Introducing executive education in Latin America: Comparing Colombia, Peru and Central America (1960-1980)

Abstract

In the 1960s, executive education became a global phenomenon on how to develop top managers. The first executive education programs defined as short non-degree programs offered by business schools to potential top managers emerged in the US just after the war. During the 1950s and 60s similar programs were offered, often in close cooperation with US business schools, in several countries in Europe, Asia, Africa and Latin America.

Several actors contributed to the globalization of executive education. On the US side of the process, the US government represented by US Agency for International Development (USAID), the Ford Foundation, and business schools such as Harvard Business School and Stanford Graduate School of Business were very active. In other countries, business networks, business associations, and management training centers contributed to the global spread of executive education. Beyond the surface of a process of interaction between US and local actors, we can see that the impact of each actor, and the balance between the actors, varied substantially from country to country.

This paper explores how executive education was introduced in three different Latin American contexts during the 1960s and 1970s. In all three cases the initiative led to successful executive programs and was part of the growth of leading business school that gradually achieved high international reputation.
Introduction

During the 1950s and 1960s, executive education became a global phenomenon that signaled a new standard for how to develop and train top managers. The first executive education programs defined as short non-degree programs offered by business schools to potential top managers emerged in the US just after World War II. The original idea of the first program, Harvard Business School’s Advance Management Program from 1945, was to speed up the creation of a new management profession within the context of managerial capitalism by offering men in or close to top executive positions an intense full-time program over 13 weeks. The idea that business schools should offer management development programs that were liberated from the traditional university standards regarding grades, degrees, and exams, spread all over the world. When the 1960s ended, such programs were offered, often in close cooperation with US business schools, in around 40 countries, including most of the Latin American countries. From the first program in Brazil in 1954, the Executive Development Program offered by Sao Paulo Business School, the number of executive programs in Latin America had increased to more than 26 programs in 11 countries in 1968.

What brought these programs to countries such as France, Bolivia, Pakistan, and Kenya, to what extent were they results of some kind of Americanization process, and to what extent did they resonate with actors and initiatives that expressed different national contexts around the world? These overall questions have been addressed in several studies of management education in general, especially in Europe, but in

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few studies on Latin America, and on executive education as a special field within management education. By studying the emergence of executive education in Latin America, which in the first decades after World War II was characterized by political and economic instability at national level, as well as an increasingly active US policy on Latin America based on modernization theories through institutions such as the Alliance for Progress, we open a new empirical field for studying the US’ global influence on management and organizations.

The structural factors and human actors that contributed to establish executive education in Latin America were many and the relationship between these was complex. First, there were several actors on the US side of the process: the US government primarily represented by US Agency for International Development (USAID) and the Alliance of Progress, the Ford Foundation, and some strong business schools such as Harvard Business School (HBS) and Stanford Graduate School of Business (Stanford). These actors had in some cases different motives for being involved in Latin America, and we cannot threat them as one monolithic entity. Second, there were various kinds of structural conditions, political climate and actors such as business networks, business associations, business families, and management training centers that were strongly involved in the countries where new executive program emerged. They also contributed to the outcome of the process. Third, beyond the surface of a process of interaction between the US and local actors, we can see that the strength and character of the US influence, the impact of the national

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5 For a review on literature on the history of executive education, see Amdam, "Executive Education and the Managerial Revolution: The Birth of Executive Education at Harvard Business School."

different actors, and the balance between all the actors that were involved, varied substantially from one country to country.

To combine the need for depth and overview within the framework of a paper, we have chosen to focus on the processes that led to the establishment of new institutions for executive education, which means that topics such as the development of the content of these programs has been toned down. Further, we have chosen to focus on three different contexts where the impact of the different categories of actors were quite different. In all three cases, the initiatives led to successful executive programs. In Central America, HBS and USAID initiated the foundation of INCAE (1963). In practice, HBS operated the new school for many years by sending faculty members to INCAE. In Peru, Stanford, and USAID supported strongly the development of business school ESAN (1963). Stanford even operated the school for some years. In Colombia, however, local actors played a more active role in institutional formation of executive education.

The paper is based on archival research of several key institutions such as the Ford Foundation, USAID, HBS and Stanford as well as several interviews with people who were active in the process in Colombia. In the next section, we give a brief overview of the birth of executive education in Latin America followed by a section on the US actors involved in this process. Based on this we discuss in the three next sessions the growth of executive education in Central America, Peru and Colombia before we conclude.

The birth of executive education in Latin America

In 1954, the new business school in São Paulo, EAESP, launched the first executive program in Latin America, a thirteen-week program for middle- and upper-level executives. As part of the Getulio Vargas Foundation (FGV), the initiative had strong connection to the local business community. The initiative was also supported by the Brazilian government, and by an agreement between the Brazilian and US
government to send an academic mission for Michigan State University to set up the school and teach the program. The US International Cooperation Agency, financed and coordinated the start-up, which also included visits for potential future Brazilian professors to Harvard for training. In 1961, the Ford Foundation supported the school by a grant. In other words, the birth of executive education in Latin America was not only linked to the local business community, but also to core institutions in the post-war process of Americanization: the US government, the big foundations and the business schools.

The next Latin American countries to introduce executive education was Chile and Mexico in 1956 (see Table 1). Also these cases involved several US institutions. In Chile, the first program was offered by the Chilean Institute of Management, ICARE, in cooperation with the Council for International Progress and Management in New York. They invited professors from several US business schools to teach the program; the Harvard professors Hunt, Tucker, Kennedy and Stuart, as well as the professors William Newman from Columbia University, and Ross Trump, Washington State University. The program was “similar to Harvard’s Advanced Management Program” and lasted for four weeks. Later, the Ford Foundation became strongly involved in developing the universities including developing economics as a disciplines as well as business education as an educational field.

In Mexico, the history of executive education started in 1954 when five Mexican MBA alumni from HBS visited Boston and asked if HBS could help them to set up a training center for top managers in Mexico.

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7 Bill Cooke and Rafael Alcadipani, ”Toward a Global History of Management Education: The Case of the Ford Foundation and the São Paulo School of Business Administration, Brazil,” Academy of Management Learning & Education 14, no. 4 (2015).
8 The Council for International Progress and Management was the American branch of the International Committee of Scientific Management.
9 Boston Herald, Nov. 27, 1957, Box 3, HBS/Hunt.
City, which led to the establishment of IMAN. HBS followed the development of IMAN closely and sent some of their professors to teach. They could, however, notice that IMAN met more and more competition, most of all from AMAC (Association Mexicana de Administracion Cientifica), a training program of three-four-week courses, as well as from regular round-table seminars for groups of top executives on general administrative problems. In addition, Mexico’s productivity center started in the late 1950s to offer a Top Executive Development Program. Harvard’s concern was that the productivity center and AMAC seemed to reach the top manager better than what IMAN did.

This brief introduction to the birth of executive education in Latin America illustrates the need for exploring the role of local actors, as well to go deeper into the different US actors, categorize them, and explore their motives and how they were connected to Latin America.

Americanization

In a global perspective, the growth of executive education after World War II was a part of a broader phenomenon of American influence on organization, management and management education. Research on Latin America characterizes these efforts as an expression of American imperialism, trying to impose models and ideas based on new “modernization theories” and the assumption that the Latin American elite was anti-entrepreneurial. The institutional system for promoting American models and ideas on

12 Minutes of Meeting, June 2, 1959, Hansen 1963, Section I, Box 1, HBS/DIV

13 Donald Clark and Raymond Vernon to Dean Teele, Memorandum April 15, 1960, Hansen 1963, Section IV, Box 1, HBS/DIV. For the history of management education in Mexico, see Bátiz-Lazo, "The Adoption of Us-Style Business Education in Mexico, 1945-2005."

management and management education composed of four main types of actors: US governmental institutions, the big foundations, the business schools, and the multinational enterprises (MNE).  

US business schools played a key role from the US’s side in developing business education in general, and executive education in particular, in Latin America. A survey conducted in 1966 shows that 357 US business school professors had visited a Latin American country to teach (see Table 2). The survey also shows a high degree of specialization, and that some US business schools were strongly represented in some countries: Colombia in Argentina, Michigan State in Brazil, Stanford in Peru, and Harvard in Central America. We will explore these links by focusing on HBS and Stanford.

In a broader context of the development of US business schools from the mid-1950s and in the 1960s, HBS and Stanford represented different models. Stanford was among the role models in making the business school more academic by introducing statistics, mathematics, organizational behavior and economics into management education, while HBS to a higher degree represented a more practical model by defending case based teaching. Regarding executive education in particular, the motive for HBS to launch their Advanced Management Program in 1945 was not to offer top executives advanced disciplines, but to offer...
them an area to discuss, reflect and to be socialized into their new management profession. Fritz Roethlisberger, who was one of the creators of the first executive education program at HBS, expressed this function of executive education in the following way: “At that time I decided that my goal was not to make persons into better executives but to make executives into better persons.” Through the 1950s and 1960s, HBS’s executive education was a big project to socialize men into their new role as professional managers, and thereby to complete the managerial revolution by developing the new professionals who were separated from the owners, and thereby did have the norms and codes that characterized managers before the transformation into managerial capitalism. This managerial motive also put a flavor on their global activities. When HBS’ external magazine in 1968 summarized what was achieved internationally in the field of executive education, the magazine wrote:

> the School has responded actively to global appeals to share some have called the ‘management’ revolution deriving from the steady advances in administrative skills achieved in the United States over the past half century.  

Both Stanford and HBS had a proactive policy to develop internationals network with business schools, management development centers and other actors, including in Latin America. In 1959, HBS established an international committee to plan and coordinate the school’s international activity. The faculty agreed that Latin America and India should be in focus of their international cooperation in the future, and among the countries in Latin America, there were already plans for Mexico due to the cooperation with IMAN. The chairman of the committee, Lincoln Gordon, one of the two first appointed professors of international

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21 Interim report to the Policies and Program Committee, May 1959, from task force committee on International Management Training, Hansen 1963, box 1, HBS/DIA.
business at HBS, argued strongly for Mexico as an important country, and the other international business professor, Raymond Vernon, was sent to Mexico in 1960 to do research and explore the executive training market.

One way to develop cooperation with Latin America was through the program International Teacher Program (ITP), set up in 1958, to train potential business school professors to teach in their home country after having attended a one-year program at HBS. In 1965, more than 200 had participated, among whom 15 were from Sao Paolo School of Business in Brazil, 9 from INCAE in Central-America, and five from the Catholic University of Valparaiso, Chile. The background of the participants varied. Few had a PhD, not all had even an MBA.

Stanford’s parallel to HBS’s ITP was the International Center for the Advancement of Management Education (ICAME) program, a one-year program set up in 1962 to train professors from developing countries to teach business administration. While HBS’s ITP focused on general management and case teaching, the ICAME program was more structured and focused on specific disciplines. The first class (1963) gathered 38 professors in finance from 30 countries, among which Brazil and Colombia sent three, Mexico and Chile two, and Argentina, Costa Rica, Nicaragua, Peru, and Venezuela one professor each to the program. The 1963-64 class invited marketing professors, and then professors in human relations

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22 Ibid.

23 Donald Clark and Raymond Vernon to Dean Teele, Memorandum April 15, 1960, Hansen 1963, Section IV, box 1, HBS/DIA.

24 ITP Faculty Group minutes, April, 25, 1966, Faculty Group minutes 1965-71, Case 1, HBS/ITP

25 Stanford University News Service, June 18, 1962, Graduate School of Business, Int. Center for the Advancement of Management Education 1972-60, Box 70, SC112
and production management the following two years.\textsuperscript{26} From 1962 to 1967, 157 professors participated, among whom 68 were from Latin America.\textsuperscript{27}

The development of closer relations between US business schools and Latin America took place in a context of increased focus on Latin America from the US government. In the post-war global landscape, having influence in Latin American countries, of which several were characterized by political and economic instability, became a major issue. The government strengthened the diplomatic relations with several countries in the late 1950s under President Dwight D. Eisenhower, and in 1961, President John F. Kennedy launched a ten-year plan – the Alliance for Progress - to strengthen democracy and economic and social development Latin America. The Alliance for Progress was propelled by the Cuban Revolution of 1959 and the concern for the spread of communism along Central and South Latin America.\textsuperscript{28} In 1961, President Kennedy also reorganized the US foreign political institutions, and established the US Agency for International Development (USAID), which also had a strong focus on Latin America.\textsuperscript{29} Educational project had a strong position among the USAID’s projects in Latin America, e.g. in 1965 21 % of the 79 mill USD budget for Latin America went to educational projects.\textsuperscript{30} However, the focus of the USIAD projects varied from one country to another and reflected to some extent how USAID’s missions in each country defined the main challenges in the country they were located. The educational projects covered all fields, from

\textsuperscript{26} Stanford University News Service, May 28, 1963, Graduate School of Business, Int. Center for the Advancement of Management Education 1972-60, Box 70, SC112
\textsuperscript{27} Brazil: 14, Colombia: 13, Mexico 13, Chile: 10, Argentina: 8, Nicaragua 4, Peru: 4, Costa Rica: 1, Venezuela: 1, see ICAME Alumni Directory, SGSB Bulletin, 1967 Spring, pp. 78-79, Box 24, SC1226.
\textsuperscript{30} Education: 21,1 %, agriculture and natural resources: 17,5, public administration and safety: 14,9%, technical support: 12%, health: 8,1 %, general: 7,8 % and industry and mining: 6,3%. See USAID Program and project data related to proposed programs FY 1965, Latin-America, table 2; https://pdf.usaid.gov/pdf_docs/PDACE255.pdf
primary education to the general development of universities. Just as small minority mentioned business education in particular. Regarding executive education in particular, support to a small number of such projects was primarily hidden among a large number of industry and mining projects.

The third key actor that formed the institutional complex that pushed US business education including executive education to Latin America was the Ford Foundation. In addition to supporting the scientification of US business schools in the 1950s and 60s, the foundation contributed with several grants to develop management education outside the US.\textsuperscript{31} For example, the programs for training foreign professors at HBS and Stanford as well as the mentioned survey of professors who had taught business administration in Latin America, were all financed by the Ford Foundation.\textsuperscript{32} At an overall level, the foundation gave from the mid-1950s high priority to projects that supported Latin American countries, which coincided with the US government increasing concern with the development of Central and South America as a region.\textsuperscript{33}

Finally, the US had for a long period been strongly represented in Latin America with MNEs, which represented the forth category of actors in this institutional complex.\textsuperscript{34} The role of these four types of actors in establishing executive education in Latin America as well as the role of local actors will be examined more in detail in the following three cases: Central America, Peru, and Colombia.


\textsuperscript{32} Andrew Renwick Towl and Ruth C. Hetherston, \textit{Bibliography, Cases and Other Materials for the Teaching of Business Administration in Developing Countries: Latin America} (Boston: Harvard University Graduate School of Business Administration, 1966).


\textsuperscript{34} Rory Miller, "Foreign Firms and Business History in Latin America," (Bogota: Universidad de los Andes, Facultad de Administración, Cátedra Corona No. 18, 2010).
Central America

On July 1, 1964, 44 men and one woman met in Antigua, Guatemala, for a six-week Advanced Management Program offered by Instituto Centroamericano de Administracion de Empresas (INCAE). The foundation of INCAE was a unique event in the way that the new business should covered six Central American countries. Among the first class from 1964, there were ten participants from Guatemala, ten from Nicaragua, eight from El Salvador, eight from Panama, five from Honduras and four from Costa Rica. The program was replicated in Panama and El Salvador in 1965, and in Costa Rica in 1966. In October 1966, INCAE established an official office in Managua, Nicaragua and stared to build a campus.35

INCAE was established with the help of HBS both regarding operating the school and teaching. The first programs were taught by professors from HBS, and the HBS professor Clark L. Wilson was appointed the first president. Supported by a board of businessmen from the region, headed by Francisco de Sola from El Salvador, the administration in cooperation with HBS and USAID began to train local professors and a local administration. Already in 1963, five persons from Central America, two from Nicaragua, two from El Salvador and one from Panama had been selected to participate in the one-year ITP at HBS in order to develop local faculty, and more were to come.36 In 1968, Ernesto Crus from Nicaragua, and with a PhD in Political Economy from Harvard University took over as the president, and managed the school to 1980. Several local cases were written by or guided by HBS professors, and in 1972, the advisor board of HBS professors had its last meeting.

Like other international HBS projects at that time the school started with a short program for executives. The focus on executive education was clear from the very beginning. David Cabot Lodge, a lecturer who just had been recruited to HBS, said at a planning conference with local businessmen and academics in Guatamala City, in May 1963, that the short programs “might” lead to a graduate school of business for Central America “some day”.37 One reason for this focus on executive education was an urgent need for training top executives according to modern business administration principle. This view was based on a pre-project during summer 1963, when Lodge organized a visit for him and nine HBS doctoral students and MBA graduates to all six countries in order to write cases and have interviews with more than 400 managers in each country.38 Another reason was that local businessmen rejected the idea of starting with an MBA because it took too long time to be attractive for business managers. Therefore, HBS thought that a short program would please local managers, and show them what modern management really was.39 Finally, launching a series of executive programs in these six countries would contribute to prefabricate a group of alumni that would be useful for the further development of INCAE into a graduate school, which came in 1968 with the first MBA program.40

HBS was not alone among the US actors. The establishment of INCAE was also an event of great importance in a geo-political cold war perspective. In the initial years, HBS provided the human resources and USAID the financial resources through a grant. In many ways, the story about how INCAE was founded is a story about how HBS’s vision of training professional executives went hand in hand with the UD government’s

37 Conference notes, Temporary Planning Committee of the Management development Program for Central America and Panama Sponsored by the Harvard Graduate School of Business and ROCAP, May 9-10,1963, Guatemala City, Guatemala, Central America, reports, 1963, f.13, Box 2, HBS/Arthur.


40 Lodge, "The Birth of Incae: The View from Harvard."
geo-political ambitions. Ford Foundation’s role was is this case more marginal as it first came in with a grant to INCAE in 1972 to do research on family control management.\textsuperscript{41}

There were, indeed, close cooperation between HBS and USAID, but by consulting different sources, we see that there were also conflicts as well as different interpretations of the role of the various actors. The dominating narrative about the birth of INCAE emphasizes the geopolitical motive and link the foundation to President John F. Kennedy’s visit to San José, Nicaragua in March 1963 for a conference with the presidents of Central America. Here he signaled a more active policy on Central America and the need for active support to the idea of a common market for the region. The narrative, as it is told by INCAE itself and in different publications, tells that Kennedy’s mission to San José “launched INCAE.” Further, the narrative tells that the declaration from the meeting pointed toward the establishment of INCAE, even though INCAE was not mentioned by name. According to the declaration, the US and the six Central American countries should

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  strengthen as greatly as possible the regional Central American institutions so that they can play a fundamental role in the training of necessary personnel to bring to fruition the plans for integrating the Isthmus.\textsuperscript{42}
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Finally, the narrative says that when returning to Washington, Kennedy “drew on his Harvard ties to initiate the project.” In April 1963, he contacted Dean Baker at HBS and asked him to establish a management program in Central America based on the Harvard model. At HBS, George Cabot Lodge was asked to explore the feasibility of a Central American management school.\textsuperscript{43} This narrative is supported by a letter to Dean Baker at HBS from the Teodoro Moscoso, a Puerto Rican who President Kennedy in 1961 named coordinator of the Alliance of Progress, and who had joined the president to the conference. The

\textsuperscript{41} R.K. Ready, Report on family planning management improvement in Central America and Mexico, Oct 2, 1975, 009850, box 404, FA739.

\textsuperscript{42} Quote from the document in Colburn and Montiel, "The History of Incae." p. 12.

\textsuperscript{43} ibid.[p. 12]. See also Wickham Skinner, "Inca the Early Years: A View from the Ground - Executing the Vision," (http://conocimiento.incae.edu/EN/biblioteca/recursos-servicios/historia-incae/) (downloaded Oct 19 2017)2008.)
letter was written five days after the president’s speech and Moscoso urged HBS to take an initiative to establish management education in Central America. He also referred to the fact that HBS in cooperation with USAID already had sent two professors to the region to “discuss a proposal for a Center for International Management Studies.”44 One of the professors was Harry Hansen, the director of HBS’s Division for International Activities. The other was the assistant director, George Cabot Lodge.

However, George Cabot Lodge tells another story, which does not reduce the importance of the cold war perspective, but which illustrates the tensions that might occur between different actors, and the complexity of the process.45 Lodge had joined HBS in February 1963, one months before Kennedy’s mission to San José, after an unsuccessfull run for the US Senate. He was hired for only one year by the Dean, and was set as assistant director to Professor Hansen in the Division for International Activities. Dean Baker asked Lodge to explore what could be done in Latin America. Having worked for Kennedy’s administration as assistant secretary for Labor for International Affairs, he had many friends in Washington. Among his friends were the economist Walt Rostow, and one of the main advocates of the new modernization theories, who at that time was the head of the State Department’s policy planning staff.

Three weeks after Kennedy’s speech, Lodge went to Washington to talk to Rostow. At that time Lodge did not seem to be aware of Moscoso’s letter to Dean Baker. In Washington, Rostow told Lodge that Kennedy’s speech in San José had shown that the need for management knowledge was great in the region. Further, Rostow mentioned that HBS should be involved, and that funding for HBS could be arranged through USAID. Lodge found this very interesting, but, as he later wrote, “I knew that Dean Baker and our faculty would be concerned about government funding. The School’s other international ventures had been underwritten by foundations.” It was likely to believe that HBS would say no if Lodge proposed this when

45 Lodge, "The Birth of Incae: The View from Harvard."
he came back to Cambridge. Therefore, Lodge thought: “So I asked Walt whether the invitation to undertake the project could come from the President”. What a bright idea, and Lodge continued: “Walt allowed as to how his secretary was sick that day so I could use her typewriter to type whatever letter I would like President Kennedy to send, and he would see to it that it was signed. This I did. It said, in part:

My recent talks with the Presidents of the Central American nations reemphasized our mutual concern for the rapid development of human resources in this critical area. The participation of the Business School in a program to strengthen management would constitute a vital step toward sound regional integration, a major objective of the Alliance for Progress.46

The US government wanted an American business school to be involved in Central America. It is also likely to believe that they wanted HBS. But it also likely to believe that HBS would have said no if Lodge has proposed this. One reason for that was that HBS at that time was overloaded with other international activities in countries such as the Philippines, Japan, Turkey and Switzerland.47 Then Lodge avoided this concern by writing a letter and let Kennedy sign it, and none at HBS would know that it was Lodge who had written it!

As Lodge wrote later, this was a success: “My bosses at the school – Dean Baker, Senior Associate Dean George Lombard, and Harry Hansen – were excited by the letter.”48 Immediately, HBS appointed two senior professors, Henry Arthur and Thomas C. Raymond in addition to Lodge to meet with business leaders in Central America and begin the process.

Lodge and Rostow’s secret type-writer coup made the way for the idea to the Dean’s office, but did not convince all faculty members. As one of Lodge colleague, Wickham Skinner, who also worked on the INCAE project said later:

The effect on a few but strongly outspoken members of the committee was that no government official, the president included, was going to tell this faculty what to do!49

46 Ibid. P. 6
47 Skinner, "Incae the Early Years: A View from the Ground - Executing the Vision."
49 Skinner, "Incae the Early Years: A View from the Ground - Executing the Vision."
It took several months with “heated discussions” before a majority of the faculty voted yes to support the INCAE initiative. On location in Central America, the relationship between the delegations from HBS and USAID was filled with tension and conflicts. There was “a mess of misunderstanding and accusations from both sides”, and USAID threatened to cancel the project. The conflicts were not solved before HBS appointed Jack Moscatelli, a young outsider to take charge of the contracts, in 1965.50

There were tensions, and there were different narratives, but the foundation of INCAE was most of all a result of close cooperation between HNS and the US government represented by USAID. The stories also tells us that we need to analyze the business schools and the US government as different institutions in this process. HBS’s main vision was to train top executives to become professional managers, also internationally. HBS was part of a prestigious university with high academic reputations, which may explain why many faculty members were reluctant to cooperate with the government. HBS was also aware of its position as a global leader, which may explains why HBS wanted to be involved in the region alone and not in cooperation with local universities with no global reputation. Among others, Moscoso advised HBS to cooperate with local universities in his letter after Kennedy’s speech. Dean Baker may have found Moscoso’s suggestion improper. This may explain why Lodge was not aware of the letter and went to Washington.

For USAID, the cooperation with HBS on Central America was only one of many project. For example, from 1955 to 1961 the US sponsored 661 persons only from Guatemala to go to for education of training, among whom a minority were trained in management.51 Some of these were selected by the Productivity Center in Guatemala, established in 1954, supported by US grants to offer some courses that addressed

50 Ibid.
management development. In 1962, USAID planned to set up their own short executive programs in Puerto Rico, Mexico, Guatemala, and Costa Rica, combining a local session with visits to the US. That year, USAID also recruited participants from Guatemala, Nicaragua, Colombia and Ecuador to participate in an executive program at Monterey Productivity Center in Mexico, taught by Professor William Caldwell from Penn State University.

When the initiative that led to INCAE materialized, USAID began to focus on the cooperation with HBS. Even if cooperation went well there were also tensions that revealed differences in strategy. From 1966, the Regional Organization for Central America and Panama (ROCAP), the relevant USAID unit for the project, argued that there was too much focus on executive education, and there was no real progress toward the formation of a permanent graduate business school. Therefore, in 1967 the emphasis shifted from executive education to the preparation of a permanent institute, which would provide a two-year MBA course for classes of approximately 50. The executive education business model was under pressure. ROCAP made it clear that a successful transformation to a graduate business school was a precondition for funding for USAID. If no transformation, “the US should seriously reconsider the utility of proceeding with this project.” The argument for this change was of geopolitical character: There was a gap in trained business management personnel in Central America beyond managers with short courses. This was a serious problem for the development of a Central America as a common market. Further, ROCAP highlighted the importance for a graduate school “as even greater opportunities for participation in a broader Latin American integration movement materialize.” Only INCAE could do this job.

52 Memo Central American Host Country Productivity Center Directors’ Meeting, Sept 23, 1960, Centro de Formento & Productividad Industrial 1961, Cont. 1, USAID/286/Guatemala 416
53 AID/W, Memo, Proposed Management Studies, Type 1, Jan 17, 1962, box 18, USAID/286/367.
54 ICA/Mexico, Memo on Executive Management Development Program, April 30, 1962, box 18, USAID/286/367.
ESAN - Peru

Parallel in time to the establishment of INCAE, Escuela de Administracion de Negocios Para Graduados (ESAN) was founded in Lima, Peru. Seven weeks after INCAE launched its first executive program, 27 executives met on 15 August 1964 for the first four-week program at ESAN. As INCAE was a HBS project, ESAN was a Stanford project. As HBS operated and did most of the teaching at INCAE the first year, Stanford had the same function at ESAN. While there are different narratives about who was the most active actor in the INCAE case, there are no doubts that USAID was the most active part in Peru. Therefore, ESAN became a flagship in USAID’s narrative about USAID’s work in Latin America. It was repeatedly highlighted as a major success, and it was named the first business school in Latin America that solely offered graduate programs. As we will see, this perception has to be nuanced since it took eight months after the first executive program in 1964 before the first class of the graduate program met. ESAN continued to offer executive education parallel to the master program.

In 1961, Robert Culbertson was appointed a new director for USAID for Peru under the Alliance for Progress program. Before the appointment, he had been attached to the Ford Foundation where he met the dean for Stanford Graduate School of Business, Ernest Arbuckle, and he learned about Stanford’s activities in Latin America and the foundation’s grants to pursue international programs at Stanford University. After arriving in Lima, he met several businessmen, including Norman King, director of the US-owned mining company Cerro de Pasco Corporation, who argued for a business school in Peru. These ideas made Culbertson contact Arbuckle to hear if the Stanford would be interested in cooperating in developing

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59 ESAN five years after the fact, SGSB Bulletin, 1968 Spring, pp. 18-24, box 24, SC1224.
business education in Peru. Like in many other Latin-American countries in the 1950s, the US government had supported different projects in Peru. Some of these were projects from ICA (International Cooperation Agency) to offer technical assistance including vocational education and management training. Now, the Alliance for Progress program wanted with the help of USAID to upscale these activities. One result of the first contact with Stanford was that USAID in 1962 sent four faculty members from Stanford to Peru to make a report. This was the beginning of a process that led to the creation of ESAN, a private business school created in cooperation between Stanford, USAID, and the government of Peru.

The process toward the creation of ESAN also illustrates how the growth of US MNEs in Latin America formed a part of the institutional setting for the internationalization of executive education. The director of the Stanford committee that made the first visit to Peru was Professor Gail M. Oxley. He was the school’s director for overseas development from 1961 to 1965 and Stanford’s first professor in International Business. Most of all he knew Peru very well, since he had been vice president of W.R. Grace & Company’s South American operations. W.R. Grace & Company, an American industrial conglomerate, was founded in Peru 1854. In 1865, the headquarters moved to New York City but with a strong focus on activities in Latin America. Oxley, who entered Grace after graduation from Colombia Law School in 1940, played a leading role in organizing and managing the company’s activities in Bolivia and Peru. Before he moved to Stanford in 1961, he was responsible for twelve businesses with 12,000 employees including sugar

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60 Benjamin L. Sowell, Memo to USOM Culbertson, Jan. 3, 1962, Indusytr, box 4, USAID/286/Peru 889; Coleman, The Academic Adventure: The Founding of Esan, p. 12
62 Coleman, The Academic Adventure: The Founding of Esan, p. 11
production, textile manufacturing, mining, transportation and shipping. He was also corporate secretary of Pan American Grace Airways.\textsuperscript{64}

The result of the evaluation of the report from the study group to Peru that Oxley managed and USAID financed was a strong recommendation that Stanford should participate in the creation of a new business school in cooperation with USAID and the government in Peru. USAID first considered several alternatives to Stanford, including Oklahoma State University to operate the new business school.\textsuperscript{65} After having made the decision to go for Stanford, USAID pushed Stanford hard to accept the invitation. Like at HBS in the INCAE case there were some resistance among faculty primarily because the fear of security for those who should travel and the consequences for the activities at the Stanford campus in Palo Aalto since the five-year contract would require 20 man-years at ESAN. Some also argued that the university in Peru would not make it possible to create an excellent business school in the country. After five years, Stanford could summarize that $\frac{1}{4}$ of the faculty had travelled to Peru and taught at ESAN.\textsuperscript{66}

Compared to the INCAE case, there were two striking differences. The first difference was in relations to business and government. Both INCAE and ESAN had an ambition to build strong networks with the local business community. At ESAN, this aim was balanced with the need for developing close relations with the university system, which was neglected in the INCAE case. According to George R. Lindahl, Jr., who had worked for ROCAP in Peru, it was a question of two different philosophies. In Peru, USAID/ROACAP decided to invite the business community for cooperation “after we had something more than a pig in the poke to sell”, as opposed to at INCAE where the initiative “was not to proceed until private sector underwriting

\textsuperscript{64} Stanford News, April 12, 1992, Press release; Memorial resolution, April 21, 1992 Copy from unknown newspaper, Oxley, Gail M., box 24, SC1136.
\textsuperscript{65} Coleman, \textit{The Academic Adventure: The Founding of Esan}. p. 17
\textsuperscript{66} E.W. Lofthouse, USAID, Peru to R. Culbertson, USAID, Peru, Sept. 28, 1962, FY63, box 3, USAID/286/Per 890; SGSB Bulletin, 1968, Spring, p. 23, Box 12, SC1224; Coleman p. 19.
was first assured.” However, the ESAN initiative made some initiatives to develop the relations to businesses. The Oxley committee made several interviews with local businessmen, who strongly recommended that the business school schools should be independent from the public universities. The main difference between the two initiatives was not that ESAN did not feel the need for business support, but INCAE did. ESAN argued in fact that developing close relations to business was important, but it was subordinate to the development of good relationship with the government and the university system. At INCAE, the development of business relations was an overall aim. The result of these discussions was that ESAN formally stayed outside the university, but representatives from universities and the government joined the advisory board in addition to representatives from business associations. At INCAE, all board member were businessmen.68

The other difference was ESAN’s profile as a graduate school as opposed to the focus on executive education at INCAE. ESAN was planned as a graduate school already when USAID approached Stanford, while HBS focused on executive in the planning and operation from the very beginning before USAID convinced them to include a MBA program. Still, ESAN made an important contribution to the introduction of executive education in Peru. As mentioned, the first short management development program for middle managers were offered together with Instituto Peruano de Administracion de Negocios (IPAE) eight months before the first MBA class met. In addition to participating in the planning of a new master degree and making sure that it would fit to the government’s requirement for the universities, the Peruvian government accepted that Stanford and USAID added some activities that could attract local business at an early stage.69 Together with the Peruvian Management Association (IPAE), Professor Aland Coleman, Stanford and Richard Keynor, USAID planned in March 1963 a four-week middle management training

69 USAID/Peru, AID Program in Peru (presentation) March 26, 1963, Program development, box 3, USAID/Peru890.
program “as the first concrete activity of the new Graduate School of Business”. Further, all actors accepted that the new school could add a top management program later based on the experiences from the middle management.

After five years, ESAN had graduated 335 Peruvian with an one-year MBA degree. Some part of the business had begun to accept the new school while others were skeptical and did not see any need for management education or development. Companies with international activities seem to have been most positive. Among all graduates from the first five years, 16 had been employed by W.R. Grace & Company, the company professor Oxley came from before coming to Stanford. In addition, the school had trained more than one thousand top and middle executives in short programs from three weeks to three month. Some of these executive courses had been offered outside the capital of Peru, in Paracas, Arequipa and Chiclayo. These results made ESAN to a success. When USAID summarized these achievements and evaluated them based on the importance of strong relations between USA and Latin America in the global order, the conclusion was that ESAN was “[o]ne of the most successful AID sponsored projects [in Latin America].”

At this time, the Peruvianization of ESAN was one its way. After five years, the number of Stanford faculty teaching at ESAN was reduced from nine to five. There were six faculty members from Peru, and three of them had been trained at Stanford. The financial support from USAID was to be reduced. It still covered 37 %, while the Peruvian government covered 25 % and tuition fees 38%. The new dean, Gerald O. Wentworth, from Stanford like his predecessors, Aland Coleman and Sterling Session, had announced that

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70 USAID/Lima, Bi-Weekly Progress Report #17, April 19, 1963, Reports management, box 1, USAID/Peru890.
71 Minutes, Meeting between USAID/Peru and Stanford Grad School of Business, Stanford Feb 25-26. 1963, box 2, USAID/Peru890.
72 ESAN five years after the fact, SGSB Bulletin, 1968 Spring, pp. 18-24, box 24, SC1224.
he would be the last dean from Stanford. To replace him, the board had appointed the Peruvian professor, Orlando Olcese, the former rector of the State Agricultural University, and a respected businessman, as ESAN dean-elect. However, the take-over had to be postponed since he was appointed Minister of Agriculture, and he did never enter the dean position. In 1970, Tulio de Andrea, the former Minister of Treasury (1967-68) and the President of the Industrial Bank of Peru, was appointed the first Peruvian dean of ESAN. He was also a successful businessman and Peru’s representative in the World Bank. Two years later, all US full-professors had left ESAN.

The Ford Foundation played a minor role in the founding process of ESAN. As mentioned, in the initial phase the foundation played an important role in connecting people, as it often did due to close relations between the foundation and representatives from the most prestigious universities as well as governmental organizations. After the founding, the Ford Foundation followed closely the development of the new graduate school. As a part of the Peruvianization process at ESAN, the foundation awarded in 1973 a grant to the school to study how Peruvian firms could increase workers’ participation in management and ownership. In this way, it could be possible to offer alternatives to the models for workers’ participation that the regime in the Soviet Union offered. Ford Foundation also appreciated that USAIDd through its grant to the Stanford-ESAN project had contributed to diversity among the US business schools. When the foundation in 1980 summarized what ESAN had achieved, the report argued that ESAN had been established by “a group of Stanford professors, many of whom were being eased out

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75 ESAN five years after the fact, SGSB Bulletin, 1968 Spring, pp. 18-24, box 24, SC1224.  
76 Peruvian Named to Head ESAN, SGSB, 1970 Summer, box24, SC1224. See also. History of International and Internationally Focused Programs, https://www.gsb.stanford.edu/experience/news-history/history/history-international-internationally-focused-programs  
78 Recommendation for grant action, Aug 30, 1973, Reel 3617, project 07300763, FA732C,
of the university as Stanford Business School began its (successful) challenge to Harvard’s pre-eminence of the field.”

**Colombia**

Both in Central America and Peru, there were local actors who supported the development of the new business schools and the growth of executive education. It was, however, the two US business schools, Stanford and HBS, in alliance with USAID and to some extend supported by the Ford Foundation that designed and pushed the idea forward. In Colombia, the balance between foreign and domestic actors was different. There were, indeed, important links to the US, but the first executive programs were initiated by local actors. The US context primarily served as a resource from which the educational entrepreneurs could draw upon. Unlike in Peru and Central American where US business school professors primarily came to develop one specific business school, the American professors came to Colombia primarily to teach, and they visited all the three cities where there were initiatives to establish business and executive education, Cali, Medellín and Bogotá. According to an overview from 1966, 46 professors from 21 US universities had taught business and management in Colombia. Among these, seven came from each of the following universities Syracuse, Harvard and Stanford.

Large as this number of American visiting faculty may seem, in the Colombian case the channel for transferring knowledge from the US that had strongest impact, were a pair of prominent members of the Colombia elite, Hernán Echavarria and Manuel Carvajal, head of two entrepreneurial families, together with a handful young Colombian who went to the US for graduate studies. They all came back to Colombia

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79 Final evaluation, Inter-Office Memorandum Nov 22, 1983, Martin J. Scurrah to William S. Saint, Reel 3617, project 07300763, FA732C.

80 Based on Towl and Hetherston, *Bibliography, Cases and Other Materials for the Teaching of Business Administration in Developing Countries: Latin America.*
in the 1960s with new ideas about the need for modern management education broadly considered, and specifically regarding executive education. We call them “educational entrepreneurs”. Important to mention, as different from the United States experience, in emerging markets like Latin American, entrepreneurial families and business groups since the late 19th century have been key actors along globalization phases.81 During the period we are focusing on (1960-1980) the separation of kinship, ownership and control and the emergence of managerial hierarchies were unprecedented. Owners were also managers with experience, and in-company training as the traditional way to get into managing business. The broader context was industrialization through substitution of imports within a model of protectionist development with the state playing a leading role.

Educational entrepreneurs were not circumscribed to the capital city (Bogotá) but their influx was to be seen in the second and third largest Colombian cities (Medellín and Cali) of this “country of cities”. Having in their origins the same channel, the history varied from one institution to another. As it has been chronicled in the case of American business schools, in the adaptation to changes in management education, “History and institutional inertia make a difference”.82 In Bogotá it was located in a private, elite, non-denominational university (Universidad de los Andes) (Uniandes) whereas it came about in public/state universities both in Medellín (Universidad Nacional –Medellín campus) (UnalMedellín), the pioneering center of industrialization in the early 20th century, and Cali (Universidad del Valle) (Univalle), the center of the sugar industry since 1900 and seat of North American multinational manufacturing companies that arrived in the late 1950s. Interestingly, at the time all of them offered 5-6 year professional degrees (in Engineering, Law, Medicine, Economics) but did not have graduate schools offering master or doctoral degrees. Courses in business and management were offered mostly by engineering and economics schools (e.g., in Uniandes). Management departments and schools proper came to existence

until the sixties in Univalle and Medellín (Eafit, a business school was created in 1959); Uniandes’s School of Management branched out as a different school from Economics in 1972 and based upon faculty from the Industrial Engineering department. For reasons of space only two of the three experiences, those in Bogotá and Cali are dealt with in this section.

The first case of executive education to be analyzed is the Top Management (Alta Gerencia) (AG hereafter) program at Uniandes that in 2018 completed 50 years and is currently underway. Its first director, Arturo Infante, headed it until 1973 when AG moved from the School of Engineering to the School of Management. Infante has a B.S. (1961) in Industrial Engineering from a Colombian public regional university (UIS) and a MSc. (1964) from Penn State. Having completed his Ph. D. at Stanford in Operations Research in 1967 a year later he joined Uniandes’ Industrial Engineering Department and promptly became department’s head. This was the first position in his distinguished career as university’s Director of Financial Development (1968-1970), Dean of the School of Management (1981-1983) and later on Uniandes’ Vicepresident and its President for a decade (1985-1995).83 Infante, as the other educational entrepreneurs, were well connected to the local business elite.

The need for introducing management ideas, techniques and professionals was gaining acceptance into a business elite with a definite role in the modernization process. Contrary to the idea of Latin American elite’s embodying “anti-entrepreneurial values” trumpeted in some American academic quarters, (e.g., Seymour Lipset’s idea of the entrepreneur as a “deviant” amidst traditional values84), entrepreneurial leaders like Echavarría and Carvajal were sort of role models strongly committed to promoting educational initiatives aimed to strengthen modern business management. These were not isolated projects but should be understood in the broader context of the quest for modernizing the Latin American university

83 Arturo Infante, interview Feb. 9, 2018; Gustavo Bell et al, Historia de la Universidad de los Andes. Bogotá, Universidad de los Andes, Ediciones Unidades, 2008, Volume II, p. 150, chapters XII and XIII.
84 Seymour Martin Lipset, “Values, education, and entrepreneurship”. In Lipset and Solari, Elites in Latin America.
system. This was one of the programs of the Alliance for Progress, following in this case the recommendations of the Atcon report commissioned by the Department of State in 1963.  

AG was based in a university aimed at educating the country’s leadership. It enjoyed support from the President’s office in which Infante was a staff member during the formative years of the program (1968-1970). Moreover, Echavarría was one of the founders of UnianDES in 1948, former Dean of the School of Economics and an influential member of its Board of Trustees. Typical, for the executive education at Universidad de los Andes in Bogota was that the initiative came from the Department of Industrial Engineering. The School of Management was established as late as in 1972, four years after the AG program was organized. However, when it came to the content quantitative disciplines such as operational research had almost no impact. Infante himself said that he worked for including psychology, organizational behavior and organizational development in the program. AG was cross-disciplinarian in its character and targeted at top executive audience as well and reflected the enduring interest in the Industrial Engineering Department since its inception in the human and social side of business. Among those who lectured in the first year were industrial engineers with a MBA from IESE in Barcelona like Enrique Ogliastri and Manuel Rojo from Spain, the lawyer and political scientist Fernando Cepeda, the psychiatrist Jaime Villareal, the philosopher and literary writer Gretel Wernher, the economists Jurgen Hass and Augusto Cano, and the lawyers Enrique Low Murtra and Andrés Holguín. From its beginning,


86 Echavarría had pioneered other executive education, and more broadly, business education initiatives. The first of them, with a national coverage, was an administration non-degree institute –INCOLDA-- with regional offices in a handful of cities– created in 1959 as well as a private business school (EAFIT) in Medellín also established in 1959; and another in Bogotá (CESA) in 1975.


88 The business school IESE in Barcelona, Spain, enjoying a HBS’s supporting role similar to that played at INCAE.

89 Revista de Ingeniería, No 33, Jan-Jun, 2011.
particular care was put into the selection of AG’s faculty. Doctoral degree was less important than seniority and teaching skills. Based on a cross-disciplinarian approach the entrepreneurs aimed at forming an innovative program in leadership, a program that more than reflecting the educational background of the participants, expressed how the educational entrepreneurs as individuals and the Department of industrial engineering interpreted the need for management training among the business elite. Therefore, the program also emphasized that progressive business leaders had to meet to create and maintain network as well as to discuss challenges that Colombia faced economically and politically.

Being a non-degree program, a distinctive feature of the program was its length -12 months - which became an imprint of AG along its half century of existence. The methodology of the sessions rested upon participants learning combining discussions, work in groups, case studies and group dynamics that differed from conventional passive, teacher-centered methodology. Participants were carefully selected representing not only entrepreneurs and top business executives but also a sample of top public officials (including army and navy leaders), university officials, senior Unianes faculty and one or two politicians. Interestingly, there were cases of entrepreneurs on-the-rise for whom AG served as a social mobility channel to integrate into the close Bogotá’s elite. A symbol of the importance given to AG was the remodelation into (at the time) state-of-the-art classroom atop of the engineering building for the exclusive use of the new program. In this and other logistic aspects, AG spared no expense.

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90 Initially, Infante was the only Ph.D. holder. Ogliastri, a junior faculty in 1968, further went to Northwestern wherein he got a Ph.D. in Organization Theory. In his return to Unianes in 1973, he became a noted figure in AG as well as in the Management School as a whole. In fact, he designed and was the first director of the MBA. Carlos Dávila also a Ph.D. in O.T. from Northwestern who returned in to industrial engineering 1976 joined the AG faculty in 1980.

91 Interviews with Marta Cecilia Bernal, Nov 2, 2017; Henry Gomez, Nov 2, 2017; Arturo Infante, Feb 9, 2018; Revista de Ingeniería, No 33, Jan-Jun, 2011

92 A group dynamics methodology in vogue at the turn of the sixties called T-Groups had AG as well as the ME at Univalle as ephicenter for its diffusion in Colombia; it was part of the O.D. (Organization Development) approach to change in organizations. See Ogliastri chapter on T-Groups and Infante on OD in Arturo Infante, Carlos Dávila, John Sudarsky and Carlos Dávila, Desarrollo Organizacional, op. cit.
The need for short-term executive programs was on the rise since the inception of AG and some incursions were made both in the School of Economics and thereafter in the newly created School of Management that in 1973 organized a one-year, custom-tailored program in Management for executives of a local bank. The demand for this type of executive education was on the rise at the time also signaling its potential as a source for funding the new school operations. As the experience of the Management School for the next three decades would evidence, revenues coming from executive education became a pillar for its expansion and consolidation. In the words of one of its former Deans, executive education became “the milk cow” for the school funding.

In 1975, a unit called Desarrollo Gerencial Avanzado (DGA) (Advanced Management Development), different from AG as well as from the MBA was established. Its first Director, Héctor Prada, had been the founder and Head of the Industrial Engineering Department (1965-1968), Finance and Administrative Director of Uniandes (1968-1971) and taught at AG. From its beginnings DGA’s portfolio included short-open, specialized courses in the several fields of management as well as custom tailored, in-company courses for incumbents of middle management positions at large companies. They generally took place well away from Bogotá as in a sugar mill in the west of the country near Cali or in the plant of the country largest, state owned steel company. One of the tough functions of DGA’s director was (and it continued to be nowadays) to get faculty interested in participating in these programs, especially those outside

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93 Starting in 1971 short executive courses in finance were offered by faculty members in the Industrial Economics unit of the School of Economics. One of them, Alfonso Mejía, a MBA from the University of Michigan would be appointed Dean of the School of Management in 1975.
95 Manuel Rodríguez, interview Dec.12, 2018.
96 At UIS where Infante obtained a B.S. in Industrial Engineering in 1961, he had Prada as one of his teachers. He further attended the ITP at HBS in 1964 and in his returning to Colombia went to Uniandes. See “Perfil Héctor Prada Salas” in Mariana Serrano y Julio Paredes, eds., Quienes también han dejado huella: 29 perfiles. Bogotá, Universidad de los Andes, Ediciones Uniandes, Tomo 1, pp. 206-217.
Bogotá. Faculty members never had to teach in them as part of their regular duties; those who participated did it on a voluntary basis with the incentive of getting additional remuneration.

The **second case** on the origins of executive education took place at Univalle in Cali, established in 1945. One of the founders was Manuel Carvajal, a prominent business and civic leader who had been Minister of Mines and Oil, later on Minister of Communications as well as the first CEO of the state-owned oil company, and whom Infante knew well. As head of a wealthy entrepreneurial family, Carvajal was concerned about the lack of managerial training among the sons of his elite peers. Generally, they have been educated in the United States in engineering and technical fields and did not seem to have the knowledge and skills required to manage their business. They looked less prepared to undertake leadership in local and regional matters in a decade wherein social conflict and development challenges were mounting in Cali and the Valley of Cauca region. Carvajal had strongly supported the foundation of the business association INCOLDA (Instituto Colombiano de Administracion in 1959, which aimed at providing practical management training in the modality of executive education. INCOLDA was also supported by the US government with the aim to develop “an ambitious program for broad management training in the major cities of Colombia.” However, university programs in business including executive education did not attract substantial financial support from USAID.

The local business elite supported several new initiatives in management education and training from the early 1960s. Between 1961 and 1963, Incolda in association with Univalle’s School of Electromechanical Engineering, offered a non-degree program in Industrial Administration. In 1964, an evening undergraduate program in Administration was, initially located at the Electromechanical Engineering

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98 Country report – Colombia, February 1960, Reel 0118, Grant 05600087, FA732B,
School before it became part of the School of Economic Sciences in 1965. Another initiative was the Tuesday Group “Grupo de los Martes”, a group of nearly twenty members from the elite, established with strong support from Carvajal, to diagnosing the situation of the region and the challenges it posed. One of the members Reinaldo Scarpetta, an executive at a leading private company at the time that Incolda Director in Cali, joined Univalle’s in 1964 as Dean of the School of Economic Sciences. Dean Scarpetta got in contact with a professor at Universidad Católica de Chile, Hans Picker, as well as with officials at his alma mater, Georgia Institute of Technology. Roderick O’Connor, “a Renaissance man”, a full professor of Management at Georgia Tech, was commissioned to go to Univalle as Visiting Professor. O’Connor envisioned the potential the Tuesday group embodied and got approved a Master in Industrial Administration. It lasted for 18 months and whose distinctive feature was its 36-member, inaugurating class of 1965’s: all of them were CEOs. Later they were known for leading the “milagro del Valle” (the Cauca Valley miracle) during the second half of the 1960s. After this one-of-a-kind inaugurating class the program evolved into the “Magister Regular” (Regular Master), more in tune with the rest of the university academic standards yet still looking for attracting top level participants.

Those were years in which the Master program enjoyed having foreign (mostly American) visiting faculty since the domestic faculty was scarce and started going abroad for graduate education. Together with


100 Three departments made up the new school: Economics, Social Sciences and Management. Scarpetta was given a license by the company he led to work at Univalle (“dado en préstamo”), illustrating the interest in strengthening ties between the Cali elite and local university, Ibid.

101 Picker, holder of an undergraduate degree in Commercial Engineering from Universidad Católica de Chile (a well-known engineering specialty at Chilean universities, similar to Uniandes’ Industrial Engineering) who went to Northwestern for graduate study was a faculty member at the School of Economics, Universidad Católica de Chile since 1962; see Juan Gabriel Valdés, *Pinochet’s Economists*. *The Chicago School in Chile*. Cambridge, UK, Cambridge University Press, 1995, p. 165.


103 The program was called “Magister Especial” (ME). ME was not exactly a MBA but more in tune with Georgia Tech and MIT Master in Industrial Management

O’Connor who forged a close friendship with Carvajal (“Don Manuel” as respectfully people referred to him) a most noted lecturer was prominent management guru Peter Drucker who ran a three-day seminar for the Special Master in 1964.105 The ME program kept operating and targeted to that specific market niche until the early 1970s when, now within the Engineering School -a new academic space for the Department of Administration-, Univalle as a whole went through violent students riots as was the case across public and private universities across Colombia where the Students Movement was an key political force. Noticeably, the Alliance for Progress programs in Colombia were a target of the protest that contested the ongoing university reform in Latin America along the lines of the already mentioned Atcon report.106 The milestone in Univalle were the riots of February 1971 where a student died and the Army burst into Univalle’s campus which had been taken over by the students. As a result, Univalle’s President, Alfonso Ocampo, resigned.107 Ocampo, another educational entrepreneur, a M.D. member of Cali’s elite, got graduate education at Harvard, Cornell and Columbia, and was very successful in establishing links with American foundations, especially the Rockefeller Foundation. 108 A consequence of the conflict was a definite split that lasted almost half a century between the Cali’s business elite and Univalle.109 As a


106 Rudolph Atcon, La universidad latinoamericana…, op. cit.


The Rockefeller Foundation (RF) carried out the RF’s University Development program at Univalle’s School of Medicine (1963-1978). The Univalle became one of the best medical schools in Latin America, combining the practice of public health the teaching and practice of medicine. Rockefeller Foundation records, field offices, Cali, Colombia, RG 6, SG 9 (FA397), Rockefeller Archives Center, The Online Collections and Catalog of Rockefeller Archive Center. dimes.rockarch.org. Accessed January 24 2019.

109 The launching of a biography on Carvajal (Julio César Londoño, Manuel Carvajal …………..) in February 2016 sponsored by ICESI was followed a few month later by a panel at Univalle’s School of Administrative Sciences, attended by members of the Carvajal Family. Clearly, the event symbolized the reconciliation of the heirs of Don Manuel with Univalle after 45 years.
matter of fact, ICESI, a private university sponsored to a great extent by same elite who instrumentalized the EM program was founded in 1973. Ocampo was a champion of the initiative; later one became its President for over ten years (1984-1995).\textsuperscript{110}

**Conclusion**

In the first decades after World War II, the idea of training executives through executive education programs spread to Latin America with a peak in the 1960s. This process was a part of a general process of Americanization that included the reform of the university system; and as a part of it, management education. Its geopolitical overtones, amidst the cold war and the 1959 Cuban revolution, are to be taken into account. For this reason, a common reference for the different actors involved was the US-government sponsored Alliance for Progress. This paper has opened a new empirical field for studying this phenomenon. Our findings may inspire to more research not only on executive education in Latin America, but also on the US influence on management education in general, and executive education particularly, in other continents. More generally, such studies have the potential to become part of the agenda of the growing “alternative” business history.\textsuperscript{111} The latter is aimed at understanding that the history of business in emerging markets is not a ribbon-copy of the business history of the developed countries. In this context, the cases studied in the three countries considered (Central America, Perú and Colombia) at the time that illustrates common patterns as well as inter and intra country nuances, are to be noted for its endurance and impact in the dissemination and singularities of the managerial revolution in Latin America. Needless to say, within a scale and scope substantially different from those of the American experience.

Firstly, the case studies of Central America, Peru and Colombia show variations in efforts and achievements among the US actors in this process, and illustrate the need for decomposing the different actors in the

\begin{center}
\textsuperscript{110} “Las huellas”, Ibid.
\textsuperscript{111} Austin et al., “The alternative business history”.
\end{center}
institutional complex of Americanization. In all three cases, American business schools played an important role. However, while HBS and Stanford where actively imposing their models in the Central American and Peruvian context, US business schools served more as a resource that local initiatives drew upon in the Colombian case. USAID plaid a very active role also here, especially in the first two cases. Regarding INCAE, the efforts to establish this new school was undoubtedly linked to the closeness to the Cuban revolution in time and space. The Ford Foundation was present in several countries in this process. The Peruvian case illustrates that the Ford Foundation had a function beyond funding by acting as a networking unit to connect the USAID’s political initiative to Stanford. This case also shows that American MNEs played a key role in establishing and forming the new business school, ESAN. The role of the MNEs is one of those topics that needs further research.

Secondly, the role of the local actors in relation to the US also varied among the three cases. While representatives from the business elites in Colombia were active in connecting to American experiences in management education, the process was the opposite in Central America. Here it was representatives from HBS and USAID who went to the region and searched for businessmen who were positive to the idea. They managed to establish a local board for the new school. Their resistance to the idea of long education had an impact on INCAS’s strong focus on executive education and late introduction of graduate degree programs. Interestingly, in the case of Uniandes in Colombia the leading role of the local actors was decisive in the emphasis put from the beginning on developing a local research capability on the country’s business and management reality. This would lead, among other things, to develop teaching materials for executive education and other programs grounded on the domestic reality.

Finally, the relationship between local actors also varied. One dimension that needs further research is the relationship between the government and the business community regarding the perception of relevant
education in management in general and for top executives particularly. In Central America the US’ need for establishing an institution closely linked to the US based on the Pan-American idea in the context of the cold war was so strong that the governments in the six countries where held at arm’s length distance, which fit HBS due to the university’s scientism toward cooperating with state university with low academic reputation. In Peru, however, the government was an active partner in the formation of ESAN and saw the new school as an integrated part of the state’s university policy. Also in Colombia, the executive programs supported the development of the universities, but primarily the private universities such as Uniandes, a university established and supported by progressive and entrepreneurial ideas within the business elite.

Archival sources

FFA = Ford Foundation Archive, The Rockefeller Archive Center, Sleepy Hollow, New York

HBS = Harvard Business School Archive, The Baker Library, Harvard University, Cambridge, MA

Abbreviations: HBS/Arthur = Henry B. Arthur Papers, HBS/DIV = Division of International Activities paper, HBS/Hunt = Pearson Hunt paper, HBS/ITP = International Teachers’ Program

SC = Stanford University, Special Collection & University Archive, Paolo Alto, CA

USAID = US Agency for International Development archive, National Archives, College Park, MD
Table 1. Executive education programs in Latin America – 1968

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<thead>
<tr>
<th>Country</th>
<th>First program</th>
<th>Number of programs in 1968</th>
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<tr>
<td>Brazil</td>
<td>1954</td>
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<tr>
<td>Chile</td>
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<td>1</td>
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<tr>
<td>Mexico</td>
<td>1956</td>
<td>7</td>
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<tr>
<td>Argentina</td>
<td>1957</td>
<td>5</td>
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<td>Venezuela</td>
<td>1959</td>
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<td>Peru</td>
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<td>Ecuador</td>
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</tr>
<tr>
<td>Bolivia</td>
<td>1968</td>
<td>1</td>
</tr>
</tbody>
</table>

Comments: Executive education consists of programs in general management for people in or close to executive positions, lasting for at least three weeks, full-time (or equivalent).

### Table 2. Professors from US business schools who taught in Latin American countries: 1945-1966.

<table>
<thead>
<tr>
<th>Country</th>
<th>No. of professors</th>
<th>The university which sent most professors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>38</td>
<td>11 from Columbia University</td>
</tr>
<tr>
<td>Brazil</td>
<td>87</td>
<td>27 from Michigan State University</td>
</tr>
<tr>
<td>Chile</td>
<td>51</td>
<td>8 from Stanford University/Stanford Research Inst</td>
</tr>
<tr>
<td>Colombia</td>
<td>46</td>
<td>7 from Syracuse University, 7 from HBS, 7 Stanford</td>
</tr>
<tr>
<td>Mexico</td>
<td>53</td>
<td>9 from Harvard University</td>
</tr>
<tr>
<td>Peru</td>
<td>67</td>
<td>25 from Stanford University/Stanford Research Institute</td>
</tr>
<tr>
<td>Venezuela</td>
<td>24</td>
<td>8 from Northwestern</td>
</tr>
<tr>
<td>Central America</td>
<td>33</td>
<td>22 from Harvard University</td>
</tr>
</tbody>
</table>

Comment: The total number professors and other academic experts in business administration from 88 US universities/business schools visiting Latin America in this period was 357. Some visited more than one country. Less than 20 US professors visited the other Latin American countries for teaching in business administration purposes.

Source: Towl, Andrew Renwick, and Ruth C. Hetherston. *Bibliography, Cases and Other Materials for the Teaching of Business Administration in Developing Countries: Latin America.* Boston: Harvard University Graduate School of Business Administration, 1966