claimed that progress would come from, "a rededication by all the American peoples, from the great lakes to the straits of Magellan, to the noblest of all alliances: an alliance not to prepare for way to make the blessings of people

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[74] Ruth Leacock, *Requiem for Revolution: The United States and Brazil 1961-1969.* (Kent: The Kent State University Press, 1990), 13.
[75] Douglas Dillion, 'The Prelude," in Scheman ed., *The Alliance for Progress: A Retrospective,* (New York: Praeger, 1988), 64.
[76] Paul E. Sigmund, *The United States and Democracy in Chile,* (Baltimore: Johns Hopkins, 1993), 14.
[77] Leacock, 13.

available to all; not to defend freedom and produce what we need; not to deny opportunity to anyone but to make the circle large enough for everyone."[78] This excerpt is humanistic and hard to deny, however the Alliance as well as Operation Pan America and the Inter-American Bank, were of course well thought out, and some would argue manipulated by, the United States government.[79] As much as they claimed they worked for the good of Latin America it was understandably just as much for the good of the United States. Milton Eisenhower confirms this sentiment in his report: "the alliance is coincidentally our best hope for soothing the evil that seeks to destroy the concept of associated free nations to substitute absolutism reminiscent of social man prior to the dawn of human freedom."[80] The United States motives to stop the spread of communism cannot and should not be discounted, as they influenced the Alliance for Progress, which in turn severely influenced Latin American society.

Although many countries signed the Alliance, including Brazil, when the conversation about Inter-American relations began, these same countries questioned why the United States looked to be so involved in Latin American politics and development all of the sudden. Figures, the President of Costa Rica for three separate terms in the mid-twentieth century, argued that the United States did not understand the work Latin America had already done just to establish some semblance of democracy.[81] He questioned why the United States at this time wanted to join what he considered the "Second War for Independence." Figures later inferred that the United States entered Latin America, "because of the instinct of the nation they saw, yesterday and the day before as well as it sees today, that the moment arrived when her own national freedom and

[78] Department of the State, "The Alliance for Progress," *Bureau of Public Affairs*, (1964): 6.
[79] Eduardo Frei Montalva, "The Alliance that Lost Its Way," *Council on Foreign Relations* (1967): 439.
[80] Milton Eisenhower, "The Alliance for Progress: Historic Roots," in John Dreir, *The Alliance for Progress: Problems and Perspectives,* (Baltimore: Johns Hopkins Press: 1962), 23.
[81] Jose Figueres, "The Alliance and Political Goods" in John Dreir, *The Alliance for Progress: Problems and Perspectives,* (Baltimore: Johns Hopkins Press: 1962), 67.

prosperity were endangered."[82] In other words he suggested that the United States government supported the Alliance for Progress for selfish and political reasons rather than actual concern for their neighbors like Milton Eisenhower and President Kennedy claimed they were above.

The Alliance for Progress' mission was to prevent the spread of communism through the promotion of development. From the United States perspective development and democracy went hand in hand. Development meant embracing technological innovation, like the United States had fully committed to. It meant the replacement of dated educational institutions with new, modern universities modeled after those in the United States. It meant the welcoming of international corporations and foundations to make Latin America a greater economic player in the global economy. It was this, the Alliance for Progress implied, that would "modernize" Latin America and prevent the vulnerability that could facilitate the spread of communism.[83] According to Cavell, an expert on modernization theory, "the key to modernization theory was the necessity to copy institutions of the advanced states in the West and with Western Education and technical assistance and training, speed up the process of development." [84] In other words, the United States believed that the best way to modernize and therefore develop Latin America was to, "produce a political system that looked just like America, or as we imagined America to be: liberal, pluralist, democratic, and socially just."[85] The United States attempted to modernize and speed up the development process in Latin America through the Alliance for Progress.

Unfortunately for the United States and the Kennedy Administration, the theories of development and modernization that the Alliance for Progress was built on, did not fit with the

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[82] Figueres, 70.
[83] Wiarda in Colin Cavell, *Exporting 'Made in America' Democracy,* (New York: University Press of America, 2002), 69.
[84] Cavell, 44.
[85] Howard Wiarda and Esther M. Skelley, *Dilemmas of Democracy in Latin America: Crisis and Opportunity*, (New York: Rowman and Littlefield, 2005), xiv.

theories of development present in Latin America. In addition to the political questioning of the United States motives outlined earlier, Raul Prebisch the most established and well-known economist of Latin America, also questioned the United States involvement and the concept of modernization. He developed his own theories of development in direct opposition to the theories of modernization. His theory would come to be known as "dependency theory."

Dependency theory was rooted in the idea that development for Latin Americans meant becoming more economically independent from world powers. For decades Latin America's task had been to produce food and raw materials for export. Industrialization and technology innovation in the region did not exist nearly at the same level as it did in developed countries. Instead, they produced the goods the developed countries needed for their own industrialization. Prebisch certainly valued industrialization for progress, but in a different sense then Kennedy's Alliance for Progress model suggested. Prebisch argued that if Latin American economies were going to recover and move forward they had to be protected against foreign competition and international economic colonialism.[86] Latin America had to come together as a collective to, "protect its own image- its authentic image- in this process of development. We have to shape it according to our own ways of feeling and thinking and our own concepts of action. We cannot repeat or imitate the historical course of the capitalistic development of the most advanced countries."[87] He understood that foreign influence would have some effect, but he constantly reminded Latin American people through dependency theory that ideas of "progress" and

[86] Raul Prebisch in Nystrom and Haverstock, *The Alliance for Progress: Key to Latin American Development,* (Princeton: Van Nostrand and Company, Inc., 1966),141.
[87] Raul Prebisch, "Economic Roots," in John Dreir, *The Alliance for Progress: Problems and Perspectives,* (Baltimore: Johns Hopkins Press: 1962), 25.

"development" had to be unique for the people, about the people, and with the people of Latin America.[88]

Furthermore, from an intellectual viewpoint, a Professor at the University of Chile reported to a New York Times reporter, Henry Kaymont, "there is an implied theory among economic planners that the protestant ethic with its emphasis on doing and competition, is more helpful to the process of economic development than our patriarchal system, which places family and political and intellectual realization ahead of material achievement."[89] In other words, he argued, as I reaffirm in this chapter, that ideas of action and competition reflected in the Ford Foundation's report and in United States foreign policy or development theories did not fit with the desired culture rooted in nationalism and state funded social welfare present throughout Latin America. This conflict added to the chaos of the Cold War and led to doubts about and the effectiveness of the Alliance for Progress.

As the United States administration worked to gain more control in Latin America through the Alliance for Progress, the Ford Foundation in the late 1950's was also deeply involved in practicing this same modernization theory of development on a national level in the United States. The Foundation, influenced by board members deeply involved in higher education, was starting to use education as a tool to spread ideas of modernization and development. The Foundation started this work nationally, but by the mid-1950s it expanded its influence to an international audience. This best example of this shift to an emphasis on education, and more specifically an emphasis on international education, is in 1955, when Ford started funding the Salzburg Seminar at Harvard University, Cambridge, Massachusetts in conjunction with the State Department and Fulbright. The seminar brought intellectuals in from

[88] Nystrom and Haverstock, 181.
[89] Henry Raymont, "US Aid to Latins is Held Harmful," New York Times, 1969, 28.

Eastern Europe and Asia and taught them western ways of thinking about modernization and development. The seminar leaders hoped that they would "return to their homes, spreading the Harvard seminar's message far and wide."[90] Additionally, the seminar aspired to "correct false impressions of the United States."[91] By spreading the United States thinking about political and economic development through education, the Salzburg Seminar program deeply imbedded itself in modernization theory. Although indirect, Ford's association with the program through funding implied their acceptance of and association with modernization theory.

The Salzburg seminar did not necessarily interact with Latin America or Latin America's scholars directly. However, Ford took the seminar's technique of enhancing education to spread democracy and encourage modernization into Latin America, the region that was causing increasing concern in the White House. Ford added Latin America to its Overseas Development Program in New York in 1959. It later opened its first Latin American office in Rio de Janeiro, Brazil in 1961. In the next couple of years the Foundation established regional offices in both Mexico City, Mexico and Santiago, Chile. Around this time the Ford Foundation also published an updated annual report to follow up on the ideas initially presented in the 1950 Gaither Report.[92]

This comprehensive annual report reflected on the time since the Gaither report, reestablished the Ford Foundation's goals and values, and reconfirmed the Foundation's promise to refrain from all political and religious activity. Under the leadership of Henry Heald, the former president of New York University and the Illinois Institute of Technology, the Foundation reworked its mission to emphasize the use of higher education to spread ideas of

[90] Parmar, 105.
[91] Ibid.
[92] Ford Foundation Board of Trustees, *The Ford Foundation in the 1960's: Statement of the Board of Trustees on Policies, Programs, and Operations,* (New York: Library of Congress, 1962).

development, modernization, and democracy.[93]In Levy's words, "higher education was the quintessential field where progress could be exported from the top down or from the center to the periphery."[94] Similarly in the 1962 report the committee asserts that, "the Foundation can help clarify educational goals, assist in overcoming fundamental short comings, and support efforts towards major new approaches in education practices and processes." [95] The theories of development and modernization that the Ford Foundation infused into the programs it funded in Latin America's state universities was still strongly tied to United States foreign policy.

The Ford Foundation focused on education in Latin America for several reasons. First, education was being used all over the world, not just for research and for intellectual growth, but more for the promotion of actions, which Ford believed were necessary in the enhancement of democracy. Second, when Nixon toured Latin America in the late 1950's he made note of an uncomfortable anti-United States sentiment and expressed concern about groups of students with intense feelings of nationalism. Obviously, this caused concern for the United States administration because the students were the educated population of society. Not only did they have the resources to protest, but it can be assumed that they also had the resources to recruit. It was this same of group of middle class students that the Alliance for Progress regarded as its most important audience. The Ford Foundation too, understood the importance of targeting this group first. Lastly, the Ford Foundation recognized that this method of involvement would be a way to keep their work separate from direct political activity while still deeply influencing political and economic theory.

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[93] Ford Foundation Board of Trustees, "The Ford Foundation in the 1960's: Statement of the Board of Trustees on Policies, Programs, and Operations," 11.
[94] Levy, 37.
[95] Ford Foundation Board of Trustees, "The Ford Foundation in the 1960's: Statement of the Board of Trustees on Policies, Programs, and Operations," 4.

The Foundation's primary influence in universities was through funding individuals. As the 1962 report asserts, "[the Ford Foundation] will continue to assist efforts of these countries to establish or improve their educational institutions, programs, and practices as a means of producing the trained leaders, skilled, persons, and enlightened citizens, essential to their national development."[96] The issue with this first is that the choosing of people is inherently political. The Foundation had the ability to choose people that they knew needed them in the sense that they would agree to adopt the Foundation's framework for development, at least enough to please the Foundation, while in the meantime still getting something out of the relationship. The people (mostly men) that the Ford Foundation funded were intelligent and sophisticated, and their reasons for involvement in the Foundation were not black and white. Second, as with the Alliance for Progress, the definition of national development and the meaning of "enlightened citizens" differed dramatically between the United States and Latin America.

As mentioned earlier, the Ford Foundation was deeply connected to the United States theories of developmentalism and modernization. Just as the United States government used the Alliance for Progress to enhance modernization the Ford Foundation used education. However, it appears that unlike the Kennedy Administration, the Ford Foundation representatives had some awareness of the fact that their vision of development differed from the vision entrenched in this region. Although they did not seem willing to surrender to dependency theory and they naturally still looked to bring democracy to the region, the Ford Foundation went into Latin America under the parameters that they must "understand the historical and social roots of Latin American societies, develop and test various solutions for the region's special needs, and establish closer

[96] Ford Foundation Board of Trustees, "The Ford Foundation in the 1960's: Statement of the Board of Trustees on Policies, Programs, and Operations," 12.

links both among Latin American social scientists and with their counterparts in the rest of the world."[97] The 1962 report furthered this parameter affirming that, "Aid will be given to efforts to increase American understanding of and participation in world affairs and to mobilize professional men and women and other leaders for international service."[98] This emphasis on increasing American understanding implies that the Foundation understood that the "exchange" of knowledge should be equal. However, the power dynamic between the Foundation, the Latin American scholars, and the United States foreign policy was inherently unequal, which made this exchange in terms of which ideas were considered valid quite obviously unequal. More so than the United States government however, the Foundation attempted to develop a mission to use their power to hopefully, more effectively, initiate political and economic development throughout the region by inserting a model of democracy into education systems that had some basis in Latin America's nationalist and populist traditions.[99]

Although it stressed the importance of learning about the region and being respectful of the people's interests in that sense, Parmar reminds us once again that the Foundation's thinking remained incredibly closely aligned with official United States thinking, most importantly in their desire to, "convert social scientists into sources of intelligence ahead of possible military or other interventions to ensure that societal problems were resolved within the 'existing political and legal order."[100] Just as the Kennedy Administration went into Latin America under the guise of enhancing economic development through the Alliance for Progress, the Ford Foundation representatives would go into institutions like the University of Chile and reform and remodel the social science departments. Stabilizing the economy through teaching modern lessons of

[97] Magat,157.
[98] Ford Foundation Board of Trustees, "The Ford Foundation in the 1960's: Statement of the Board of Trustees on Policies, Programs, and Operations," 6.
[99] Wiarda and Skelley, 13.
[100] Parmar, 189.

social science became their first step to modernization. Ideally, if they could teach Latin American economists to think like American economists and build economies that were dependent on the United States economy then they would have some power over the region, exactly what Prebisch tried to avoid, but also exactly what the Foundation and the United States government thought they needed to prevent the spread of communism.

When the Ford Foundation started doing work in the University of Chile and several other public universities throughout Latin America a sense of frustration with the United States intervention in Guatemala and United States involvement in Latin American affairs in general was felt amongst many students. This was made evident in the student protests and mobs when Nixon visited in 1958 and continued through the development of the Castro regime in Cuba. Many students did not believe in or trust the mission presented in the Alliance for Progress. Rumors circulated that the Alliance reflected just another case of United States imperialism and a political move to prevent the spread of communism. Some groups of students referred to the Alliance for Progress as the "the Castro plan", suggesting that the United States remained interested in Latin America solely because they feared a Castro-like revolution could spread to the rest of the region.[101] Furthermore, and perhaps even more concerning, many students did not see the problem with communism. As a historian of Brazil, Ruth Leacock suggests, "In Latin America, Castro's popularity seemed undiminished, at least in so far as Latin students and intellectuals were concerned. They believed that Cuba stood on the threshold of a period of rapid economic growth. Were some bloodshed, violence, disorder, food shortages, too high a price to pay for an end to dependence and exploitation?"[102] In other words, many students saw communism as the potential solution for their economic and political instability.

[101] Nystrom and Haverstock, 30.
[102] Leacock, 9.

Recognizing that the United States could not afford to lose this youthful, middle class, motivated population, using education to enhance modernization and development seemed like a perfect method for Latin America specifically. The Ford Foundation sent down representatives like Verne Atwater, a former banker, academic, and eventually Ford's first Vice President of Administration, to address these issues in Latin American universities. Atwater wrote a memoir about his experience in Latin America including his work with the University of Chile.[103] I will use this work as an example of how the Foundation pushed their vision of development into Latin America. I recognize that although I would consider this example representative of Ford's work in Latin America at the time, every country embodied a different political and economic state, so the level of Foundation work in universities varied. The most direct work the Ford Foundation did in these few years was in the University of Chile.

In 1957, Rector Juan Gomez Millas led a reform of the University of Chile. The reform meant to democratize and regionalize the school.[104] Ford, represented by Atwater, started doing work with the University in 1961. The Ford Foundation representives "focused exclusively on University reform and development as the most effective way to advance the economic development of the area."[105] Going back to the Alliance for Progress, the Ford Foundation and the Kennedy Administration hoped to enhance democracy and modernization through advancing economic development in Latin America. Without directly getting involved in the politics of the region Ford wanted, "to transplant into Chile, an 'American model of the policy oriented social-scientist: one who could serve any mainstream politics party or administration by providing objective advice based on certified professional expertise that eschewed ideology and

[103] Verne S. Atwater, *A Memoir of the Ford Foundation: the early years 1936-1968; an insider view of the impact of wealth and good intentions,* (New York: Vantage Press, 2011), 105.
[104] Atwater, 135.
[105] Ibid, 135.

politics."[106] In other words, it aspired to create an intellectual social-scientific elite group who understood all different perspectives, remained rooted in American models of policy, and could intelligently enhance debates to make the outcomes more sustainable. Hoping to get to the most people possible and to establish a larger network, Millas and Ford both supported the proposal for new "Regional Universities." These universities would function in different places around the country, but would be supported by and report to the University of Chile.[107]

Millas create "Regional Universities" as extensions of the University of Chile throughout the country to hopefully reach a broader demographic. The Ford Foundation gave the University of Chile a $1,430,000 grant for this project. The more people they could reach the better. The Foundation applied this grant to faculty development. It hoped to send faculty abroad to teach them the importance of being policy oriented and to enhance their knowledge on different perspectives and different models of economic and political development. The grant gave fellowships to worthy members of the University of Chile's intellectual elite. If a faculty member received one of these fellowships to study in America they were required to return to the University and become a full time teacher.[108] Ideally, they would come back to Chile and spread the American model of economic and political theory, similar to the Salzburg Seminar model at Harvard University referred to earlier. This use of funding represented a direct way to get political control and represents an implementation of modernization in Latin America.

Furthermore, Ford believed that by establishing these regional and global networks of well-trained scholars, institutions, standards, colleagues, and debates they could create a group of high-level human resources and social scientists that would quantitatively change Chile's

[106] Parmar, 191.
[107] Magat, 157.
[108] Atwater, 136.

political culture.[109] In order to do this the scholars needed to be educated on all parts of the spectrum. Through Ford Foundation programming the scholars were introduced to perceptions of both of the right, who believed in hierarchy, order, religion, and were strongly anti-communist, and of the left, who believed that the United States was imperialist, that socialism and Marxism were good methods of leadership, and who supported dependency theory (dependistas). With this knowledge and understanding, Ford hoped to create scholars who fell in the middle, who believed in modernization, democracy, and political freedoms, the basis of development from a United States perspective.[110]

Although the Foundation focused on pluralism and the center, they stayed conscious of the dangerous dependista thinking and its relationship to communism on the left. Even though the right thinking was not ideal, it was certainly better than communism. At the same time the Foundation funded the University of Chile, in a slightly smaller capacity it also funded the Catholic University of Chile, a traditionally conservative university.[111] The Catholic University was to be home of the Chicago boys, the universities top graduate students who had been chosen to study abroad in Chicago and who had come back to teach at the University. Although the program had similarities to what the Ford Foundation did at the University of Chile, the Catholic University did not put as much emphasis on intellectual pluralism. The economists produced by the program arguably expressed too much loyalty to their Chicago colleagues and did not pay enough attention to the Latin American context. In other words their teaching and their programs did not appeal to people and the nationalist economic strategies enough to make them productive and successful.[112] Although the Ford Foundation supported the program because it supported

[109] Parmar, 220.
[110] Ibid., 191.
[111] Ibid., 192.
[112] Parmar, 196.

anti-communism and political pluralism the Foundation put a much greater emphasis on understanding Latin American societies and giving them a chance, with the "correct" knowledge to "gain greater control over their own destinies," to hopefully garner more support and make the program more sustainable.[113]

The Ford Foundation's work with the University of Chile mirrored the work it did in international education around the globe. In Chile specifically it took time to understand the population it supported and it worked to create scholars and teachers who understood all parts of the spectrum. That being said, in the end it still prioritized modernization thinking as a way to displace the dependistas and protect Latin America from communism, therefore providing more security to the United States.[114] Although it would argue that the representatives did not directly involve themselves in political activity through the University per se, the method of using education, research, and creating networks made the Ford Foundation a political player in the fight against communism in the midst of the Cold War. Just like the Alliance for Progress, the Foundation hoped to enhance political and economic stability, in the region.

Because the Alliance for Progress garnered so much attention both in Latin America and the United States, the effects of it were watched to a greater extent than the effects of Ford Foundation work. This was because the Foundation simply was not working with as much money. The Alliance for Progress, which was eventually signed and accepted by the United States on March 13, 1961 and later approved by nineteen Latin American countries at Punta del Este in August of the same year, included a promise by the United States government, which many argue never fully took shape.[115]

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[113] Magat, 161.
[114] Sigmund, *The United States and Democracy in Chile, 80.*
[115] Nystrom and Haverstock, *The Alliance for Progress: Key to Latin America's Development,* (Princeton: D Van Nostrand, 1966), 39.

The United States promised to give $420 billion dollars of grants over ten years to spark economic growth of 2.5% per capita per year throughout Latin America.[116] In Brazil, the country the United States put the most money into and that caused the most concern, "by the middle of 1961 inflation had begun to fall and foreign investment had begun to increase as a result of the inauguration of the Alliance for Progress… But pressures mounted on Quadros, partly because of an independent foreign policy that annoyed Washington."[117] By 1961 voters ousted Quadros from the government and replaced him with Vice President Goulart, who would prove to be even weaker. Many argued that the Alliance for Progress pushed Quadros out because the Brazilian people, consumed with anti-United States sentiment, still felt frustration with his failure to resist United States intervention.[118]

The United States soon became a source for assistance not a partner of mutual cooperation. The Alliance could not reach the people it was intended to reach, which therefore threatened its initial social and cultural mission.[119] Many argue that the Alliance was destined to fail because the United States funds came slower than expected, because the goals put too high an emphasis on the political and economic aspects instead of the social and cultural, and because the United States pushed its vision of development with little regard for the Latin American vision of development. As Robert Packenham has argued, "the fundamental error of the alliance was the belief that all good things social, economic, and political go together, when in fact rapid social and economic changes place great strains on fragile democratic political systems."[120] In addition, political stability appeared hard to come by because aside from Mexico many Latin American countries neglected leaders who could bring the focus back to the people. By the end

[116] Sigmund, *The United States and Democracy in Chile,* 14.
[117] Wilber Chaffee, *Desinvolvimento: Politics and Economy in Brazil,* (Boulder: Lynne Rienner, 1998),123.
[118] Nystrom and Haverstock, 111.
[119] Eduardo Frei Montlava, "The Alliance that Lost Its Way," Council on Foreign Relations, (1967): 444.
[120] Sigmund, *The United States and Democracy in Chile,* 43.

of 1962, "only four nations managed to achieve the rate of growth of 2% [the goal of the Alliance] and only Mexico and Brazil showed signs of being able to sustain the same rate for the year 1963."[121] Although economic success looked promising in Brazil this didn't account for the rising anti-American Marxist and communist group growing exponentially in the Northeast.[122]

Critics of the Alliance deem it a failure claiming, "it brought neither progress nor alliance, was overly ambitious in its developmental assumptions, and fostered the climate that led to harsh military dictatorships that swept across Latin America in the 1960's and 1970's."[123] By the end of Kennedy's presidency, cut short with his assassination, six military coups took over democratically elected governments in Latin America. This included Brazil, whose President, ironically, was the original supporter of Inter-American relations. In 1964 the military toppled Vice President Goulart in Brazil, who had taken over for Quadros at the beginning of the Alliance for Progress. This occurred right before the communists in the Northeast took over the country. These events in Brazil symbolized the beginning of military takeover throughout the region by coup, some of which were blamed on United States intervention and the Alliance for Progress.[124]

Although the results of the Ford Foundation's work are not nearly as tangible because quite simply their assistance to Latin America came on a much smaller scale than the United States government, they did find a way to "take action in areas where government involvement was impossible or ill advised."[125] By working through education and through the public universities, the Foundation found a creative way to push democracy and economic development throughout Latin America while still claiming to remain outside of politics, at least at the surface

[121] Nystrom and Haverstock, 25
[122] Ibid., 110.
[123] David Dent, *Historical Dictionary of US-Latin American Relations.* (Westport: Greenwood Press, 2005), 13.
[124] Nystrom and Haverstock, 111.
[125] Oliver Zunz, *Return to Philanthropy in America,* 151.

level.[126] Although their work did not have immediate effects on political, economic, and social development in the way it hoped it would, its work to train a generation of scholars who would continue to spread these ideas of intellectual pluralism for years to come was overwhelmingly significant and influential. Some of these scholars would become major political figures in decades to come. Further, Ford's reputation remained more intact than the Kennedy administration's, something that would help it further its influence in the future.[127]

Looking retrospectively at Latin America at the beginning of the 1960's and in the midst of the Cold War it is clear that although the United States claimed that they started to pay more attention to Latin America to encourage modernization their main goal was to use this modernization to protect themselves from the spread of communism, which had just entered the western hemisphere through Cuba. Their attempts to spark economic development and therefore stabilize many Latin American countries at the time to prevent vulnerability and the possibility of communist takeover through the Alliance for Progress failed because they neglected to connect to the appropriate people. Although the region never fell to communism it came dangerously close and many would argue was worse off after the end of the Alliance for Progress in 1967 than at the beginning. [128]

In all of this the Ford Foundation, as arguably extremely closely associated with the United States government, extended its Overseas Development Program to Latin America in order to, like the Alliance for Progress, enhance democratic thinking through modernization and development and stop the spread of communism. They hoped to do this through encouraging a focus on the people and on social sciences in the universities. Although the Ford Foundation's programs, specifically in the University of Chile, did not make an immediate impact, it laid the

[126] Richard E. Bjork, "Foundations, Universities Governments," *Journal of Higher Education*, (1962): 273.
[127] Paul E. Sigmund, *The United States Democracy in Chile*, (Baltimore: Johns Hopkins, 1993), 16.
[128] Montalva, 442.

groundwork for much more long term change. The failure of the Alliance and the state of Latin America at the time called for Ford to increase its influence throughout the region. This influence would grow in the 1970's as many Latin American countries fell to military regimes and struggled to regain democratically elected governments.

CHAPTER THREE

The Effect of Cold War "Crisis" on Intellectual Pluralism: The Ford Foundation's Role in the University of Chile 1973-1990

The Ford Foundation established Latin American offices in 1961 to implement programs rooted in modernization theory as a direct response to the emergence of communism in the western hemisphere. The Foundation's 1962 report reaffirmed that, "the crisis in the world today requires that democracy do more than restate its principles and ideals; they must be translated into action."[129] This chapter reflects on two important aspects of this "crisis in the world today". First, it analyzes how Cold War United States foreign policy influenced the Allende years and the rise of the Pinochet regime in Chile. I argue that the Ford Foundation's attempts to translate its "ideals and principles" into action through policies and programs in public universities were severely affected by the rise of state terror, which was prominently displayed through the United States involvement in the 1973 Chilean military coup. Second, I discuss how increasing negative sentiment towards the United States in the early 1970's, in the context of their involvement in the coup, forced the Foundation not only to retract from association with the United States government, but also to dramatically change its role in public universities. Throughout this period of "crisis" the Ford Foundation shifted from an emphasis on modernization to a focus on ensuring human rights and enhancing the value of democracy as a culture. Although it reaffirmed its promise to stay separate from political action, the Foundation

[129] Ford Foundation Board of Trustees, *The Ford Foundation in the 1960's Statement of the Board of Trustees on Policies, Programs, and Operations,* 2.

found creative ways to remain actively involved in promoting its definition of democracy in a time when any opposition to the government was illegal.

Again to understand the Foundation's need to make this important shift to funding human rights it is essential to understand the context, which as mentioned previously was deeply influenced by United States foreign policy. The 1962 Foundation report referred to global crisis. In a Latin American context this "crisis" revolved around a failing economy, political instability or inconsistency throughout the region, and from the United States perspective, the threat of communism. By the mid 1960's the Kennedy Administration's Alliance for Progress had failed to enhance economic development as it promised. The goals it proposed of free trade, liberalized economies, and open markets proved to be flawed and consequently controversial, as they were in direct contrast to the nationalist popular states that the Latin American people wanted; states that worked for and with the people instead of against them.[130] As Raul Prebisch warned, these policies presented in the Alliance for Progress only benefitted the countries with previously established strong, liberal economies like the United States. They left out the interests of developing countries like those in Latin America.

In Chile, the story was a little bit different than the rest of Latin America. Chile had arguably some of the most historically stable democratic institutions and the most developed network of state universities in the region. However, the 1960's through the 1970's would be marked by extreme political instability and inconsistency, which would get the attention of the United States government and which would lead further and further away from the government's interest in protecting the people. By the mid 1960's two political parties emerged in Chile with strong support - the Revolucion en Libertad, led by Eduardo Frei, and the Via Chilena al Socialismo, led by Salvador Allende. According to Paul E. Sigmund, a scholar on the

[130] Scheman, 87.

relationship between the United States and Chile in terms of democracy development, "Both [candidates] promised 'revolutionary changes in Chilean society within the framework of the country's democratic institutions…The problem for both was how to achieve development, reform, and social justice, while maintaining a productive economy, popular support, and political democracy. The methods they chose, however, were very different."[131]

Frei won the 1964 election with 56% percent of the vote.[132] Many argue that the anti-Allende campaigns funded by the United States government, for fear of a socialist leader in Chile, dramatically influenced the election results.[133] This did not help anti-United States sentiment in the region. Frei proposed agrarian land reform to spark development in the agricultural sector and attempted to expand the education system to develop the economy.[134] This reform influenced the universities. By 1968 the Chilean university system had concluded a massive reform. As Jeffrey Puryear, a historian of grant programs and a former program officer of the Ford Foundation's bureau staff, suggests, "rectors and university councils were elected by students, faculty and administrative staff, greater emphasis was placed on academic research, and interest grew in the University's role in national affairs."[135] With this reform, enrollment grew tremendously.[136] Furthermore, universities became a place where people could express different viewpoints and write and teach freely about what they personally believed. Although some of these viewpoints were radical, Frei's work in the universities was supported directly by the Ford Foundation as the Foundation looked to bring this radical thinking to a center point, one that aligned closely with United States ideas of democracy and modernity.

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[131] Paul E. Sigmund, *The United States and Democracy in Chile,* 10.
[132] Margaret Power, "The Engendering of Anticommunism and Fear in Chile's 1964 Presidential Election," *Diplomatic History,* (2008), 937.
[133] Ibid., 952.
[134] Patricia Garrett, "Women and Agrarian Reform 1964-1973," *Sociologia Ruralis,* (1982): 17.
[135] Puryear, "Higher Education, Development Assistance, and Repressive Regimes," 5.
[136] Puryear, *Thinking Politics,* 12.

As alluded to in Chapter Two, in 1965, the Ford Foundation agreed to give $10 million dollars over ten years to strengthen the University of Chile and support the establishment of an exchange program between the University of Chile and California's university system.[137] These new ideas about understanding the entire context, promoted by Frei, and emphasized by the Ford Foundation were used to build effective programs in the state universities. The Ford Foundation worked specifically to support faculty and curriculum at the University of Chile and at a much smaller level, the Catholic University of Chile.

Puryear wrote an important account of Ford's participation in Chile at the time. In this account he wrote, "universities are predominately seen as places where technical, job-related skills are provided and where only certain cultural traditions are preserved and dispensed. Conspicuously absent is the view of the university as a place where social issues are freely debated and where, for example, the action of the government may be carefully analyzed and criticized."[138] He acknowledges here that the Foundation saw universities as places to discuss all sides of issues and to push back when decisions from people in control seemed illogical, an idea that would become much more important in the decade to come. Furthermore, the use of the adverb "conspicuously" in this excerpt suggests that Puryear, as a representative of the Ford Foundation, knew that the use of universities as places to make an impact on what knowledge is created and spread and to make an impact on decreasing political instability could be considered a direct method of political action.

The Ford Foundation at this point recognized that what the Latin American people wanted differed from what the Alliance for Progress and other Inter-American programs were promoting. It attempted to separate itself from the ignorance of the United States governments by

[137] Puryear, *Thinking Politics*, 14.
[138] Puryear, "Higher Education, Development Assistance, and Repressive Regimes," 4.

establishing programs to bring scholars out of the University of Chile and into several state universities in California through doctoral fellowships. By sending some of the most talented and brightest scholars abroad, Ford facilitated the infusion of United States concepts of modernization and economic development into Latin American systems of higher education. Ideally this would promote the infusion of these ideas in society at large. [139] Unfortunately, because it was a one way exchange and the United States was not sending its scholars down to Latin America, this relationship was inherently unequal. In addition to bringing people out, the Ford Foundation continued to pump money into social science programs in the University of Chile. This money was meant further to encourage intellectual pluralism and to "modernize" the University to make it fit closer into the model of United States institutions of higher education.

Frei's dedication to education in conjunction with the Ford Foundation's funding to universities to quell radicalism, which exceeded $6,000,000 in the mid 1960's, made Chile incredibly intellectually strong. [140] Puryear argues that, "Santiago probably had a higher concentration of intellectual talent in the social sciences than any other capital in Latin America."[141] At this point in the late 1960's, through the lens of the United States government, Chile appeared to be making positive progress.[142] Unfortunately, the same sentiment was not felt in all parts of Chile or the larger Latin American context.

In the 1970 Chilean election, Salvador Allende, the socialist party leader from the far left, known to some as the "new Castro", received the most popular votes and took control of the country.[143] Because he campaigned with the understanding that he would allow political

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[139] Puryear, *Thinking Politics*, 7.
[140] William Korey, *Taking on the World's Repressive Regimes: The Ford Foundation's International Human Rights Policies and Practices*, (New York: Palgrave MacMillian, 2007), 25.
[141] Puryear, "Higher Education, Development Assistance, and Repressive Regimes", 5.
[142] Korey, 25.
[143] Tanya Harmer, *Allende's Chile and the Inter-American Cold War*, (Chapel Hill: The University of North Carolina Press, 2011), 48.

pluralism and follow democratic practices, he thought that he would be able to "reason with the United States on equal footing." However, his use of collation politics and his relationship with communism in Cuba terrified the United States government. It was very clear that "Nixon and his advisers were never predisposed to allow [this equal footing] given their attitudes towards Latin America and Washington's previous Cold War policies in the Americas."[144] The United States would draw a firm line.

As Allende became more comfortable in his position of power he established his definitions of development, which obviously differed from the definitions present in United States foreign policy as outlined early in the chapter. For Allende, "The essential goal of this stage in Chilean history consisted in a radical change in property ownership of the strategic means of production, the fortification of the state apparatus, the advance of the proletariat toward a position of greater strength and the consequent isolation and later destruction of the dominant minority interests, both local and foreign."[145] As much as Allende's message of wealth distribution and emancipation resonated throughout the "Third World", his policies and support did not stand up to the heavy external pressure for very long.[146]

The United States' concern about the appointment of Allende in Chile grew exponentially the closer his policies seemed to align with Castro's regime. This concern resulted in immediate efforts to destabilize the socialist government. Tanya Harmer, a historian on the relationship between Chile and the United States during the Allende years, stated, "For now, Washington's correct tolerance of Allende's new government masked the true sense of the alarm felt by the White House. But behind rhetoric about a new 'mature partnership' and a 'cool but correct'

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[144] Harmer, 47.
[145] Sergio Bitar, *Chile: Experiment in Democracy,* (Philidelphia: Institute for the Study of Human Issues, 1986), 233.
[146] Harmer, 104.

posture toward Chile, Washington was simultaneously embarking on a new mission in Latin America to bring Allende down and to redirect the region's future."[147] Although Allende made some progress in terms of wealth disparity his first year, he struggled to sustain this progress because of the lack of government funds and the weakness of the economy.

In addition to changing the structure of the economy, Allende's new socialist government, "promoted the view that all citizens must work together in an orderly and obedient fashion towards pre-established goals rather than waste time in questioning government policies."[148] Although Allende may have started to restrict the diversity of thinking in Latin American universities he still strongly believed in their value to changing, developing, and enhancing society. Puryear affirms that, "an ambitious University Reform that began in 1967 under the reformist Christian Democrats and continued under Salvador Allende's Popular Unity government significantly modernized and expanded the system. Enrollments grew from 56,000 in 1967 to 77,000 in 1969. They then doubled to 147,000 in 1973 after the Allende government sharply expanded university funding."[149] The expansion of university funding in conjunction with international funding enhanced the university life dramatically making these state universities breeding grounds for future political leaders. Because Ford believed in intellectual pluralism, the focus on new ideas of socialism was not dismissed by Ford funded scholars or programs. This would prove to be controversial in the United States because the White House still feared the spread of communism and severely discouraged the spread of communist thinking anywhere, especially in programs that had an association with the government. The expansion of universities and spread of socialist theory further heightened the concern in Washington.

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[147] Harmer, 72.
[148] Puryear, "Higher Education, Development Assistance, and Repressive Regimes," 4.
[149] Puryear, Thinking Politics, 12.

Paul Sigmund, a scholar on Chilean Politics during Allende's time in power, suggests, "Allende's domestic problems were exacerbated by external pressures, chiefly from the United States, and by the intransigence both of the left wing of his own coalition, whose predictions of the inevitably of a violent confrontation eventually became a self-fulfilling prophecy, and of the extreme right wing of the opposition, which did not hesitate to use subversive methods and armed violence to overthrow him."[150] A military coup, supported by the United States, overthrew Allende on September 11, 1973. Although there are many factors that led to Allende's violent end, the weak and weakening economy, and the external pressure from the United States government who were perplexed by coalition politics that were able to balance the right and the left through democratic institutions, all worked together to shake up Chile once again.[151]

Many moderates argued that this United States intervention, "revealed the need for democratic restraints on a president and intelligence agency that were so obsessed with the Cold War that they were willing to destroy democracy to save it,"[152] or in other words that, "anti-communism in the defense of the free world was equated with the defense of democracy even if antidemocratic groups were given money and a was coup indirectly (or in 1970 directly) promoted."[153] This was and still is enormously controversial and disputed. What is certain, however, is that the coup disrupted Chile's long history of democratic institutions and officially ended its openness to political pluralism.

In addition to new and all-consuming restrictions throughout the country, Pinochet also developed and implemented a new economic policy. This economic policy was directly influenced by the "Chicago Boys," a group of intellectuals out of the Catholic University of

[150] Sigmund, *The United States and Democracy in Chile,* 11.
[151] Ibid.
[152]Ibid, 81.
[153]Ibid, 84.

Chile who were at one point funded by Ford, and whose ideas about development and modernization came directly from their time at the University of Chicago in the United States.[154] As Sigmund suggests, "the return to a free market economy based on competition would have been impossible in a democratic system, but military rule seemed to provide the authoritarian control necessary to use classical methods to put an end to the chaos of the preluding regime however painful it may be."[155] These policies are what the United States had attempted to develop in the early 1960's.

Although they did not accomplish it then, with much more control through the coup, the new policies had an immediate effect on the economy. The inflation rate and agricultural production went down. However, "the hope that Chile had seemed to embody a civilized, humane society that sought to combine freedom, development, equality, and social justice had given way to a regime committed to order at the price of freedom, economic growth at the price of military dictatorship, and the strengthening of the power of traditional elites."[156] The decline of freedom accompanied a "deep decline in living standards for the middle class and near starvation for many of the members of the lower class, the destruction of the labor and peasant movements, and a sharpening of the differences between rich and poor."[157] Furthermore, the ban on political parties and political opposition in any form, led to an enormous amount of brutal political violence. This tremendous rise of state terror made human rights an issue to be addressed more so than it ever had before.

This context is depicted artfully and strikingly in the movie "Missing." Produced in 1982 and based on a true story, the movie follows the "investigation" of an American reporter who

[154] Valenzuela and Valenzuela, 2.
[155] Sigmund, *The Overthrow of Allende,* 265.
[156] Ibid, 274.
[157] Ibid, 273.

went missing after supposedly discovering the connection between the United States military and the 1973 military coup. In a very real, disturbing, and tense depiction, the movie brings the harsh, inhumane, and all-consuming policies put in place by Pinochet and his military, with the help of the United States government, to life. "Missing" very clearly shows the immediate and dehumanizing change in Santiago in just a matter of weeks after the coup.[158]

The military regime's influence would not only change everyday life in Chile, it would in turn change the Ford Foundation's work in Chile significantly. It would not be long before issues of human rights would become the new focus of the Ford Foundation. Although this shift seemed automatic for the Ford Foundation, which claimed to always be for the people, it was delayed for simple, practical reasons. Just when Allende's regime had planned to further the expansion of universities, which had become places of action and political questioning, these same universities became the primary target of military violence.[159] William Korey, a historian on the world's repressive regimes, writes, "within two weeks of taking power the military announced that it would remove university rectors, the administrative heads of universities, and replace them with military designated rectors."[160] The goal of this was to remove all scholars deemed "politically undesirable" regardless of their accomplishments or merit. Free thinking was eliminated.

The restrictions on universities only got worse in the next couple of years. In 1974 the military cut funding to universities dramatically. This made it extremely easy to justify the firing of any faculty members who did not teach and publish from a pro government view point. In 1975, 2,000 of the University of Chile's faculty members were fired for being "too leftist" and in

[158] *Missing*, directed by Costa Gavras, (United States: Universal Studios, 1982),VHS.

[159] Korey, 26.
[160] Korey, 26.

1976, 300 more faculty and staff members were fired from the University for being too centrist and thinking too independently. According to Puryear, many of these faculty and staff members were some of the University's most distinguished academics.[161] This clearing out of the intellectual experts was Pinochet's way of consolidating his power.[162]

To ensure no one worked against them, the military acted to transform the university structure that the Ford Foundation and other institutions like it had worked so hard to develop. Puryear asserted:

> Instead of being centers for the presentation and debate of opposing viewpoints, the universities become places offering a single and uncritical view of the world and solely emphasizing the provision of narrow, technical skills… a process of intellectual inbreeding is set in motion which may seriously inhibit the ability of a society to evaluate and choose alternative paths to social and economic change.[163]

Obviously, this was tremendously concerning for the Ford Foundation as the "authoritarianism of the new regime and the systematic intimidation of all independent forces ran counter to the democratic and pluralistic values to which the Foundation adheres."[164] Furthermore, many, if not most, of the faculty pushed out of the universities were, at one point, grantees of the Foundation and harbored the beliefs the Foundation worked to spread. This was obviously problematic for the Foundation. It would require the representatives in Santiago to take a step back and to weigh the options in terms of continuing work in the region.

The Foundation did not need a free and open country to work, but it did need a free and open atmosphere in the universities to make a difference and fulfill its mission. Recognizing that this opening was rapidly closing, Peter Hakim, the Foundation representative in charge of the Santiago Office, and Peter Bell, the Vice President of International Affairs at the Ford

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[161] Ibid, 10.
[162] Sigmund, *The Overthrow of Allende,* 273.
[163] Puryear, "Higher Education, Development Assistance, and Repressive Regimes", 14.
[164] Ibid, 15.

Foundation, called an emergency meeting to discuss the option of closing the Santiago office. Hakim and Bell both agreed that the office should be closed not only for the practical reasons of not being able to do the work promised by the Foundation's mission, but also as a symbolic rejection of the Pinochet regime.[165] However, they did not have the authority to make the decision on their own.

Peter Hakim retells the story of how this controversial decision was eventually made.[166] In brief, Hakim, Bell and Bill Carmichael, the head of the Latin America program in the New York Office at the time, met at the New York office to discuss the situation in Chile. Hakim, Bell, and Carmichael believed strongly that it was in the best interest of the Foundation and of the people working for the Foundation in Chile to close the office. All on board, the three men went next to talk to Frank Sutton, an upper level administrator for the Foundation. Sutton, a much more conservative Ford Foundation representative, according to Hakim, made it immediately clear that he did not support the decision to close the office.

Sutton made several arguments that implied some support for Pinochet's economic development plan and insisted that closing the Foundation office would not benefit anyone. Several critics sided with Sutton in regards to the work the Foundation was doing to connect the University of Chile with the University of California. From Hakim's perspective these critics claimed that although it had been reported that there was little evidence left of academic freedom or intellectual pluralism in the University, the possibility that there was *some* was better than none and therefore they argued that the Ford Foundation should not give up on the university. In Hakim's words, Carmichael replied to this critique, "we can't pretend there is enough

[165] Hakim, Phone Interview.
[166] Hakim, Phone Interview.

freedom."[167] Hakim, Bell, and Carmichael agreed that they would continue to support Latin American people studying in the United States, but they stood firm in their desire to stop funding the University of Chile, by the closing of the Santiago office. They all agreed that it had reached a point where no more good could come to the people who were still trying to hold on to the bits of academic freedom left. [168]At this point it was clear that the Ford Foundation representatives in Latin America realized that human rights and the establishment of democracy were more important than economic development. This thinking was a turning point for the Ford Foundation that would show its true colors later on. If the three men could convince the President of the Foundation to close the office, the method of fulfilling the mission would be required to change.

Bell, Hakim, and Carmichael were eventually called into George Bundy's office, the President of the Ford Foundation. Hakim remembers Bundy looking to Carmichael, asking him why the office should close, and Carmichael delivering a beautiful, concise, and intellectual argument. The argument outlined the increasing lack of intellectual freedom and the need to make a statement about the unacceptable human rights abuses. Bundy, before hearing Sutton's rebuttal, immediately agreed that closing the office was the best option. Hakim returned to Santiago after this meeting and delivered the news to his fellow Foundation members in Chile. By June of 1974 Hakim had officially "shut of the lights" in Santiago.[169]

Everyone who had previously worked in the Santiago office went to live and work in Lima, Peru. The Ford Foundation then began work to support its values from the outside.[170] To avoid too much political interference Ford set several basic guidelines for its involvement in

[167] Ibid.
[168] Ibid.
[169] Ibid.
[170] Ibid.

supporting universities and intellectuals during this military regime. It first publically reported that, "immediate measures are needed to assist academics adversely affected by the new conditions."[171]According to Peter Hakim these immediate measures came in the form of an adjustment to the already well-established fellowship program. Before the coup, the Foundation gave 20,000 a year to between fifty and one hundred intellectuals in Chile for them to go to a doctoral program in another country. Hakim spoke to how proud the Foundation was of this program as it embodied the mission statement in its entirety. After the coup, the Foundation changed the program from a fellowship program to a travel grant program.

The travel grants primarily paid for tickets out of Chile. Reflecting on the Ford Foundation's work during Pinochet's years**,** Ramon Daubon, a Vice President of the Ford Foundation responsible for the Santiago Office when it reopened in the early 1990's, called the Foundation heroic in the way it "saved" scholars and researchers in the University by sending them elsewhere.[172] According to Korey, even scholars from the Soviet Union that were displaced by the coup were assisted by these travel grants.[173]At this point there seemed to be little concern about what the scholars and researchers were studying and researching, but the focus was on giving them the opportunity to research and study freely and to escape the regime. Between 1974 and 1978 the Foundation granted over $2 million dollars to these exiled scholars.[174]

Secondly, the Foundation made the decision to not take on any additional grantees in Chile and agreed to monitor the remaining grantees in Chile closely. If these programs could not fulfill the initial agreements that they made with the Ford Foundation because of the strict new

[171] Puryear, "Higher Education, Development Assistance, and Repressive Regimes", 19.
[172] Daubon, Phone Interview.
[173] Korey, 26.
[174] Ibid.

restrictions in place by Pinochet the Foundation would cut off their funding.[175] Instead of taking on additional projects the Foundation sent their perspective or former grantees to private programs, primarily supported and organized by the church.[176] As reported by Samuel and Arturo Valenzuela, scholars on opposition to dictator rule, "the only serious countervailing force to the regime has been the Roman Catholic Church."[177] With some control as opposition to the state, the Church set up the Academy of Christian Humanism. The vice rector of the University of Chile who had been displaced by Pinochet took charge of the academy. Hakim described the academy as a grouping of centers, which managed to stay independent because although "politics was flatly prohibited" research was, "despite serious restrictions, generally legal."[178] Displaced scholars, formerly supported by Ford, used these centers of research to remain professionally active while maintaining a low profile.[179] With these centers the church became a "modicum of protection" during Pinochet's entire rule.[180] Although the Foundation did not fund the church, they directed scholars to the church's programs, as the church had the power to open up political and intellectual pluralism in a way that the Ford Foundation was not allowed to.[181]

The church and the Foundation started funding similar centers, with similar goals to fight human rights violations and dictatorial regimes. Soon these centers became:

> the exclusive locus of critical, independent thought in Chile…They constituted "spaces of liberty" where dissident intellectuals barred from Universities, government, and the media could meet, work, and exchanged ideas. They preserved intellectual diversity, nurtured criticism, and kept at work a whole generation of talented thinkers who might otherwise have emigrated or left the

[175] Puryear, "Higher Education, Development Assistance, and Repressive Regimes,"19.
[176] Samuel Valenzuela and Arturo Valenzuela, *Military Rule: Dictatorships and Oppositions*, (Baltimore: Johns Hopkins University Press, 1986), 2.
[177] Valenzuela and Valenzuela, 295.
[178] Korey, 27.
[179] Ibid.
[180] Ibid., 26.
[181] Valenzuela and Valenzuela, 294.

> academy entirely. Having been banished from the mainstream, the dissident intellectuals took the mainstream with them. [182]

Between 1975 and 1978 eleven centers in Chile and Uruguay received roughly $1.9 million dollars from the Ford Foundation. In addition to funding, the Foundation also assisted with the publication of books and academic journals that bookstores, universities, and newspapers excluded because they supported ideas counter to Pinochet's beliefs. Through these publications the Foundation was still able to support intellectual pluralism in a time when intellectual pluralism was being pushed to extinction in Chile.

Even though these centers did not have the benefit of university funding or as many "opportunities to diffuse their knowledge" this did not stop them from making an enormous difference. According to Kalman Silvert, one of Ford's leading scholars of Latin America:

> the research centers would become the spawning ground for Chilean intellectuals to engage in political discussions, to debate strategies, and to formulate the democratic political program of the future… activists could begin preparation to run for political office. Thus, the research centers came to be the harbinger of the eventual democratic replacement of the Pinochet military dictatorship. To the extent that the Ford Foundation was a major factor in the creation and development of these research centers, it helped lay the groundwork of Chile's democratic future.[183]

Put simply, the Ford Foundation's work through its support of these research centers was undeniably influential. It managed to protest restrictive policies, to protect threatened intellectuals, and ultimately to support new, productive thinking about democracy and enhance human welfare to a country under control of a military dictatorship, a feat that at times seemed impossible. Although this work arguably went against the rule established in the 1962 report which stated, "While the Foundation has a deep interest in education and public affairs for example, it should not become the special agent of universities or government," by becoming the

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[182] Puryear, *Thinking Politics,* 55.
[183] Kalman Silvert in William Korey, *Taking on the World's Repressive Regimes: The Ford Foundation's International Human Rights Policies and Practices,* (New York: Palgrave MacMillian, 2007), 28.

primary funding source for these research centers, the Foundation believed then and still believes now that it was absolutely essential for the maintenance of some semblance of human rights in Chile.[184]

In addition to protecting many of the displaced scholars from Chilean universities, these centers also blurred the distinction between intellectuals and political leaders. Puryear cites an observer who asserted, "intellectuals became the bearers of politics, and politics was done through intellectual, academic activity."[185] He uses this to later argue that "well-trained, internationally connected intellectuals can play fundamental roles in providing a democratic opposition with insights and techniques that are crucial in facilitating democratic tradition. Intellectuals as Chile's experience demonstrates, offer a capacity for creation and leadership that can be a formidable resource in moving from dictatorship to democracy." [186] The Foundation's relationship to these centers and therefore to these intellectual politicians who would go on to assist in the transition from militaristic dictatorship back to democracy goes directly against United States foreign policy which supported the regime. The Ford Foundation established itself, not as the "international philanthropic organization," but instead as a savior of exiled scholars and a believer in human rights. Its place as this political actor would change in the coming decade, but for the poor and the displaced in this period the Ford Foundation representatives were the "heroes" in the fight against the Pinochet regime.

Puryear admitted in his recall of the Foundation's involvement in this era of Chile's history that, "it is, of course, impossible to separate completely politics from development assistance programs. The simple choice of a research topic, for example, is in some sense a

[184] Foundation Board of Trustees, Ford Foundation Board of Trustees, "The Ford Foundation in the 1960's: Statement of the Board of Trustees on Policies, Programs, and Operations," 5.
[185] Puryear, *Thinking Politics,* 165.
[186] Ibid, 171.

political act, and all academics are entitled to their own political point of view."[187] Although he acknowledged that this much work in creating these new "centers of excellence" could be problematic in terms of too much interference with politics, it believed strongly that education was the key to reestablishing democracy to ensure human rights and that "academic activity is by nature a delicate endeavor, requiring curiosity, security, and a willingness to admit criticism." Without some semblance of academic freedom, the Ford Foundation believed that economic, political, and social disorder would remain in Chile always.[188]

Lastly, in the context of state terror, the Foundation determined that concern for "intellectual freedom, human rights, and the presentation of existing human resources" was a greater priority than supporting Chile's economic and social development.[189] In other words, the regime forced the Foundation to shift from an emphasis on development and modernization to a focus on eliminating all forms of human rights violations, of which there were many under Pinochet. Although this shift separated them from endorsing the United States intervention and support of the coup, the visions of democracy that both the United States and the Ford Foundation believed in would line up again as Chile reestablished democracy.

The Ford Foundation as a nongovernmental institution is legally obligated to avoid political action. However, in the midst of the Cold War when crisis broke out throughout Latin America and military, authoritarian, repressive regimes took over almost half of Latin American countries, the Ford Foundation enhanced its political presence dramatically. The regime severely limited its involvement in public universities, specifically in the University of Chile, which forced the creation of private centers of excellence that aimed to facilitate intellectual pluralism.

[187] Ibid, 21.
[188] Ibid, 33.
[189] Ibid, 20.

It was through these centers that research and politics became intertwined so much so that it was these intellectual politicians who researched and established a way to eventually take down the military to reestablish democracy in Chile. Furthermore, through this shift from public to private, a trend the Foundation would continue to follow, the Foundation shifted the emphasis from development and modernization to the importance of human rights and ensuring human welfare through creating a culture of democracy. This focus would consume the Foundation's grants and actions into the late 1970's and early 1980's.

The Ford Foundation's political role and connection to the church in the 1980's and 1990's to ensure human rights would be questioned more pointedly during these next decades as well. This is due primarily to the development of the term "neoliberalism" in the early 1990's, which will be the subject of the last chapter.

CHAPTER FOUR

An Emphasis on "Civil Society": the Ford Foundation's impact on the reestablishment of neoliberal democracy 1990-2000

Pinochet controlled Chile as a military dictator from the military coup on September 11, 1973 through the 1990 election. His polices had an enormous influence on all aspects of Chilean society. This included the Ford Foundation's work in the region, begun in the early 1960's. As Peter Hakim, the Foundation representative in charge of the Santiago office, reported, "the coup changed everything we did in Chile, it was overwhelming."[190] In the aftermath of the coup, the Foundation shifted from a focus on economic development through funding social science departments in state universities to an emphasis on reestablishing democracy and ensuring human rights. While the Foundation worked to shift its mission, the United States also shifted its policy towards Chile and Pinochet. Pinochet's rule ended when "civil society," – political parties, labor unions, trade associations, voluntary associations, and interest groups- what the Ford Foundation called "bottom of the pyramid," eventually organized to bring democracy back to Chile.[191]

In this chapter I define and discuss the effects of the end of the Cold War in 1989 and the emergence of "neoliberalism" or "neoliberal democracy" as a political, economic, and social philosophy in the early 1990's. This new philosophy, influenced by United States foreign policy, not only reordered politics, but also had and continues to have severe social and economic effects

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[190] Hakim, Phone Interview.
[191] Ramon Daubon, "The Role of Overseas Foundations in Emerging Democracies: The Ford Foundation Office for the Andes and the Southern Cone," in Goodwin and Nacht, *Beyond Government: Extending the Public Policy Debate in Emerging Democracies,* (Boulder, Westfield Press, 1995), 425.

in "developing countries" all over the world. I use this chapter to analyze how the Ford Foundation fits into this new global vision. I argue that as the side effects of neoliberal policy began to surface in Latin America the Ford Foundation shifted its attention from state universities to private organizations. By funding private organizations that created social support programs the Foundation looked like it was working towards fulfilling its initial mission. However, what it neglected to recognize is that neoliberal democracy is all consuming, by attempting to cure the side effects of neoliberal policy the Ford Foundation was further enabling the cycle and therefore the creation of more of the same side effects. This complicated relationship made the Foundation and nongovernmental organizations like it major players in the politics and economics of Chile going into the twenty first century.

To understand the shift to the new "neoliberal democracy" and the post-Cold War context in Latin America it is necessary to go back to the early 1960's. Because of rapid urbanization and social mobilization throughout Latin America, most Latin American governments assumed that it was the state's responsibility to make appropriate social reforms and to emphasize the importance of the "collective" strength of the community. Social welfare was a priority. Education and health care were publically funded and workers were protected with a specific insurance system.[192] According to Maxine Molyneux, an expert on new approaches to social policy in Latin America, "These decades [between 1930 and 1960] saw the Latin American region leading the developing countries in terms of social expenditure and social coverage."[193] However, with the entrance of communism in the western hemisphere and the consequential threat to United States security, anything resembling the collective began to look a little too much like communism from a United States foreign policy standpoint. With this context in mind,

[192] Maxine Molyneux, "Change and Continuity in Social Protection in Latin America: Mothers at the Service of the State?," *United Nations Research Institute for Social Development, (*2007): 3.
[193] Molyneux, 3.

United States liberal theorists were beginning to have second thoughts about the basic aspects of liberalism. They began to question the, "expensive social programs, government regulations of the economy and reallocating defense expenditures for domestic purposes."[194] These liberals started to move away from government welfare programs that had been associated with the New Deal and began to form a new philosophy, today referred to as "neoliberalism".[195]

The political, economic, and social climate following the end of the Cold War in the late 1980's through the beginning of the twenty first century is defined primarily by what has come to be known as neoliberalism. Simply put by David Harvey, the author of *A Brief History of Neoliberalism,* neoliberalism is, "a theory of political economic practices that proposes that human well-being can best be advanced by liberating entrepreneurial freedoms and skills within an institution characterized by strong private property rights, free markets, and free trade."[196] In other words, the opening of new global production systems encouraged governments to focus not on bettering the welfare state, but instead on the economy and its competiveness on an international stage. This included severe deregulation to give the power from the states to individual businesses or corporations, the façade of freedom of choice, and a promise of market security.[197]

This is the definition most commonly given to describe neoliberal democracy, but Wendy Larner, a critic of recent analyses of neoliberalism complicates Harvey's definition. She suggests, "neo-liberalism is both a political discourse about the nature of rule and a set of practices that facilitate the governing of individuals from a distance."[198] Larner focuses much more on the

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[194] Howard Karger and David Stoesz, "Retreat and Retrenchment: Progressives and the Welfare State," *National Association of Social Workers, Inc., (*1993): 218.
[195] Ibid., 218.
[196] David Harvey, *A Brief History of Neoliberalism,* (Oxford: Oxford University Press, 2005), 2.
[197] Wendy Larner, "Neoliberalism: Policy, Ideology, Governmentality," *Studies in Political Economy, (*2000): 7.
[198] Larner, 6.

individual. She argues that neoliberal philosophy emphasizes, "the investigation of the reformulation of identities" and with this encourages, "people to see themselves as individualized and active subjects responsible for their own well-being."[199] She argues that neoliberal politics not only encourage more responsibility for the individual, but they are also so engrained in every aspect of society that this philosophy constructs individuals who act, work, and think in specific ways. These ways are often entrenched in elitism.[200] For example, the focus on markets, "as a better way of organizing economic activity because they are associated with competition, economic efficiency and choice,"[201] assists the wealthy individuals and the developed countries, while excluding the Third World Latin American countries and the large percentage of citizens that live outside the upper class.[202]

Chile specifically began to shift to the neoliberal policies and ideologies that Larner describes while Pinochet was still in control as the dictator of Chile. Along with using state terror to uproot the democratic, political, and social way of life that had historically defined Chilean society, the Pinochet regime was unusual for several reasons. First, and perhaps most importantly, the regime was developed in a country with a historically strong set of democratic transitions. Because of this, "It created two opposing worlds, in one of them the coup was the symbol of salvation of Chile, in the other, it is seen as the tragedy of Chile" [203] This made organizing any semblance of resistance against Pinochet incredibly difficult. Second, Pinochet's primary mission was to jumpstart the economy. At a time when international influence and reputation was an enormous focus, "the Pinochet government was prepared to accept a loss of international

[199] Ibid., 13.
[200] Joe Foweraker, "Grassroots Movements and Political Activism in Latin America: A Critical Comparison of Chile and Brazil," *Journal of Latin American Studies, (*2001):850.
[201] Larner, 5.
[202] Judith Teichman, "Competing Visions of Democracy and Development in the Era of Neoliberalism in Mexico and Chile," *International Political Science Review,* (*2009*): *69.*
[203] Alan Angell, *Democracy after Pinochet: Politics, Parties, and Elections in Chile, (London:* University of London Press, 2007), 5.

prestige as a democracy for an increase in prestige as a rare example of a successful third world economy."[204] He adopted many of the neoliberal policies described above. Lastly, in this race to develop a stronger economy, with the help of the economists trained out of the University of Chicago, known as the "Chicago Boys", the wealth disparity gap grew dramatically and the neglect for those at the bottom of economic hierarchy continued to face serious human rights abuses with little to no support in site.[205]

For a few years Chile's economy grew significantly under Pinochet's new economic policy. He returned all businesses that had been taken over by the state to their previous owners. He made the public enterprises that had once been run by the state, private. In addition, he reduced trade barriers that at one point protected domestic production from foreign competition.[206] The assumption was that:

> market-led economic growth would eliminate poverty, the neoliberal perspective believed that social support programs, bestowed not as the right of citizenship, but according to technocratic criteria, can and should be kept to a minimum…because of the belief that this support is the most efficient use of state resources and contributes to macroeconomic stability.[207]

These social welfare programs that were taken away by Pinochet left those living in poverty with no financial support from the state. This responsibility to create programs to replace those taken away was left to the nongovernmental and private organizations.

Because the United States was built on the principles of supporting human welfare, President Jimmy Carter decided that the human rights violations in Chile were too problematic for the United States government to support. In 1977 he proposed to cut off funding to the Pinochet regime. Although the United States had previously given a lot of money to the Pinochet

[204] Angell, 16.
[205] Ibid, 15.
[206] Carlos Huneeus, *The Pinochet Regime,* (Boulder: Lynne Rienner Publishers Inc, 2007), 369.
[207] Teichman, 69.

regime this cut off was meant to symbolically protest the overwhelming human rights abuses linked to both to torture and to the states removal of social support programs. Meanwhile, as Pinochet's policies became increasingly undemocratic and controversial the United States started to question their support of the regime. This shift in United States support from for Pinochet to against Pinochet, although not completely black and white, would be very quickly influential.[208]

Although human rights were a significant reason for this shift in support, the United States, with new leadership in President Ronald Reagan, also had selfish reasons for supporting opposition groups. They "wanted Pinochet to step down because they felt that this was the best way to ensure economic and political stability in the long run, and it was worried that prolonging personalist role would favor the Marxist left."[209] Not wanting to bring in another "new Castro" who would threaten United States security once again, the United States started to put pressure on Pinochet to keep Chile's democratic traditions in mind in creating new policies. This pressure resulted in Pinochet's proposal of a new constitution in 1980. The constitution put him in power for another eight years, but it clearly confirmed and promised a fair and legal election once those eight years expired. [210]

Unfortunately for Pinochet, in the context of the onset of the Latin American debt crisis, his new economic politics did not flourish for long. In 1982 the economy crashed. Unemployment rates went as high as 30% and the crisis shrank the economy by over 14%. In the aftermath of this recession, "popular discontent with the regime skyrocketed, and protests and strikes became daily occurrences."[211] Shortly after, the Christian Democrats, the major political party in opposition to Pinochet started to regain

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[208] Angell, 18.
[209] Ibid, 18.
[210] Huneeus, 395.
[211] Kay Lawson and Peter H. Merkl, *When Parties Prosper: The Uses of Electoral Success,* (Boulder: Lynne Reinner Publishers, 2007), 250.

momentum and organization. With a little bit more funding from the United States and support from opposition groups stationed in the United States, the 1988 election was shaping up to be a momentous step forward for the Chilean people, who had been so dramatically left out of Pinochet's social, political, and economic policy.

In 1987, the ban on political parties was officially lifted. The Christian Democrats formed the Coalition of Parties for the " No" (Concertacion de Partidos por el No). Shortly after, the coalition of parties won the 1988 plebiscite. This win called for a restructuring of the 1980 constitution to make it more democratic and therefore easier for another party to take control.[212] The Coalition of Parties for the "No", formed by the Christian Democrats joined forces with the Socialist Party, the Party of Democracy, and a few smaller parties forming in opposition to Pinochet. Together they were the Coalition of Parties for Democracy. With all of this organized support, in 1990 the Christian Democrats won the election with seventy two house votes and twenty two senate votes. Their candidate, Patricio Aylwin took control with the expectation that he would reestablish democracy in Chile.

In some respects Aylwin entered into this transition at an advantage. The economy had regained stability because copper prices were still high. In addition, there was a "deep civilian commitment to the democratic system," a "military that is united and that seems prepared to accept the rules of the new constitutional order," and there were no "powerful groups that intended to destabilize the new order."[213] That being said Pinochet was still in charge of the army and was still given some political power for life, which could be problematic in years to come. Furthermore, he had left Chile in a human rights violation nightmare. If the argument that "democracy cannot be established unless there is justice for victims of human rights abuses" is

[212] Lawson and Merkl, 252.
[213] Angell, 58.

true, then Aylwin had to balance creating political and economic stability with simply dealing with the overwhelming number of grievances from those who suffered abuses of human rights.[214] He also created a method to prevent future infractions.[215] This would prove to be no easy task. However, this is where, in conjunction with the Church, international foundations and funding made an impact.

In 1991, after being closed since June 1974 due to the pressure from Pinochet's coup and the lack of intellectual freedom in the University of Chile, the displaced Ford Foundation representatives, returned to Santiago, Chile to reopen the office. Ramon Daubon, the representative put in charge of organizing the new office, reported in an interview that the mission they developed for the new office focused solely on enhancing democracy as a culture and ensuring the prevention of future human rights violations.[216] As part of this mission Daubon writes, "the new office set out to design a program devoted to strengthening democratic institutions and civil society and to fostering a sense of citizen ownership of the policies and processes that affect people's lives."[217] This idea of enhancing civil society, they argued, would not only cover ensuring human rights for all people on every level of the societal hierarchy, but would also be essential to the rebuilding of a democratic society.

The democracy that Aylwin was elected to implement was essentially a society where all citizens have access to rules and procedures of the decision making process for decisions that would affect their lives and civil society. Civil society was defined by the Ford Foundation using the analogy of a pyramid, "closer to the bottom are the agents of the citizenry: political parties and organizations, labor unions, guilds, trade associations, voluntary associations, and interest

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[214] Angell, 57.
[215] Vicuria, 52.
[216] Daubon, Phone Interview.
[217] Ramon Daubon, "The Role of Overseas Foundations in Emerging Democracies: The Ford Foundation's Office for the Andes and the Southern Cone", 423.

groups…they are the intermediary that faces or even confronts the state in the interests of the citizens."[218] By supporting the Alywin campaign, the United States initially supported this form of democracy. Similarly, as represented by Daubon's retelling of the Foundation's history and as established in the Gaither Report, Alywin's initial vision of democracy matched the democracy the Foundation described in its mission.

However, it became clear early on that the democracy Alywin promised in his campaign and the democracy the United States claimed to support, would soon look completely different than one focused on civil society. Judith Teichman, the author of "Competing Vision of Democracy and Development in an Era of Neoliberalism in Mexico and Chile," discusses this phenomenon. She writes, "Established in 1990, the Social Solidarity and Investment Fund (FOSIS) reflected the Concertación[219] leadership's initial support for community- initiated projects and a desire to stimulate the active participation of local communities. However, over the decade they have moved away from community based projects towards ones targeting individuals and families."[220] In other words, the initial vision of new democracy was soon deeply entrenched in neoliberal conceptions of welfare and development. For the third time, first with the Initiation of the Alliance for Progress in the 1960's, then with the development of Pinochet's mid 1970's economic plan, and now with the takeover of these neoliberal policies, United States intervention was having a dramatic effect on Chile's political and economic stability.[221]

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[218] Daubon, "The Role of Overseas Foundations," 425.
[219] More formally known as the "Concertación de Partidos por el "No", the Concertación was an organized group of Christian democrats, socialists, radicals, and various right-wing groups. The group had a tremendous amount of energy and spirit against the Pinochet regime. The organization facilitated the Christian Democrat's victory over Pinochet in the 1990 election.
[220] Teichman, 71.
[221] Peter Winn, *Victims of the Chilean Miracle: Workers and Neoliberalism in the Pinochet Era 1970-2002,* (Durham: Duke University Press, 2004), 3.

These policies eventually sparked a "decade long economic boom," which doubled Chile's national income.[222] According to Teichman, "The relative success of the Chilean economic model, in terms of steady economy growth rates and poverty reduction, are no doubt important factors in convincing policy elites of the correctness of their vision."[223] In other words, the elites used the success of the economy through this model that resisted civil society involvement in any kind of policy, which they termed the "Chilean Miracle,"[224] to overcome the ideas of 'popular democracy' and put in place the framework of 'elite' or 'neoliberal' democracy.[225] Unfortunately, although a "Chilean Miracle" for the elite, this new vision of neoliberal democracy was not quite a "miracle" for everyone. Fixing the enormous wealth disparity gap created by the disappearance of state funded support programs for the poor would fall into the hands of the Ford Foundation and other nongovernmental organizations. It would be their responsibility as private organizations to rebuild the social welfare programs and solve the social issues haunting Chilean society.

The problem was that neoliberal policies could not positively affect everyone. Someone had to lose in order for others to win. The assumption was that by leaning away from the community development perspective, the "market-led economic growth will eliminate most poverty and that, "this support is the most efficient use of state resources and contributes to macroeconomic stability."[226] However, although given responsibility and power through deregulation, the poor did not have agency for their own development in a system that favored the rich and took advantage of the fact that the "rural poor" was a "necessary component of competitive export agriculture dependent upon cheap labor." Kurtz argues that "the stability of

[222] Winn, 1.
[223] Teichman, 83.
[224] Teichman, 68.
[225] Foweraker, 850.
[226] Teichman, 69.

Chilean democracy itself is based on the quiescence and political exclusion of the rural poor."[227] All in all, Volker Frank, an expert on the idea of "social concentration"[228] in Chile, writes that "All three democratic governments those of Alywin, Frei, and Lagos- proclaimed that the success of the new democracy hinged to a very large degree on the ability to create, through concerted action among state, labor, and capital, a fairer and more equal industrial relations system, but none of the three delivered it." [229] The people left behind by neoliberal democracy became the primary focus of nongovernmental organization funding, which included the work done by the Ford Foundation.

The Ford Foundation's work in Chile after the reopening of the office in the early 1990's was devoted to enhancing civil society. According to Ramon Daubon, "civil society" is defined as the, "agents of the citizenry: political parties and organizations, labor unions, guilds, trade associations, voluntary associations, and interest groups."[230] The Foundation believed that an active civil society was essential for the functioning of popular democracy and that philanthropy could be "useful in helping establish and in defending a legitimate space for institutions of civil society."[231] The Foundation, as with other smaller grassroots nongovernmental organizations, understood that, "the practical possibility of 'alternative development' in the new democracies would continue to depend on the capacity of NGO's and grass roots movements to influence social policy."[232] This recognition that it was going to be the Foundation's responsibility to pick

[227] Teichman, 70.
[228] Defined by Frank as the, "'magic formula' of newly elected democratic regimes to achieve sustained economic growth with political stability." This essentially meant the creation of a "fairer" economic system that did not prioritize the rich, but that involved the creation of opportunities for the poorer classes to get involved and be more productive members of society.
[229] Volker Frank, "Politics Without Policy: The Failure of Social Concentration in Democratic Chile, 1990-2000," in Peter Winn, *Victims of the Chilean Miracle: Workers and Neoliberalism in the Pinochet Era 1970-2002,* (Durham: Duke University Press, 2004), 113.
[230] Daubon, "The Role of Overseas Foundations," 425.
[231] Ibid, 432.
[232] Foewraker, 853.

up where the state left off resulted in a switch from funding state universities to funding smaller social support programs and grassroots nongovernmental organizations. Through these programs the Ford Foundation hoped to create a better and all-encompassing social policy. It would do this by helping civil society to develop its own identity. Daubon argues that, "the greater their diversity, and the greater their effectiveness in presenting the interests of each group, the more democratic a society's governance will be."[233] These ideas of diversity paralleled the ideas that the Foundation added into their mission regarding intellectual pluralism in university development before the coup.

The Ford Foundation established a set of guidelines and goals going forward in Latin America to uphold their responsibility to enhance social policy and ensure human rights. The goals agreed upon by the Foundation, and often mimicked by smaller nongovernmental organizations, are as follows: to diversify civil organization as a means to promote citizen participation; to open access to local government for communities; to encourage conversations about alternative methods or solutions to elected officials; to sponsor activities that promote awareness of the importance of diverse civil society, and to "sponsor activities that foster organization and executive skills for citizen advocacy, including direct support, research capabilities, training and visits and exchange programs to learn from successful experience in other countries."[234] The emphasis of the Ford Foundation's reports, conferences, and grants remained on community, civil society, and diversity.

With these new goals and new programs the Foundation was, in a sense, trying to reestablish social welfare without the help of the state. In the Ford Foundation's 1989 report titled, "The Common Good," the Ford Foundation "stuck to mainstream liberal precepts," and:

[233] Daubon, "The Role of Overseas Foundations," 426.
[234] Daubon, "The Role of Overseas Foundations," 438.

> omitted the knotty issues of the underclass, welfare dependency, the fiscal paralysis of the state, and the need to adopt a set of realistic social programs. Furthermore, the Ford Foundation report failed to provide bold alternatives for a deeply troubled welfare system. Instead of taking stock of the welfare state and trying to find more effective solutions, the report recommended more of the same, except in larger doses.[235]

Here Karger and Stoesz critique the Foundation because it was still in favor of social welfare, which they argue is unproductive. What is important here however, is that the Ford Foundation believed that they no longer needed the state to provide social welfare. Instead of involving the state through funding state universities, the Ford Foundation believed it could fund private organizations whose goals were to build up civil society and the citizens at the "bottom of the pyramid". By supporting these groups the Ford Foundation believed that it could get closer to enhancing the kind of democracy that it outlined in its mission- the democracy that gave all citizens a say in the decisions that would affect them and the democracy that promoted human dignity and human welfare for all mankind.[236]

Where this mission gets complicated is that although the Foundation believed that "'politics' is to be understood not as the work of politicians, but as what citizens do,"[237] it still worked in a country ruled by a state working under the framework of neoliberal democracy. Although it attempted to remain separate from association with United States foreign policy and neoliberal policies, the Ford Foundation neglected to realize that the same detriments of the neoliberal policies it was trying to fix were the exact same policies that were enabling the Foundation to do so much work for civil society. Although it believed strongly in picking the people up that had been pushed down by neoliberal policies and capitalism and in enhancing human rights, it was essentially an extension of precisely the same theory it hoped to combat.

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[235] Karger and Stoez, 218.
[236] The Ford Foundation. "Report of the Study for the Ford Foundation on Policy and Program,",17
[237] Daubon, "The Role of Overseas Foundations in Emerging Democracies: The Ford Foundation's Office for the Andes and the Southern Cone," 434.

Michael Shifter, currently the President of the Inter-American Dialogue and formerly a Ford Foundation Representative in Chile wrote in 2003:

> a mapping of Latin American civil society would highlight the proliferation of innovative initiatives, many at the local, community level. In addition, non-governmental groups concerned about such questions as human rights and environmental protection have become more sophisticated and more closely connected with effective global networks…[238]

This increase of sophistication and prevalence of deeper connections to the global network on the surface appears positive. However, in its nature the Foundation is still an international player, it is still an establishment that believed that each individual person has the responsibility to be a good citizen, it is still a creator and funder of more private institutions, and it is still a program hoping to connect more "effectively with global networks." Many argue that although the Foundation had been involved in human rights for an extended period of time and preached about the importance of civil society in its reports, the nature of it as an international philanthropic foundation goes further than to separate it from United States neoliberal policy, it enhances it.

Foundation representatives like Pablo Farias, the representative in charge of the office in Mexico City, get extremely sensitive when asked about their involvement in neoliberal policies, not because they want to cover anything up, but because they know that in order to do the good work they do for the misrepresented people and classes they are automatically intertwined in the same policies that are pushing these people down.[239] By lessoning its influence in the public University of Chile and starting to fund not only private research centers, but also private programs that focus on women, children, migrants, the environment, and solving poverty the

[238] Michael Shifter, "Tempering Expectations of Democracy," in Jorge Domiguez and Michael Shifter ed., *Constructing Democratic Governance in Latin America,* (Baltimore: The Johns Hopkins University Press, 2003), 6.
[239] Pablo Farias, Interview by Author, Phone Interview, Lewiston, ME, February 15, 2013.

Foundation was accepting their role in neoliberal democracy created by the shrinking state responsibility and the growing gap between the rich and the poor.

Finally, in addition to the concerns about the Ford Foundation's involvement in enhancing the neoliberal policies, Daubon suggests that the Foundation still battled with the fact that there were several practical and long term restrictions to their mission. The bottom line was that the Foundation was a foreign donor that could never completely understand the cultures and practices it was attempting to support and enhance.[240] The Foundation understood that as much good as it attempted to do, many Latin American political leaders believed that, "nongovernmental organizations cannot be involved in the design of policy. They have their own particular interests. Many of them are based outside the country and they bring these outside interests to bear on policy. They are not accountable except to their own boards."[241] Although Michael Shifter, currently the President of the Inter-American Dialogue, and formerly responsible for the human rights and democracy branch of the new Ford Foundation office in Santiago, affirms that most of the everyday life at the Foundation was devoted to conversations with all parts of civil society to try to understand the context, it was still under the influence of the neoliberal democracy and its outsider status would not change that.[242]

Looking back on this decade, the emergence of neoliberal democracy as a worldview shrunk the state's responsibility. Without state funding for social support programs the gap between the rich and the poor expanded and the state of the poorer classes decreased dramatically. This worldview of democracy did not match the democracy the Ford Foundation promoted in its mission. The decrease of state funding to issues of social welfare put the

[240] Daubon, "The Role of Ovearseas Foundations in Emerging Democracies: The Ford Foundation's Office for the Andes and the Southern Cone," 425.
[241] Teichman, 71.
[242] Michael Shifter, Interview by Author, Phone Interview, Lewiston, ME, February 15, 2013.

responsibility on private organizations like the Foundation to provide support for this growing lower class. Although the Foundation believed that by funding these small private organizations it was getting closer to the democracy it envisioned as good, it was simply enabling the system established by neoliberal democracy and its policies. This became and still continues to function as one giant, complicated cycle. The cycle will continue until an alternative, one that comes from the "bottom of the pyramid", is proposed.

CONCLUSION

Robert H. Bremmer, a scholar of American Philanthropy, once wrote, "the problems of the poor have not been philanthropy's only or even primary concern. The aim of philanthropy in its broadest sense is improvement in the quality of human life. Whatever motives animate individual philanthropists, the purpose of philanthropy itself is to promote the welfare, happiness, and culture of mankind."[243] Since its founding in 1937, the Ford Foundation has given over $16.3 billion dollars in grants to organizations and individuals all over the world to do just as Bremmer said, "to promote the welfare, happiness, and culture of mankind". In its most well-known 1950 Annual Report, the Foundation affirmed that the only way to fulfill this mission was through the "advancement of democracy on a broad front and the strengthening of its institutions and processes."[244] Although this mission has remained constant over the last fifty years, shifts in United States foreign policy from modernization and development to neoliberal democracy have influenced the methods the Ford Foundation has used to spread its vision of democracy specifically in Latin America.

This thesis argued that United States foreign policy has impacted where the Foundation has chosen to work, who it has chosen to support, and how it has chosen to fulfill its mission in promoting human welfare, dignity, and its vision of democracy. By providing a detailed account of the context from 1950 to 2000, a description of the concepts promoted by foreign policy, and an analysis of primary sources from the Ford Foundation directly, I affirm that although the Ford Foundation claimed to be separate from United States political activity, its role as an international philanthropic organization is inherently political. More specifically, I argue that not

[243] Bremmer, *American Philanthropy*, 3.
[244] "Report of the Study for the Ford Foundation on Policy and Program," 21.

only did the Ford Foundation cross this fine line into political action, but in some cases it used both education and the support for private centers and individuals as its own political weapon. It did this first in the fight against communism during the Cold War and later in the effort to build up civil society and reduce the side effects of neoliberal democracy in Latin America.

To make this argument I start the story when the United States emerged from the Second World War in the spotlight as one of the great world super powers. This sense of United States power led to a rise in philanthropy on a national level throughout the country. The Ford Foundation, a family philanthropic organization, had been supporting small projects on a national level up until this point. In the context of the rise of United States power and simultaneously the rise of communism as opposition to United States democracy, the Ford Foundation made the decision to go international. It adopted the United States policies of developmentalism and modernization to bring the democracy it described in its mission to the rest of the world. In other words, the Foundation went international to support the United States politically in the Cold War. When the threat of communism entered the United States sphere of influence through first, Guatemala in 1954 and later Cuba in 1959, the Ford Foundation established its first Latin American office.

From this office and the building of several more throughout the region, the Foundation used education and the endorsement of social science departments in Latin American state universities to spread these ideas of democracy. It used these “weapons” of choice to modernize and develop the region, which at the time, from a United States perspective, was incredibly vulnerable to communism. Meanwhile, this modernization theory rooted in advancing technology, replacing dated institutions to look more like the United States model, and welcoming international corporations and foundations into the region, conflicted heavily with

nationalist and populist theories throughout Latin America. Raul Prebisch, a well-established Argentine economist, developed dependency theory in direct opposition to modernization theory. Dependency theory warned against more international involvement for fear of losing sight of what the Latin American people wanted. He argued that international policies, like modernization and developmentalism, would only help the most industrialized countries. Additionally, these would make the "developing countries" in Latin America further economically dependent on the First World, a move he argued would be more of a regression rather than a progression.

When United States foreign policy shifted in the 1970's, specifically in Chile, to support a repressive political regime, the Ford Foundation was again required to shift its work to fulfill its mission. This led to the closing of the Santiago office and end of the Ford Foundation's work to enhance economic development through funding social science departments at state universities. Instead, going back to Bremmer's initial aim for philanthropy, the Ford Foundation went back to supporting human rights at their most basic level. The Foundation did this by supporting individuals displaced from universities and exiled from the country. However, as United States neoliberal policies crept into the Pinochet regime, in addition to severe political violence as a result of state terror, the shrinking of the state left little funding for social welfare programs that had at one point supported the poor. The Ford Foundation assumed that these policies would be turned around with the reestablishment of democracy in the 1990 election. However, the relief that the Christian Democrats promised never came. Instead, neoliberalism continued to take over all aspects of Chilean political, economic, and social life.

Although Alywin, the Chilean president elect in 1990, campaigned on the implication that he would reestablish popular democracy, neoliberal policies continued to seep in to politics

and the economy with little opposition. When the Ford Foundation office in Santiago, Chile reopened in 1991, it reaffirmed its goals to enhance democracy. With this it shifted its method of action to support the welfare programs, once supported by the state, in order to enhance civil society and attempt to close this growing wealth disparity gap created by new neoliberal policy. Its "political weapon" in this context was the funding of private centers and individuals focused on issues of human rights. This thesis ends at the beginning of the twenty-first century with the Ford Foundation as one of the largest and most influential philanthropic organizations in the world stuck in a vicious cycle of indirectly promoting the same neoliberal policies that created the side effects which contrast deeply with its mission.

As a student of History I am encouraged to look at the past as something that could potentially inform the future. As demonstrated throughout this thesis, where the Foundation chooses to work, who the Foundation chooses to work with, and how it chooses to do its work, has been and will continue to be significantly influenced by shifts in United States foreign policy. As a philanthropic organization the Ford Foundation's mission to "aim for the fullest development of human intellectual, emotional, and spiritual capacities, with the conviction that conditions can change for the better if philanthropists get involved,"[245] will never waver. However, it is how it inserts itself as a political actor to insure that this mission is carried out, whatever the context may be, that will change over time.

Today, more than two decades after neoliberal policies or neoliberal democracy started to shape Latin American politics and economies, the Ford Foundation still views, "breaking down the barriers that prevent people from participating in their societies," as its primary goal for the Andean Region and the Southern Cone in Latin America. On the Ford Foundation website it

[245] Susan V. Berresford, "Taking the Long View: The Roots and Mission of the Ford Foundation," The Ford Foundation, (2005):50.

acknowledges that, "despite evidence of progress-including more resilient economies and the stabilization of electoral regimes- millions of citizens, particularly indigenous peoples, Afro-descendants and women, are still shut out of opportunities to earn a decent living or participate in the governments that are meant to represent them." These problems, it argues, "undermine the potential for recent progress to bring long-term security and prosperity to the region."[246]

When analyzing these social, political, and economic complexities of society, researchers and scholars must recognize that instead of simply focusing on how to quell the side effects of neoliberal policies, we must question why neoliberalism has emerged as the only option. According to Peter Hakim, "democracy won't necessarily come until the country can manage itself."[247] I would push this farther to say that democracy will not come until the country can manage its *entire* self, without racial, economic or political discrimination. If the Ford Foundation wants to be a political player in reaching this point, and therefore achieving its own mission, it must recognize that its role as an international philanthropic organization is deeply intertwined in global ideological frameworks from developmentalism to neoliberalism. Further it must understand that its work both enables and perpetuates the same inequalities that it tries to eradicate.

[246] "Andean Region and Southern Cone: An Overview," *Ford Foundation*, accessed March 10, 2013, http://www.fordfoundation.org/regions/andean-region-and-southern-cone.
[247] Hakim, Phone Interview.

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